



EG INDUSTRIES BERHAD  
199101012585 (222897-W)

# ENGINEERING TOMORROW, ILLUMINATING TODAY

ANNUAL REPORT 2025





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WE ARE PROUDLY NAMED **EG INDUSTRIES BERHAD** AS

**毅 靖**

● **毅** 果决，志向坚定持久而不动摇  
Decisive, firm and unwavering in ambition

● **靖** 忠肝义胆，立容安静，谦卑恭敬的样子，安定，和平  
Loyal heart and courageous spirit, stoic and tranquil,  
with an attitude of humility and respect, stability and peace

# OUR MILESTONES

## TRANSFORMATION INTO AN EMS AND UPSTREAM COMPONENTS TOTAL SOLUTIONS PROVIDER

In financial year 2025 ("FY2025"), EG Industries Berhad ("EG" or "the Company") and its subsidiaries ("EG Group" or "the Group") reached a key strategic milestone, completing its transition into an Electronics Manufacturing Services ("EMS") and Upstream Components Total Solutions Provider. Building on our established EMS and Vertical Integration ("VI+") foundation, we sharpened our product portfolio toward 5G high-speed optical transceiver modules, advanced communications, network switches, and AI-related products, while intensifying programmes to improve yield, raise efficiency, and optimise the product mix.

A defining achievement was the full commissioning of the Smart Factory 4.0 in Batu Kawan ("PG2"), a state-of-the-art facility equipped with high-precision Surface Mount Technology ("SMT") lines, expanded cleanrooms, and cutting-edge chip-on-board capabilities. This plant enables scaled production of next-generation solutions, including 5G optical modules, EV chargers, power storage systems, and AI-related devices. With Batu Kawan online, EG has advanced further upstream in the electronics value chain, evolving from a conventional EMS player into an integrated solutions partner with end-to-end capabilities.

This transformation is already unlocking new opportunities with global technology leaders, deepening our role in co-developing and manufacturing leading-edge products. By expanding upstream component capabilities while strengthening our EMS core, EG is positioned to capture greater value, sustain long-term growth, and set higher benchmarks of quality and reliability in the global electronics industry.





# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Ong Lye Soon Independent Non-Executive Director and Chairman

Dato' Alex Kang Pang Kiang Group Chief Executive Officer/Executive Director

Lim Sze Yan Non-Independent Non-Executive Director

Lee Kean Teong Independent Non-Executive Director

Tan Jie En Independent Non-Executive Director

### AUDIT AND RISK MANAGEMENT COMMITTEE

**Chairman**

Lee Kean Teong

**Members**

Lim Sze Yan  
Tan Jie En

### NOMINATION COMMITTEE

**Chairman**

Tan Jie En

**Members**

Lim Sze Yan  
Lee Kean Teong

### REMUNERATION COMMITTEE

**Chairman**

Lee Kean Teong

**Members**

Lim Sze Yan  
Tan Jie En

### COMPANY SECRETARIES

Ong Tze-En [MAICSA 7026537]  
SSM PC NO.: 202008003397

Lau Yoke Leng [MAICSA 7034778]  
SSM PC NO.: 202008003368

### REGISTERED OFFICE

170-09-01 Livingston Tower  
Jalan Argyll, 10050  
George Town, Penang, Malaysia  
Tel : 04-229 4390  
Fax : 04-226 5860  
Email : boardroom-kl@boardroomlimited.com

### SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd (197701005827 (36869T))  
Suite 18.05, MWE Plaza  
No. 8 Lebuh Farquhar  
10200 Penang, Malaysia  
Tel : 04-263 1966  
Fax : 04-262 8544  
Email : info@sshsb.com.my

### AUDITORS

UHY Malaysia PLT (LLP0041391-LCA & AF 1411)  
Chartered Accountants

### PRINCIPAL BANKERS

Al Rajhi Banking and Investment Corporation (Malaysia) Berhad  
AmBank Islamic Berhad  
CIMB Islamic Bank Berhad  
Citibank Berhad  
Hong Leong Islamic Bank Berhad  
HSBC Bank Malaysia Berhad  
Kasikornbank Public Company Limited (Thailand)  
OCBC Bank (Malaysia) Berhad  
TMBThanachart Bank Public Company Limited (Thailand)  
United Overseas Bank (Malaysia) Berhad

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name : EG  
Stock Code : 8907

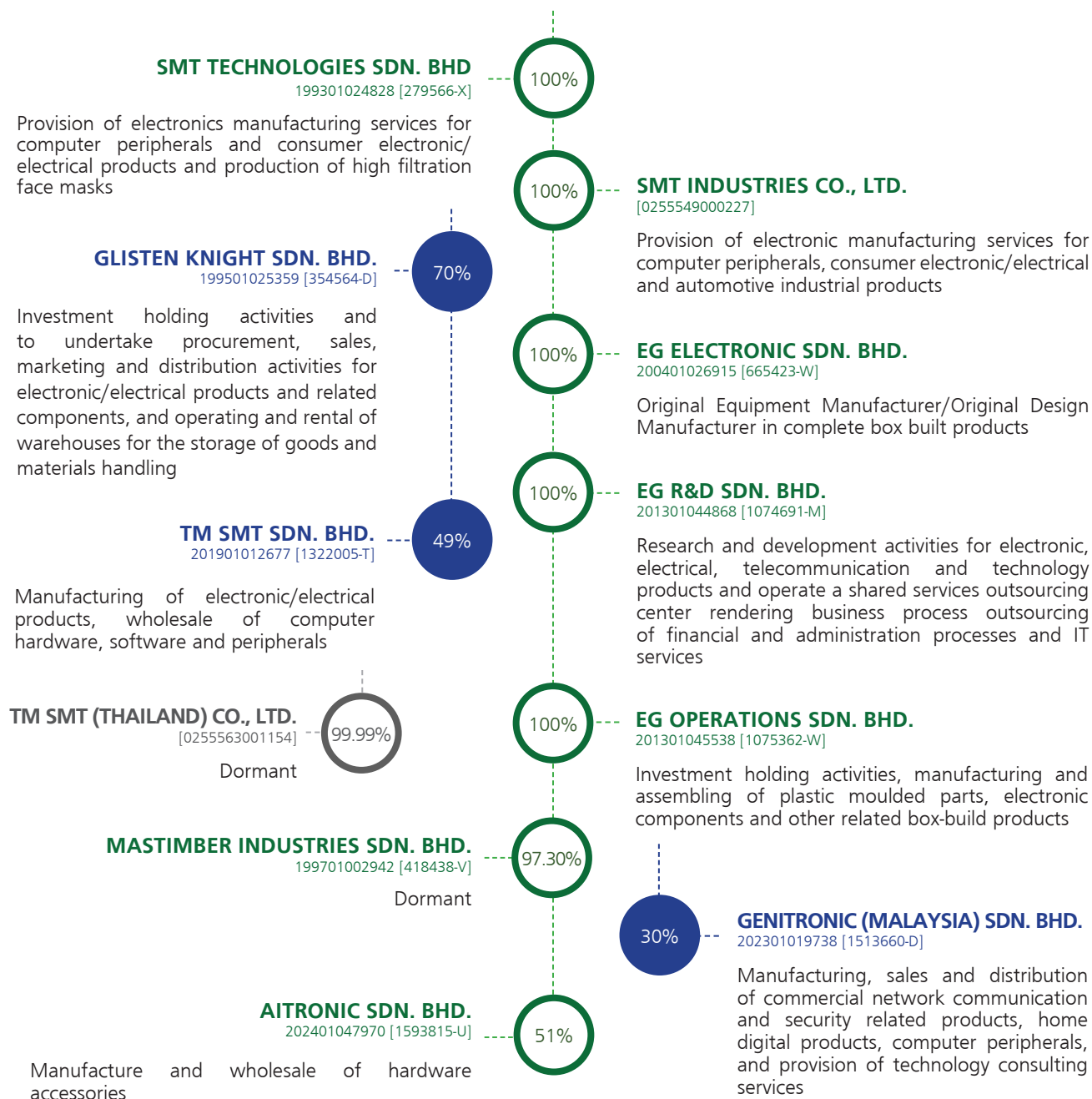
# GROUP STRUCTURE



**EG INDUSTRIES BERHAD**

199101012585 [222897-W]

Investment holding company listed on Main Market of Bursa Malaysia Securities Berhad



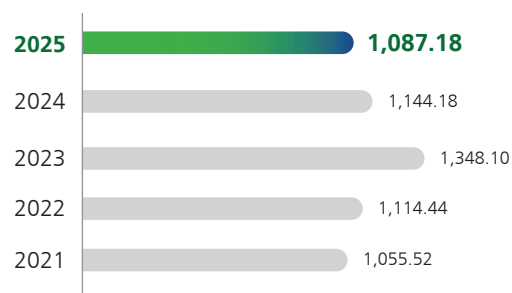
# GROUP FINANCIAL HIGHLIGHTS

| Year ended 30 June                                                      | 2025            | 2024     | 2023     | 2022     | 2021     |
|-------------------------------------------------------------------------|-----------------|----------|----------|----------|----------|
| <b>Amount in RM'million</b>                                             |                 |          |          |          |          |
| Revenue                                                                 | <b>1,087.18</b> | 1,144.18 | 1,348.10 | 1,114.44 | 1,055.52 |
| Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") | <b>170.10</b>   | 121.45   | 102.78   | 57.57    | 61.66    |
| Profit Before Tax                                                       | <b>80.40</b>    | 49.73    | 41.39    | 10.76    | 14.20    |
| Profit Attributable to the Owners of the Company                        | <b>84.06</b>    | 49.74    | 38.96    | 10.82    | 13.97    |
| Shareholders' Funds                                                     | <b>601.48</b>   | 520.00   | 438.98   | 385.46   | 364.85   |
| Basic earnings per ordinary share (sen)^                                | <b>8.98</b>     | 5.33     | 4.58     | 1.38     | 2.06     |
| Net assets per ordinary share (RM)^                                     | <b>0.66</b>     | 0.58     | 0.54     | 0.51     | 0.57     |

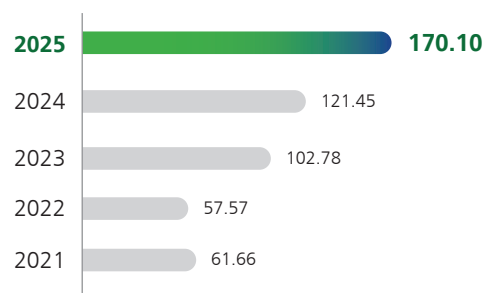
Note:

^ For comparative purposes, basic earnings per ordinary share (sen) and net assets per ordinary share (sen) for the previous years are calculated based on the weighted average number of ordinary shares which has been adjusted to reflect the 1-for-1 Bonus Issue quoted on 28 April 2025.

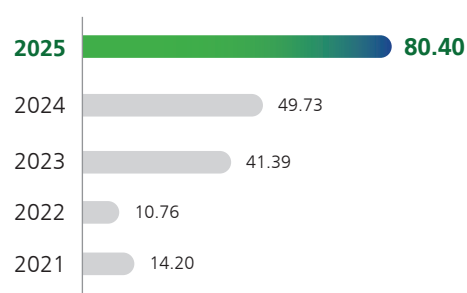
**Revenue** (RM'million)



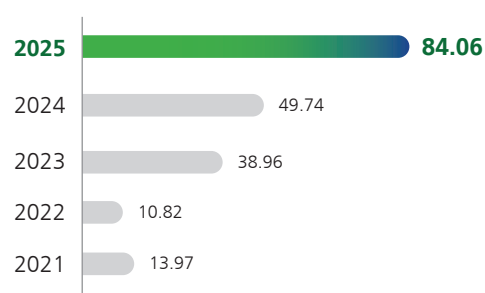
**EBITDA** (RM'million)



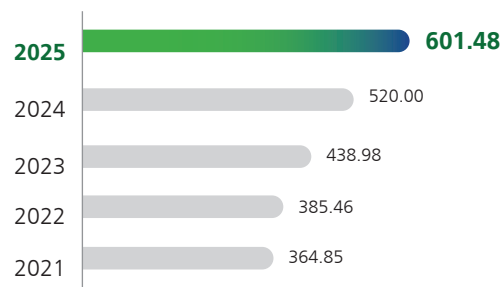
**Profit Before Tax** (RM'million)



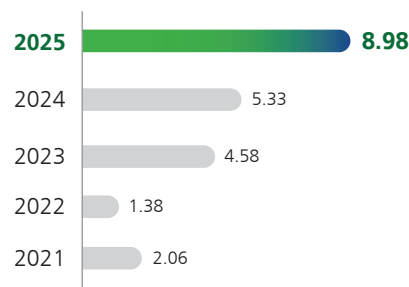
**Profit Attributable to the Owners of the Company** (RM'million)



**Shareholders' Funds** (RM'million)



**Basic earnings per ordinary share** (sen)



# MANAGEMENT DISCUSSION AND ANALYSIS



On behalf of the Board of Directors of EG, it is my privilege to present you a report of our performance in the financial year ended 30 June 2025 ("FY2025").

## BUSINESS AND OPERATIONS

EG is a leading EMS provider that has consistently ranked among the world's Top 50 EMS companies. We have established a solid reputation as a trusted manufacturing and technology partner for key industries including consumer electronics, data storage, automotive, information and communications technology ("ICT"), and telecommunications. Our strong portfolio of globally renowned clients reflects the high standards we uphold and deliver.

Evolving beyond our EMS and VI+ capabilities, we are now advancing towards becoming a comprehensive EMS and Upstream Components Total Solutions Provider, broadening our role across the value chain to deliver greater innovation, reliability, and end-to-end support for our customers.

EG, the investment holding company, has six (6) subsidiaries (excluding dormant companies) and one (1) associate company namely:

| Subsidiary                          | Principal Activities                                                                                                                                                                                 |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) SMT Technologies Sdn. Bhd.      | Provision of EMS for computer peripherals and consumer electronics/electrical products in its manufacturing facilities in both Sungai Petani and Batu Kawan, Malaysia                                |
| (2) SMT Industries Co., Ltd.        | Provision of EMS for computer peripherals, consumer electronic/electrical and automotive industrial products in Prachinburi, Thailand                                                                |
| (3) EG R&D Sdn. Bhd.                | Research and development activities for electronic, electrical, telecommunication and other technological products                                                                                   |
| (4) EG Operations Sdn. Bhd.         | Investment holding activities, manufacturing and assembling of plastic moulded parts, electronic components and other related box-build products                                                     |
| (5) Glisten Knight Sdn. Bhd.        | Investment holding activities, operating and rental of warehouses for the storage of goods and materials handling                                                                                    |
| (6) Genitronic (Malaysia) Sdn. Bhd. | Manufacturing, sales and distribution of commercial network communication and security related products, home digital products, computer peripherals and provision of technology consulting services |

| Associate Company    | Principal Activities                                                                                      |
|----------------------|-----------------------------------------------------------------------------------------------------------|
| (1) TM SMT Sdn. Bhd. | Manufacturing of electronic/electrical products, wholesale of computer hardware, software and peripherals |

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## SECTOR REVIEW

The global EMS industry continued its growth momentum in 2025, underpinned by accelerating demand for next-generation communication technologies and data-driven applications. The transition to 5G networks has significantly increased the need for high-performance processors and telecommunications equipment, while the adoption of new wireless standards such as Wi-Fi 6 and Wi-Fi 7 is further driving demand for advanced electronic components that enable faster and more reliable connectivity.

Concurrently, the rapid build-out of data centres, fuelled by artificial intelligence ("AI"), cloud computing, and big data analytics, has emerged as a key growth catalyst for the industry. These facilities require cutting-edge technology, high-speed network switches, and extensive server capacity, creating significant opportunities for EMS providers. The trend extends to the automotive sector as well, where the rising prevalence of electric vehicles ("EVs") is creating demand for embedded communication technologies to support electrification and enhanced connectivity.

In addition, next-generation connectivity is expected to drive a new cycle of upgrades. The 5G-Advanced (Release 18) standard reached an important milestone in June 2024, with deployments projected to scale over the coming years. At the same time, the launch of Wi-Fi CERTIFIED 7™ signals the enterprise-level adoption of Wi-Fi 7 as device ecosystems broaden. These developments are set to sustain demand for high-performance networking hardware and modules across consumer, enterprise, and industrial markets.

At the same time, AI-driven build-outs are lifting data-centre investment and optical content. Market researchers highlight 800G optical transceivers as the current growth engine, with 1.6T shipments expected to contribute in the near term—supporting multi-year upgrades in cloud and telecommunications networks.

Against this backdrop, EG collaborates with a number of world-renowned technology leaders at the forefront of optical, wireless, broadband and AI-driven networking. These strategic partnerships, including ongoing programmes with our existing and new U.S. based customers, are expanding EG's participation in next-generation optical modules and network related products. As global upgrade cycles in 5G/5G-Advanced, Wi-Fi 6 and Wi-Fi 7 and hyperscale data centres continue to gather pace, EG is well placed to play its part and benefit over the long term, strengthening its role as a trusted manufacturing partner to leading global brands.

### Share Performance (1 July 2024 to 30 June 2025):



Note: To ensure comparability, share prices have been adjusted for the effects of the 1-for-1 bonus issue (completed on 28 April 2025) where applicable.

## OPERATIONAL HIGHLIGHTS

### • Investment in N.D. Rubber Public Co., Ltd. ("NDR")

On 9 September and 4 October 2024, EG subscribed to a total of 110,000,000 NDR shares (55,000,000 each tranche) at THB1.80 per share, bringing its stake to 24.08%. The THB198.0 million (equivalent to RM26.0 million) investment was funded via internally generated funds.

NDR, listed on the Stock Exchange of Thailand, manufactures rubber components for automotive and electronic equipment, motorcycle tyres, inner tubes and Air Locks for both original equipment manufacturers ("OEM") and replacement equipment manufacturers ("REM") markets. The investment supports EG's expansion into 5G photonics and 5G photonic-embedded EV applications in Thailand, including the planned EV 5G Photonics Module Testing Centre under NDR's subsidiary, Xtronic Co., Ltd., which will work with EG's subsidiary, SMT Industries Co., Ltd.. Leveraging NDR's experience and Approved Vendor Lists ("AVL") status with major automotive and EV brands, this strategic move opens a pathway into the global EV supply chain, enables a 5G test service centre in Thailand, and strengthens the Group's technological capabilities.



# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## OPERATIONAL HIGHLIGHTS (CONT'D)

- **Master Purchase Agreement with U.S. based Customer**

In May 2025, EG entered into a Master Purchase Agreement with a new U.S. based customer for the direct supply of consumable network and AI-related products to the global market. Due to strong demand, production for this programme will be allocated to the third floor of the Batu Kawan Smart Factory 4.0 ("PG2"), with implementation expected to kick start by end of 2025 and mass production slated for 2026.

- **Smart Factory 4.0 in Batu Kawan, Penang ("PG2")**

In June 2025, EG's PG2, spanning 22,500 square metres, commenced operations and is slated to begin mass production in 2H 2025 for a key U.S. based customer. Dedicated to higher-value programmes, PG2 will produce 5G optical modules, 5G Wi-Fi routers, next-generation consumable network and AI-related products, as well as EV chargers and power storage solutions for global markets. With cleanroom facilities and high-speed SMT capacity, PG2 enables EG to manufacture sophisticated components more efficiently and at scale, fully aligned with the Group's move up the value chain.

- **Letter of Intent ("LOI") with Cambridge Industries Group ("CIG") for Capacity Expansion at PG2**

In July 2025, EG and CIG signed a further LOI to expand its manufacturing operations at PG2, complementing EG's existing facilities in Sungai Petani. This milestone marks a significant step in strengthening the partnership to scale up the production capabilities, including the addition of high-speed SMT lines, expanded Class 1K and 10K cleanrooms for optical modules, and enhanced automation in testing and packaging processes, to meet growing demand in optical, wireless and broadband connectivity.

This latest step builds on the prior phase of collaboration, where in April 2024 CIG signed a LOI with EG to produce 800G and 1.6T Advanced High-Speed Optical Signal Transmitters and Receivers for 5G networks. The programme significantly enhanced EG's capabilities in next-generation optical modules—critical to supporting the accelerating requirements of data centres and global telecommunications infrastructure—and laid the groundwork for the 2025 capacity expansion in Batu Kawan.

EG's collaboration with CIG began in 2018 with box-build services for high-speed routers and gateways, and has steadily expanded on the strength of consistent execution and quality. A key milestone came in October 2022, when CIG selected EG for Southeast Asia's first photonics technology transfer to produce advanced 5G optical transmitters and receivers—an endorsement of EG's manufacturing depth and reliability.

Through these successive milestones, EG has progressed from a trusted EMS and VI+ partner to a preferred upstream component manufacturer. The Group is now strategically positioned to participate in larger, higher-value programmes as global demand for advanced connectivity technologies continues to accelerate.

- **C-TPAT Compliant and Supply Chain Security**

EG is Customs-Trade Partnership Against Terrorism ("C-TPAT") Compliant, certified by U.S. Customs and Border Protection. This accreditation reaffirms the Group's steadfast commitment to maintaining the highest standards of supply chain security and integrity, ensuring safe, efficient, and reliable deliveries across international borders. It also further strengthens EG's position as a trusted and preferred global trade partner, offering strong operational and reputational advantages.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## FINANCIAL REVIEW

In FY2025, the Group achieved a revenue of RM1.09 billion and delivered a record-high Profit after Tax and Minority Interests ("PATAMI") of RM84.1 million, representing a 69.0% increase from RM49.7 million in prior year. This strong performance was driven by a more favourable product mix and improved yields, with solid contributions from 5G wireless access and photonics-related products and network switches, along with favourable foreign exchange gains.

The Group's balance sheet remains robust. Cash and cash equivalents and fixed deposits increased to RM97.3 million as at 30 June 2025, up from approximately RM89.2 million a year earlier. This supported a current ratio of approximately 1.15x, based on current assets of RM911.5 million and current liabilities of RM794.3 million.

Net gearing improved to approximately 0.83x as at 30 June 2025, from about 0.96x in FY2024. Total borrowings stood at RM609.4 million as at 30 June 2025, compared to RM598.1 million a year earlier, while total liabilities were RM943.6 million, compared to RM1,008.7 million at end of FY2024.

Shareholders' equity increased to RM601.5 million as at 30 June 2025, from RM520.0 million previously. Net assets per share were RM0.66, reflecting the enlarged share base following the FY2025 bonus issue, compared to RM1.15 in FY2024.

## CAPITAL EXPENDITURE

In FY2025, the Group invested approximately RM122.7 million in capital expenditure, primarily for the purchase and upgrading of equipment and machinery across new and existing production lines, with a portion directed to general office and facility upgrades, as well as construction of clean rooms and the related ancillary facilities for the new plant at PG2.

Looking ahead to FY2026, the Group has earmarked a total capital expenditure of approximately RM150.0 million to support anticipated demand from key customers and ongoing growth. Funds will be directed toward enhancements at existing facilities in Sungai Petani and Batu Kawan, with a particular focus on strategic upgrades and line enhancements to improve speed, yield, and operational efficiency. Collectively, these investments will enable EG to serve customers more effectively and position the Group for future growth.

## DIVIDEND

EG declared an interim single-tier dividend of 0.5 sen per ordinary share for FY2025, payable on 21 November 2025 to shareholders on the entitlement date of 3 November 2025. Adjusted for the 1-for-1 bonus issue during the year, this is equivalent to 1.0 sen per share on a pre-bonus basis, in line with the maiden dividend paid in FY2024.

The Board remains committed to a prudent approach to dividend distribution. In balancing shareholder returns with the capital requirements of ongoing expansion, particularly at Batu Kawan and Sungai Petani, and continued investments in new equipment and line enhancements, the Board will reinvest for growth while considering future distributions in line with performance and funding needs.

## ANTICIPATED OR KNOWN RISKS

### Competitive Environment

EG operates in a highly competitive environment, facing stiff competition from other EMS manufacturers both in Malaysia and abroad. The Group is addressing this risk by increasing its involvement in upstream activities, upgrading technological capabilities, and working closely with clients to understand their needs.

### Foreign Currency Fluctuations

As an export-oriented manufacturer, EG engages in transactions across multiple currencies, including the U.S. Dollar, Thai Baht, Singapore Dollar and Euro. A portion of the Group's borrowings is denominated in U.S. Dollar, which means that any unfavourable fluctuations in these currencies may adversely impact its financial performance. However, this risk is mitigated through a natural hedge, as majority of the Group's export transactions are denominated in U.S. Dollar.

### Supply Chain Disruptions

The EMS sector remains exposed to global supply chain disruptions arising from various factors. Shortages and delays in the delivery of critical electronic components, chips or raw materials, logistical bottlenecks, and the ongoing geopolitical tensions, such as the US-China Trade Dispute, Middle East and Russia-Ukraine Conflicts, continue to add uncertainties in the global supply chain, affecting the availability, delivery timeline and cost of essential components.

To address these issues, EG plans to leverage real-time monitoring capabilities within its Warehouse Management System to mitigate potential disruptions from shortages. The Group will also maintain close communication with suppliers to ensure consistent supply of raw materials. Additionally, by collaborating closely with its customers, EG aims to anticipate changes in demand dynamics, ensuring that adequate stock levels are maintained to effectively meet customer needs.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## ANTICIPATED OR KNOWN RISKS (CONT'D)

### Labour Cost and Availability

EG takes pride in being a leading employer in Sungai Petani, with a workforce of around 3,000 staff members. With 70% - 80% employees being Malaysian, the impact of the foreign labour shortage affecting the Malaysian industrial sector has been minimised. However, there have been multiple minimum wage hikes, the latest occurring in February 2025, which resulted in approximately 20% increase in labour costs. Future increases are anticipated as the government continues to review and adjust wage policies to reflect economic conditions.

In response to these changes, the Group proactively runs programs designed to train and upskill employees to enhance efficiency and invests more heavily in automation to reduce reliance on labour. This strategic approach aims to optimise the Group's cost structure while maintaining a skilled and motivated workforce.

## BUSINESS OUTLOOK AND PROSPECTS

EG is well-positioned to capitalise on rising demand for high-tech products driven by the continued expansion of 5G wireless networks, the adoption of Wi-Fi 6 and Wi-Fi 7, and sustained investments in global data centres. Our capabilities now span next-generation optical modules, including 800G and 1.6T Advanced High-Speed Optical Signal Transmitters and Receivers, placing the Group at the forefront of high-speed communication technology manufacturing and aligning directly with customers' long-term requirements.

The commencement of operations at PG2 in Batu Kawan marks a meaningful step up in scale and sophistication. With cleanroom capacity, high-speed SMT lines and advanced automation, the facility enables EG to move further upstream and manufacture complex components for 5G applications and photonics-related products efficiently and at volume. This complements the established capabilities at our Sungai Petani plants and supports ongoing programmes with key customers.

Alongside capacity growth, raising efficiency will be a key focus in FY2026. We are sharpening day-to-day execution—reducing waste, shortening turnaround times and improving first-time-right output—so that every line runs more smoothly and consistently. Better planning, tighter cost control and closer coordination between production, warehousing and procurement are expected to deliver stronger margins while maintaining delivery reliability.

Looking ahead, the Group remains focused on product-mix optimisation, yield enhancement and operational efficiency to drive sustainable earnings. With Batu Kawan ramping, strengthened customer engagements, including programmes in optical modules and photonics, network switches and AI-related modules, and an end-to-end operating platform across Batu Kawan and Sungai Petani, EG is confident in its ability to serve customers more effectively and to fuel continued growth.

## APPRECIATION

I would like to extend my heartfelt thanks to the Board for your steady counsel and support throughout the year. Your thoughtful guidance has been invaluable in navigating a fast-moving environment and in setting clear priorities for the Group's next phase of growth.

To our employees, thank you. You are the backbone of EG, and your hard work—on the lines, in the labs, in warehouses, and across every support function—made this year's progress possible. I am grateful for your professionalism, teamwork, and pride in doing things right at the first time. Your commitment to quality and continuous improvement is what sets us apart, and I deeply appreciate all that you do.

**Dato' Alex Kang Pang Kiang**

Group Chief Executive Officer/Executive Director

## DIRECTORS' PROFILE



### ONG LYE SOON

*Independent Non-Executive Director and Chairman*

|             |           |
|-------------|-----------|
| Age         | 62        |
| Gender      | Male      |
| Nationality | Malaysian |

#### Qualifications

- Sijil Pelajaran Malaysia ("SPM") Certificate

#### Date Appointed to the Board

31 May 2023

#### Board Committee

Nil

#### Other Directorships in Public Companies/ Listed Issuers

Nil

#### Family Relationships with Other Directors and/or Major Shareholder of the Listed Issuer

Nil

#### Conflict of Interest and/or Potential Conflict of Interest with the Group

Nil

#### Offences Convicted for the Past 5 Years Other than Traffic Offences, if any

Nil

#### No. of Board Meeting Attended during the Financial Year

5

#### Working Experience

Mr. Ong Lye Soon has been involved in the property development industry for more than a decade and is the founder of Savalut Development Sdn. Bhd., a local property development player. An entrepreneur by nature and drawing on his business acumen, Mr. Ong invested in a wide portfolio of local private limited companies transversing several industries.

Mr. Ong is currently a Committee Member of Kedah Chinese Chamber of Commerce and Industry which he has built a strong business network in Kedah.



## DIRECTORS' PROFILE (CONT'D)



### DATO' ALEX KANG PANG KIANG

*Group Chief Executive Officer/Executive Director*

|             |           |
|-------------|-----------|
| Age         | 53        |
| Gender      | Male      |
| Nationality | Malaysian |

#### Qualifications

- Double degrees in Bachelor of Commerce and Bachelor of Science, University of Auckland, New Zealand
- Chartered Accountant of Malaysian Institute of Accountants ("MIA")
- Associate Chartered Accountant ("ACA") of Chartered Accountant Association, New Zealand

#### Date Appointed to the Board

23 November 2009

#### Board Committee

Nil

#### Other Directorships in Public Companies/ Listed Issuers

- Executive Chairman of Eduspec Holdings Berhad
- Executive Director of Kang Foundation Berhad

#### Family Relationships with Other Directors and/or Major Shareholder of the Listed Issuer

Nil

#### Conflict of Interest and/or Potential Conflict of Interest with the Group

Nil, other than as disclosed in the notes to the financial statements, Circular to Shareholders dated 31 October 2025 on the Recurrent Related Party Transactions and Audit and Risk Management Committee Report

#### Offences Convicted for the Past 5 Years Other than Traffic Offences, if any

Nil

#### No. of Board Meeting Attended during the Financial Year

5

#### Working Experience

Dato' Alex Kang Pang Kiang ("Dato' Alex"), the Group CEO of EG plays a leading role on the Group's overall planning and operations since he took over the Company 11 years ago, on 18 July 2014. With his visionary leadership insight expertising in financial management, planning, corporate restructuring exercises, risk management and investor relations for more than 20 years, he plays an essential role in formulating and providing solutions for EG Group's strategic positioning and business expansion.

For his exceptional entrepreneurship and dedication, he has been awarded the Best Chief Executive Officer and Best Investor Relations Professional by Malaysian Investor Relations Association ("MIRA") under the Micro-cap category "The Investor Relations Awards 2015".

On top of that, he was conferred the title of Dato' in 2018 in appreciation of his dedication to the business and social communities. Subsequently in year 2019, Persatuan Kebajikan Keluarga Bekas Polis dan Tentera ("POLTERA") had also appointed Dato' Alex as an honorable POLTERA life V.I.P to honor and recognise the remarkable value on his kind support, cooperation and contribution towards POLTERA's accomplishment.

Dato' Alex is a distinguished "Adjunct Professor" at AIMST University in 2020, where he will impart his businesses and industry knowledge to our next generation. In addition, he was appointed as the Honorary Advisor of Kelab Rekreasi Pekerja Dan Pedagang Cina Negeri Pulau Pinang in September 2022.

He was recently reappointed as the Honorary Advisor of the Malaysia-China Chamber of Commerce (Kedah-Perlis) ("MCCC") for a new term from 2025 to 2028, in recognition of his exemplary performance and significant contributions during his initial 2022–2025 term, as well as his extensive expertise and experience in the global manufacturing sector.

## DIRECTORS' PROFILE (CONT'D)



### LIM SZE YAN

*Non-Independent Non-Executive Director*

|             |           |
|-------------|-----------|
| Age         | 48        |
| Gender      | Male      |
| Nationality | Malaysian |

#### Qualifications

- Bachelor of Commerce (Accounting and Finance), Curtin University of Technology, Australia
- Master of Business Administration, Cardiff Metropolitan University, United Kingdom
- Member of Certified Practising Accountant ("CPA") Australia
- Associate member of FIAT - IFTA

#### Date Appointed to the Board

28 February 2012

#### Board Committee

- Member of Audit and Risk Management Committee
- Member of Nomination Committee
- Member of Remuneration Committee

#### Other Directorships in Public Companies/ Listed Issuers

Nil

#### Family Relationships with Other Directors and/or Major Shareholder of the Listed Issuer

Nil

#### Conflict of Interest and/or Potential Conflict of Interest with the Group

Nil

#### Offences Convicted for the Past 5 Years Other than Traffic Offences, if any

Nil

#### No. of Board Meeting Attended during the Financial Year

5

#### Working Experience

Mr. Lim Sze Yan started his profession as an audit assistant at Tay and Associate from 2001 to 2003. He subsequently transitioned to the business environment by joining Aim Strong Industries Sdn. Bhd., where he served in several positions with increasing responsibilities before becoming the General Manager in 2007. Presently, he is the Executive Director of both Aim Strong Industries Sdn. Bhd. and V-Hua Management Sdn. Bhd.

## DIRECTORS' PROFILE (CONT'D)



### LEE KEAN TEONG

*Independent Non-Executive Director*

|             |           |
|-------------|-----------|
| Age         | 66        |
| Gender      | Male      |
| Nationality | Malaysian |

#### Qualifications

- Chartered Accountant of Malaysia Institute of Certified Public Accountants ("MICPA")
- Chartered Accountant of MIA

#### Date Appointed to the Board

1 June 2016

#### Board Committee

- Chairman of Audit and Risk Management Committee
- Chairman of Remuneration Committee
- Member of Nomination Committee

#### Other Directorships in Public Companies/ Listed Issuers

- Independent Non-Executive Director of Oriental Holdings Berhad
- Independent Non-Executive Director of Asas Dunia Berhad
- Independent Non-Executive Director of Thong Guan Industries Berhad

#### Family Relationships with Other Directors and/or Major Shareholder of the Listed Issuer

Nil

#### Conflict of Interest and/or Potential Conflict of Interest with the Group

Nil

#### Offences Convicted for the Past 5 Years Other than Traffic Offences, if any

Nil

#### No. of Board Meeting Attended during the Financial Year

5

#### Working Experience

Mr. Lee Kean Teong served KPMG Malaysia for over 35 years and was a Partner with KPMG until his retirement on 31 December 2014.

Throughout his tenure, he has obtained extensive knowledge in auditing and management consulting. He was an engagement partner for a broad range of companies, including public listed corporations and multinationals in various industries, mainly manufacturing, property development, construction, hospitality, stock broking and finance.

## DIRECTORS' PROFILE (CONT'D)



### TAN JIE EN

*Independent Non-Executive Director*

|             |           |
|-------------|-----------|
| Age         | 31        |
| Gender      | Female    |
| Nationality | Malaysian |

#### Qualifications

- Bachelor of Laws, University of Sheffield, United Kingdom
- Barrister-at-Law from Middle Temple, England
- Advocate and Solicitor of the High Court of Malaya
- Company Secretary

#### Date Appointed to the Board

31 May 2023

#### Board Committee

- Chairman of Nomination Committee
- Member of Audit and Risk Management Committee
- Member of Remuneration Committee

#### Other Directorships in Public Companies/ Listed Issuers

Nil

#### Family Relationships with Other Directors and/or Major Shareholder of the Listed Issuer

Nil

#### Conflict of Interest and/or Potential Conflict of Interest with the Group

Nil

#### Offences Convicted for the Past 5 Years Other than Traffic Offences, if any

Nil

#### No. of Board Meeting Attended during the Financial Year

5

#### Working Experience

Ms. Tan Jie En was admitted as an Advocate and Solicitor of the High Court of Malaya in 2020 after she completed her pupillage at Messrs. Zaid Ibrahim & Co, Penang in 2019. Subsequently, she joined Messrs. Wong & Loh as a Legal Assistant.

From December 2020 to April 2023, Ms. Tan joined Messrs. Wong Chooi & Mohd. Nor. as a Legal Assistant where she handled conveyancing matters, banking and finance, share sale and purchase transaction, probate and the administration of estates. In addition, she also handled commercial and corporate loan documentations for various financial institutions.

Thereafter, Ms. Tan was the Partner and Legal Associate of Messrs. Ng Law Firm until April 2025. Her legal expertise spans across the areas of real estate, banking and finance, and probate and estate administration.

On 15 August 2025, Ms. Tan rejoined Messrs. Wong Chooi & Mohd. Nor. as a Legal Assistant.



# CORPORATE KEY MANAGEMENT PROFILE

## LOW JOO HIANG

Supply Chain Management ("SCM")/Plant Senior Director

Age

56

Gender

Male

Nationality

Malaysian

### Qualifications

- Diploma in Electronic Engineering, Federal Institute of Technology, Kuala Lumpur, Malaysia
- Full Certification in Power Electrical, City and Guilds of London Institute, Kuala Lumpur, Malaysia

### Other Committee

Member of the Group's Risk Management Committee

### Working Experience

Mr. Low Joo Hiang joined EG Group in 1996 with over 29 years of expertise in various fields such as Assembly, Test, Process, Equipment, Surface Mount Technology ("Front End"), Back End Line, Facility, Security, Production Planning, Warehousing, Logistics, Material Control, Sourcing and Purchasing.

He is presently in charge of the organisation's overall Supply Chain Management and Operation which includes Production, Production Planning, Purchasing, Sourcing, Material Control and Logistics operations.

## GOH KAR LING

Senior Financial Controller

Age

51

Gender

Female

Nationality

Malaysian

### Qualifications

- Associate member of the Chartered Institute of Management Accountants ("CIMA")
- Member of the Chartered Global Management Accountants ("CGMA")

### Other Committee

Member of the Group's Risk Management Committee

### Working Experience

Ms. Goh Kar Ling joined EG Group in 2021 as Senior Finance Manager and was subsequently promoted to Financial Controller in December 2022, followed by Senior Financial Controller in July 2025. In her current role, she oversees the Group's financial management, treasury and corporate finance functions. Her responsibilities further extend to investor relations, mergers and acquisitions, as well as legal and regulatory compliances.

Ms. Goh began her career in December 1996 as an auditor, and since June 2000, has held progressively senior roles in finance, credit and risk assessment across several public listed companies in Malaysia.

## TAI LEE BEE

Business Development Director

Age

57

Gender

Female

Nationality

Malaysian

### Qualifications

- Bachelor of Business Administration (National Taipei University – Formerly known as National Chung Hsing University)

### Other Committee

Nil

### Working Experience

Ms. Tai Lee Bee joined EG Group in 2008 as a Business Development Manager and was appointed as Business Development Director in 2022. With 18 years of experience in driving revenue growth and market expansion, she is a strategic and results-oriented professional known for her integrity, commitment, and passion.

Ms. Tai has a proven track record in building and leading high-performing teams to surpass ambitious targets. During her tenure, she implemented a new tiered account management system that improved customer engagement and retention.

### Notes:

None of the corporate key management personnel has any directorship in public companies and listed issuers, nor has any family relationship with any Director and/or Major Shareholder of the Company, nor any conflict of interest and/or potential conflict of interest with the Group and its subsidiaries. They have not been convicted any offences within the past 5 years other than traffic offences, if any.



# SUSTAINABILITY STATEMENT



EG is pleased to present our 2025 Sustainability Statement ("the Statement"), which reflects the Group's commitment to advancing sustainability. The Statement has been prepared in accordance with Bursa Malaysia's Main Market Listing Requirements ("MMLR") and is guided by Bursa Malaysia's Sustainability Reporting Guide (3<sup>rd</sup> edition, 2022).

Where applicable, we have guided by the following international standards and frameworks:

- Global Reporting Initiatives ("GRI") Standards,
- Sustainability Accounting Standards Board ("SASB") Standards,
- United Nations Sustainable Development Goals ("UNSDGs"), and
- Responsible Business Alliance ("RBA") Code of Conduct ("COC").

## Reporting Scope and Period

This Statement provides an overview of EG's sustainability performance for the period covering from 1 July 2024 to 30 June 2025, unless stated otherwise.

For this reporting year, the scope has been expanded to include the following active subsidiaries within the Group, which collectively account for more than 99% of the Group's revenue.

| Business Entities                              | Operating Country |
|------------------------------------------------|-------------------|
| SMT Technologies Sdn. Bhd. ("SMTT")            | Malaysia          |
| SMT Industries Co. Ltd. ("SMTI")               | Thailand          |
| EG R&D Sdn. Bhd. ("EG R&D")                    | Malaysia          |
| Glisten Knight Sdn. Bhd. ("Glisten Knight")    | Malaysia          |
| Genitronic (Malaysia) Sdn. Bhd. ("Genitronic") | Malaysia          |

This Statement covers all material sustainability matters, unless otherwise specified. In addition, reported data for FY2023 and FY2024 has been restated to reflect the performance of active subsidiaries operating in Malaysia and Thailand.

## Assurance

This Sustainability Statement has not been subjected to external assurance or independent evaluation. Nevertheless, EG has undertaken internal reviews to ensure the reliability and credibility of the information disclosed. The Statement has been reviewed and approved by the Environmental, Social and Governance ("ESG") Central Committee and the Board of Directors ("Board"). Moving forward, we plan to conduct independent assurance for selected sustainability performance data and processes to further strengthen the credibility of our reporting.

We welcome stakeholder feedback on the contents of this Statement to help improve our sustainability efforts. Feedback may be submitted via the 'Contact Us' section of our Corporate website at [www.eg.com.my](http://www.eg.com.my).



# SUSTAINABILITY STATEMENT (CONT'D)

## OUR APPROACH TO SUSTAINABILITY

### Sustainability Framework

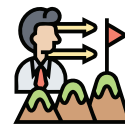
Guided by our mission and vision, we are committed to delivering high-quality products to our customers while progressively embedding sustainable practices across our operations. Our sustainability framework is anchored on three key pillars, and is aligned with the UNSDGs, to support long-term value creation and responsible growth.

#### OUR VISION



To reach global benchmarks in consistently delivering outstanding value to customers and all stakeholders

#### OUR MISSION



Our corporate culture is shaped by being **GREAT**

**G**rowth-focused in nurturing long-term customers  
**R**obust in delivering design, quality and innovation  
**E**mpowering in developing and advancing employees  
**A**rdent in creating value for shareholders  
**T**enacious in upholding socio-environment well-being



#### GOVERNANCE AND ETHICAL CONDUCT

Conducting business with good compliance and practices for our shareholders and all EG's stakeholders

Align with UNSDGs:



#### ENVIRONMENTAL STEWARDSHIP

Minimising our environmental footprint through improved resource efficiency in energy, waste, water, and air management

Align with UNSDGs:



#### SOCIAL RESPONSIBILITY

Foster a safe, diverse, and inclusive workplace while contributing positively to the communities where we operate

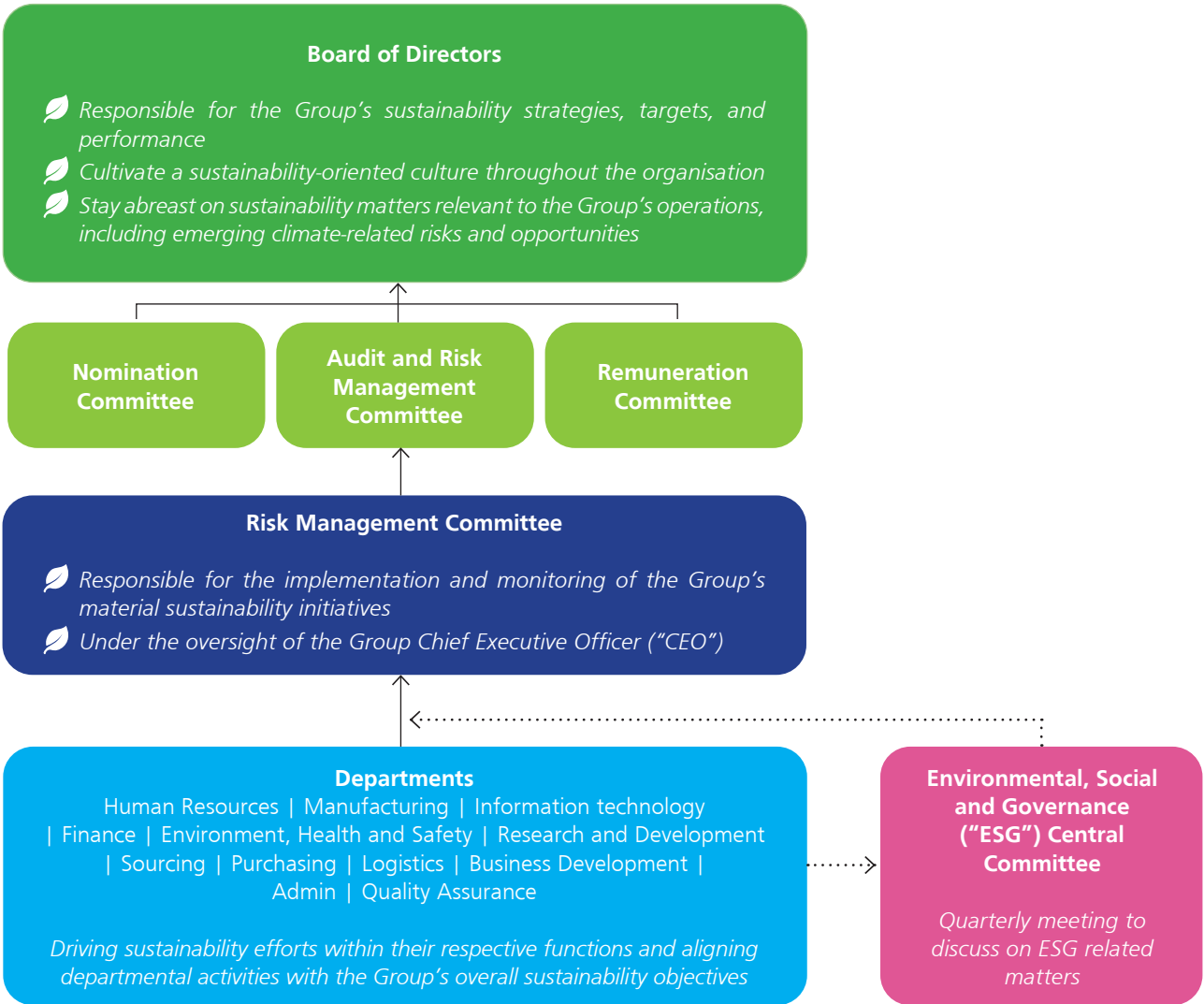
Align with UNSDGs:



# SUSTAINABILITY STATEMENT (CONT'D)

## Sustainability Governance

The Group’s sustainability governance structure remains consistent with the previous year and continues to be integrated within our corporate governance framework. It provides clear oversight and accountability for advancing the Group’s sustainability agenda.



## Stakeholder Engagement

We maintain regular, two-way engagement with our stakeholders through formal and informal channels to ensure our sustainability initiatives align with their expectations. This interactions enable us to shape our ESG priorities and strategic direction.

Our key stakeholder groups remain relevant based on the Stakeholder Prioritisation Exercise conducted in FY2024. The table below outlines our engagement activities for FY2025.

# SUSTAINABILITY STATEMENT (CONT'D)

## Stakeholder Engagement (Cont'd)

| Engagement Channel                                                                                                                                                                                                                                | Area of Interest and Concerns                                                                                                                                                                                                                                                     | Our Response                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Customers/Business Partners</b> Link to material matter: 1 2 3 4 10                                                                                                                                                                            |                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                               |
| <ul style="list-style-type: none"> <li>Customer audits</li> <li>Customer satisfaction survey</li> <li>Meetings and visitations</li> <li>Company website</li> <li>Mobile app and social media</li> </ul>                                           | <ul style="list-style-type: none"> <li>Product affordability and quality</li> <li>Customer satisfaction</li> <li>Data privacy and protection</li> <li>Labour practices</li> <li>Conflict minerals</li> </ul>                                                                      | <ul style="list-style-type: none"> <li>Offer one-stop EMS and upstream component solutions</li> <li>Responsible practices as per customers' requirements</li> <li>Obtained international quality standards</li> <li>Good governance practices</li> </ul>      |
| <b>Employees</b> Link to material matter: 4 5 10 11 12                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                               |
| <ul style="list-style-type: none"> <li>Town halls</li> <li>Appraisal and survey</li> <li>Company intranet, mobile platforms, emails, memos</li> <li>Training programmes</li> <li>Grievance channel</li> <li>Company events</li> </ul>             | <ul style="list-style-type: none"> <li>Business growth and organisational development</li> <li>Learning and development</li> <li>Competitive remuneration</li> <li>Diversity and inclusion</li> <li>Workplace health and safety</li> <li>Employee welfare and benefits</li> </ul> | <ul style="list-style-type: none"> <li>Adhere to RBA COC</li> <li>Updated policies regularly</li> <li>Promoted transparent communication with employees</li> <li>Organised employee-focused events or programmes</li> </ul>                                   |
| <b>Suppliers/Vendors</b> Link to material matter: 3 5 6 7 8 9 10 12                                                                                                                                                                               |                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                               |
| <ul style="list-style-type: none"> <li>E-mails and conferences</li> <li>Supplier support service</li> <li>Meetings and site visits</li> <li>Supplier due diligence and assessment</li> <li>Supplier audit</li> <li>Satisfaction survey</li> </ul> | <ul style="list-style-type: none"> <li>Ethical and transparent procurement processes</li> <li>Efficient supply chain management</li> <li>Workplace health and safety</li> <li>Compliance with laws and regulations</li> </ul>                                                     | <ul style="list-style-type: none"> <li>Adhere to ISO 9001 standards and RBA COC</li> <li>Member of Supplier Ethical Data Exchange ("SEDEX")</li> <li>Policies and procedures</li> <li>Supplier rating system</li> <li>Supplier survey and auditing</li> </ul> |
| <b>Government/Regulatory Authorities</b> Link to material matter: 3 4 5 6 7 8 9 10 12                                                                                                                                                             |                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                               |
| <ul style="list-style-type: none"> <li>Programme and conferences</li> <li>Information disclosures</li> <li>On-site inspection and visits</li> <li>Seminars and workshops</li> <li>Meeting and email</li> </ul>                                    | <ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Ethical business practices</li> <li>Human and labour rights</li> <li>Workplace health and safety</li> <li>Climate and environment</li> </ul>                                                                | <ul style="list-style-type: none"> <li>Risk assessment</li> <li>Full compliance with regulatory requirements</li> <li>Support government initiatives</li> </ul>                                                                                               |
| <b>Investors/Shareholders</b> Link to material matter: 3 4 5 6 7 8 9 10 12                                                                                                                                                                        |                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                               |
| <ul style="list-style-type: none"> <li>Media releases and announcements</li> <li>Quarterly financial reports</li> <li>Annual report</li> <li>General meetings</li> <li>Corporate website</li> </ul>                                               | <ul style="list-style-type: none"> <li>Financial performance</li> <li>Ethical business practices</li> <li>Social and environmental responsibility</li> <li>Risk management strategies</li> <li>Business updates</li> </ul>                                                        | <ul style="list-style-type: none"> <li>Timely updates on Group's strategy and performance</li> <li>Compliance to regulatory requirements and adopt good governance practices</li> </ul>                                                                       |
| <b>Local Communities</b> Link to material matter: 10 12 13 7 8 9                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                               |
| <ul style="list-style-type: none"> <li>Corporate website and social media</li> <li>CSR events</li> </ul>                                                                                                                                          | <ul style="list-style-type: none"> <li>Community welfare</li> <li>Job opportunity</li> </ul>                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Community events</li> <li>Monetary and non-monetary contributions</li> </ul>                                                                                                                                           |

### Engagement Frequency

■ Ongoing basis 
 ● Annually 
 ▲ Quarterly 
 ◆ Bi-annually 
 ✦ As required

# SUSTAINABILITY STATEMENT (CONT'D)

## Materiality Matters

EG conducts a full materiality assessment once every two to three years, while reviewing material matters annually to ensure that the Group’s sustainability matters remain relevant and up-to-date with local and global trends. The last comprehensive review was carried out in FY2024, involving both internal and external stakeholder engagements.

In FY2025, an internal desktop review of existing material matters was carried out to validate their continued relevance. Based on the review, the material matters identified in FY2024 continued to reflect stakeholder priorities and the Group’s strategic focus. The material matters will be revisited in the coming year to ensure they remain up-to-date with the developments and changes in the business and ESG landscapes.



**GOVERNANCE AND ETHICAL CONDUCT**

- 1 Quality and Customer Satisfaction
- 2 Sustainable Production and Innovation
- 3 Responsible Sourcing and Supply Chain Management
- 4 Data Privacy and Security
- 5 Corporate Governance



**ENVIRONMENTAL STEWARDSHIP**

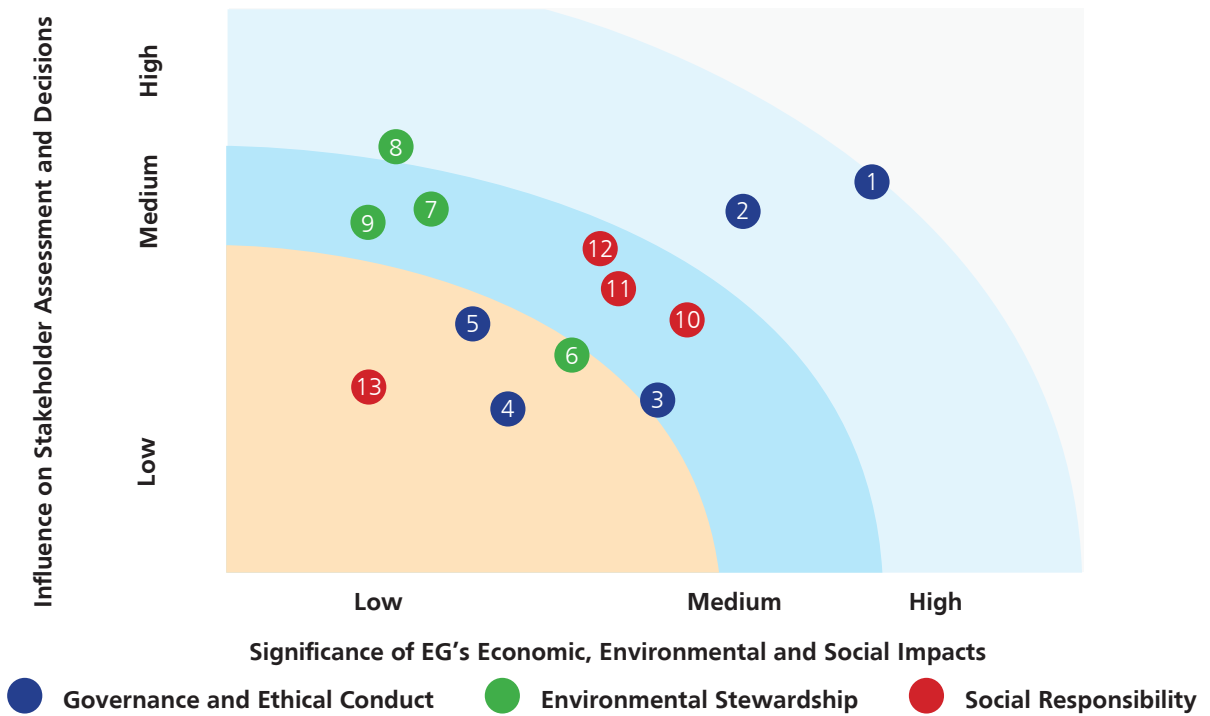
- 6 Energy and Climate Change
- 7 Waste Management
- 8 Pollution Control
- 9 Water Management



**SOCIAL RESPONSIBILITY**

- 10 Human Rights and Labour Practices
- 11 Employee Engagement and Retention
- 12 Health and Safety
- 13 Community and Society

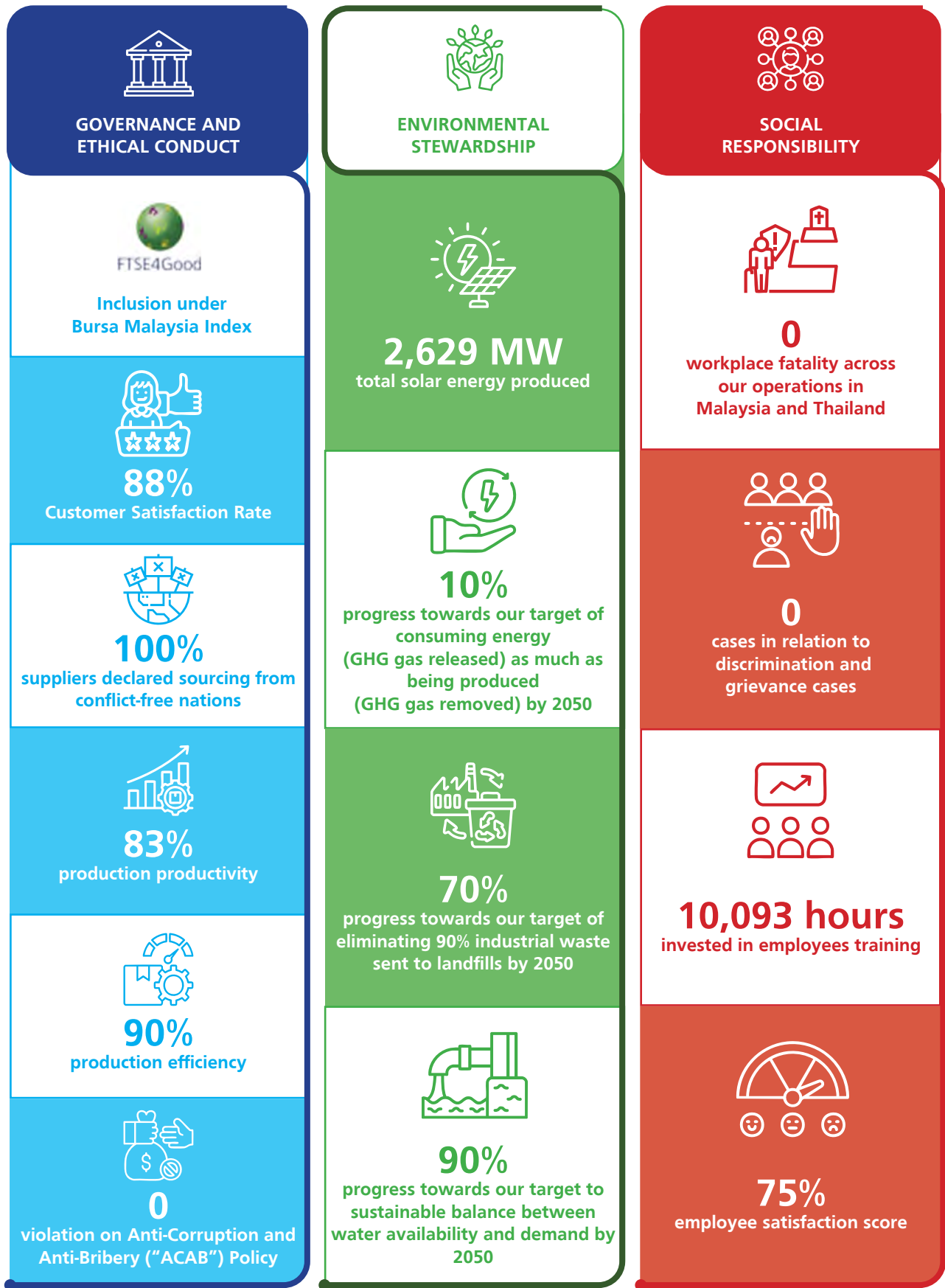
Materiality Matrix





# SUSTAINABILITY STATEMENT (CONT'D)

## 2025 KEY HIGHLIGHTS



# SUSTAINABILITY STATEMENT (CONT'D)

## Managing Material Matters

### GOVERNANCE AND ETHICAL CONDUCT



EG Group earns trust by delivering quality, driving innovation, and ensuring customer satisfaction. Through responsible sourcing, secure data practices, and strong governance, we stay competitive and relevant while meeting the growing expectations of the market and our stakeholders

### Our Material topics

- 1 Quality and Customer Satisfaction
- 2 Sustainable Production and Innovation
- 3 Responsible Sourcing and Supply Chain Management
- 4 Data Privacy and Security
- 5 Corporate Governance

## QUALITY AND CUSTOMER SATISFACTION

### Why it matters

Our customers are EG's most important stakeholder. As a trusted leader in the market, we prioritise operational quality to deliver customer satisfaction and maintain strong relationships.

### Related UNSDGs:



At EG, our Quality Policy stands as a promise to our customers in critical industries with a promise of trust, reliability, and excellence. Our manufacturing facilities operate under rigorous quality standards and expanded to a spectrum of specialised industry certifications.

**ISO 9001:2015**

Quality Management System

**ISO 14001:2015**

Environmental Management System

**ISO 45001:2018**

Occupational Health and Safety Management System

**ISO 22301:2019**

Business Continuity Management

**ISO 13485:2016**

Medical Quality Management System

**TL 9000:2016**

Telecommunication Quality Management System

**TS/ IATF 16949:2016**

Automotive Quality Management System

Within the Group, the Engineering Teams serve as the custodian of product excellence, enforcing robust quality controls, and coordinating with customers. Our key account managers act as dedicated communication touchpoints with our customers, providing 24/7 services and delivering breakthrough solutions.

We maintain records of manufacturing processes, product specifications, inspections, and testing protocols, ensuring traceability and accountability at every stage. These include applying Design for Manufacturability ("DFM") in stencil design, maintaining a Zero Defect Mindset ("ZDM"), advancing Failure Mode and Effects Analysis ("FMEA+") and error-proofing initiatives for continuous improvement.

# SUSTAINABILITY STATEMENT (CONT'D)

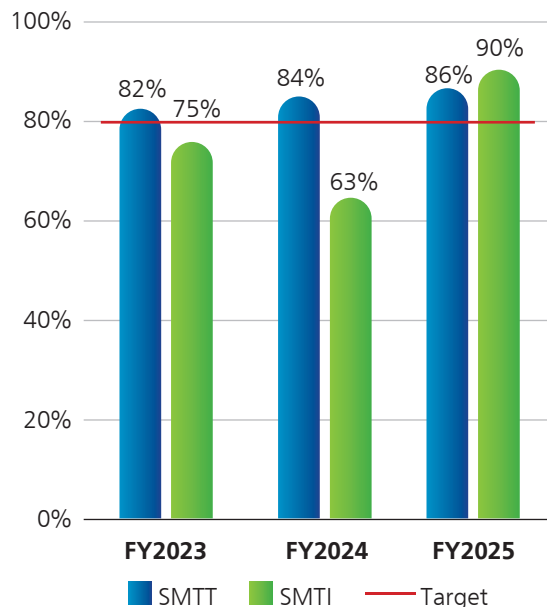
## QUALITY AND CUSTOMER SATISFACTION (CONT'D)

Any instances of non-compliance will be reported, and rectified, supported by open communication channels that engage both customers and internal teams. We also proactively seek customer feedback, using it as a vital tool to identify opportunities for improvement and to prevent future discrepancies. This is achieved using our Supplier Corrective Action Requests ("SCARs") from our customers, implementing our Eight Disciplines of Problem Solving ("8D") methodology and Turn Around Time ("TAT") with effective validation and preventive measures to improving quality and reliability.

We strengthen operational excellence by training all operators to build quality awareness and process ownership, improving Work-in-Progress management to prevent process or model mixing, and upskilling operators to ensure consistent, correct work methods—reinforcing our commitment to the highest quality standards.

During the year under review, we focused on delivering innovative and reliable solutions aligned with customer needs. By maintaining stringent quality standards and engaging closely with customers, we continue to provide dependable products and services that foster long-term trust and satisfaction.

Customer Satisfaction Score (%)



Note: FY2023 to FY2025: Aggregated data from SMTT and SMTI.

### "The Core Partner" Award

SMTT is honoured to be recognised once again as "The Core Partner" by our U.S. business partner, reflecting the trust and shared commitment to innovation and growth.



### "Red Dot Design Award"

EG R&D has won the prestigious Red Dot Award: Design Concept 2024 for the cutting-edge AI Fan in October 2024.



## SUSTAINABLE PRODUCTION AND INNOVATION

### Why it matters

With sustainability emerging as a key driver of business and industry practices, we stay committed to enhancing our capabilities, fostering growth through new products, services, and customer relationships.

### Related UNSDGs:



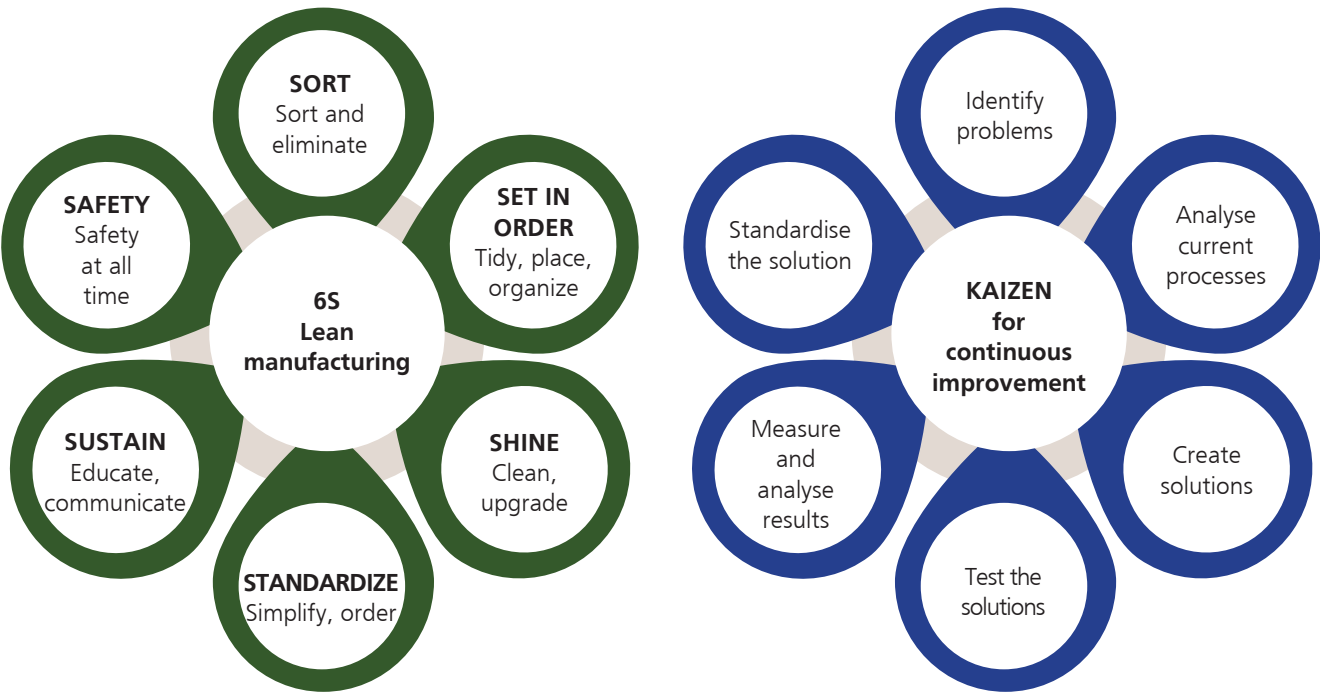
# SUSTAINABILITY STATEMENT (CONT'D)

## SUSTAINABLE PRODUCTION AND INNOVATION (CONT'D)

As a global leader in the market, we provide comprehensive EMS and upstream components solutions tailored to our customers' needs. Building on our strong foundation as a trusted EMS provider to multinational clients, we have evolved significantly since our initial focus on printed circuit board assembly ("PCBA") prior to 2014.

Over the years, our capabilities have expanded to include box-build and final assembly for plastic parts, enabling greater integration and efficiency. In FY2022, EG advanced further upstream into production of 5G optical modules, leveraging cutting-edge technology to meet evolving customer needs while optimising resources and reducing waste. This ongoing diversification reflects our commitment to delivering innovative, high-quality solutions with a lower environmental footprint.

We prioritise operational efficiency and workplace safety through 6S Lean and Kaizen methodologies. This is further supported by the Manufacturing Execution System ("MES") that provides real-time data to improve productivity, yields and material traceability. These efforts contribute to reduced waste, safer workplaces, and more sustainable use of resources.



Innovation remains central in our drive towards continuous improvement and sustainability across our operations. During the financial year, we invested in advanced machinery to improve product quality and operational efficiency. We also upgraded the shop floor Warehouse Management System ("WMS") and Electronic Packing List ("EPL"), ensuring greater accuracy, traceability, and resource efficiency across our processes.

In May 2025, we entered into a master manufacturing agreement to supply network and AI-related consumable products, demonstrating international confidence in our engineering capabilities and scalable operations. All EG manufacturing facilities incorporate both energy optimisation and waste reduction measures, while the existing smart warehouses in Sungai Petani enable real-time monitoring to improve cost efficiency and minimise material waste.

Through ongoing collaboration with our customers, we have sustained growth by capitalising on the increasing demand for advanced technologies, particularly 5G optical modules and network switches. These are critical components that power high-speed, energy-efficient data centres serving the telecommunications, fintech, healthcare, electric vehicle, cloud computing and AI industries. By enabling faster data transmission and improved network efficiency, these technologies support sustainable digital infrastructure and help reduce energy intensity. These initiatives reinforce our commitment to advancing digital connectivity, driving energy-efficient innovation, and delivering long-term stakeholder value.

|                               | Unit | Target | FY2023 | FY2024 | FY2025 |
|-------------------------------|------|--------|--------|--------|--------|
| Group production productivity | %    | ≥ 80   | 85     | 83     | 83     |
| Group production efficiency   | %    | ≥ 90   | 94     | 93     | 90     |

Note: FY2023 to FY2025 contained the aggregated data from SMTT and SMTI.

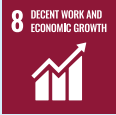
# SUSTAINABILITY STATEMENT (CONT'D)

## RESPONSIBLE SOURCING AND SUPPLY CHAIN MANAGEMENT

### Why it matters

As a global supplier, responsible sourcing ensures EG delivers quality, ethical, and low-impact products while strengthening supply chain resilience and meeting stakeholder expectations worldwide.

### Related UNSDGs:



EG is committed to embedding responsible and sustainable practices throughout our value chain—from the procurement of raw materials to the delivery of high-quality finished products to our customers.

Guided by our Quality Policy and Purchasing Procedure, we source direct and indirect materials from reliable suppliers at competitive prices, with assured quality and timely delivery. All products are evaluated for health and safety impacts, in compliance with Registration, Evaluation, Authorisation (“REACH”) and Restriction of Chemicals and Restriction of Hazardous Substances (“RoHS-3”) guidelines.

Our Conflict Minerals Policy Statement reaffirms compliance with the U.S. Securities and Exchange Commission’s reporting and disclosure requirements on “Conflict Minerals” under the Dodd-Frank Act, ensuring that minerals such as tantalum, tin, tungsten, and gold are sourced responsibly and without human rights violations. We conduct due diligence on mineral origins and chain of custody, perform Conflict Mineral Reporting periodically in line with customer requirements, and require suppliers to declare compliance with the RBA COC on Responsible Sourcing of Minerals.

EG has established a robust supplier management system to ensure ethical practices and adherence to our Business Code of Conduct (“BCOC”) along the supply chain.



### C-TPAT Compliant

Demonstrated effective security measures in all areas and committed in strengthening supply chain security



### Supplier Evaluation and Selection Procedure

Maintain Approved Supplier List (“ASL”) ensuring standards for cost, delivery, and quality



### Supplier Monitoring/ Performance Appraisal Procedure

Monitor direct material suppliers’ performance, covering quality, service and technology



### Supplier Survey and Auditing Report (“SSAR”)

To verify compliance with quality, safety, environment and other key requirements

In enforcing our BCOC, we conduct thorough supplier assessments and on-site inspections and addressed any instances of non-compliance through collaboratively developed, time-bound corrective action plans. Following assessments, we shared detailed audit reports with suppliers, engaged in dialogue and drove continuous improvement. We also conduct supplier satisfaction survey to ensure their processes remain robust and aligned with our standards.

We are dedicated to prioritising partnerships with local suppliers whenever possible to strengthen economies in our operational areas, creating job opportunities and supporting community-driven economic growth. While the ability to procure direct materials locally depends on our customer-approved supplier lists and the availability and suitability of natural resources in the countries where we operate, we remain committed to balanced participation in local economies.

### FY2025 Highlights

100%

Suppliers assessed for environmental and social impact criteria

29%

of total spending on 61% local suppliers across EG Group

100%

Suppliers declared sourcing from conflict-free nations



# SUSTAINABILITY STATEMENT (CONT'D)

## DATA PRIVACY AND SECURITY

### Why it matters

Protecting customer data privacy and strengthening cybersecurity are essential to prevent identity theft, financial fraud, and reputational harm.

### Related UNSDGs:



As EG Group digitalises processes and systems using technology and the Internet of Things ("IoT"), safeguarding data builds stakeholder trust and ensures compliance with legal requirements. Prioritising data security demonstrates our commitment to ethical practices and long-term resilience, reinforcing our role as a responsible and sustainable organisation.

Guided by our Cybersecurity Policy, we implement enterprise-grade security measures, including anti-malware, system controls and robust IT procedures to mitigate cyber risks. Our IT infrastructure is supported by centralised servers with regular backups, complemented by firewalls, antivirus software, and intrusion detection systems ("IDS").

Integral to our cybersecurity protocol, we follow a cyber-hygiene checklist that embeds industry best practices to detect and prevent security incidents. This includes regular reviews of user access rights, periodic vulnerability assessments and timely application of security patches.

To cultivate a culture of cybersecurity awareness and compliance, employees at all levels receive regular email updates on IT best practices, ensuring they stay informed of the latest digital developments. Additionally, annual cyberattack simulation drills are conducted to strengthen preparedness and response capabilities.

In FY2025, new file server and finance systems were established at our newly established plant in Batu Kawan, supporting efficient operations and future business growth. Additionally, we upgraded our manufacturing execution and warehouse management system to enhance data storage capacity and improve employee productivity.

During the financial year, there were no major reported cases of data leakage, data misuse or other non-compliance nor cybersecurity incidents across all operations within the scope.

## CORPORATE GOVERNANCE

### Why it matters

Corporate governance is vital to EG for ensuring transparency, accountability, and ethical conduct, building stakeholder trust, and supporting sustainable growth.

### Related UNSDGs:



EG is committed to creating a positive impact through responsible business conduct, underpinned by integrity and high ethical standards. The Board plays a pivotal role in setting corporate governance standards and policies, as outlined in the Board Charter, while the Group CEO oversees the implementation of these policies at the Group level.

Our commitment to ethical business practices is embodied in a set of policies, including our BCOC, Anti-Corruption and Anti-Bribery ("ACAB") Policy, Whistle-Blowing Policy, Remuneration Policy and Directors' Fit and Proper Policy. These policies were designed to foster ethical behaviour and ensure legal compliance across every aspect of our operations. All of our policies are publicly accessible on our Corporate website at [www.eg.com.my](http://www.eg.com.my).

# SUSTAINABILITY STATEMENT (CONT'D)

## CORPORATE GOVERNANCE (CONT'D)



### Business Code of Conduct ("BCOC")

It outlines clear standards to ensure safe working conditions, fair and respectful treatment of employees, and environmentally responsible manufacturing practices, in alignment with RBA COC. All new employees will be introduced to the BCOC as part of their induction programme.



### Anti-Corruption and Anti-Bribery ("ACAB") Policy

We maintain a strict zero-tolerance stance towards bribery and corruption. Apart from the Group, this policy applies to all third-party providers via RBA COC declaration form. Our internal audit function conducts regular assessments to evaluate and address emerging corruption risks.



### Whistle-Blowing Policy

It provides a formal, anonymous, and confidential mechanism for both internal and external stakeholders to report, in good faith, any misconduct or illegal activities, including violations of the BCOC, corruption, bribery, threats to health and safety, human rights violations and malpractice.

Our Human Resources and Admin Department plays a key role in ensuring regulatory compliance and upholding business integrity across the Group. Recognising that evolving regulatory frameworks and ESG expectations require continuous learning, the team actively participated in a series of capacity-building programmes during the financial year.

### Key Programmes in FY2025

- o Unlocking ESG Opportunities (October 2024): Leveraging funds, grants and incentives for ESG initiatives
- o Tax Summit 2024 (November 2024): Insights into National Budget 2025 implications
- o E-Invoice Implementation and SST (Sales and Service Tax) Policy Updates (December 2024): Enhancing fiscal compliance
- o Stamp Duty and E-Invoice (June 2025): Preparing for future fiscal requirements

As part of our commitment to RBA accreditation, we undergo the Validated Assessment Program ("VAP") audit, a key step in assessing conformance to the RBA COC, local laws, and regulations through a management systems approach to promote sustainable solutions.

| Group Performance                                  | FY2023 | FY2024 | FY2025 |
|----------------------------------------------------|--------|--------|--------|
| Major cases on compliance violations               | 0      | 0      | 0      |
| Breaches in ethics and integrity conduct           | 0      | 0      | 0      |
| Employees receive training on anti-corruption      | 100%   | 100%   | 100%   |
| Operations assessed for corruption-related risks   | 100%   | 100%   | 100%   |
| Confirmed incidents of corruption and action taken | 0      | 0      | 0      |

Note: The assessment for corruption-related risks was only conducted for SMTT in FY2023, SMTT and SMTI in FY2024, and SMTT, SMTI and Genitronic in FY2025.

# SUSTAINABILITY STATEMENT (CONT'D)

## ENVIRONMENTAL STEWARDSHIP



We are committed to safeguarding the environment. By leveraging innovative technologies and adopting efficient practices, we work to minimise our environmental footprint through energy savings, emissions and waste reduction, and responsible resource use, striving for ongoing enhancements in our environmental performance.

### Our Material topics

- 6 Energy and Climate Change
- 7 Waste Management
- 8 Pollution Control
- 9 Water Management

EG remains committed to complying with all relevant laws and regulations, while pursuing business growth in a responsible manner, with consideration of our impacts to the environment. We strive to maintain a zero-case target for environmental compliance violations. During the financial year under review, there were no fines, penalties or non-monetary sanctions for non-compliance with environmental laws and regulations.

We have established a robust management system aligned with both our BCOC and RBA COC. At present, our manufacturing facilities are accredited to the ISO 14001:2015 Environmental Management System standard, underscoring our commitment to sustainable operations. In compliance with the standard, we implement environmental training, competency programs, compliance audits, and ongoing monitoring of environmental performance.

Based on the EG’s 2050 Net Zero Strategy developed in FY2024, below is the progress for the implementation of the core activities under these three (3) areas – Greenhouse Gas (“GHG”), waste and water management.

| Target                                                                                                                  | Core Activities                                                 | Progress in FY2025                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Consume energy (GHG gas released) as much as being produced (GHG gas removed)</p>                                    | <p>GHG Emission Compliance via Energy Efficiency Management</p> | <p>Energy consumption increased in line with higher operational activity, while the usage-to-generation ratio remained stable at 10%.</p>              |
| <p>Eliminating solid waste sent to landfills</p>                                                                        | <p>Efficient Waste Management by Means of Reuse and Recycle</p> | <p>Recyclable materials accounted for 70% of the total waste diverted from disposal.</p>                                                               |
| <p>Achieving sustainable balance between water availability and demand (amount use same as amount return to source)</p> | <p>Water Conservation and Wastewater Treatment</p>              | <p>Water consumption and water discharge fell significantly after the cessation of water treatment plant operations in the last quarter of FY2025.</p> |

## ENERGY AND CLIMATE CHANGE

### Why it matters

The urgency of climate change and the shifting energy landscape demand decisive action. As the world moves towards a lower-carbon future, EG is committed to delivering net zero, ensuring that sustainability and business growth go hand-in-hand.

### Related UNSDGs:



# SUSTAINABILITY STATEMENT (CONT'D)

## ENERGY AND CLIMATE CHANGE (CONT'D)

We adhere to international standards in assessing and quantifying our GHG emissions by integrating them into operational practices, which are guided by internal governance frameworks and the EG's carbon commitments that ensure accountability in delivering our Net Zero Carbon Emissions by 2050 Pathway across the Group.

We continuously refine our reporting practices to enhance transparency, aligning with internationally recognised frameworks. Since FY2024, we have reported publicly through the CDP (formerly the Carbon Disclosure Project) disclosure platform.

As a core part of our commitment to achieving our GHG reduction targets, we focus on Energy Efficiency Management within our operations. The Group has appointed a Registered Electricity Energy Consultant to guide the Group in complying with the provisions of Energy Efficiency and Conservation Act ("EECA") 2004, which replaced the revoked Efficient Management of Electricity Energy Regulations 2008 ("EMEER 2008"). We recognise our responsibility in using finite resources wisely to power our activities and the importance of mitigating the environmental impacts associated with them.



### Harnessing Solar Energy

EG is actively adopting renewable energy technologies to reduce the reliance on fossil fuel-based energy. As we are progressing steadily towards the increase of our solar energy utilisation, we commissioned solar panels on the rooftops of our two (2) sites at SMTT in FY2022. As of FY2025, all three (3) phases have been completed with the installation of 2,501 solar panels, providing a total capacity of 2.68 megawatt peak ("MWp") and offsetting 7,878 tonnes of carbon dioxide ("CO<sub>2</sub>"). Moving forward, we aim to install additional solar panels at our Batu Kawan facility.

### Effective Management of Energy Consumption and GHG Emissions

EG is committed to improving energy efficiency across our operations to ensure responsible energy consumption and sustainable production. We always strive to manage our emissions into the air by monitoring and tracking our energy consumption, while identifying opportunities for improvement.

Throughout the financial year, SMTI implemented a project to monitor the monthly leakage of Chlorodifluoromethane ("R-22") refrigerant in the production line, and successfully reducing Scope 1 emissions by 42 tonnes of CO<sub>2</sub>. Additional initiatives on energy-saving include optimising air handling unit ("AHU") temperatures in control areas and shutting down non-critical air conditioning equipment in production zones and other non-production areas.



Optimisation of AHU temperature in control area

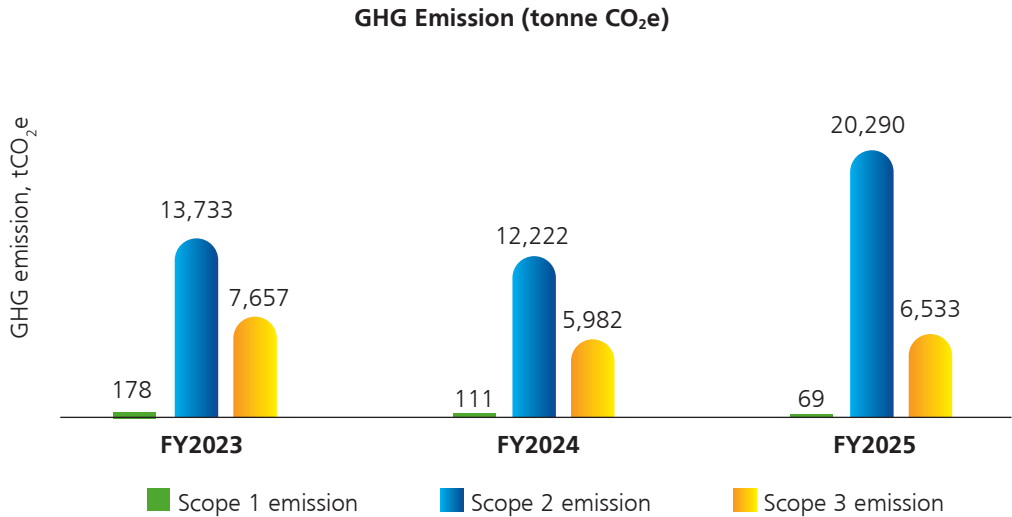


Shutting down non-critical air conditioning equipment

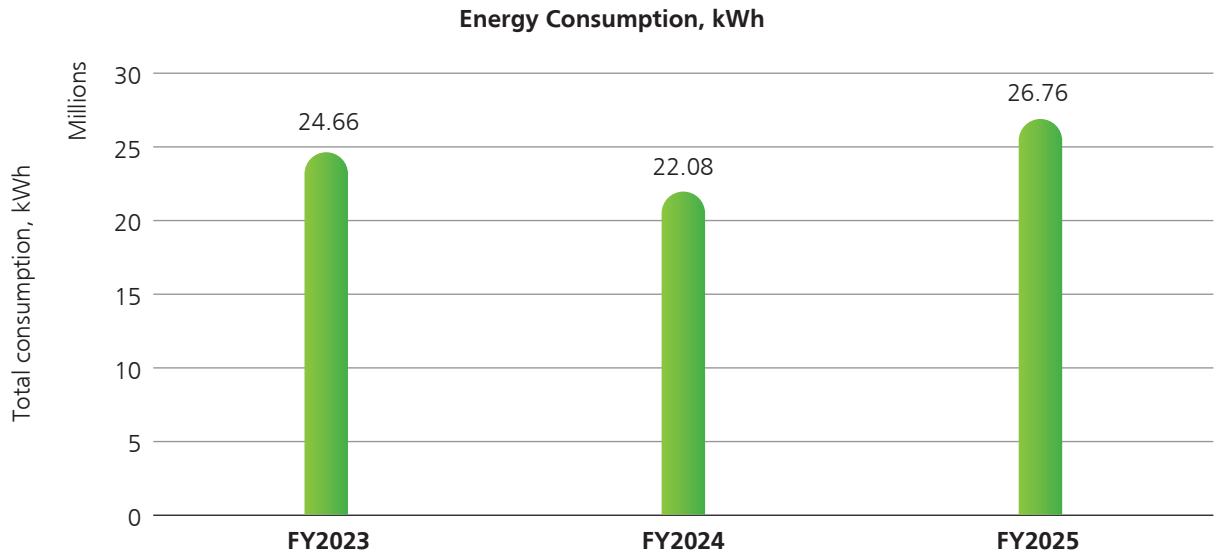
# SUSTAINABILITY STATEMENT (CONT'D)

## ENERGY AND CLIMATE CHANGE (CONT'D)

### Effective Management of Energy Consumption and GHG Emissions (Cont'd)



- Notes:
- FY2023 and FY2024: Aggregated data from SMTT and SMTI.
  - FY2025: Aggregated data from SMTT, SMTI and Genitronic. Only Scope 2 is calculated for EG R&D and Glisten Knight.
  - Scope 1 covers direct GHG emissions from facilities owned or controlled, and includes fuel use for mobile and stationary combustion, and process GHG emissions.
  - Scope 2 includes indirect GHG emissions from electricity purchased from the grid.
  - Scope 3 includes upstream GHG emissions within the supply chain that are outside the ownership and control of the reporting entity which include only Category 7: Employee Commuting, covering GHG emissions from employees commuting respectively.



Note: FY2023 to FY2025 contained the aggregated data from SMTT, SMTI, EG R&D and Genitronic.



# SUSTAINABILITY STATEMENT (CONT'D)

## WASTE MANAGEMENT

### Why it matters

Waste is an inevitable by-product of our production processes. Effective waste management is integral to our sustainability commitment, demonstrating environmental responsibility and operational efficiency.

### Related UNSDGs:



Aligned with our Environmental, Safety and Health (“ESH”) Policy and ISO 14001:2015, a multipronged approach is implemented to minimise waste generation while promoting 3Rs principles (Reduce, Reuse, Recycle) to ensure environmental protection, pollution prevention and continuous improvement. We are committed to raising employee awareness of the importance of waste minimisation. Regular training is provided to waste handlers, while all employees receive annual introductions to safety and the 3Rs principles.



### Reduce

- Implement process improvements to minimise waste generation and toxicity at the source
- Improve operational efficiency to reduce material wastage during production
- Conduct awareness and training initiatives



### Reuse

- Extend the lifecycle of packaging materials through internal reuse initiatives, including:
  - Plastic tote boxes
  - Carton boxes
  - Bubble wrap



### Recycle

- Ensure proper recycling of non-hazardous waste
- Promote segregation and recycling of bottles (plastic, glass, aluminium cans)

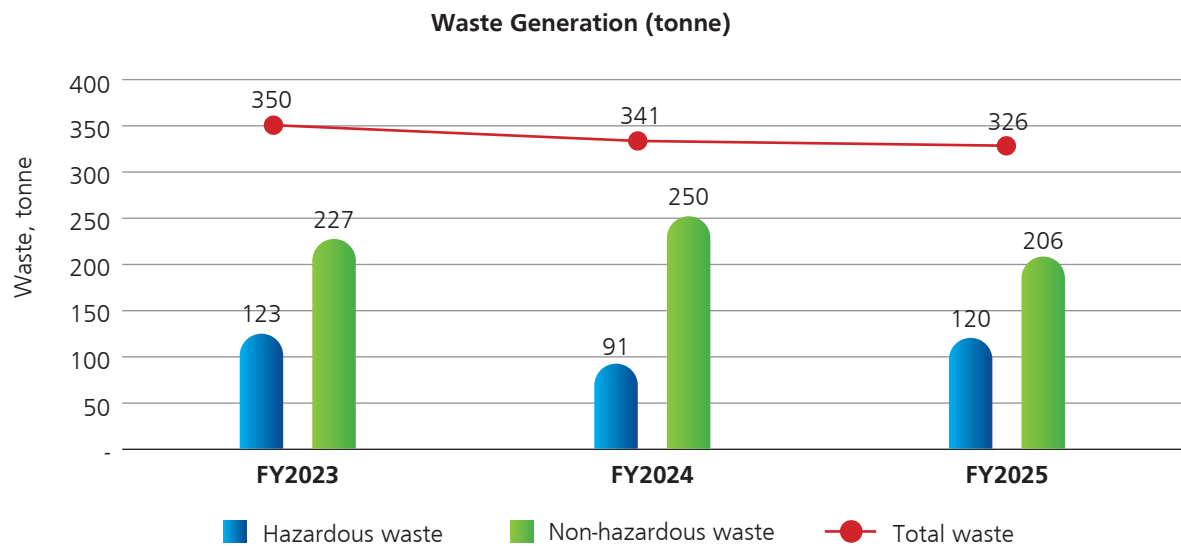
Driven by our commitment to meet our 2050 target, we strive to eliminate solid waste sent to landfills while ensuring full compliance with local regulations across all operations. At SMTI, we have set a target to reduce waste sent to landfill by more than 5% compared to the previous year, aligning with EG’s net zero ambitions. At SMTT, we maintain our target of eliminating 90% of industrial waste sent to landfills by 2050, consistent with last year’s commitment.

Our waste management practices comply with environmental standards set by the Department of Environment (“DOE”) of Malaysia and the Department of Industrial Works of Thailand. Regular site inspections and audits are conducted across production facilities to maintain compliance and identify opportunities for optimisation. The Group also engages DOE-approved contractors for the handling and disposal of scheduled waste.

Hazardous waste management at manufacturing sites are governed by strict protocols that minimise exposure risks, prevent contamination and provide safe handling and disposal practices. The entire hazardous waste lifecycle, from identification and handling to treatment and disposal, aligns with government regulations and recognised industry practices.

# SUSTAINABILITY STATEMENT (CONT'D)

## WASTE MANAGEMENT (CONT'D)



- Notes:
- FY2023 to FY2025: Aggregated data from SMTT, SMTI and Genitronic.
  - Glisten Knight and EG R&D generate no operational waste.

## POLLUTION CONTROL

### Why it matters

Air emissions, including gases and particulate matter that are released into the atmosphere, may present a significant risk to environmental pollution if not managed well.

### Related UNSDGs:



EG's commitment to environmental stewardship is embodied in our ESH Policy and ISO 14001:2015 standard, which serve as the guiding principle in managing air and noise emissions. Our air emissions management focuses on tracking and controlling total particulate matter ("TPM") and sulfur dioxide ("SO<sub>2</sub>") generated from manufacturing activities, as well as ensuring compliance with Ambient Air Quality Standards in Malaysia and Thailand. Our noise pollution are managed through regular monitoring and maintenance of machinery to minimise operational impact.

As part of our Environmental Management System, we conduct annual monitoring of exhaust gases, stack emissions, workplace air quality and boundary noise levels in compliance with local regulations.

During the year under review, we achieved strong performance with TPM and SO<sub>2</sub> levels in Malaysia and Thailand, with all performance were well below local air quality standards. Our boundary noise measurements likewise remained below the limits set by local regulations.

WATER MANAGEMENT

Why it matters

Water is essential to our operations and local communities, yet its availability is increasingly threatened by climate change, inefficient use, and pollution.

Related UNSDGs:

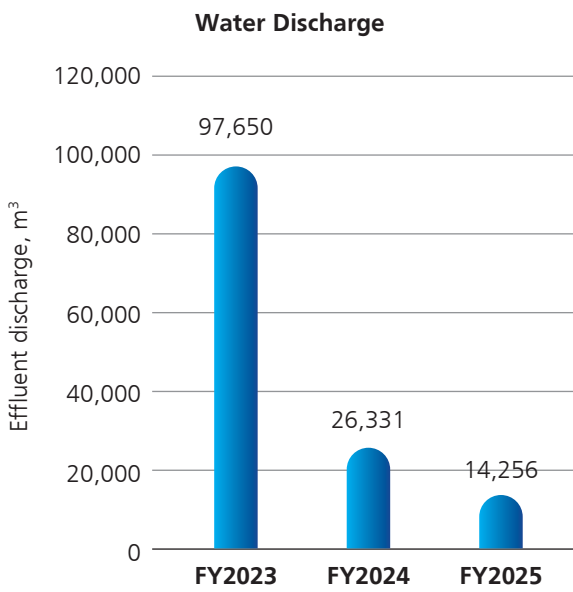
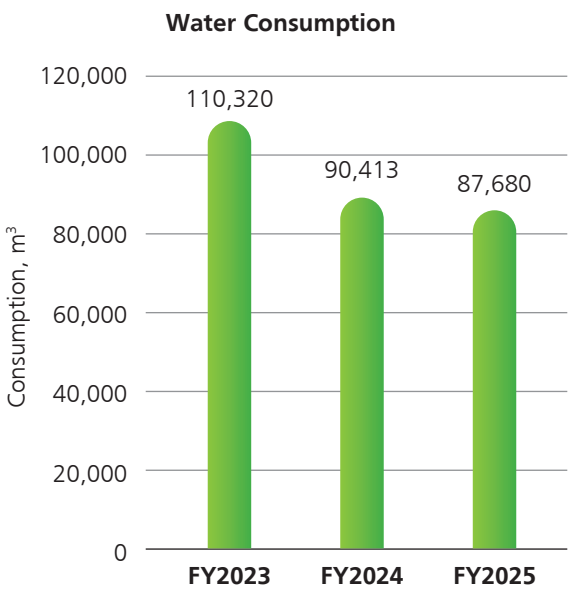


We are committed to mitigating the risk of water shortages through effective water management across our operations. With the aim to achieving our Group target, we implement water conservation initiatives and actively raise employees' awareness on proper water and wastewater management at our manufacturing facilities.

To promote responsible water use, we encourage our employees to reduce unnecessary consumption and monitor usage on a monthly bases. In addition, we continuously enhance our Wastewater Treatment Plant ("WWTP") efficiency to ensure compliance within discharge limits and maintain zero incidents.

In FY2025, SMTT eliminated the product washing process by switching the coating to a non-coating process, significantly reducing water consumption and water discharge.

We continuously refine our reporting practices to enhance transparency, aligning with internationally recognised frameworks. Since FY2024, we have reported publicly through the CDP (formerly the Carbon Disclosure Project) disclosure platform on our water management.



Notes:

- Water consumption from FY2023 to FY2025: Aggregated data from SMTT, SMTI and Genitronic.
- Water discharge from FY2023 to FY2025: Aggregated data from SMTT and SMTI. No data is available for Genitronic as it operates a dry process.
- Glisten Knight's warehousing operations do not involve water use or discharge.
- Water data is not available for EG R&D as it operates within a shared management facility.

# SUSTAINABILITY STATEMENT (CONT'D)

## SOCIAL RESPONSIBILITY



We believe our success is closely linked to the well-being and empowerment of our employees. At EG, we are dedicated to creating an inclusive and supportive workplace, prioritising employee safety and growth. Additionally, we strive to positively impact the communities where we operate.

### Our Material topics

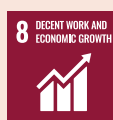
- 10 Human Rights and Labour Practices
- 11 Employee Engagement and Retention
- 12 Health and Safety
- 13 Community and Society

## HUMAN RIGHTS AND LABOUR PRACTICES

### Why it matters

Our employees are our most valuable assets, and we are committed to fostering a diverse and inclusive workplace.

### Related UNSDGs:



At EG, we uphold internationally recognised human rights and fair labour practices, ensuring compliance with all applicable laws and in alignment with the Universal Declaration of Human Rights and the International Labour Organisation ("ILO") Core Principles.

Our commitment is clearly articulated in the Human Rights Policy and Employee Handbook, both of which are communicated to staff through training sessions and are readily accessible through the Group's intranet. During the financial year, the Employee Handbook was updated to reflect the latest Employment Act requirements to include SOCSO contributions for foreign workers under the Invalidity Scheme.

The Human Resources and Admin Department is responsible for implementing human rights and labour practices across the Group. To strengthen compliance and capacity, the team engaged in targeted programmes this year, including the Mastering Foreign Worker Seminar (August 2024), the HRDC briefing on Allowance Cost Matrix (December 2024), and the Human Resources Playbook: Do's & Don'ts in Employment Act 1955 (May 2025). These efforts ensure our practices remain aligned with evolving labour standards and regulatory requirements.

To promote transparency and accountability, we have established accessible channels for reporting grievances, including a whistle-blowing platform to flag concerns - such as violence, harassment, intimidation, or unsafe conditions. This is further reinforced by our Harassment Prevention Procedure, which ensures a safe, respectful, and fair workplace for all employees.

We strive to foster an inclusive culture with a commitment to treating each and every employee equally and fairly, irrespective of gender, making our employees feel genuinely valued, robustly supported, and empowered to succeed.

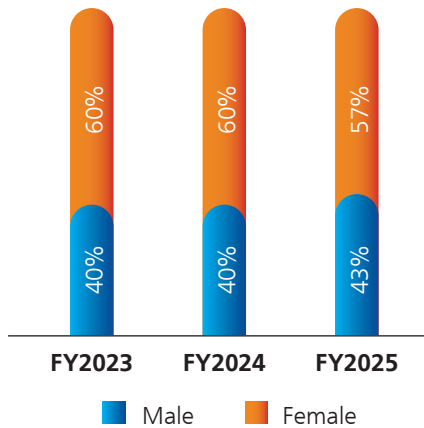


SMTT has been honoured with two (2) Best Employer Awards for Kedah/Perlis region under the categories of (i) Employers with more than 1,000 employees; and (ii) Highest Voluntary Excess by the Employees Provident Fund ("EPF") in November 2024.

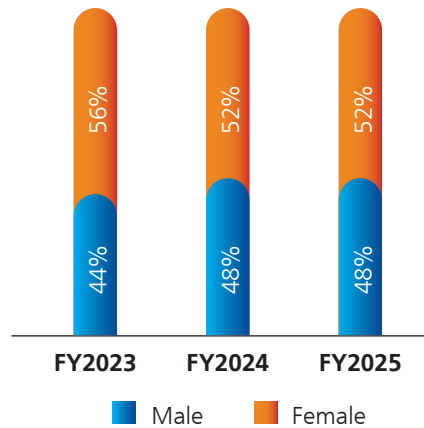
# SUSTAINABILITY STATEMENT (CONT'D)

## HUMAN RIGHTS AND LABOUR PRACTICES (CONT'D)

Gender Diversity (%)



Managerial Role by Gender (%)



### Age Group of Employees by Employment Category

| FY2023              |                |                 |                |
|---------------------|----------------|-----------------|----------------|
| Employment Category | < 30 years old | 30-50 years old | > 50 years old |
| - Top Management    | 0%             | 3%              | 22%            |
| - Middle Management | 4%             | 12%             | 26%            |
| - Non Management    | 96%            | 85%             | 52%            |
| <b>Total</b>        | <b>100%</b>    | <b>100%</b>     | <b>100%</b>    |

| FY2024              |                |                 |                |
|---------------------|----------------|-----------------|----------------|
| Employment Category | < 30 years old | 30-50 years old | > 50 years old |
| - Top Management    | 0%             | 3%              | 19%            |
| - Middle Management | 4%             | 13%             | 28%            |
| - Non Management    | 96%            | 84%             | 53%            |
| <b>Total</b>        | <b>100%</b>    | <b>100%</b>     | <b>100%</b>    |

| FY2025              |                |                 |                |
|---------------------|----------------|-----------------|----------------|
| Employment Category | < 30 years old | 30-50 years old | > 50 years old |
| - Top Management    | 0%             | 3%              | 21%            |
| - Middle Management | 5%             | 13%             | 28%            |
| - Non Management    | 95%            | 84%             | 51%            |
| <b>Total</b>        | <b>100%</b>    | <b>100%</b>     | <b>100%</b>    |

### Employees with Disability

|                           | FY2023 | FY2024 | FY2025 |
|---------------------------|--------|--------|--------|
| Employees with Disability | 0.4%   | 0.3%   | 0.3%   |

#### Notes:

- FY2023 to FY2024: Aggregated data from SMTT and SMTI.
- FY2025: Aggregated data for SMTT, SMTI, EG R&D and Genitronic, excluding Glisten Knight as there are no employees.



# SUSTAINABILITY STATEMENT (CONT'D)

## EMPLOYEE ENGAGEMENT AND RETENTION

### Why it matters

Employees are the foundation of sustained growth and success, with their skills and dedication driving progress for the organisation.

### Related UNSDGs:



EG embraces a holistic approach to talent management that encompasses clear strategies for recruitment, development, retention, leadership, and succession planning to nurture a highly skilled and calibre workforce. Our employee management system, underpinned by robust policies and procedures, aims for continuous growth and effectiveness of our talents and building a resilient organisation.

Aligned with our human rights practices, we are committed to maintaining fair employment standards and continuously reviewing our recruitment process to ensure equality from the outset, in accordance with our Recruitment Policy and Procedures. All decisions regarding career advancement, recognition, and rewards are made fairly and without bias, based solely on employees' performance and merit.

To attract and retain talent, EG offers competitive remuneration packages that include both financial and non-financial compensation. Performance bonuses and annual increments, based on job performance and contributions, are assessed during yearly appraisals to incentivise excellence and uphold a culture of meritocracy. To strengthen resilience, we are establishing a succession planning framework to develop future leaders and safeguard operational continuity amidst workforce changes. Our ELITE Generation continues to remain relevant, whereby selected employees will act as leaders to bring about cultural changes in their own line of work.

EG's talent strategy focuses on developing a sustainable pool of talent through partnerships with local educational institutions and industry players. We are collaborating with local institutions to explore opportunities for providing on-site technical exposure and practical trainings for engineering students, with programme supported from our established customers from the U.S., China and Europe. This initiative is part of our collective effort to address the growing demand for skilled engineers and technicians in Malaysia, particularly in the field of 5G technology, while strengthening the nation's technical talent development ecosystem.

To foster a positive workplace culture, we organise team-building activities, while training and development programmes enhance skills, performance, and career growth. These programmes are tailored through the in-house competency matrix and annual appraisal assessments to ensure relevance, effectiveness, and alignment with individual development needs. Our commitment to cultivating a culture of well-being and engagement is also evident through programmes that strengthen employee connection and promote a positive workplace environment.

### PERKESO Career Fair

In collaboration with PERKESO, interview programmes were organised in December 2024 and June 2025 to recruit talent and support sustainable workforce growth.



## SUSTAINABILITY STATEMENT (CONT'D)

### EMPLOYEE ENGAGEMENT AND RETENTION (CONT'D)

#### Motivation and Team Building

A team-building programme was conducted in March 2025 to enhance collaboration, cross-departmental relationships, and synergy among SMTT management team.



#### Celebrating Festive Seasons

EG celebrates diversity by observing key cultural and religious festivals with employees in Malaysia and Thailand.



Deepavali Celebration



Chinese New Year Celebration



Raya Celebration



Songkran Celebration at SMTI, Thailand



## SUSTAINABILITY STATEMENT (CONT'D)

### EMPLOYEE ENGAGEMENT AND RETENTION (CONT'D)

#### Appreciating Our Employees' Contribution

EG Annual Dinner 2025 brought employees together to celebrate collective achievements, strengthen connections, and reinforce our shared commitment to unity and collaboration.



Annual Dinner 2025

#### Health and Wellness Initiatives

EG promotes employee well-being through activities that build an active and engaging workplace.



Penang Bridge Marathon 2024



Badminton Tournament 2024



EWC Bowling Tournament 2025

#### Total Training Hours by Employee Category

|                   | FY2023 | FY2024 | FY2025 |
|-------------------|--------|--------|--------|
| Non-executive     | 10,065 | 9,060  | 8,864  |
| Executive         | 829    | 2,203  | 884    |
| Middle Management | 373    | 885    | 237    |
| Management        | 139    | 468    | 108    |

#### Notes:

- FY2023 to FY2024: Aggregated data from SMTT and SMTI.
- FY2025: Aggregated data for SMTT, SMTI, EG R&D and Genitronic, excluding Glisten Knight as there are no employees.

# SUSTAINABILITY STATEMENT (CONT'D)

## HEALTH AND SAFETY

### Why it matters

The health and safety of employees, including on-site contractors, is a fundamental priority in any industrial operation.

### Related UNSDGs:



We remain committed to providing a safe, conducive and inclusive work environment for our workforce. This is supported by a strong safety culture, robust management systems and strict adherence to health and safety regulations.

At EG, our ESH Policy Statement serves as the foundation of a robust safety culture upheld across all manufacturing facilities, encompassing employees, contractors, subcontractors, vendors, and visitors. We also ensure compliance with the local standards and regulations, RBA certification and Intertek Workplace Conditions Assessment ("WCA") COC. During the year under review, we recorded zero cases on non-compliance related to safety and health.

We maintain a comprehensive Occupational Health and Safety Management System across all manufacturing facilities, overseen by the ESH Department. Our manufacturing facilities hold ISO 45001:2018 certification. The system incorporates structured policies, robust risk management and a safety-first culture to drive continuous improvement for employees and stakeholders.



### Health Screening

- Free annual health check for all employees
- 24-hour on-site nurse team in SMTI



### Emergency Preparedness

- Annual fire and evacuation drills
- Annual chemical spill drills
- X-ray radiation safety drills



### Training and Information

- Environment Safety and Health Manual training for new employees
- Safe handling procedures for chemicals
- Safe operation procedures for X-ray radiation equipment



### Workplace assessment

- Completely Check Completely Find out ("CCCCF") project to identify and address hazards before accidents occur
- Risk management programme for employees handling chemicals
- Provision of appropriate Personal Protective Equipment ("PPE") based on workplace risk assessments

Regular internal and external audits are carried out to assess operational processes, hazard identification, and risk mitigation measures, alongside evaluating the overall effectiveness of the management system. These audits provide valuable insights for refining safety protocols and sharing best practices across the Group.

# SUSTAINABILITY STATEMENT (CONT'D)

## HEALTH AND SAFETY (CONT'D)



### Safe Riding Program

We partnered with SOCSO as part of the Vision Zero initiative to reduce accident risks and promote a culture of safe commuting among motorcycle riders.



### Zero Accident Campaign

We participated in our first Zero Accident Campaign contest, organised by the Thailand Institute of Occupational Safety and Health (Public Organisation).



### Employees Health Surveillance Programme

In February 2025, a health surveillance programme was conducted for 180 employees to support well-being and monitor occupational health risks.



### Malaria Screening Programme

We organised a malaria screening programme, providing free screening to 900 employees to safeguard their health and well-being.

|                                                              | FY2023 | FY2024 | FY2025 |
|--------------------------------------------------------------|--------|--------|--------|
| Occupational health and safety non-compliance cases reported | 0      | 0      | 0      |
| Work-related fatalities                                      | 0      | 0      | 0      |
| Lost time incident rate                                      | 0.05   | 0.40   | 0.14   |

- Notes:
- FY2023 to FY2024: Aggregate data for SMTT and SMTI.
  - FY2025: Aggregate data for SMTT, SMTI, Glisten Knight and Genitronic, except for EG R&D.

## COMMUNITY AND SOCIETY

### Why it matters

Investing in local communities uplifts livelihoods, enriches quality of life, and strengthens resilience, fostering sustainable growth and societal stability.

### Related UNSDGs:



As a responsible corporate citizen, EG had initiated community-focused initiatives to support societal development. Through monetary and in-kind contributions, our efforts were channelled toward enhancing the quality of life and laid the foundation for sustainable prosperity of our surrounding communities.

## SUSTAINABILITY STATEMENT (CONT'D)

### COMMUNITY AND SOCIETY (CONT'D)

#### HEALTH

We supported the local health sector through financial aid and resource contributions, aimed to effect improvements in community health.

| Category                 | Key Contributions                                                                                                                                           |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Blood Donation Drives    | Collected a total of 411 pints of blood for Tabung Darah Hospital Sultanah Asma, Alor Setar, Kedah ("HSAH").                                                |
| Dengue Campaign          | Collaborated with Majlis Perbandaran Sungai Petani Kedah ("MPSPK") to raise community dengue awareness - benefitting Sungai Petani residents.               |
| Community Education Talk | Collaborated with Ministry of Health Malaysia ("KKM") and Unit Kawalan Kesihatan Pekerjaan ("UKKP") to raise awareness on ESH - benefitted 50 participants. |



Blood Donation



Community Education Talk



# SUSTAINABILITY STATEMENT (CONT'D)

## COMMUNITY AND SOCIETY (CONT'D)

### SOCIAL AND CULTURE

We extended our support to vulnerable community groups, helping to improve their wellbeing and quality of life, while also celebrating festive session to foster inclusivity and cultural appreciation.

| Category                                        | Key Contributions                                                                                                                                  |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Donation to Welfare Agencies                    | Contributed food aid worth RM744 to an old folks' home and centres for children with disabilities.                                                 |
| Flood donation to victims in Kedah and Kelantan | Provide essential aid worth RM15,000 comprising food and daily necessities to 1,000 Kelantan's families and 800 Kedah's families in December 2024. |
| Donation to senior citizens                     | Collaborated with Penang Chinese Traders Employees Recreation Club to distribute basic necessities amounted to RM10,000 to the senior citizens.    |



Donation to Welfare Agencies



Flood Donation to Victims in Kedah and Kelantan



Donation to Senior Citizens

## SUSTAINABILITY STATEMENT (CONT'D)

### COMMUNITY AND SOCIETY (CONT'D)

#### LOCAL INFRASTRUCTURE

We supported the local health sector through financial aid and resource contributions, aimed to effect improvements in community health.

| Category                 | Key Contributions                                                                                                                                       |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Road Rejuvenation        | Partnered with MPSPK to rejuvenate the Sungai Petani main road spanning 5km, improving road safety and accessibility.                                   |
| Clean-up Programme       | Collaborated with MPSPK to clean up 842 m <sup>2</sup> of Taman Sejati Indah - benefitting Sungai Petani residents and enhancing the local environment. |
| Water Tanker Sponsorship | Sponsored RM10,000 to Sungai Petani Volunteer Fire and Rescue (Bomba Sukarela) to strengthen local emergency response capacity.                         |

Road Rejuvenation



Water Tanker Sponsorship

# SUSTAINABILITY STATEMENT (CONT'D)

## COMMUNITY AND SOCIETY (CONT'D)

|                                                       | FY2023     | FY2024     | FY2025     |
|-------------------------------------------------------|------------|------------|------------|
| Amount invested in the community                      | RM 159,661 | RM 126,429 | RM 168,053 |
| Estimated Number of Direct and Indirect Beneficiaries | 22,000     | 11,834     | 19,620     |

Notes:

- FY2023 to FY2025: Aggregate data for SMTT and SMTI.
- Some CSR initiatives such as donations, road rejuvenation and clean-up were carried out for the benefit of the community; however, the number of direct and indirect beneficiaries could not be quantified.

In conclusion, sustainability is more than a commitment—it is the foundation of how EG grows and thrives. As we move forward, we will harness innovation, collaboration, and responsible business practices to reduce our environmental footprint, safeguard resources, and strengthen community resilience. By engaging openly with our stakeholders and working towards our shared goals, we aim to create enduring value—building a future where our business, our communities, and our planet prosper together.





# SUSTAINABILITY STATEMENT (CONT'D)

## PERFORMANCE DATA TABLE

| Indicator                                                                                                           | Measurement Unit | 2023       | 2024       | 2025       |
|---------------------------------------------------------------------------------------------------------------------|------------------|------------|------------|------------|
| <b>Corporate Governance</b>                                                                                         |                  |            |            |            |
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category              |                  |            |            |            |
| Management                                                                                                          | Percentage       | 100.00     | 100.00     | 100.00     |
| Executive                                                                                                           | Percentage       | 100.00     | 100.00     | 100.00     |
| Non-executive                                                                                                       | Percentage       | 100.00     | 100.00     | 100.00     |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks                                          | Percentage       | 100.00     | 100.00     | 100.00     |
| Bursa C1(c) Confirmed incidents of corruption and action taken                                                      | Number           | 0          | 0          | 0          |
| Major cases on compliance violations                                                                                | Number           | 0          | 0          | 0          |
| Breaches in ethics and integrity conduct                                                                            | Number           | 0          | 0          | 0          |
| Fines and penalties from the authorities                                                                            | RM               | 0.00       | 0.00       | 0.00       |
| <b>Bursa (Community/Society)</b>                                                                                    |                  |            |            |            |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR              | 159,661.00 | 126,429.00 | 168,053.00 |
| Bursa C2(b) Total number of beneficiaries of the investment in communities                                          | Number           | 22,000     | 11,834 *   | 19,620     |
| <b>Human Rights and Labour Practices</b>                                                                            |                  |            |            |            |
| Bursa C3(a) Percentage of employees by gender and age group, for each employee category                             |                  |            |            |            |
| Age Group by Employee Category                                                                                      |                  |            |            |            |
| Top management Under 30                                                                                             | Percentage       | 2.17       | 0.00       | 4.00       |
| Top management Between 30-50                                                                                        | Percentage       | 60.87      | 64.15      | 56.00      |
| Top management Above 50                                                                                             | Percentage       | 36.96      | 35.85      | 40.00      |
| Middle management Under 30                                                                                          | Percentage       | 32.91      | 27.56      | 28.00      |
| Middle management Between 30-50                                                                                     | Percentage       | 58.23      | 61.81      | 60.00      |
| Middle management Above 50                                                                                          | Percentage       | 8.86       | 10.63      | 12.00      |
| Non-management Under 30                                                                                             | Percentage       | 62.69      | 57.73      | 58.00      |
| Non-management Between 30-50                                                                                        | Percentage       | 35.79      | 40.26      | 39.00      |
| Non-management Above 50                                                                                             | Percentage       | 1.52       | 2.01       | 3.00       |
| Gender Group by Employee Category                                                                                   |                  |            |            |            |
| Top management Male                                                                                                 | Percentage       | 67.39      | 66.04      | 59.00      |
| Top management Female                                                                                               | Percentage       | 32.61      | 33.96      | 41.00      |
| Middle management Male                                                                                              | Percentage       | 39.24      | 44.49      | 45.00      |
| Middle management Female                                                                                            | Percentage       | 60.76      | 55.51      | 55.00      |
| Non-management Male                                                                                                 | Percentage       | 39.78      | 38.78      | 43.00      |
| Non-management Female                                                                                               | Percentage       | 60.22      | 61.22      | 57.00      |
| Bursa C3(b) Percentage of directors by gender and age group                                                         |                  |            |            |            |
| Male                                                                                                                | Percentage       | 83.33      | 80.00      | 80.00      |
| Female                                                                                                              | Percentage       | 16.67      | 20.00      | 20.00      |
| Under 30                                                                                                            | Percentage       | 16.67      | 0.00       | 0.00       |
| Between 30-50                                                                                                       | Percentage       | 16.67      | 40.00      | 40.00      |
| Above 50                                                                                                            | Percentage       | 66.66      | 60.00      | 60.00      |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff                                         | Percentage       | 2.00       | 3.10       | 0.00       |

Internal assurance External assurance No assurance (\*)Restated

# SUSTAINABILITY STATEMENT (CONT'D)

## PERFORMANCE DATA TABLE (CONT'D)

| Indicator                                                                                                                | Measurement Unit | 2023       | 2024       | 2025       |
|--------------------------------------------------------------------------------------------------------------------------|------------------|------------|------------|------------|
| Bursa C6(c) Total number of employee turnover by employee category                                                       |                  |            |            |            |
| Top management                                                                                                           | Number           | 14         | 8          | 10         |
| Middle management                                                                                                        | Number           | 48         | 35         | 74         |
| Non-management                                                                                                           | Number           | 190        | 172        | 990        |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations                                        | Number           | 5          | 0          | 0          |
| <b>Energy and Climate Change</b>                                                                                         |                  |            |            |            |
| Bursa C4(a) Total energy consumption                                                                                     | Megawatt         | 24,660.03  | 22,079.85  | 26,755.21  |
| Bursa C11(a) Scope 1 emissions in tonnes of CO2e                                                                         | Metric tonnes    | 178.00     | 111.00     | 69.00      |
| Bursa C11(b) Scope 2 emissions in tonnes of CO2e                                                                         | Metric tonnes    | 13,733.00  | 12,222.00  | 20,290.00  |
| Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting) | Metric tonnes    | 7,657.00   | 5,982.00   | 6,533.00   |
| <b>Bursa (Health and safety)</b>                                                                                         |                  |            |            |            |
| Bursa C5(a) Number of work-related fatalities                                                                            | Number           | 0          | 0          | 0          |
| Bursa C5(b) Lost time incident rate ("LTIR")                                                                             | Rate             | 0.05       | 0.40       | 0.14       |
| Bursa C5(c) Number of employees trained on health and safety standards                                                   | Number           | 2,768      | 2,646      | 2,683      |
| <b>Employee Engagement and Retention</b>                                                                                 |                  |            |            |            |
| Bursa C6(a) Total hours of training by employee category                                                                 |                  |            |            |            |
| Non-executive                                                                                                            | Hours            | 10,065     | 9,060      | 8,864      |
| Executive                                                                                                                | Hours            | 829        | 2,203      | 884        |
| Mid-management                                                                                                           | Hours            | 373        | 885        | 237        |
| Management                                                                                                               | Hours            | 139        | 468        | 108        |
| <b>Responsible Sourcing and Supply Chain Management</b>                                                                  |                  |            |            |            |
| Bursa C7(a) Proportion of spending on local suppliers                                                                    | Percentage       | 22.00      | 23.00      | 29.00      |
| New suppliers screened using environmental criteria                                                                      | Percentage       | 100.00     | 100.00     | 100.00     |
| New suppliers screened using social criteria                                                                             | Percentage       | 100.00     | 100.00     | 100.00     |
| <b>Bursa (Data privacy and security)</b>                                                                                 |                  |            |            |            |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data       | Number           | 0          | 0          | 0          |
| Major cases of data leakage, data misuse or other non-compliance reported                                                | Number           | 0          | 0          | 0          |
| Cybersecurity attacks                                                                                                    | Number           | 0          | 0          | 0          |
| <b>Bursa (Water)</b>                                                                                                     |                  |            |            |            |
| Bursa C9(a) Total volume of water used                                                                                   | Megalitres       | 110.320000 | 90.413000  | 87.680000  |
| Volume of water (effluent) discharge                                                                                     | Cubic meters     | 97,650.00  | 26,331.00  | 14,256.00  |
| <b>Bursa (Waste management)</b>                                                                                          |                  |            |            |            |
| Bursa C10(a) Total waste generated                                                                                       | Metric tonnes    | 350.02     | 341.19     | 326.25     |
| Bursa C10(a)(i) Total waste diverted from disposal                                                                       | Metric tonnes    | 0.00       | 0.00       | 121.19     |
| Bursa C10(a)(ii) Total waste directed to disposal                                                                        | Metric tonnes    | 122.73     | 90.92      | 205.06     |
| Hazardous waste generated                                                                                                | Kilograms        | 122,730.00 | 90,915.00  | 120,366.00 |
| Non-hazardous waste generated                                                                                            | Kilograms        | 227,290.00 | 250,279.00 | 205,881.00 |
| Waste recycled                                                                                                           | Kilograms        | 79,404.00  | 144,239.00 | 96,322.00  |
| <b>Quality and Customer Satisfaction</b>                                                                                 |                  |            |            |            |
| Quality and Customer Satisfaction Key customer satisfaction score                                                        | Percentage       | 82.00      | 84.00      | 88.00      |
| <b>Sustainable Production and Innovation</b>                                                                             |                  |            |            |            |
| Production productivity                                                                                                  | Percentage       | 85.00      | 83.00      | 83.00      |
| Production efficiency                                                                                                    | Percentage       | 94.00      | 93.00      | 90.00      |
| <b>Pollution Control</b>                                                                                                 |                  |            |            |            |
| Air emissions of particulate matter                                                                                      | mg/m3            | 0.40       | 0.45       | 1.04       |
| Noise level                                                                                                              | dB               | 72         | 68         | 65         |

Internal assurance External assurance No assurance (\*)Restated



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of EG Industries Berhad ("EG" or "Company") is committed to maintaining high standards of corporate governance within the Group for the long term sustainable business growth, protection and enhancement of shareholder value. The Board acknowledged that good corporate governance is a fundamental part of its responsibility in managing the business and operations of the Group and discharging its accountability to the shareholders.

The Board is pleased to present the FY2025 Corporate Governance Overview Statement ("CG Overview Statement") which is prepared in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and take guidance from the following principles set out in the Malaysian Code on Corporate Governance 2021 ("MCCG"):

- (a) Board Leadership and Effectiveness;
- (b) Effective Audit and Risk Management; and
- (c) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG Overview Statement is to be read together with the Company's Corporate Governance Report 2025 ("CG Report") which is available on the Company's website at [www.eg.com.my](http://www.eg.com.my).

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### PART I – BOARD RESPONSIBILITIES

#### 1. Strategic Aims, Values and Standards

The Board of EG is responsible for the overall business framework within the Company and its subsidiaries ("EG Group" or "the Group").

In order to assist in discharging of its stewardship role, the Board has established Board Committees, namely the Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee ("RC") to oversee matters within their purview approved by the Board and to report to the Board on key issues deliberated at their respective meetings. Each of the ARMC, NC and RC comprises majority Independent Non-Executive Directors ("INEDs"). The ARMC, NC and RC carry out their roles and responsibilities in accordance with their respective Terms of References ("TOR") objectively. The ultimate responsibility for decision-making resides within the Board.

The Board has delegated the responsibility of implementing the Group's strategic plans, policies and decisions adopted by the Board to the Management, which is led by the Group Chief Executive Officer/Executive Director, Dato' Alex Kang Pang Kiang, ("Group CEO"). The Group CEO is the conduit between the Board and the Management in ensuring smooth and effective running of the Group.

The Board also meets with management representatives on a quarterly basis where management reports on the business performance and results of the Company and the Group which are benchmarked against the previous period and/or year, as applicable, in order for the Board to monitor and assess performance, and consider corrective actions to achieve the Group's targets.

Management is responsible for the execution of activities to meet corporate plans as well as instituting various measures to ensure due compliance with various governing legislations. In addition, management has the authority to deal with particular issues and report to the Board with recommendations and solutions.

#### Separation of the Positions of Chairman and Group CEO

The role of Chairman and Group CEO are strictly separated and distinct. Their respective roles and responsibilities are defined to promote accountability, facilitate efficiency and to further ensure a balance of power and authority.

No individual Director has powers that span the two roles. The Chairman and the Group CEO are not related to each other.

Mr. Ong Lye Soon, the INED and Chairman, is responsible in leading the overall functioning of the Board, while Dato' Alex Kang Pang Kiang is the Group CEO that focuses on the day-to-day operations of the Group's business and implementation of the strategic plans, targets and policies.

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART I – BOARD RESPONSIBILITIES (CONT'D)

#### 1. Strategic Aims, Values and Standards (Cont'd)

##### Qualified and Competent Company Secretaries

The Board is supported by qualified and competent Company Secretaries. The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, MCCG or guidance and legislations. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its functions.

The roles and responsibilities of the Company Secretaries include but not limited to:

- (a) Facilitate and attend all General Meetings, Board, and Board Committee meetings, ensuring the meetings are properly convened and the proceedings of all meetings, including pertinent issues, substance of enquiries and responses, suggestions and proposals, are properly documented;
- (b) Update and advise on the Board's procedures and ensure that applicable rules and regulations for the conduct of the affairs of the Board are complied with and all matters associated with the maintenance of the Board or otherwise required for its efficient operation;
- (c) Ensure proper upkeep of statutory registers and records of the Company; and
- (d) Advise the Board on compliance of statutory and regulatory requirements.

All members of the Board, whether as a whole or in their individual capacity, have access to the advice and services of the Company Secretaries on all matters relating to the Group to assist them in the furtherance of their duties.

##### Access to Information and Advice

The Group CEO, together with the Chairman, holds primary responsibility for organising information necessary for the Board to deal with the agenda and ensuring all Directors have full and timely access to relevant information for matters that will be deliberated at Board meetings.

In exercising their duties, all Directors have equal access to information within the Group and they may make further enquiries as necessary in discharging their duties. Where required, senior management may be invited to brief and assist the Directors in addressing any doubts or concerns over issues tabled for deliberation, thereby facilitating the decision-making process.

All Directors are provided with agenda and board papers in advance of meetings to allow sufficient time for review and, where appropriate, to seek further explanations. The board papers would include updates on the Group's financial performance, operational and corporate developments, policies, strategic matters, potential risks affecting the Group's performance, as well as other matters requiring the Board's consideration or decision.

Other matters presented for the Board's decision include, among others, the approval of corporate plans, acquisitions or disposals of material assets, major investments, changes to the Group's management and control structure, as well as key policies and procedures.

Minutes of meetings are prepared by the Company Secretaries. Upon completion of the meeting, draft minutes of meetings are circulated to all members in a timely manner for review and finalisation.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART I – BOARD RESPONSIBILITIES (CONT'D)

#### 2. Demarcation of Responsibilities

##### Board Charter

The Board is guided by the Board Charter ("Charter"), which provides a reference for Directors in relation to the Board's role, powers, duties and functions. The Charter also provides guidance for Directors and Management on the responsibilities of the Board, Board Committees and requirements of Directors.

The Charter is subject to periodical review by the Board as and when required to ensure consistency with the Board's strategic intent as well as in line with the latest statutory and regulatory requirements.

The Charter is made available on the Company's website at [www.eg.com.my](http://www.eg.com.my).

#### 3. Promoting Good Business Conduct and Corporate Culture

##### Business Code of Conduct

The Board is committed towards establishing a corporate culture to nurture a high standard of ethical conduct throughout the Group.

The Group's Business Code of Conduct ("BCOC") and Anti-Corruption and Anti-Bribery Policy ("ACAB Policy") set out the fundamental principles and guidelines governing the expected standard of ethical conduct and values of all Directors, Management and employees. These policies serve as essential references to guide conduct and decision-making in the performance of their duties. The BCOC and ACAB Policy encompass compliance with applicable laws and regulations, including abuse of power, fair competition, anti-corruption, insider trading, corporate governance, and conflicts of interest.

The Board has implemented appropriate processes and systems to support, promote and ensure its compliance. The Board will periodically review the BCOC and ACAB Policy which are available on Company's website at [www.eg.com.my](http://www.eg.com.my).

##### Whistle-Blowing Policy

The Board has adopted a Whistle-Blowing Policy which sets out the disclosure procedures and protection for whistle blowers to meet the Group's ethical obligations. Employees and stakeholders are encouraged to raise any serious concerns they have on any suspected misconduct or malpractices without fear of victimisation in a responsible manner rather than avoiding or overlooking them.

All whistle-blowing reports are addressed to the ARMC Chairman. This policy is administered by the ARMC with the assistance from the Management.

The Whistle-Blowing Policy is available on the Company's website at [www.eg.com.my](http://www.eg.com.my).

#### 4. Sustainability Risks and Opportunities

##### Governance of Sustainability

The Board acknowledges that sustainable development is an important and integral part of the Group's long-term business success.

The Board is responsible for overseeing the governance of sustainability. Positioned at the apex of the governance structure, the Board is ultimately accountable for the endorsement of the Group's sustainability strategies, and related policies and initiatives.

The Group CEO, supported by Risk Management Committee ("RMC"), oversees the Group's sustainability initiatives. The RMC, comprises primarily senior management, is entrusted to drive the strategic management of material sustainability matters ("MSM") and ensuring the effective implementation, monitoring and delivery of the Group's sustainability initiatives and performance.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART I – BOARD RESPONSIBILITIES (CONT'D)

#### 4. Sustainability Risks and Opportunities (Cont'd)

##### Communication of Sustainability Strategies, Priorities and Targets

The Board has identified thirteen (13) MSM across three (3) main sustainability pillars, namely Governance and Ethical Conduct, Environmental Stewardship and Social Responsibility. Management has engaged with selected stakeholders to gauge the importance of these MSMs to the stakeholders. Audit and surveys were carried out from time to time to gather feedback and evaluate the performance of the MSM against its targets.

##### Staying Abreast with Sustainability Issues

The Board is aware of the sustainability issues that are relevant to the Group and its businesses. They are mindful of the capacity and competency required in addressing sustainability issues and are taking necessary steps to enhance the understanding and knowledge of the Directors.

As of the date of this Report, some of the Directors have attended sustainability and climate risk training to stay abreast with the sustainability as well as climate-related risks and opportunities.

### PART II – BOARD COMPOSITION

#### 5. Board's Objectivity

##### Annual Evaluation of the Directors and The Board

NC is empowered by the Board through clearly defined TOR to ensure appropriate procedures are in place for the nomination, selection and evaluation of Directors ("Annual Assessment"). The NC conducts annual assessments on the effectiveness of the Board as a whole, its Board Committees, and individual Directors. All assessments and evaluations conducted by the NC in discharging its duties are duly documented in the meeting minutes.

The objective of assessing the effectiveness of the Board and Board Committees is to strengthen overall performance and enhance Directors' awareness on key areas requiring attention. The evaluation result and recommendations from the NC are tabled to the Board for deliberation and decision making.

Based on the outcome of Annual Assessment for the financial year under review, the NC and the Board are satisfied that the Board and Board Committees have effectively discharged their duties and responsibilities, and the contribution and performance of each Director are satisfactory. The results of the annual performance assessment serve as the basis for recommending the re-election of Director(s) retiring during the year.

In addition, the Board has adopted its Fit and Proper Policy to guide the NC in the review and assessment of candidates who are to be appointed or reappointed to the Board. The Fit and Proper Policy is available on Company's website at [www.eg.com.my](http://www.eg.com.my).

##### Board Composition

The Board composition as at FY2025 consists of five (5) members, details are set out as below:

| Directors                  | Designation    |
|----------------------------|----------------|
| Mr. Ong Lye Soon           | INED, Chairman |
| Dato' Alex Kang Pang Kiang | Group CEO/ED   |
| Mr. Lim Sze Yan            | Non-INED       |
| Mr. Lee Kean Teong         | INED           |
| Ms. Tan Jie En             | INED           |

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART II – BOARD COMPOSITION (CONT'D)

#### 5. Board's Objectivity (Cont'd)

##### Board Composition (Cont'd)

The INEDs make up more than half of the Board and this has exceeded the ratio recommended under the MCCG. Their presence ensure effective checks and balances in the Board's decision making processes, as demonstrated through their active contributions, participation and independent oversight.

The INEDs are independent of management and free from any business or personal relationship which could materially interfere with the exercise of their judgment. They provide unbiased, balanced and independent views, guidance, and advice during Board meetings.

In FY2025, the Board convened five (5) meetings to deliberate and decide on key matters, including the Group's financial performance, approval of strategic business plans and investments, review of risk management and internal controls, and annual evaluation of Directors. Detail of attendance of each Director at Board meetings is tabulated as below:

| Directors                  | Attendance |
|----------------------------|------------|
| Mr. Ong Lye Soon           | 5/5        |
| Dato' Alex Kang Pang Kiang | 5/5        |
| Mr. Lim Sze Yan            | 5/5        |
| Mr. Lee Kean Teong         | 5/5        |
| Ms. Tan Jie En             | 5/5        |

All Directors comply with Paragraph 15.06 of the MMLR, as none of the Directors hold more than five (5) directorships in other public listed companies. This ensures that each Director is able to discharge their duties effectively with the necessary focus commitment, resources and time.

The Board is satisfied with the time commitment given by the Directors as demonstrated by their attendance at the meetings of the Board and Board Committees.

##### Tenure of Independent Director

The Board, through the NC, conducted Annual Assessment of the Directors which included an evaluation of the independence of all INEDs. The Board is satisfied with the level of independence demonstrated by the INEDs, as evidenced not only by their compliance with the criteria set out in the MMLR but also by their ability to exercise independent judgment and provide unbiased views and opinions when matters are put forward for decisions. Throughout the term of their office, the INEDs are able to draw on their expertise, professional experience, as well as the necessary knowledge of the Group's business and operations to participate actively and contribute positively during deliberations or discussions leading to decision-making at meetings.

The Board is mindful of the recommendation of the MCCG where tenure of an INED should not exceed a cumulative term limit of nine (9) years. If the Board intends to retain an INED beyond nine (9) years, it should justify and seek annual shareholders' approval.

Mr. Lee Kean Teong has served as INED of the Company for more than nine (9) years. At the forthcoming AGM, the Board will seek shareholders' approval to retain Mr. Lee Kean Keong as the INED of the Company.

The Company opted to maintain the present voting practice as there may be potential legal implication if the Company opted to go for 2-tier voting as this will be inconsistent with 1-share 1-vote stand under the Companies Act 2016. The Company would like to allow an advocacy period for the awareness and implications of the 2-tier voting to be better understood.



## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART II – BOARD COMPOSITION (CONT'D)

#### 5. Board's Objectivity (Cont'd)

##### Diversity of Board and Senior Management

The Board strives for an effective and balanced Board and acknowledges the importance of diversity, including gender, ethnicity, cultural background, tenure, age, and professional experience, which establish the context for decisions being made objectively.

It believes that an inclusive culture will enable the Group to leverage differences in perspective, knowledge, skill and experience to achieve a sustainable and balanced development. All appointments have been and will be based on objective criteria and merit with due regards for diversity.

The Board ensures that the corporate key management is of sufficient calibre to implement corporate strategies and objectives, taking into account the needs to promote sustainability and safeguard the interest of stakeholders.

##### Different Sources for New Candidate(s) for Board Appointment

The Board relies on several sources to identify new candidates for directorship, including recommendation from current Directors. However, it recognises the importance of not relying solely on suggestions from existing Board members, management or major shareholders. To enhance the selection process, the Board will also consider third party sources to identify suitably qualified candidate(s) for directorship, if any. In addition, the management will undertake background check on candidates on behalf of the NC.

There was no new appointment to the Board during the financial year under review.

##### Board Information for Decision on Appointment and Reappointment of Director

Profile of all Directors is detailed under Directors' Profile in this Annual Report. Information contained therein included age, gender, tenure of service, qualification, directorship in other companies, working experience, any conflict of interest and/or potential conflict of interest, and any offences convicted over the past five (5) years.

In order to ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director, a brief profile of Director concerned together with statement from the Board (on whether it supports the appointment or reappointment) as well as disclosure of any conflict of interest and/or potential conflict of interest is included in the explanatory notes accompanying notice of Annual General Meeting ("AGM").

##### Composition of the NC

Members of the NC are as follows:

|                    |                  |
|--------------------|------------------|
| Ms. Tan Jie En     | - Chairman, INED |
| Mr. Lim Sze Yan    | - Non-INED       |
| Mr. Lee Kean Teong | - INED           |

During FY2025, the NC met one (1) time and the attendance of each member is as follows:-

| Directors          | Attendance |
|--------------------|------------|
| Ms. Tan Jie En     | 1/1        |
| Mr. Lim Sze Yan    | 1/1        |
| Mr. Lee Kean Teong | 1/1        |

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART II – BOARD COMPOSITION (CONT'D)

#### 5. Board's Objectivity (Cont'd)

##### Composition of the NC (Cont'd)

During the financial year under review, key activities undertaken by the NC are summarised as follows:

- (a) Assessed the contribution and effectiveness of the Board, Board Committees and Directors by using a questionnaire which is guided by the Corporate Governance Guide issued by Bursa Securities. After reviewing the responses from the Directors, the NC reported the results to the Board for review and deliberation. The results of the assessment confirmed that the Board, the Board Committees and Directors have discharged their duties and responsibilities effectively;
- (b) Reviewed and assessed the mix of skills, expertise, composition, experience, and fit and proper of the Directors;
- (c) Reviewed the term of office and performance of the ARMC;
- (d) Reviewed the level of independence of INEDs;
- (e) Discussed the character, experience, integrity and competence of the Directors, and to ensure they have the time to discharge their respective roles;
- (f) Noted the training attended by Directors and recommended to the Board for adoption and disclosure in the CG Overview Statement for publication in the Annual Report;
- (g) Recommended for Directors to attend training or seminars particularly those in connection with updates to regulations and financial reporting standards in the coming year; and
- (h) Reviewed and recommended re-election of Directors, in accordance with the Constitution of the Company, at the forthcoming AGM.

##### Gender Diversity

Ms. Tan Jie En, the sole female Director testified to the Company's commitment on gender diversity for female representation on the Board.

The Board presently does not have any policy on gender diversity. The NC and the Board will consider gender diversity as part of its future selection and will look into increasing female board representation going forward.

The Board believes that there is no detriment in not adopting a formal gender, ethnicity and age group diversity policy as the Group is committed to provide fair and equal opportunities and nurturing diversity within the Group.

Notwithstanding with the above, the Board affirms its commitment to diversity as a truly diversified Board and corporate key management can enhance the Group's effectiveness, perspective, creativity and capacity to thrive in good times and to weather through the tough times.

In identifying suitable candidates for appointment to the Board, the NC will consider candidates based on merit against objective criteria and with due regard for the benefits of diversity to the Board.

#### 6. Overall Effectiveness of the Board and its Individual Directors

##### Formal and Objective Evaluation

The NC assessed the effectiveness of the Board as a whole and the Board Committees as well as assess contribution of the Directors through the Annual Assessment. All assessments and evaluations carried out by the NC in discharging its functions have been documented.

Additionally, the NC also reviews the required mix of skills, experience and other qualities, including core competencies of the Board members in discharging their duties. The skills and experience of each Director is analysed, inter-alia, in the areas of business operations, technical, governmental affairs and legislation.

All Directors are provided with the same set of assessment forms for their completion. The Chairman of the NC will report the results and deliberate with the Board.

The criteria used in the assessment of the Board and the Board Committees focused on board mix and composition, quality of information and decision-making, boardroom activities, Board's relationship with management and Board members. The assessment of individual Director focused on fit and proper, contribution and performance, calibre and personality, skills set and independence.

The assessment in respect of FY2025 was carried out with the results deemed satisfactory by the Board.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART II – BOARD COMPOSITION (CONT'D)

#### 6. Overall Effectiveness of the Board and its Individual Directors (Cont'd)

##### Directors' Continuing Education

All Directors have completed the Mandatory Accreditation Programme ("MAP") stipulated by Bursa Securities. They are provided with opportunities for training and update from time to time, particularly on relevant new laws and regulations, financial reporting, risk management, sustainability and investor relations to equip themselves with the knowledge to effectively discharge their duties as Directors.

The Board had, through the NC, undertaken an assessment of the Directors' training needs and concluded that the Directors should determine their training needs as they are best placed to assess their areas of concern.

In FY 2025, the Directors have attended the following training programmes to enhance their skills and knowledge.

| Name of Directors          | Training                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Ong Lye Soon           | <ul style="list-style-type: none"> <li>MAP Part II: Leading for Impact (LIP)</li> <li>Risk Management and Section 17A MACC Act 2009</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Dato' Alex Kang Pang Kiang | <ul style="list-style-type: none"> <li>MAP Part II: Leading for Impact (LIP)</li> <li>Risk Management and Section 17A MACC Act 2009</li> <li>Stay Ahead of IRB's Evolving Tax Enforcement Strategies</li> <li>Advance Product Quality Planning (APQP) and Control Plan</li> <li>Failure Mode and Effect Analysis (FMEA) 1st Edition 2019</li> <li>Production Part Approval Process</li> <li>Measurement Statistical Analysis (MSA)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Mr. Lim Sze Yan            | <ul style="list-style-type: none"> <li>MAP Part II: Leading for Impact (LIP)</li> <li>Risk Management and Section 17A MACC Act 2009</li> <li>Technologies to support MBRS compliance</li> <li>SST Update 2025</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Mr. Lee Kean Teong         | <ul style="list-style-type: none"> <li>The Risk Landscape: Navigating Climate Transition Risks in a Circular Economy</li> <li>A focus on Tax Transparency – ESG and beyond</li> <li>Unlocking success with e-Invoicing tax compliance and strategies in Malaysia</li> <li>Organising Successful Events: Legal Considerations</li> <li>MIA Webinar Series: MPERS: Issues in Financial Instruments</li> <li>Case Study-Based MFRS Webinar: Fair Value Measurements in MFRS and MPERS</li> <li>Case Study-Based MFRS Webinar: How compliance with IFRS/MFRS influences obtaining sufficient and appropriate audit evidence</li> <li>MIA Webinar Series: ISA530 Audit Sampling - From Theory to Practice: Implementing ISA 530 in the auditing process</li> <li>KPMG Tax Seminar</li> <li>MIA Webinar Series: Ascertain and Obtaining Audit Evidence (Part 3)</li> <li>MIA Webinar Series: Audit Quality Enhancement Programme for SMPs</li> </ul> |
| Ms. Tan Jie En             | <ul style="list-style-type: none"> <li>MAP Part II: Leading for Impact (LIP)</li> <li>Webinar on Dawn Raid: Practical Aspects on How Law Firms Can Manage Dawn Raids</li> <li>Income Tax Considerations for Small Firm Practitioners</li> <li>Data and Compliance ("DCR") Clinic 2024</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

All Directors receive regular updates on relevant laws and regulations to enhance their business acumen and skills in addressing evolving commercial risks and challenges. The Directors were also briefed by the Company Secretaries on the various amendments to the MMLR as and when they arise.

The management facilitate the organisation of training programmes for Directors and maintain records of the trainings attended.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART III – REMUNERATION

#### 7. Level and Composition of Remuneration

##### Remuneration Policy

The Board has a Remuneration Policy in place which sets out the determinants and structure of remuneration of Executive Directors and Non-Executive Directors of the Company, as well as the procedure to determine their remuneration.

This Policy is established for the purpose of ensuring that the Company has remuneration guidelines that are:

- (a) Appropriate to attract, retain and motivate the Directors;
- (b) Fair and reasonable having regard to the demands, complexities and performance of the Company as well as the level of competencies, scope of work and responsibilities of the individual Directors; and
- (c) Aligned with the business strategy and long-term objectives of the Company and the Group.

The remuneration package of the Executive Director is determined based on the scope of work and responsibilities and is linked to individual as well as corporate performance. As for Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities, and the onerous challenges in discharging their fiduciary duties and is comparable to prevailing market rate.

The Remuneration Policy is made available on the Company's website at [www.eg.com.my](http://www.eg.com.my).

##### Composition of the RC

Members of the RC are as follows:

|                    |                  |
|--------------------|------------------|
| Mr. Lee Kean Teong | – Chairman, INED |
| Mr. Lim Sze Yan    | – Non-INED       |
| Ms. Tan Jie En     | – INED           |

During the financial year, the RC met one (1) time and the attendance of each member is as follows:

| Directors          | Attendance |
|--------------------|------------|
| Mr. Lee Kean Teong | 1/1        |
| Mr. Lim Sze Yan    | 1/1        |
| Ms. Tan Jie En     | 1/1        |

The RC ensures that remuneration of the Board commensurate with the level of responsibilities, with due consideration in attracting, retaining and motivating the directors to lead and run the Group successfully.

The TOR of the RC is available on the Company's website at [www.eg.com.my](http://www.eg.com.my).

#### 8. Remuneration of Directors

During the financial year under review, the RC reviewed and recommended to the Board the remuneration of Group CEO which was then unanimously approved with the Group CEO duly abstaining from deliberation and decision-making. The Board, as a whole, approved the remuneration of Non-Executive Directors.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART III – REMUNERATION (CONT'D)

#### 8. Remuneration of Directors (Cont'd)

The details of FY2025 remuneration for Directors of the Company comprising remuneration received/receivable from the Company and its subsidiary companies are as follows:-

| Category                       | Fees<br>RM     | Salaries<br>and Other<br>Emoluments<br>RM | Total<br>RM      |
|--------------------------------|----------------|-------------------------------------------|------------------|
| <b>Group and Company</b>       |                |                                           |                  |
| <b>Executive Director</b>      |                |                                           |                  |
| Dato' Alex Kang Pang Kiang     | 5,000          | 853,484                                   | 858,484          |
| <b>Non-Executive Directors</b> |                |                                           |                  |
| Mr. Ong Lye Soon               | 60,000         | -                                         | 60,000           |
| Mr. Lim Sze Yan                | 36,000         | 3,600                                     | 39,600           |
| Mr. Lee Kean Teong             | 36,000         | 3,600                                     | 39,600           |
| Ms. Tan Jie En                 | 36,000         | 3,600                                     | 39,600           |
| <b>Total</b>                   | <b>173,000</b> | <b>864,284</b>                            | <b>1,037,284</b> |

#### Details of Senior Management's Remuneration

The Board is aware of the need for transparency in the disclosure of its corporate key management's remuneration. Nonetheless, it is of the view that such disclosure could be detrimental to its business interests given the highly competitive human resource environment in which the Group operates where intense headhunting for personnel with the right expertise, knowledge and relevant working experience is the norm. As such, disclosure of specific remuneration information could rise to recruitment and talent retention issues going forward.

The Board ensures that the remuneration of these personnel commensurate with the level of responsibilities, with due consideration in attracting, retaining and motivating these corporate key managements to lead and run the Group successfully.

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### PART I – AUDIT AND RISK MANAGEMENT COMMITTEE

#### 9. Effective and Independent Audit Committee

##### The Chairman of the ARMC is not the Chairman of the Board

The Chairman of the ARMC is Mr. Lee Kean Teong while Chairman of the Board is Mr. Ong Lye Soon. Both are the INED of the Company.



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

### PART I – AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

#### 9. Effective and Independent Audit Committee (Cont'd)

##### Former Key Audit Partner

The Board had in placed the TOR of the ARMC to observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC is a former key audit partner.

##### Assessment on the Suitability, Objectivity and Independence of External Auditors

The Group maintains a transparent and professional relationship with the external auditors in seeking professional advice towards ensuring compliance with applicable accounting standards and policies. The independent external auditors play a critical role by enhancing the reliability of the Company's and the Group's financial statements and giving assurance of that reliability to users of these financial information.

The ARMC undertakes annual assessment of the performance and suitability of the external auditors based on the quality of services, sufficiency of resources, adequate resources and trained professional staff assigned to the audit.

The ARMC has also assessed the independence of the external auditors before recommending their re-appointment to the Board. This includes reviewing professional fees so as to ensure a proper balance between objectivity and value for money.

The external auditors have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with professional and regulatory requirements.

At least once (1) a year and whenever necessary, the ARMC will meet with the external auditors without the presence of executive Board members or Management personnel, to exchange independent views on matters which require the ARMC's attention. During the financial year, the ARMC met with the external auditors twice (2) to discuss their audit plan, audit findings and financial statements of the Company.

The ARMC is satisfied with the independence, performance and suitability of the external auditors based on the assessment and has recommended the retention of UHY Malaysia PLT as auditors to the Board.

The ARMC has considered the non-audit service provided by the external auditors during the financial year under review and concluded that the provision of these services did not compromise the external auditors' independence and objectivity. The details of the fees paid/payable in respect of the financial year under review to the external auditors or an affiliate firm of the external auditors are set out in the Additional Compliance Information in this Annual Report.

##### Composition of the ARMC

The members of the ARMC are as follows:

|                    |                  |
|--------------------|------------------|
| Mr. Lee Kean Teong | - INED, Chairman |
| Mr. Lim Sze Yan    | - Non-INED       |
| Ms. Tan Jie En     | - INED           |

Mr. Lee Kean Teong is a member of the Malaysian Institute Accountants ("MIA") thus fulfilling the requirement under para 15.09(1)(c)(i) of the MMLR which required at least one (1) of the ARMC to be a member of the MIA.

The ARMC comprises members with professional experience in financial accounting, taxation, legal, general management and business environment. All members are financially literate and are able to read, interpret and understand the financial statements. The diversity in skills set coupled with their financial literacy gave the ARMC the ability to effectively discharge their roles and responsibilities.

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

### PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### 10. Risk Management and Internal Control Framework

##### Establishment of Risk Management and Internal Control Framework

The Board has endorsed an on-going risk management and internal control framework which included the following key elements:

- Reviewing and appraising the adequacy, effectiveness and application of accounting, financial, operational and other controls, recommending improvement in control and promoting effective control in the Group;
- Ascertaining the extent of compliance with established policies, procedures and statutory requirements;
- Ascertaining the extent to which the Group's assets are accounted for and safeguarded from losses; and
- Appraising the reliability and usefulness of data and information generated for management.

The risk management and internal control framework is applied to determine, evaluate and manage significant risks of the Group. This is further assured by the implementation of an internal control and risk management system that has been integrated into the Group's operations and working culture. Therefore, any significant risks arising from factors within the Group and from changes in the business environment can be addressed on a timely basis.

##### Features of the Risk Management and Internal Control Framework

The Board is responsible for the adequacy and effectiveness of our Group's risk management and internal control systems. The Board ensures that the systems manage the Group's key areas of risk within an acceptable risk profile to ensure that the Group's policies and business objectives will not be affected. Due to the inherent limitations in any risk management and internal control system, the Board continually reviews the system to ensure that the risk management and internal control systems provide a reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

Regular reviews are carried out by the Group's internal audit function to assess risks affecting the business and ensure that adequate and effective risk management and internal controls systems are in place. The findings of the internal audit are reported to the ARMC regularly and subsequently tabled to the Board.

Further details on the features of the Company's risk management and internal control are set out in the Statement on Risk Management and Internal Control in this Annual Report.

#### 11. Effective Governance, Risk Management and Internal Control Framework

##### Internal Audit Function

The Group's internal audit function is independent of the operations of the Group and reports directly to the ARMC. The function is outsourced to an independent professional consulting firm, Kloo Point Risk Management Services Sdn. Bhd. ("KPRMS"). As internal auditors, KPRMS assists the ARMC by providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system and processes.

The ARMC reviews and approves the Internal Audit Plan annually and ensures that the internal auditors are accorded with appropriate standing and authority to facilitate the discharge of its duties. Audits of the practices, procedures, expenditure and internal controls of identified business and support units and subsidiaries are undertaken on a regular basis. The activities of the internal auditors during FY2025 are set out in the Audit and Risk Management Committee Report in this Annual Report.

##### Disclosure Pertaining to the Internal Audit Function

KPRMS adopts internal audit standards and best practices based on the International Professional Practices Framework, endorsed by the Institute of Internal Auditors Malaysia ("IIAM").

The KPRMS team is headed by an Executive Director – Advisory who is a fellow of Association of Chartered Certified Accountants and a member of the IIAM, and is assisted by two (2) senior staff. None of the internal audit personnel has any relationship or conflict of interest that could impair their objectivity and independence in conducting their internal audit engagements.

The internal audit function adopted a risk-based approach and prepared its plan based on the risk profiles of the Group's major business units in accordance with the framework established by the Committee of Sponsoring Organisations of the Treadway Commission.

## PRINCIPLE C – INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### PART I – ENGAGEMENT WITH STAKEHOLDERS

#### 12. Effective, Transparent and Regular Communication with its Stakeholders

The Board is committed to ensuring effective engagement with its shareholders to facilitate a mutual understanding of objectives. The Group has several formal channels in place to effectively communicate information to all shareholders and stakeholders. The Board disseminate information in relation to its financial performance, operations and corporate developments through the annual report, quarterly reports, announcements, corporate website and investor relations activities.

The Group CEO is the designated spokesperson for all matters related to the Group.

The Company's general meetings remain the principal forum for dialogue and communication with shareholders and investors. Shareholders are encouraged to attend these general meetings and given sufficient time and opportunity to participate in the proceedings, ask questions about the resolutions being proposed and the operations of the Group, and communicate their expectations and possible concerns.

The Company's website at [www.eg.com.my](http://www.eg.com.my) features an "Investor Relations" section that provides key information on the Group, including annual reports, quarterly reports and official announcements made to Bursa Securities, which are updated on a regular basis.

While the Group endeavours to provide shareholders and stakeholders with as much information as possible, it remains mindful of the legal and regulatory framework governing the disclosure of material and price-sensitive information. The Directors exercise due caution to avoid the release of undisclosed material information of the Group and frequently stress the importance of timely and equal dissemination of information to all shareholders and stakeholders.

### PART II – CONDUCT OF GENERAL MEETINGS

#### 13. Shareholders are Able to Participate, Engage the Board and Senior Management

##### Notice of AGM

The notice of 33<sup>rd</sup> AGM held in 2024 was sent to the shareholders at least twenty-eight (28) days prior to the meeting date and published in a major local newspaper. Items of special business included in the notice of 33<sup>rd</sup> AGM were accompanied by explanation of the proposed resolutions to enable the shareholders to make informed decisions in exercising their voting rights.

The upcoming 34<sup>th</sup> AGM of EG will be held on 27 November 2025. The notice will be issued at least twenty-one (21) days prior to the date of the AGM to allow sufficient time for the shareholders to consider the proposed resolutions to be tabled at the AGM.

EG's 2025 Annual Report together with the Notice of the 34<sup>th</sup> AGM will be published on the Company's website at [www.eg.com.my](http://www.eg.com.my).

##### Attendance at AGM

All Directors, Company Secretaries, External Auditors and Senior Management attended and participated the fully virtual 33<sup>rd</sup> AGM held in 2024 through video conferencing.

Shareholders were invited to raise questions on the proposed resolutions as well as on the Group's operations in general, prior to the voting process. Meaningful responses were provided to the questions raised.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE C – INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

### PART II – CONDUCT OF GENERAL MEETINGS (CONT'D)

#### 13. Shareholders are Able to Participate, Engage the Board and Senior Management (Cont'd)

##### Leveraging on Technology for Voting in Absentia and Remote Shareholders' Participation

The concern over voting in absentia and/or remote shareholders' participation at general meetings is not applicable as the Company has leveraged on technology to facilitate shareholders' participation at the 33<sup>rd</sup> AGM which was convened virtually using Remote, Participation and Voting ("RPV") facilities through online meeting platform. This allowed shareholders to participate and vote during the 33<sup>rd</sup> AGM without having to physically present at the meeting venue.

Shareholders who had registered to participate in the 33<sup>rd</sup> AGM had participated remotely via live streaming. At the same time, they were able to cast their votes online from the start of the event until the end of the voting session.

The Company also encourages participation of shareholders through the issuance of proxies when there is indication that shareholders are unable to attend and vote at general meetings.

The remote polling process for the 33<sup>rd</sup> AGM was conducted by SS E Solutions Sdn. Bhd., and results of the poll were verified by the Independent Scrutineer, Commercial Quest Sdn. Bhd..

The polling agent had assured the Company of their procedures and practices on data privacy and security to prevent cyber threats.

##### Meaningful Engagement Between the Board, Senior Management and Shareholders

The Chairman of the meeting had, at the 33<sup>rd</sup> AGM, informed that every member present virtually at the AGM either in person, or by proxy/corporate representative has the right to participate, raise question and vote on the resolutions as stated in the notice of AGM. The shareholders were able to capitalise on the virtual tools made available by the pooling agent to participate in and posed questions at the 33<sup>rd</sup> AGM.

The AGM provide a platform for shareholders to seek clarifications on the Group's businesses, performance and prospects. The Chairman of the meeting had responded to questions posed at the 33<sup>rd</sup> AGM. The Key Senior Management, Company Secretaries and External Auditors were present during the 33<sup>rd</sup> AGM to engage with shareholders and address any areas of interest or concern brought up by the shareholders.

As for Extraordinary General Meeting ("EGM") held in person during the year, the Chairman of the meeting had, encouraged the shareholders to actively participate in the EGM by raising questions. All Directors, Key Senior Management and Company Secretary were present during the EGM to engage with the shareholders. No question was posed during the EGM.

##### Virtual General Meeting

The 33<sup>rd</sup> AGM was conducted through live streaming and online remote participation by using RPV facilities through online meeting platform.

The virtual tool made available through the RPV Facility allows shareholders to participate and pose questions through type-text format. The Board encourages shareholders to actively participate in virtual general meeting by raising questions. Shareholders could submit questions prior to the general meeting which were then responded by the Chairman during the meeting.

The Minutes of the 33<sup>rd</sup> AGM as well as questions posed by the shareholders and response thereto are made available on the Company's website at [www.eg.com.my](http://www.eg.com.my).

## COMPLIANCE STATEMENT

The Board is satisfied that to the best of its knowledge, the Company has substantially complied with the Principles and Practices set out in the MCCG. Any Practices which have not been implemented during the financial year will be reviewed by the Board and implemented where possible and relevant to the Group's business.

This Statement is made in accordance with the resolution of the Board dated 22 October 2025.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of the MMLR and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"), the Board is pleased to present the Statement on Risk Management and Internal Control which outlines the nature and scope of the Group's internal control and risk management during FY2025.

## BOARD'S RESPONSIBILITY

The Board affirms its overall responsibility for the Group's system of internal control and risk management and for reviewing the adequacy, effectiveness and integrity of the system. The system of internal control covers risk management, financial, operational, management information system, regulatory and compliance control matters.

In view of the limitations inherent in any system of risk management and internal control, the Board recognises that this system is designed to manage, rather than eliminate the risk of not adhering to the Group's policies, goals and objectives within the risk tolerance established by the Board and RMC. Therefore, the system provides reasonable, but not absolute, assurance against any material misstatement, loss or fraud.

## RISK MANAGEMENT

The Board acknowledges that the Group's business activities involve some degree of risk that may affect the achievement of its business objectives and an effective risk management framework is an integral part of the Group's daily operations. RMC together with Head of Departments and key management staff are delegated with the responsibility to manage identified risks within defined parameters and standards. In addition, key risk profiles have been put in place in order to identify, evaluate and manage key risks faced by the Group.

During the financial year under review, the Group engaged external consultants to perform a risk management exercise which include the following:

- Defining a yearly understanding of risk classification tolerance;
- Identifying key risk affecting business objectives and strategic plans;
- Identifying changes to risks or emerging risks and promptly bringing these to the attention of the Board where appropriate;
- Identifying and evaluating existing controls; and
- Completing the Group Key Risk Profile, action plans are identified to manage and mitigate the risks by the risk owners.

The results of the above risk management exercise were presented to ARMC ("Audit and Risk Management Committee") on 27 August 2025. Risks identified were prioritised in terms of the possibility of occurrence and impact on the Group's business objectives and goals. This allows Management to allocate appropriate resources in the mitigation of such risks identified.

## INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to a professional service firm to assist the Board and ARMC in providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's system of internal control. The internal audit plan entails the audit scope, coverage and frequency based on a risk-based approach and is approved by the ARMC.

During the financial year under review, the outsourced internal audit function has carried out the following audit reviews in accordance to the approved annual internal audit plan:

- Manufacturing unit in Malaysia: Human Resource (Foreign Workers)
- Manufacturing unit in Malaysia: Occupational, Health and Safety

The result of the audit review was discussed with the Senior Management and subsequently, significant internal audit findings, recommendations for improvements, management's response and proposed action plans were reported directly to the ARMC. In addition, follow-up reviews of the implementation of action plans were carried out to ensure matters highlighted in the internal audit reports have been adequately addressed.

Based on the internal audit reviews conducted, none of the weaknesses noted has resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this annual report.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

## KEY INTERNAL CONTROL PROCESSES

The key elements of the Group's internal control processes are summarised as follows:

### 1. Planning, Monitoring and Reporting

- (a) The Board is updated on the Group's performance at the scheduled meetings on a quarterly basis. The Group's business plan and financial results for the year are reviewed and deliberated by the Board on a quarterly basis.
- (b) There is a regular and comprehensive flow of information to the Management on all aspects of the Group's operations to facilitate the monitoring of performance against the Group's corporate strategy, business and regulatory plans.

### 2. Policies and Procedures

Policies and procedures of business processes are documented and set out in a series of Standard Operating Manual and implemented throughout the Group. These policies and procedures are subject to regular reviews, updates and continuous improvements to reflect the changing risks and operational needs. Common Group policies and procedures can be easily accessed by all employees via the Company's intranet.

### 3. Quality Control

Strong emphasis is placed on ensuring the manufacturing processes of all factories adhere to quality standards as required by the respective authorities. Annual certification for the Quality Management System ISO 9001:2015 and ISO 13485:2016 as well as Environmental Management System ISO 14001:2015 were carried out by SIRIM QAS International. Surveillance audits were conducted on annual basis by assessors of the ISO certification body to ensure that standard operating procedures are being adhered to.

### 4. Employees' Competency

Training and development programs are conducted to ensure that employees acquire the necessary competencies required to carry out their respective tasks in achieving the Group's objectives.

### 5. Conduct of Employees

- (a) BCOC is published on the Company website, which defines the ethical standards and conduct at work to ensure that working conditions are safe, workers are treated with respect and dignity, and manufacturing processes are environmentally responsible.
- (b) Whistle-Blowing Policy is established to provide appropriate communication and feedback channels which facilitate whistleblowing in a transparent and confidential manner to enable employees and stakeholders to raise genuine concerns about possible improprieties, improper conduct or other malpractices within the Group in an appropriate way.
- (c) ACAB Policy is in place to perform a sound fraud, bribery and corruption risk management and prevention approach. The policy covers anti-fraud, bribery and corruption measures in areas of governance, prevention, detection, investigation and monitoring. The policy is also incorporated into the employee handbook and published on the Company's website.

## REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement for inclusion in the 2025 Annual Report, and have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines to be set out, nor is factually inaccurate. As set out in their terms of engagement, the limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Audit and Assurance Practice Guide 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report*.

## CONCLUSION

The Board is of the view that the system of internal control and risk management is in place for the year under review, and up to the date of approval of this Statement, is sound and sufficient to safeguard the Group's assets, as well as the shareholders' investments, and the interests of customers, employees and other stakeholders. The Board has received assurance from the RMC that the Group's internal control and risk management system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system adopted by the Group.

This statement was made in accordance with a Board's resolution dated 22 October 2025.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## COMPOSITION

The members of the Audit and Risk Management Committee ("ARMC" or "Committee") are as follows:

|                    |                  |
|--------------------|------------------|
| Mr. Lee Kean Teong | - Chairman, INED |
| Mr. Lim Sze Yan    | - Non-INED       |
| Ms. Tan Jie En     | - INED           |

The ARMC is chaired by Mr. Lee Kean Teong, who is a member of MIA. As majority of the members of ARMC are independent, the composition of the ARMC is in compliance with paragraph 15.09(1) of the MMLR.

## MEETING HELD DURING FY2025

The Committee held five (5) meetings during the financial year under review and the attendance of each member is as below:

| Directors          | Attendance |
|--------------------|------------|
| Mr. Lee Kean Teong | 5/5        |
| Mr. Lim Sze Yan    | 5/5        |
| Ms. Tan Jie En     | 5/5        |

In line with the ARMC TOR, the following works were carried out by the Committee during FY2025: -

### 1. Financial Reporting

- (a) Reviewed and discussed the quarterly unaudited financial statements of the Group with the management before recommending to the Board for their consideration and approval.
- (b) Reviewed and discussed the annual audited financial statements of the Group with the management and external auditors before recommending to the Board for approval.

### 2. External Audit

- (a) Reviewed the Audit Planning Memorandum, which includes reporting responsibility and scope of work, audit timeline, areas of audit emphasis, audit materiality, updates on financial reporting and proposed audit fees with the external auditors prior to their commencement of audit for FY2025.
- (b) Reviewed and discussed key audit issues raised by the external auditors in their management letter for the FY2025 annual statutory audit, along with management's response and actions taken to resolve those issues.
- (c) Appraised the performance of the external auditors and evaluated their independence and objectivity in providing their services, and made recommendation to the Board on their re-appointment.
- (d) Conducted 2 meetings with the external auditors in the absence of the management and Executive Director to discuss additional matters in relation to audit issues noted during their audit.
- (e) Reviewed the non-audit fees for services rendered by external auditors.

### 3. Internal Audit

- (a) Reviewed and approved the risk based internal audit plan for FY2025 to ensure adequate audit coverage over the Group's key risk areas.
- (b) Reviewed and discussed the internal audit reports which highlighted audit issues, major findings, recommendations and management's response to ensure that risk identified were adequately addressed, and reported any significant matters to the Board.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### 3. Internal Audit (Cont'd)

- (c) Reviewed and discussed the yearly Risk Assessment Review Report and provide relevant recommendations to the Board for identified risks and corresponding mitigations actions.
- (d) Conducted two meetings with the internal auditors without the presence of the management and Executive Director to facilitate discussions on concerns or audit issues noted in the course of their audit.
- (e) Assessed the adequacy and suitability of the resource requirements and professionalism of internal auditors and the performance of internal audit function.

### 4. Related Party Transactions

- (a) Reviewed the related party transactions and recurrent related party transactions of a revenue or trading nature on a quarterly basis to ensure that the transactions were on normal commercial terms which were not detrimental to the interest of minority shareholders and in accordance with the approved mandate.
- (b) Reviewed the circular to shareholders in relation to the proposed new and renewal of existing shareholders' mandate for recurrent related party transactions of a revenue and trading nature to ensure that the transactions are carried out on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders.

### 5. Others

- (a) Reviewed the Audit and Risk Management Committee Report, and Statement on Risk Management and Internal Control for inclusion in the 2025 Annual Report prior to the submission to the Board for their consideration and approval.
- (b) Reviewed and discussed the Risk Management Report through the yearly presentations by Risk Management Officer and reviewed the progress of ongoing risk management activities undertaken by the Risk Management team.
- (c) Reviewed and monitored the Conflict of Interest "(COI)" and/or potential COI situations of Directors and Senior Management in the Group on a quarterly basis. None of the Directors or key senior management has any COI with the Group. In relation to a potential COI, the Board has reviewed and accepted a disclosure made by the executive leadership regarding a prospective recurrent related party transaction involving an associated company, in which he may be appointed as a director. The Board is satisfied that the arrangement is based on commercial terms and has concluded that the potential COI is likely to constitute a recurrent related party transaction. Appropriate measures will be taken to manage the transaction in accordance with applicable governance requirements.

### INTERNAL AUDIT FUNCTION

The Company has appointed an independent professional accounting firm to provide outsourced internal audit function of the Group in order to assist the Committee in discharging its duties and responsibilities.

The internal auditors are responsible for the independent assessment of the adequacy and effectiveness of the internal control systems in place in anticipation of the risks exposure of key business processes and to provide assurance on the systems and recommend improvements to the systems, if necessary, so as to enable the Group to achieve its corporate objectives.

During the financial year under review, the internal auditors conducted audit reviews of the key operating subsidiary, SMT Technologies Sdn. Bhd. ("SMTT") and the Group's risk management exercise, in accordance with the internal audit plan approved by the Committee.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

## INTERNAL AUDIT FUNCTION (CONT'D)

The internal auditors reviewed two key processes within SMTT:

1. Human Resource (Foreign Workers) process. This review focused on evaluating the appropriateness and compliance of recruitment and termination procedures, the adequacy and security of personnel files and payroll processes, and the effectiveness of access controls over confidential payroll information; and
2. Occupational, Health and Safety process. This assessment covered compliance with the Occupational Safety and Health (Amendment) Act 2022, the effectiveness of safety and health policies and procedures, accident management protocols, emergency action plans, and employee training and awareness related to Personal Protective Equipment ("PPE"), Department of Environment ("DOE") requirements, and Occupational Safety and Health Act ("OSHA") programs, legislation and policies.

The internal auditors presented their findings, recommendation, management responses and proposed action plans to the Committee for review and deliberation. Additionally, follow-up reviews were also conducted to monitor the implementation of these action plans, with progress updates reported to the Committee.

The cost incurred by the internal audit function of the Group in respect of FY2025 was RM45,000.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. AUDIT AND NON-AUDIT FEES

The audit and non-audit fees paid or payable to the external auditors during the financial year ended 30 June 2025 were as follows:

| Fees                     | Group<br>RM'000 | Company<br>RM'000 |
|--------------------------|-----------------|-------------------|
| Audit                    | 356             | 81                |
| Non-audit <sup>[1]</sup> | 17              | 17                |

<sup>[1]</sup> Included in the non-audit fees was services paid for the review of Statement on Risk Management and Internal Control and foreign subsidiary's audit papers.

### 2. MATERIAL CONTRACTS

The Company had, on 28 August 2024, entered into a Subscription Agreement to subscribe 110,000,000 ordinary shares in N.D. Rubber Public Co., Ltd ("NDR"), at a subscription price of THB1.80 per ordinary share via Private Placement, representing 24.08% of the issued share capital in NDR for a total consideration of THB198,000,000 ("Shares Subscription"). The Shares Subscription was completed on 8 October 2024. Further details of the Shares Subscription can be found in the Company's announcement made to Bursa Securities on 4 October 2024 and 8 October 2024 respectively. Save as disclosed above,

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests which were still subsisting as at 30 June 2025 or entered into since the end of the previous financial year.

### 3. CONTRACT RELATING TO LOANS

There were no contracts relating to loans by the Company and/or its subsidiaries involving interests of Directors and major shareholders during the financial year.

### 4. RECURRENT RELATED PARTY TRANSACTIONS

Details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 29 to the financial statements.

### 5. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSAL

There were no proceeds raised from corporate proposals during the financial year.



# DIRECTORS' REPORT

For The Financial Year Ended 30 June 2025

The Directors hereby present their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

## Principal activities

The Company is principally engaged in investment holding and provision of management service, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements.

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

## Results

|                                      | Group<br>RM'000 | Company<br>RM'000 |
|--------------------------------------|-----------------|-------------------|
| Profit/(Loss) for the financial year | <u>77,655</u>   | <u>(2,262)</u>    |
| Attributable to:                     |                 |                   |
| Owners of the Company                | 84,060          | (2,262)           |
| Non-controlling interests            | (6,405)         | -                 |
|                                      | <u>77,655</u>   | <u>(2,262)</u>    |

## Reserves and provisions

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

## Dividends

Since the end of the previous financial year, the amount of dividend paid by the Company was as follows:

|                                                                                                                                           | RM'000       |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| In respect of the financial year ended 30 June 2024, an interim single-tier dividend of 1.0 sen per ordinary share paid on 26 August 2024 | <u>4,545</u> |

On 28 August 2025, the Board of Directors declared an interim single-tier dividend of 0.5 sen per ordinary share amounting to RM4,545,401 in respect of the financial year ended 30 June 2025 which is payable on 21 November 2025. The financial statements for the current financial year do not reflect this dividend. Such dividend, will be accounted for in shareholders' equity as an appropriation of retain earnings in the financial year ending 30 June 2026.

The Directors do not recommend any payment of final dividend for the current financial year.

# DIRECTORS' REPORT (CONT'D)

For The Financial Year Ended 30 June 2025

## Directors of the Company

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

Dato' Kang Pang Kiang\*  
Lim Sze Yan  
Lee Kean Teong  
Ong Lye Soon  
Tan Jie En

The Directors who have held office in the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report are:

Low Joo Hiang  
Tan Eng Hock  
Tai Lee Bee  
Tay Min Cheah  
Nor Azmi Bin Abdul Latif  
Goh Kar Ling  
Ma, PengKai  
Lai, GuoHong (Appointed on 1 October 2024)  
Guo, JianQiao (Appointed on 1 October 2024)  
Xu, JieMing (Appointed on 13 November 2024)  
Ho Chee Poh (Appointed on 29 November 2024)  
Xue, MinMin (Resigned on 1 October 2024, Appointed on 10 March 2025)  
Lee Sin Li (Resigned on 29 November 2024)  
Yan, Yu (Resigned on 10 March 2025)  
Lee Boon Li (Resigned on 1 July 2025)

\* Director of the Company and its subsidiaries

## Directors' interests in shares and warrants

The interests and deemed interests in the shares and warrants of the Company and of its related corporations for the Directors in office at the financial year end as recorded in the Register of Directors' Shareholdings are as follows:

|                          | Number of Ordinary Shares |            |             |              | At<br>30.6.2025 |
|--------------------------|---------------------------|------------|-------------|--------------|-----------------|
|                          | At<br>1.7.2024            | Bought     | Bonus Issue | Sold         |                 |
| <u>The Company</u>       |                           |            |             |              |                 |
| <b>Direct interest</b>   |                           |            |             |              |                 |
| Dato’ Kang Pang Kiang    | 42,354,000                | 16,585,200 | 45,339,200  | (13,600,000) | 90,678,400      |
| Ong Lye Soon             | 1,250,000                 | -          | 1,250,000   | -            | 2,500,000       |
| Lee Kean Teong           | 32,900                    | -          | 32,900      | -            | 65,800          |
| <b>Indirect interest</b> |                           |            |             |              |                 |
| Dato’ Kang Pang Kiang*   | 29,563,800                | 700,000    | 30,263,800  | -            | 60,527,600      |

# DIRECTORS' REPORT (CONT'D)

For The Financial Year Ended 30 June 2025

## Directors' interests in shares and warrants (Cont'd)

|  | Number of Ordinary Shares of Thai Baht ("THB") 10 each |        |      |                 |
|--|--------------------------------------------------------|--------|------|-----------------|
|  | At<br>1.7.2024                                         | Bought | Sold | At<br>30.6.2025 |

### Related corporation

#### SMT Industries Co., Ltd

### Direct interest

|                       |                |   |   |                |
|-----------------------|----------------|---|---|----------------|
| Dato' Kang Pang Kiang | 1 <sup>#</sup> | - | - | 1 <sup>#</sup> |
|-----------------------|----------------|---|---|----------------|

|  | Number of Ordinary Shares of Thai Baht ("THB") 100 each |        |      |                 |
|--|---------------------------------------------------------|--------|------|-----------------|
|  | At<br>1.7.2024                                          | Bought | Sold | At<br>30.6.2025 |

### Related corporation

#### TM SMT (Thailand) Co., Ltd.

### Direct interest

|                       |   |   |   |   |
|-----------------------|---|---|---|---|
| Dato' Kang Pang Kiang | 1 | - | - | 1 |
|-----------------------|---|---|---|---|

|  | Number of Warrants 2023/2028 |             |      |                 |
|--|------------------------------|-------------|------|-----------------|
|  | At<br>1.7.2024               | Bonus Issue | Sold | At<br>30.6.2025 |

### The Company

### Direct interest

|                       |            |            |          |            |
|-----------------------|------------|------------|----------|------------|
| Dato' Kang Pang Kiang | 19,506,250 | 19,506,250 | -        | 39,012,500 |
| Ong Lye Soon          | 625,000    | 625,000    | -        | 1,250,000  |
| Lee Kean Teong        | 16,450     | -          | (16,450) | -          |

### Indirect interest

|                        |            |            |   |            |
|------------------------|------------|------------|---|------------|
| Dato' Kang Pang Kiang* | 13,972,600 | 13,972,600 | - | 27,945,200 |
|------------------------|------------|------------|---|------------|

\* Shares held through KPK Capital Sdn. Bhd. (formerly known as QYH Capital Sdn. Bhd.)

# Share held in trust for EG Industries Berhad

Save as disclosed above, none of the other Directors holding office at 30 June 2025 held any interest in the ordinary shares and/or warrants of the Company and of its related corporations during the financial year.

# DIRECTORS' REPORT (CONT'D)

For The Financial Year Ended 30 June 2025

## Warrants

The Warrants 2023/2028 are constituted by the Deed Poll dated 12 December 2023.

The Company issued 225,108,007 free detachable warrants on the basis of one (1) warrant for every two (2) existing shares held, which were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 2 January 2024.

The main features of the Warrants 2023/2028 are as follows:

- a) Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share in the Company at the exercise price of RM1.80 during the exercise period, subject to the adjustments in accordance with the Deed Poll constituting the Warrants;
- b) The Warrants may be exercised at any time on or after 27 December 2023 until the end of the tenure of the Warrants. The tenure of the Warrants is for a period of five (5) years from 27 December 2023 and expired on 26 December 2028;
- c) The new shares to be issued upon the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the then existing share of the Company except that they will not be entitled to any dividends, rights, allotments and/or distributions declared, made or paid by the Company prior to the relevant date of allotment and issue of the new shares to be issued pursuant to the exercise of the Warrants;
- d) For purpose of trading on Bursa Securities, a board lot for the Warrants shall comprise one hundred (100) Warrants carrying right to subscribe for 100 new shares at any time during the exercise period for such denomination as determined by Bursa Securities; and
- e) The Deed Poll and accordingly the Warrants are governed by and shall be construed in accordance with the laws of Malaysia.

During the financial year, the adjustments were made in accordance with the provisions of the Deed Poll to reflect the consequential revision in the increase in the number of warrants and the revision in the exercise price pursuant to the Bonus Issue of 467,801,974 new ordinary shares in the Company. The warrant held at an adjusted exercise price of RM0.90 per ordinary share.

No Warrants were exercised during the financial year. As at the financial year end, 450,216,014 (2024: 225,108,007) Warrants remained unexercised.

## Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than as disclosed in Note 29 to the financial statements.

The details of the directors' remuneration for the financial year ended 30 June 2025 are set out below:

|                            | Group<br>RM'000 | Company<br>RM'000 |
|----------------------------|-----------------|-------------------|
| Directors' remuneration    |                 |                   |
| Fees                       | 173             | 173               |
| Remuneration               | 995             | 753               |
| Defined contribution plans | 140             | 111               |
|                            | <u>1,308</u>    | <u>1,037</u>      |

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

# DIRECTORS' REPORT (CONT'D)

For The Financial Year Ended 30 June 2025

## Issue of shares and debentures

During the financial year, the Company increased its issued and paid-up share capital by issuance of 467,801,974 new ordinary shares pursuant to the Bonus Issue on the basis of 1 bonus share for every 1 existing ordinary share held.

Save as disclosed above, there were no other changes in the share capital of the Company and no debentures were in issue during the financial year.

## Treasury Shares

During the financial year, the Company disposed a total of 2,884,000 treasury shares with a total consideration received, after deducting transaction costs, was RM5,843,767.

The treasury shares are being disposed in accordance with Section 127 (7)(b) of the Companies Act, 2016 in Malaysia and further relevant details are disclosed in Note 14 to the financial statements.

## Options granted over unissued shares

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

## Indemnity and insurance cost

Expenses incurred on indemnity given or insurance effected for the Director or officer of the Company during the financial year was amounted to RM19,440. No indemnity was given to or insurance effected for auditors of the Company during the financial year.

## Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business 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:

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

# DIRECTORS' REPORT (CONT'D)

For The Financial Year Ended 30 June 2025

## Other statutory information (Cont'd)

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

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

No contingent liability or other liability of any company in the Group 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 as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 June 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

## Significant events

The details of the significant events are disclosed in Note 34 to the financial statements.

## Subsequent events

The details of the subsequent events are disclosed in Note 35 to the financial statements.

## Auditors

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

UHY Malaysia PLT (LLP0041391-LCA & AF 1411) was registered on 19 December 2024 and with effect from that date, UHY Malaysia (Formerly known as UHY) (AF 1411), a conventional partnership was converted to a limited liability partnership.

The auditors' remuneration is disclosed in Note 23 to the financial statements.

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

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**Dato' Kang Pang Kiang**

Director

Penang  
29 October 2025

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**Lim Sze Yan**

Director



## STATEMENT BY DIRECTORS

Pursuant To Section 251(2) Of The Companies Act, 2016

In the opinion of the Directors, the financial statements set out on pages 79 to 166 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and of their financial performance and cash flows for the financial year then ended.

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

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**Dato' Kang Pang Kiang**

Director

29 October 2025

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**Lim Sze Yan**

Director

## STATUTORY DECLARATION

Pursuant To Section 251(1)(b) Of The Companies Act, 2016

I, **Dato' Kang Pang Kiang (MIA Number: CA 27127)**, being the Director primarily responsible for the financial management of EG Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 79 to 166 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed **Dato' Kang Pang Kiang** at George Town in the State of Penang on 29 October 2025

**Dato' Kang Pang Kiang**

Before me,

Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EG INDUSTRIES BERHAD

Registration No. 199101012585 (222897-W) (Incorporated in Malaysia)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of EG Industries Bhd., which comprise the statements of financial position as at 30 June 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 a summary of significant accounting policies, as set out on pages 79 to 166.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("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"), 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.

| Key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | How our audit addressed the key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Recoverability of trade receivables</b></p> <p>Refer to Note 11 – Trade and other receivables to the financial statements</p> <p>The trade receivables balance represented 20% of the Group's current assets as at 30 June 2025.</p> <p>During the financial year, the Group assessed the impairment of trade receivables and the assessment of impairment involves significant estimation uncertainty, subjective assumptions and the application of significant judgement.</p> | <p>We designed and performed the following key procedures, among others:</p> <ul style="list-style-type: none"><li>• Inquired and assessed the Group's process in identifying debts that are potentially doubtful of recovery.</li><li>• Tested the reliability of the ageing of trade receivables by testing the age profile of the debts to the respective invoices.</li><li>• Considered the reasonableness of the basis of expected credit loss rate of trade receivables.</li><li>• Inspected post year end cash receipt relating to collection of past due debts.</li></ul> |

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EG INDUSTRIES BERHAD (CONT'D)

Registration No. 199101012585 (222897-W) (Incorporated in Malaysia)

## Key Audit Matters (Cont'd)

| Key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | How our audit addressed the key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Carrying amount of inventories</b></p> <p>Refer to Note 12 – Inventories to the financial statements</p> <p>The Group held significant inventory balances as at 30 June 2025 of RM616 million. There is a risk over the valuation of inventories due to possible slow moving and obsolete inventories. Slow moving inventories may be due to items that are generally not fast moving such as replacement parts for the repair of the products sold. Obsolete inventories may be due to phasing out of older models or inventories that are no longer saleable. The valuation of inventories is a key audit matter because of the judgement involved in assessing the level of inventory allowance required.</p> | <p>We designed and performed the following key procedures, among others:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Group's process for measuring the amount of write down required and tested the appropriateness of the costing of inventories.</li> <li>• Reviewing the stock movement report and stock ageing report to identify slow moving aged items.</li> <li>• Attending year end physical inventory count to observe physical existence and condition of raw material and finished goods and assessing the implementation of controls during the count.</li> <li>• We tested net realisable values to the selling prices.</li> </ul> |

We have determined that there are no key audit matters in the audit of the financial statements of the Company to communicate in our auditors' report.

## Information Other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the annual report 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 annual report and, in doing so, consider whether the annual report 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 annual report, 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 MFRS Accounting 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 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 and the Company or to cease operations, or have no realistic alternative but to do so.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EG INDUSTRIES BERHAD (CONT'D)

Registration No. 199101012585 (222897-W) (Incorporated in Malaysia)

## 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 internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or the Company 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 represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EG INDUSTRIES BERHAD (CONT'D)

Registration No. 199101012585 (222897-W) (Incorporated in Malaysia)

## 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.

### UHY Malaysia PLT

Firm number: 202406000040 (LLP0041391-LCA) & AF 1411  
Chartered Accountants

Penang

29 October 2025

### Tio Shin Young

Approval Number: 03355/02/2026 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

As At 30 June 2025

|                                                           | Note | Group            |                  | Company        |                |
|-----------------------------------------------------------|------|------------------|------------------|----------------|----------------|
|                                                           |      | 2025             | 2024             | 2025           | 2024           |
|                                                           |      | RM'000           | RM'000           | RM'000         | RM'000         |
| <b>Assets</b>                                             |      |                  |                  |                |                |
| <b>Non-current assets</b>                                 |      |                  |                  |                |                |
| Property, plant and equipment                             | 3    | 537,246          | 503,112          | -              | -              |
| Right-of-use assets                                       | 4    | 53,997           | 47,983           | -              | -              |
| Investment properties                                     | 5    | 12,534           | 14,698           | -              | -              |
| Investment in subsidiaries                                | 6    | -                | -                | 269,249        | 260,530        |
| Investment in associates                                  | 7    | 3,129            | 2,902            | -              | -              |
| Other investments                                         | 8    | 24,243           | 9,751            | 24,243         | 9,751          |
| Intangible assets                                         | 9    | 16,735           | 17,736           | -              | -              |
| Deferred tax assets                                       | 10   | 1,516            | 1,589            | -              | -              |
|                                                           |      | 649,400          | 597,771          | 293,492        | 270,281        |
| <b>Current assets</b>                                     |      |                  |                  |                |                |
| Trade and other receivables                               | 11   | 196,999          | 327,721          | 69,442         | 24,961         |
| Inventories                                               | 12   | 615,895          | 520,555          | -              | -              |
| Current tax assets                                        |      | 109              | 475              | 1              | 2              |
| Fixed deposits with licensed banks                        | 13   | 1,141            | 1,094            | -              | -              |
| Cash and bank balances                                    |      | 97,317           | 89,237           | 416            | 1,283          |
|                                                           |      | 911,461          | 939,082          | 69,859         | 26,246         |
| <b>Total assets</b>                                       |      | <b>1,560,861</b> | <b>1,536,853</b> | <b>363,351</b> | <b>296,527</b> |
| <b>Equity</b>                                             |      |                  |                  |                |                |
| Share capital                                             | 14   | 244,910          | 244,910          | 244,910        | 244,910        |
| Treasury shares                                           | 14   | (6,066)          | (7,385)          | (6,066)        | (7,385)        |
| Reserves                                                  | 15   | 362,638          | 282,478          | 42,565         | 51,847         |
| <b>Total equity attributable to owners of the Company</b> |      | <b>601,482</b>   | <b>520,003</b>   | <b>281,409</b> | <b>289,372</b> |
| <b>Non-controlling interests</b>                          |      | <b>15,739</b>    | <b>8,160</b>     | <b>-</b>       | <b>-</b>       |
| <b>Total equity</b>                                       |      | <b>617,221</b>   | <b>528,163</b>   | <b>281,409</b> | <b>289,372</b> |



# STATEMENTS OF FINANCIAL POSITION (CONT'D)

As At 30 June 2025

|                                     |      | Group            |                  | Company        |                |
|-------------------------------------|------|------------------|------------------|----------------|----------------|
|                                     | Note | 2025             | 2024             | 2025           | 2024           |
|                                     |      | RM'000           | RM'000           | RM'000         | RM'000         |
| <b>Liabilities</b>                  |      |                  |                  |                |                |
| <b>Non-current liabilities</b>      |      |                  |                  |                |                |
| Lease liabilities                   | 16   | 6,877            | 7,420            | -              | -              |
| Loans and borrowings                | 17   | 141,913          | 142,908          | -              | -              |
| Provision for retirement benefits   | 18   | 444              | 914              | -              | -              |
| Trade and other payables            | 19   | 76               | -                | -              | -              |
|                                     |      | <u>149,310</u>   | <u>151,242</u>   | <u>-</u>       | <u>-</u>       |
| <b>Current liabilities</b>          |      |                  |                  |                |                |
| Lease liabilities                   | 16   | 8,113            | 7,005            | -              | -              |
| Loans and borrowings                | 17   | 452,542          | 440,757          | -              | -              |
| Trade and other payables            | 19   | 330,995          | 409,036          | 81,942         | 7,155          |
| Provision for warranties            | 20   | 650              | 650              | -              | -              |
| Current tax liabilities             |      | 2,030            | -                | -              | -              |
|                                     |      | <u>794,330</u>   | <u>857,448</u>   | <u>81,942</u>  | <u>7,155</u>   |
| <b>Total liabilities</b>            |      | <u>943,640</u>   | <u>1,008,690</u> | <u>81,942</u>  | <u>7,155</u>   |
| <b>Total equity and liabilities</b> |      | <u>1,560,861</u> | <u>1,536,853</u> | <u>363,351</u> | <u>296,527</u> |

The notes on pages 91 to 166 are an integral part of these financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 30 June 2025

|                                                                                                                                 | Note | Group          |                | Company        |                |
|---------------------------------------------------------------------------------------------------------------------------------|------|----------------|----------------|----------------|----------------|
|                                                                                                                                 |      | 2025<br>RM'000 | 2024<br>RM'000 | 2025<br>RM'000 | 2024<br>RM'000 |
| Revenue                                                                                                                         | 21   | 1,087,176      | 1,144,184      | 781            | 782            |
| Cost of sales                                                                                                                   |      | (952,005)      | (1,029,722)    | -              | -              |
| <b>Gross profit</b>                                                                                                             |      | 135,171        | 114,462        | 781            | 782            |
| Administrative expenses                                                                                                         |      | (35,234)       | (27,975)       | (1,760)        | (2,705)        |
| Distribution expenses                                                                                                           |      | (4,675)        | (3,959)        | -              | -              |
| Other expenses                                                                                                                  |      | (10,372)       | (10,298)       | (1,283)        | (560)          |
| Other income                                                                                                                    |      | 31,045         | 5,996          | -              | 10             |
| <b>Operating profit/(loss)</b>                                                                                                  |      | 115,935        | 78,226         | (2,262)        | (2,473)        |
| Finance costs                                                                                                                   | 22   | (35,782)       | (28,954)       | -              | -              |
| Share of profit of equity-accounted<br>associate, net of tax                                                                    | 7    | 227            | 459            | -              | -              |
| <b>Profit/(Loss) before tax</b>                                                                                                 | 23   | 80,380         | 49,731         | (2,262)        | (2,473)        |
| Tax expense                                                                                                                     | 25   | (2,725)        | (731)          | -              | -              |
| <b>Profit/(Loss) for the financial year</b>                                                                                     |      | 77,655         | 49,000         | (2,262)        | (2,473)        |
| <b>Other comprehensive (expense)/<br/>income, net of tax</b>                                                                    |      |                |                |                |                |
| <b>Item that will not be reclassified<br/>subsequently to profit or loss</b>                                                    |      |                |                |                |                |
| - Net change in fair value of equity<br>instruments designated at fair<br>value through other comprehensive<br>income ("FVOCI") |      | (11,555)       | (36)           | (11,555)       | (36)           |
| - Gain on re-measurement of<br>provision for retirement benefits                                                                |      | 380            | -              | -              | -              |
| - Income tax benefit related to gain<br>from re-measurement of<br>provision for retirement benefits                             |      | (76)           | -              | -              | -              |
|                                                                                                                                 |      | (11,251)       | (36)           | (11,555)       | (36)           |
| <b>Items that are or may subsequently<br/>be reclassified to profit or loss</b>                                                 |      |                |                |                |                |
| - Foreign currency translation<br>differences for foreign operations                                                            |      | 2,816          | (7,863)        | -              | -              |
| <b>Other comprehensive expense for<br/>the financial year, net of tax</b>                                                       |      | (8,435)        | (7,899)        | (11,555)       | (36)           |
| <b>Total comprehensive income/<br/>(expense) for the financial year</b>                                                         |      | 69,220         | 41,101         | (13,817)       | (2,509)        |

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

For The Financial Year Ended 30 June 2025

|                                                                | Note | Group         |               | Company         |                |
|----------------------------------------------------------------|------|---------------|---------------|-----------------|----------------|
|                                                                |      | 2025          | 2024          | 2025            | 2024           |
|                                                                |      | RM'000        | RM'000        | RM'000          | RM'000         |
| <b>Profit/(Loss) for the financial year attributable to:</b>   |      |               |               |                 |                |
| Owners of the Company                                          |      | 84,060        | 49,739        | (2,262)         | (2,473)        |
| Non-controlling interests                                      |      | (6,405)       | (739)         | -               | -              |
|                                                                |      | <u>77,655</u> | <u>49,000</u> | <u>(2,262)</u>  | <u>(2,473)</u> |
| <b>Total comprehensive income/ (expenses) attributable to:</b> |      |               |               |                 |                |
| Owners of the Company                                          |      | 75,625        | 41,840        | (13,817)        | (2,509)        |
| Non-controlling interests                                      |      | (6,405)       | (739)         | -               | -              |
|                                                                |      | <u>69,220</u> | <u>41,101</u> | <u>(13,817)</u> | <u>(2,509)</u> |
| <b>Basic earnings per ordinary share (sen)</b>                 |      |               |               |                 |                |
| 26                                                             |      | <u>8.98</u>   | <u>5.33</u>   | <u>-</u>        | <u>-</u>       |
| <b>Diluted earnings per ordinary share (sen)</b>               |      |               |               |                 |                |
| 26                                                             |      | <u>8.38</u>   | <u>5.33</u>   | <u>-</u>        | <u>-</u>       |

The notes on pages 91 to 166 are an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2025

| Group                                                              | Note | Attributable to owners of the Company |                 |                    |                     |                 |                   |         | Non-controlling interests | Total equity |
|--------------------------------------------------------------------|------|---------------------------------------|-----------------|--------------------|---------------------|-----------------|-------------------|---------|---------------------------|--------------|
|                                                                    |      | Share capital                         | Treasury shares | Fair value reserve | Translation reserve | Capital reserve | Retained earnings | Total   |                           |              |
|                                                                    |      | RM'000                                | RM'000          | RM'000             | RM'000              | RM'000          | RM'000            | RM'000  | RM'000                    | RM'000       |
| <b>At 1 July 2023</b>                                              |      |                                       |                 |                    |                     |                 |                   |         |                           |              |
|                                                                    |      | 204,310                               | (8,043)         | (4,108)            | 18,726              | 28,558          | 199,538           | 438,981 | (217)                     | 438,764      |
| Foreign currency translation differences for foreign operations    |      | -                                     | -               | -                  | (7,863)             | -               | -                 | (7,863) | -                         | (7,863)      |
| Net change in fair value of equity instruments designated at FVOCI |      | -                                     | -               | (36)               | -                   | -               | -                 | (36)    | -                         | (36)         |
| Total other comprehensive expense for the financial year           |      | -                                     | -               | (36)               | (7,863)             | -               | -                 | (7,899) | -                         | (7,899)      |
| Profit for the financial year                                      |      | -                                     | -               | -                  | -                   | -               | 49,739            | 49,739  | (739)                     | 49,000       |
| <b>Total comprehensive (expense)/income for the financial year</b> |      |                                       |                 |                    |                     |                 |                   |         |                           |              |
|                                                                    |      | -                                     | -               | (36)               | (7,863)             | -               | 49,739            | 41,840  | (739)                     | 41,101       |
| Private placement                                                  | 14   | 40,600                                | -               | -                  | -                   | -               | -                 | 40,600  | -                         | 40,600       |
| Treasury shares sold                                               | 14   | -                                     | 658             | -                  | -                   | 1,631           | -                 | 2,289   | -                         | 2,289        |
| Dividend payable                                                   | 27   | -                                     | -               | -                  | -                   | -               | (4,545)           | (4,545) | -                         | (4,545)      |
| Non-controlling interest from acquisition of a new subsidiary      | 6    | 40,600                                | 658             | -                  | -                   | 1,631           | (4,545)           | 38,344  | -                         | 38,344       |
| Changes in ownership interest in a subsidiary                      | 6    | -                                     | -               | -                  | -                   | -               | 838               | 838     | (88)                      | 750          |
| <b>Total transactions with owners of the Company</b>               |      |                                       |                 |                    |                     |                 |                   |         |                           |              |
|                                                                    |      | 40,600                                | 658             | -                  | -                   | 1,631           | (3,707)           | 39,182  | 9,116                     | 48,298       |
| <b>At 30 June 2024</b>                                             |      |                                       |                 |                    |                     |                 |                   |         |                           |              |
|                                                                    |      | 244,910                               | (7,385)         | (4,144)            | 10,863              | 30,189          | 245,570           | 520,003 | 8,160                     | 528,163      |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

For The Financial Year Ended 30 June 2025

| Group                                                                                       | Note | Attributable to owners of the Company |                 |                    |                     |                 |                   |          | Non-controlling interests | Total equity |
|---------------------------------------------------------------------------------------------|------|---------------------------------------|-----------------|--------------------|---------------------|-----------------|-------------------|----------|---------------------------|--------------|
|                                                                                             |      | Share capital                         | Treasury shares | Fair value reserve | Translation reserve | Capital reserve | Retained earnings | Total    |                           |              |
|                                                                                             |      | RM'000                                | RM'000          | RM'000             | RM'000              | RM'000          | RM'000            | RM'000   | RM'000                    | RM'000       |
| <b>At 1 July 2024</b>                                                                       |      |                                       |                 |                    |                     |                 |                   |          |                           |              |
|                                                                                             |      | 244,910                               | (7,385)         | (4,144)            | 10,863              | 30,189          | 245,570           | 520,003  | 8,160                     | 528,163      |
| Foreign currency translation differences for foreign operations                             |      | -                                     | -               | -                  | 2,816               | -               | -                 | 2,816    | -                         | 2,816        |
| Net change in fair value of equity instruments designated at FVOCI                          |      | -                                     | -               | (11,555)           | -                   | -               | -                 | (11,555) | -                         | (11,555)     |
| Gain on re-measurement of provision for retirement benefits                                 |      | -                                     | -               | -                  | -                   | -               | 380               | 380      | -                         | 380          |
| Income tax benefit related to gain from re-measurement of provision for retirement benefits |      | -                                     | -               | -                  | -                   | -               | (76)              | (76)     | -                         | (76)         |
| Total other comprehensive (expense)/income for the financial year                           |      | -                                     | -               | (11,555)           | 2,816               | -               | 304               | (8,435)  | -                         | (8,435)      |
| Profit for the financial year                                                               |      | -                                     | -               | -                  | -                   | -               | 84,060            | 84,060   | (6,405)                   | 77,655       |
| <b>Total comprehensive (expense)/income for the financial year</b>                          |      | -                                     | -               | (11,555)           | 2,816               | -               | 84,364            | 75,625   | (6,405)                   | 69,220       |
| Treasury shares sold                                                                        | 14   | -                                     | 1,319           | -                  | -                   | 4,535           | -                 | 5,854    | -                         | 5,854        |
| Additional subscription of shares by non-controlling interest                               | 6    | -                                     | -               | -                  | -                   | -               | -                 | -        | 13,984                    | 13,984       |
| <b>Total transactions with owners of the Company</b>                                        |      | -                                     | 1,319           | -                  | -                   | 4,535           | -                 | 5,854    | 13,984                    | 19,838       |
| <b>At 30 June 2025</b>                                                                      |      | 244,910                               | (6,066)         | (15,699)           | 13,679              | 34,724          | 329,934           | 601,482  | 15,739                    | 617,221      |

The notes on pages 91 to 166 are an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2025

|                                                           |                                                                      | Attributable to owners of the Company |                           |                              |                           |                             |                        |
|-----------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------|---------------------------|------------------------------|---------------------------|-----------------------------|------------------------|
|                                                           |                                                                      | Non-distributable                     |                           |                              | Distributable             |                             |                        |
| Company                                                   | Note                                                                 | Share capital<br>RM'000               | Treasury shares<br>RM'000 | Fair value reserve<br>RM'000 | Capital reserve<br>RM'000 | Retained earnings<br>RM'000 | Total equity<br>RM'000 |
| <b>At 1 July 2023</b>                                     |                                                                      |                                       |                           |                              |                           |                             |                        |
|                                                           |                                                                      | 204,310                               | (8,043)                   | (4,108)                      | 28,558                    | 32,820                      | 253,537                |
| Total other comprehensive expense for the financial year  |                                                                      |                                       |                           |                              |                           |                             |                        |
|                                                           | - Net change in fair value of equity instruments designated at FVOCI | -                                     | -                         | (36)                         | -                         | -                           | (36)                   |
|                                                           | Loss for the financial year                                          | -                                     | -                         | -                            | -                         | (2,473)                     | (2,473)                |
| <b>Total comprehensive expense for the financial year</b> |                                                                      |                                       |                           |                              |                           |                             |                        |
|                                                           |                                                                      | -                                     | -                         | (36)                         | -                         | (2,473)                     | (2,509)                |
| <b>At 1 July 2024</b>                                     |                                                                      |                                       |                           |                              |                           |                             |                        |
|                                                           |                                                                      | 40,600                                | -                         | -                            | -                         | -                           | 40,600                 |
| Private placement                                         | 14                                                                   | -                                     | 658                       | -                            | 1,631                     | -                           | 2,289                  |
| Own shares sold                                           | 14                                                                   | -                                     | -                         | -                            | -                         | -                           | -                      |
| Dividend payable                                          | 27                                                                   | -                                     | -                         | -                            | -                         | (4,545)                     | (4,545)                |
| <b>Total transactions with owners of the Company</b>      |                                                                      |                                       |                           |                              |                           |                             |                        |
|                                                           |                                                                      | 40,600                                | 658                       | -                            | 1,631                     | (4,545)                     | 38,344                 |
| <b>At 30 June 2024</b>                                    |                                                                      |                                       |                           |                              |                           |                             |                        |
|                                                           |                                                                      | 244,910                               | (7,385)                   | (4,144)                      | 30,189                    | 25,802                      | 289,372                |



# STATEMENT OF CHANGES IN EQUITY (CONT'D)

For The Financial Year Ended 30 June 2025

| Company                                                              | Note | Attributable to owners of the Company |                        |                           |                        |               | Total equity RM'000 |
|----------------------------------------------------------------------|------|---------------------------------------|------------------------|---------------------------|------------------------|---------------|---------------------|
|                                                                      |      | Share capital RM'000                  | Treasury shares RM'000 | Fair value reserve RM'000 | Capital reserve RM'000 | Distributable |                     |
| <b>At 1 July 2024</b>                                                |      | 244,910                               | (7,385)                | (4,144)                   | 30,189                 | 25,802        | 289,372             |
| Total other comprehensive expense for the financial year             |      |                                       |                        |                           |                        |               |                     |
| - Net change in fair value of equity instruments designated at FVOCI |      | -                                     | -                      | (11,555)                  | -                      | -             | (11,555)            |
| Loss for the financial year                                          |      | -                                     | -                      | -                         | -                      | (2,262)       | (2,262)             |
| <b>Total comprehensive expense for the financial year</b>            |      | -                                     | -                      | (11,555)                  | -                      | (2,262)       | (13,817)            |
| Own shares sold                                                      | 14   | -                                     | 1,319                  | -                         | 4,535                  | -             | 5,854               |
| <b>Total transactions with owners of the Company</b>                 |      | -                                     | 1,319                  | -                         | 4,535                  | -             | 5,854               |
| <b>At 30 June 2025</b>                                               |      | 244,910                               | (6,066)                | (15,699)                  | 34,724                 | 23,540        | 281,409             |

The notes on pages 91 to 166 are an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

For The Financial Year Ended 30 June 2025

|                                                                                                                   | Note | Group<br>2025<br>RM'000 | 2024<br>RM'000 | Company<br>2025<br>RM'000 | 2024<br>RM'000 |
|-------------------------------------------------------------------------------------------------------------------|------|-------------------------|----------------|---------------------------|----------------|
| <b>Cash flows from operating activities</b>                                                                       |      |                         |                |                           |                |
| Profit/(Loss) before tax from continuing operations                                                               |      | 80,380                  | 49,731         | (2,262)                   | (2,473)        |
| Adjustments for:                                                                                                  |      |                         |                |                           |                |
| Depreciation of property, plant and equipment                                                                     | 3    | 48,713                  | 38,730         | -                         | -              |
| Depreciation of right-of-use assets                                                                               | 4    | 4,173                   | 3,343          | -                         | -              |
| Depreciation of investment properties                                                                             | 5    | 290                     | 65             | -                         | -              |
| Amortisation of intangible assets                                                                                 | 9    | 1,004                   | 622            | -                         | -              |
| Interest expense                                                                                                  | 22   | 35,782                  | 28,954         | -                         | -              |
| Dividend income                                                                                                   |      | (3)                     | (2)            | (3)                       | (2)            |
| (Gain)/Loss on disposal of property, plant and equipment                                                          |      | (48)                    | 139            | -                         | -              |
| Gain on disposal of right-of-use assets                                                                           |      | -                       | (43)           | -                         | -              |
| Loss on disposal of other investments                                                                             |      | -                       | 274            | -                         | 274            |
| Interest income                                                                                                   |      | (1,729)                 | (1,843)        | -                         | (2)            |
| Property, plant and equipment written off                                                                         |      | -                       | 33             | -                         | -              |
| Investment property written off                                                                                   | 5    | 1,173                   | -              | -                         | -              |
| Provision for retirement benefits                                                                                 | 18   | (102)                   | 151            | -                         | -              |
| Provision for slow moving stocks                                                                                  | 12   | 101                     | 2,401          | -                         | -              |
| Provision for warranties, net                                                                                     | 20   | -                       | 18             | -                         | -              |
| Fair value loss on financial instruments mandatorily measured at fair value through profit or loss ("FVTPL"), net |      | -                       | 285            | -                         | 285            |
| Net impairment losses on:                                                                                         |      |                         |                |                           |                |
| - investment in subsidiaries                                                                                      |      | -                       | -              | 1,282                     | -              |
| - trade and other receivables                                                                                     |      | 8,372                   | 2,222          | -                         | -              |
| Share of results of an associate                                                                                  |      | (227)                   | (459)          | -                         | -              |
| (Gain)/Loss on foreign exchange, net - unrealised                                                                 |      | (15,970)                | 8,092          | -                         | -              |
| Operating profit/(loss) before changes in working capital                                                         |      | 161,909                 | 132,713        | (983)                     | (1,918)        |
| Changes in working capital:                                                                                       |      |                         |                |                           |                |
| Inventories                                                                                                       |      | (92,336)                | 28,285         | -                         | -              |
| Trade and other receivables                                                                                       |      | 109,690                 | (91,046)       | (54,481)                  | 58,868         |
| Trade and other payables                                                                                          |      | (63,843)                | 82,703         | 79,332                    | (30,892)       |
| Cash generated from operations                                                                                    |      | 115,420                 | 152,655        | 23,868                    | 26,058         |
| Tax paid                                                                                                          |      | (565)                   | (1,872)        | (1)                       | (1)            |
| Tax refunded                                                                                                      |      | 234                     | 5              | 2                         | -              |
| Dividend received                                                                                                 |      | 3                       | 2              | 3                         | 2              |

# STATEMENTS OF CASH FLOWS (CONT'D)

For The Financial Year Ended 30 June 2025

|                                                                          | Note | Group         |               | Company    |              |
|--------------------------------------------------------------------------|------|---------------|---------------|------------|--------------|
|                                                                          |      | 2025          | 2024          | 2025       | 2024         |
|                                                                          |      | RM'000        | RM'000        | RM'000     | RM'000       |
| <b>Net cash generated from operating activities</b>                      |      | 115,092       | 150,790       | 23,872     | 26,059       |
| <b>Cash flows from investing activities</b>                              |      |               |               |            |              |
| Subscription of shares in subsidiaries                                   |      | -             | -             | (1)        | (72,586)     |
| Issue of share capital to non-controlling interest of subsidiary company |      | 13,984        | 9,954         | -          | -            |
| Acquisition of:                                                          |      |               |               |            |              |
| - property, plant and equipment                                          | A    | (46,711)      | (216,116)     | -          | -            |
| - investment properties                                                  | B    | (1,109)       | (99)          | -          | -            |
| - other investments                                                      |      | (26,047)      | (8,700)       | (26,047)   | (8,700)      |
| - intangible assets                                                      |      | (2)           | (7,491)       | -          | -            |
| Interest received                                                        |      | 1,729         | 1,843         | -          | 2            |
| Proceeds from disposal of plant and equipment                            |      | 31,190        | 3,176         | -          | -            |
| Proceeds from disposal of other investments                              |      | -             | 13,077        | -          | 13,077       |
| Proceeds from disposal of right-of-use assets                            |      | -             | 43            | -          | -            |
| <b>Net cash used in investing activities</b>                             |      | (26,966)      | (204,313)     | (26,048)   | (68,207)     |
| <b>Cash flows from financing activities</b>                              |      |               |               |            |              |
| Issue of shares pursuant to private placement                            |      | -             | 40,600        | -          | 40,600       |
| Proceeds from resale of treasury shares                                  |      | 5,854         | 2,290         | 5,854      | 2,290        |
| Drawdown of bank borrowings, net                                         |      | 12,925        | 67,956        | -          | -            |
| Drawdown of lease liabilities                                            |      | 10,133        | 6,761         | -          | -            |
| Repayment of lease liabilities                                           |      | (9,521)       | (7,313)       | -          | -            |
| (Repayment)/Drawdown of term loans, net                                  |      | (59,452)      | 16,592        | -          | -            |
| Dividend paid                                                            |      | (4,545)       | -             | (4,545)    | -            |
| Interest paid                                                            |      | (35,782)      | (28,950)      | -          | -            |
| Placement of pledged deposits                                            |      | (34)          | (38)          | -          | -            |
| <b>Net cash (used in)/generated from financing activities</b>            |      | (80,422)      | 97,898        | 1,309      | 42,890       |
| Net increase/(decrease) in cash and cash equivalents                     |      | 7,704         | 44,375        | (867)      | 742          |
| Effect of exchange rate fluctuations on cash and bank balances           |      | 376           | (7,718)       | -          | -            |
| Cash and cash equivalents at 1 July 2024/2023                            |      | 89,237        | 52,580        | 1,283      | 541          |
| <b>Cash and cash equivalents at 30 June</b>                              |      | <b>97,317</b> | <b>89,237</b> | <b>416</b> | <b>1,283</b> |

# STATEMENTS OF CASH FLOWS (CONT'D)

For The Financial Year Ended 30 June 2025

## Notes

### A. Acquisition of property, plant and equipment

Payments for the acquisition of property, plant and equipment are as follows:

| Group                                      | Note | 2025<br>RM'000 | 2024<br>RM'000 |
|--------------------------------------------|------|----------------|----------------|
| Purchase by way of cash                    |      | 46,711         | 216,116        |
| Purchase by way of term loan               |      | 59,361         | 64,137         |
| Other payables                             |      | 5,646          | 12,161         |
| Additions of property, plant and equipment | 3    | 111,718        | 292,414        |

### B. Acquisition of investment properties

Payments for the acquisition of investment properties are as follows:

| Group                              | Note | 2025<br>RM'000 | 2024<br>RM'000 |
|------------------------------------|------|----------------|----------------|
| Purchase by way of cash            |      | 1,109          | 99             |
| Purchase by way of term loan       |      | 7,470          | -              |
| Other receivables                  |      | 830            | -              |
| Other payables                     |      | 1,586          | -              |
| Additions of investment properties | 5    | 10,995         | 99             |

### C. Acquisition of right-of-use assets

Payments for the acquisition of right-of-use assets are as follows:

| Group                            | Note | 2025<br>RM'000 | 2024<br>RM'000 |
|----------------------------------|------|----------------|----------------|
| Lease liabilities                |      | -              | 655            |
| Additions of right-of-use assets | 4    | -              | 655            |

# STATEMENTS OF CASH FLOWS (CONT'D)

For The Financial Year Ended 30 June 2025

## Notes (Cont'd)

### D. Cash outflows for leases as lessee

|  | Group  |        | Company |        |
|--|--------|--------|---------|--------|
|  | 2025   | 2024   | 2025    | 2024   |
|  | RM'000 | RM'000 | RM'000  | RM'000 |

#### Included in net cash from operating activities:

|                                                |       |       |   |   |
|------------------------------------------------|-------|-------|---|---|
| Payment relating to short-term leases          | 476   | 1,207 | - | - |
| Payment relating to leases of low-value assets | 30    | 33    | - | - |
| Interest paid in relation to lease liabilities | 996   | 856   | - | - |
|                                                | 1,502 | 2,096 | - | - |

#### Included in net cash from financing activities:

|                                       |               |              |          |          |
|---------------------------------------|---------------|--------------|----------|----------|
| Payment of lease liabilities          | 9,529         | 7,313        | -        | -        |
| <b>Total cash outflows for leases</b> | <b>11,031</b> | <b>9,409</b> | <b>-</b> | <b>-</b> |

The notes on pages 91 to 166 are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

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

The registered office of the Company is located at 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang and its principal place of business is located at Plot 102, Jalan 4, Bakar Arang Industrial Estate, 08000 Sungai Petani, Kedah.

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in associates.

The Company is principally engaged in investment holding and provision of management service, whilst the principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 29 October 2025.

## 1. Basis of preparation

### (a) Statement of compliance

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

#### Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amendments of the MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year.

#### ***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2024***

- Amendment to MFRS 16, *Leases* – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, *Presentation of Financial Statements* – Non-Current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendment to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures* – Supplier Finance Arrangements

#### Standards issued but not yet effective

The following are accounting standards, interpretations and amendments that have been issued by the MASB but have not been adopted by the Group and the Company:

#### ***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025***

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



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 1. Basis of preparation (Cont'd)

### (a) Statement of compliance (Cont'd)

#### Standards issued but not yet effective (Cont'd)

##### ***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026***

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosure* – Amendments to the Classification and Measurement of Financial Instruments
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosure* – Contract Referencing Nature-dependent Electricity
- Amendments to MFRSs, *Amendments that are part of Annual Improvements* – Volume 11

##### ***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027***

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- *Amendments to MFRS 19, Subsidiaries without Public Accountability: Disclosures*

##### ***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

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

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable in the respective financial years when the abovementioned standards, interpretations and amendments become effective.

The new MFRS Accounting Standards and Amendments to MFRS Accounting Standards above are expected to have no significant impact on the financial statements of the Group and of the Company upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of these amendments to MFRS Accounting Standards as discussed below:

##### *MFRS 18 Presentation and Disclosure in Financial Statement*

MFRS 18 will replace MFRS 101 *Presentation of Financial Statements*. It preserves the majority requirement of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 additional requirement are as follows:

#### **(i) Statement of Profit or Loss and Other Comprehensive Income**

MFRS 18 introduces newly defined “operating profit or loss” and “profit or loss before financing and income tax” subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remain unchanged. Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

#### **(ii) Statement Cash Flows**

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 1. Basis of preparation (Cont'd)

### (a) Statement of compliance (Cont'd)

#### Standards issued but not yet effective (Cont'd)

*MFRS 18 Presentation and Disclosure in Financial Statement (Cont'd)*

### (iii) New disclosures of expenses by nature

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

### (iv) Management-defined Performance Measures (MPMs)

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

### (v) Enhance Guidance on Aggregation and Disaggregation

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

The potential impact of the new standard on the financial statements of the Company has yet to be assessed.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost convention except as otherwise stated in the financial statements.

### (c) Functional and presentation currency

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

### (d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3 and Note 4 - Useful lives of property, plant and equipment and right-of-use assets
- Note 6 - Control of subsidiary and impairment of investments in subsidiaries
- Note 9 - Intangible asset (measurement of the recoverable amounts of cash generating units)
- Note 9.1 - Impairment testing for goodwill
- Note 10 - Deferred tax assets
- Note 11 - Trade and other receivables
- Note 12 - Valuation of inventories
- Note 25 - Income taxes

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Material accounting policies information

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group entities, unless otherwise stated.

#### (a) Basis of consolidation

##### (i) Subsidiaries

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

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

##### (ii) Business Combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

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

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

##### (iii) Acquisition of non-controlling interests

The Group accounts for all changes in its ownership interest in subsidiaries that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Material accounting policies information (Cont'd)

#### (a) Basis of consolidation (Cont'd)

##### (iv) Loss of control

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

##### (v) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies. Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

##### (vi) Non-controlling interest

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Material accounting policies information (Cont'd)

#### (a) Basis of consolidation (Cont'd)

##### (vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### (b) Foreign currency

##### (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currencies at the exchange rates at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in foreign currency translation reserve ("FCTR") in equity.

##### (ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 July 2012 (the date when the Group first adopted MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Material accounting policies information (Cont'd)

#### (c) Financial instruments

##### (i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

##### (ii) Financial instrument categories and subsequent measurement

###### *Financial assets*

Categories of financial assets are determined on initial recognition and are not reclassified to subsequent to the initial recognition unless the Group and the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

###### (a) *Amortised cost*

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profits or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(h)(i)) where the effective interest rate is applied to the amortised cost.

###### (b) *Fair value through other comprehensive income*

###### (i) *Debt investments*

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(h)(i)) where the effective interest rate is applied to the amortised cost.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Material accounting policies information (Cont'd)

#### (c) Financial instruments (Cont'd)

##### (ii) Financial instrument categories and subsequent measurement (Cont'd)

###### *Financial assets (Cont'd)*

##### *(b) Fair value through other comprehensive income (Cont'd)*

###### *(ii) Equity investments*

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

##### *(c) Fair value through profit or loss*

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(h)(i)).

###### *Financial liabilities*

###### *Amortised cost*

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 2. Material accounting policies information (Cont'd)

### (c) Financial instruments (Cont'd)

#### (iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

- (a) the recognition of an asset on the day it is received by the Group or the Company, and
- (b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

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

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

#### (iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

#### (v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Material accounting policies information (Cont'd)

#### (c) Financial instruments (Cont'd)

##### (vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and liability simultaneously.

#### (d) Property, plant and equipment

##### (i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

##### (ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

##### (iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Material accounting policies information (Cont'd)

#### (d) Property, plant and equipment (Cont'd)

##### (iii) Depreciation (Cont'd)

The estimated useful lives and principal annual depreciation rates for the current and comparative periods are as follows:

|                           |               |
|---------------------------|---------------|
| Leasehold land            | 24 - 63 years |
| Buildings                 | 1% - 5%       |
| Plant and machinery       | 10% - 33%     |
| Furniture and fittings    | 10% - 33%     |
| Office equipment          | 10% - 33%     |
| Tools and equipment       | 10% - 20%     |
| Motor vehicles            | 20%           |
| Factory/Office renovation | 10%           |

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

#### (e) Leases

##### (i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Material accounting policies information (Cont'd)

#### (e) Leases (Cont'd)

##### (ii) Recognition and initial measurement

###### (a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these as an expense on a straight-line basis over the lease-term.

###### (b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Material accounting policies information (Cont'd)

#### (e) Leases (Cont'd)

##### (iii) Subsequent measurement

###### (a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

###### (b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

#### (f) Investment properties

##### (i) Investment property carried at cost

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administration purpose. These include land (other than prepaid lease payments) held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are measured initially at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2 (d).

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Right-of-use asset held under a lease contract that meets the definition of investment property is unlikely measured similarly as other right-of-use assets.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Material accounting policies information (Cont'd)

#### (f) Investment properties (Cont'd)

##### (ii) Reclassification to/from investment properties

When an item of property, plant and equipment is transferred to investment properties following a change in its use, evidenced by commencement of owner-occupation, for a transfer from investment properties to owner-occupied property or end owner-occupation, for a transfer from owner-occupied property to investment property.

Transfers between investment properties and property, plant and equipment does not change the carrying amount of the property transferred.

#### (g) Intangible assets

##### (i) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

##### (ii) Other intangible assets

Intangible assets, other than goodwill, comprises of software costs and intellectual property that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

##### (iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

##### (iv) Amortisation

Goodwill and intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful life of intangible assets are as follows:

|                       |                 |
|-----------------------|-----------------|
| Software              | 3 to 10 years   |
| Intellectual property | NIL (2024: NIL) |

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

##### (v) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when asset is derecognised.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Material accounting policies information (Cont'd)

#### (h) Impairment

##### (i) Financial assets

The Group and the Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

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

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

##### (ii) Other assets

The carrying amounts of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Material accounting policies information (Cont'd)

#### (h) Impairment (Cont'd)

##### (ii) Other assets (Cont'd)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

#### (i) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the first-in, first-out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Material accounting policies information (Cont'd)

#### (j) Employee benefits

##### (i) Short-term employee benefits

Short-term employee benefits obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### (ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

##### (iii) Defined benefit plan

The liability recognised in the consolidated statement of financial position relates to the Company's subsidiary in Thailand in respect of defined benefit pension plan. The liability represents the present value of the defined benefit obligation at the end of the reporting year less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefit will be paid.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other component of equity in the year in which they arise.

#### (k) Revenue and other income

##### (i) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
- (b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Material accounting policies information (Cont'd)

#### (k) Revenue and other income (Cont'd)

##### (ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

##### (iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

##### (iv) Rental income

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leased property is recognised as "other income".

##### (v) Services

Revenue from services rendered is recognised in profit or loss when the services are performed.

##### (vi) Management fee

Management fee is recognised on accrual basis when the services are rendered.

#### (l) Statements of cash flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows. Cash and cash equivalents comprise cash and bank balances and deposits with licensed banks.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3. Property, plant and equipment

| Group                                       | Freehold land<br>RM'000 | Buildings<br>RM'000 | Plant and machinery<br>RM'000 | Furniture and fittings<br>RM'000 | Office equipment<br>RM'000 | Tools and equipment<br>RM'000 | Motor vehicles<br>RM'000 | Factory/Office renovation<br>RM'000 | Capital work-in-progress<br>RM'000 | Total<br>RM'000 |
|---------------------------------------------|-------------------------|---------------------|-------------------------------|----------------------------------|----------------------------|-------------------------------|--------------------------|-------------------------------------|------------------------------------|-----------------|
| <b>Cost</b>                                 |                         |                     |                               |                                  |                            |                               |                          |                                     |                                    |                 |
| At 1 July 2023                              | 1,938                   | 39,852              | 464,468                       | 3,522                            | 8,823                      | 18,678                        | 3,290                    | 33,757                              | 52,171                             | 626,499         |
| Additions                                   | -                       | 1,887               | 169,880                       | 242                              | 1,026                      | 2,518                         | 239                      | 4,970                               | 111,652                            | 292,414         |
| Disposals                                   | -                       | -                   | (29,838)                      | (6)                              | (66)                       | (3)                           | (164)                    | (4)                                 | -                                  | (30,081)        |
| Reclassification                            | -                       | -                   | 912                           | -                                | 15                         | -                             | -                        | -                                   | (927)                              | -               |
| Transfer from/(to) right-of-use assets, net | -                       | 1,020               | (3,708)                       | -                                | -                          | -                             | 263                      | -                                   | -                                  | (2,425)         |
| Written off                                 | -                       | -                   | (3,146)                       | -                                | -                          | -                             | -                        | -                                   | (33)                               | (3,179)         |
| Foreign exchange differences                | (72)                    | (464)               | (6,591)                       | (13)                             | (46)                       | (138)                         | (33)                     | (54)                                | -                                  | (7,411)         |
| At 30 June/1 July 2024                      | 1,866                   | 42,295              | 591,977                       | 3,745                            | 9,752                      | 21,055                        | 3,595                    | 38,669                              | 162,863                            | 875,817         |
| Additions                                   | -                       | 518                 | 90,554                        | 278                              | 1,326                      | 3,083                         | 217                      | 2,098                               | 13,644                             | 111,178         |
| Disposals                                   | -                       | -                   | (93,401)                      | (23)                             | (250)                      | (52)                          | (98)                     | -                                   | -                                  | (93,824)        |
| Reclassification                            | -                       | 123,163             | 30,070                        | 248                              | 1,136                      | 16,918                        | -                        | 2,512                               | (174,439)                          | (392)           |
| Transfer to right-of-use assets, net        | -                       | -                   | (10,397)                      | -                                | -                          | -                             | -                        | -                                   | -                                  | (10,397)        |
| Transfer from investment properties         | -                       | 11,474              | -                             | -                                | -                          | -                             | -                        | -                                   | -                                  | 11,474          |
| Foreign exchange differences                | 27                      | 177                 | 2,157                         | 5                                | 19                         | 53                            | 12                       | 20                                  | 433                                | 2,903           |
| At 30 June 2025                             | 1,893                   | 177,627             | 610,960                       | 4,253                            | 11,983                     | 41,057                        | 3,726                    | 43,299                              | 2,501                              | 897,299         |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 3. Property, plant and equipment (Cont'd)

| Group                                          | Freehold land<br>RM'000 | Buildings<br>RM'000 | Plant and machinery<br>RM'000 | Furniture and fittings<br>RM'000 | Office equipment<br>RM'000 | Tools and equipment<br>RM'000 | Motor vehicles<br>RM'000 | Factory/Office renovation<br>RM'000 | Capital work-in-progress<br>RM'000 | Total<br>RM'000 |
|------------------------------------------------|-------------------------|---------------------|-------------------------------|----------------------------------|----------------------------|-------------------------------|--------------------------|-------------------------------------|------------------------------------|-----------------|
| Accumulated depreciation and impairment losses |                         |                     |                               |                                  |                            |                               |                          |                                     |                                    |                 |
| At 1 July 2023                                 |                         |                     |                               |                                  |                            |                               |                          |                                     |                                    |                 |
| Accumulated - depreciation                     | -                       | 16,530              | 311,533                       | 1,917                            | 6,650                      | 13,921                        | 2,180                    | 12,261                              | -                                  | 364,992         |
| - impairment losses                            | -                       | -                   | 2,260                         | 4                                | 17                         | 173                           | -                        | -                                   | -                                  | 2,454           |
| Charge for the financial year                  | -                       | 16,530              | 313,793                       | 1,921                            | 6,667                      | 14,094                        | 2,180                    | 12,261                              | -                                  | 367,446         |
| Disposals                                      | -                       | 1,219               | 32,999                        | 292                              | 705                        | 1,079                         | 306                      | 2,130                               | -                                  | 38,730          |
| Transfer from right-of-use assets, net         | -                       | -                   | (26,539)                      | (5)                              | (64)                       | (3)                           | (151)                    | (4)                                 | -                                  | (26,766)        |
| Written off                                    | -                       | -                   | 1,229                         | -                                | -                          | -                             | 263                      | -                                   | -                                  | 1,492           |
| Foreign exchange differences                   | -                       | -                   | (3,146)                       | -                                | -                          | -                             | -                        | -                                   | -                                  | (3,146)         |
|                                                | -                       | (359)               | (4,446)                       | (11)                             | (42)                       | (131)                         | (32)                     | (30)                                | -                                  | (5,051)         |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3. Property, plant and equipment (Cont'd)

| Group                                | Freehold land<br>RM'000 | Buildings<br>RM'000 | Plant and machinery<br>RM'000 | Furniture and fittings<br>RM'000 | Office equipment<br>RM'000 | Tools and equipment<br>RM'000 | Motor vehicles<br>RM'000 | Factory/Office renovation<br>RM'000 | Capital work-in-progress<br>RM'000 | Total<br>RM'000 |
|--------------------------------------|-------------------------|---------------------|-------------------------------|----------------------------------|----------------------------|-------------------------------|--------------------------|-------------------------------------|------------------------------------|-----------------|
| Accumulated depreciation             | -                       | 17,390              | 311,630                       | 2,193                            | 7,249                      | 14,866                        | 2,566                    | 14,357                              | -                                  | 370,251         |
| - impairment losses                  | -                       | -                   | 2,260                         | 4                                | 17                         | 173                           | -                        | -                                   | -                                  | 2,454           |
| At 30 June/1 July 2024               | -                       | 17,390              | 313,890                       | 2,197                            | 7,266                      | 15,039                        | 2,566                    | 14,357                              | -                                  | 372,705         |
| Charge for the financial year        | -                       | 1,505               | 41,522                        | 297                              | 745                        | 1,869                         | 328                      | 2,447                               | -                                  | 48,713          |
| Disposals                            | -                       | -                   | (62,275)                      | (20)                             | (237)                      | (52)                          | (98)                     | -                                   | -                                  | (62,682)        |
| Transfer to right-of-use assets, net | -                       | -                   | (618)                         | -                                | -                          | -                             | -                        | -                                   | -                                  | (618)           |
| Transfer from investment properties  | -                       | 233                 | -                             | -                                | -                          | -                             | -                        | -                                   | -                                  | 233             |
| Foreign exchange differences         | -                       | 142                 | 1,465                         | 5                                | 17                         | 51                            | 11                       | 11                                  | -                                  | 1,702           |



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3. Property, plant and equipment (Cont'd)

| Group                                                   | Freehold land<br>RM'000 | Buildings<br>RM'000 | Plant and machinery<br>RM'000 | Furniture and fittings<br>RM'000 | Office equipment<br>RM'000 | Tools and equipment<br>RM'000 | Motor vehicles<br>RM'000 | Factory/Office renovation<br>RM'000 | Capital work-in-progress<br>RM'000 | Total<br>RM'000 |
|---------------------------------------------------------|-------------------------|---------------------|-------------------------------|----------------------------------|----------------------------|-------------------------------|--------------------------|-------------------------------------|------------------------------------|-----------------|
| Accumulated depreciation and impairment losses (Cont'd) |                         |                     |                               |                                  |                            |                               |                          |                                     |                                    |                 |
| Accumulated - depreciation                              | -                       | 19,270              | 291,724                       | 2,475                            | 7,774                      | 16,734                        | 2,807                    | 16,815                              | -                                  | 357,599         |
| - impairment losses                                     | -                       | -                   | 2,260                         | 4                                | 17                         | 173                           | -                        | -                                   | -                                  | 2,454           |
| At 30 June 2025                                         | -                       | 19,270              | 293,984                       | 2,479                            | 7,791                      | 16,907                        | 2,807                    | 16,815                              | -                                  | 360,053         |
| Carrying amount                                         |                         |                     |                               |                                  |                            |                               |                          |                                     |                                    |                 |
| At 1 July 2023                                          | 1,938                   | 23,322              | 150,675                       | 1,601                            | 2,156                      | 4,584                         | 1,110                    | 21,496                              | 52,171                             | 259,053         |
| At 30 June/<br>1 July 2024                              | 1,866                   | 24,905              | 278,087                       | 1,548                            | 2,486                      | 6,016                         | 1,029                    | 24,312                              | 162,863                            | 503,112         |
| At 30 June 2025                                         | 1,893                   | 158,357             | 316,976                       | 1,774                            | 4,192                      | 24,150                        | 919                      | 26,484                              | 2,501                              | 537,246         |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3. Property, plant and equipment (Cont'd)

| Company                                  | Office<br>equipment<br>RM'000 |
|------------------------------------------|-------------------------------|
| <b>Cost</b>                              |                               |
| At 1 July 2023/30 June 2024/30 June 2025 | 1                             |
| <b>Accumulated depreciation</b>          |                               |
| At 1 July 2023/30 June 2024/30 June 2025 | 1                             |
| <b>Carrying amount</b>                   |                               |
| At 1 July 2023/30 June 2024/30 June 2025 | -                             |

#### 3.1 Securities

Property, plant and equipment of certain subsidiaries with the following carrying amounts are charged as securities to financial institutions for borrowings granted to the Group as disclosed in Note 17.1 to the financial statements:

| Group                  | 2025<br>RM'000 | 2024<br>RM'000 |
|------------------------|----------------|----------------|
| <b>Carrying amount</b> |                |                |
| Freehold land          | -              | 1,867          |
| Buildings              | 10,892         | 13,718         |
| Plant and machinery    | 17,130         | 28,346         |
|                        | 28,022         | 43,931         |

#### 3.2 Capitalisation of borrowing costs

The amount of borrowing costs capitalised during the financial year was RMNIL (2024: RM5,518,612). The rate used to determine the amount of borrowing costs eligible for capitalisation was NIL% (2024:7.52%), which is the effective interest rate of the specific borrowing.

#### 3.3 Reclassification of Capital Work-in-Progress

During the financial year, the Group reclassified an amount of RM392,360 from capital work-in-progress to other receivables – deposits. The amount represents an electricity connection deposit paid to Tenaga Nasional Berhad ("TNB") for the installation of power supply to the Group's factory, which does not form part of the directly attributable cost of construction.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 4. Right-of-use assets

| Group                                                 | Leasehold<br>land and<br>building<br>RM'000 | Plant and<br>machinery<br>RM'000 | Tools and<br>equipment<br>RM'000 | Motor<br>vehicles<br>RM'000 | Total<br>RM'000 |
|-------------------------------------------------------|---------------------------------------------|----------------------------------|----------------------------------|-----------------------------|-----------------|
| <b>Cost</b>                                           |                                             |                                  |                                  |                             |                 |
| At 1 July 2023                                        | 31,300                                      | 23,404                           | -                                | 384                         | 55,088          |
| Additions                                             | -                                           | -                                | 488                              | 167                         | 655             |
| Disposals                                             | -                                           | -                                | -                                | (121)                       | (121)           |
| Transfer (to)/from property, plant and equipment, net | (1,020)                                     | 3,708                            | -                                | (263)                       | 2,425           |
| At 30 June/1 July 2024                                | 30,280                                      | 27,112                           | 488                              | 167                         | 58,047          |
| Modification of lease term                            | -                                           | -                                | (70)                             | -                           | (70)            |
| Transfer from property, plant and equipment, net      | -                                           | 10,397                           | -                                | -                           | 10,397          |
| Transfer from investment properties                   | 687                                         | -                                | -                                | -                           | 687             |
| At 30 June 2025                                       | 30,967                                      | 37,509                           | 418                              | 167                         | 69,061          |
| <b>Accumulated Depreciation</b>                       |                                             |                                  |                                  |                             |                 |
| At 1 July 2023                                        | 2,751                                       | 5,213                            | -                                | 370                         | 8,334           |
| Charge for the financial year                         | 570                                         | 2,654                            | 81                               | 38                          | 3,343           |
| Disposals                                             | -                                           | -                                | -                                | (121)                       | (121)           |
| Transfer to property, plant and equipment, net        | -                                           | (1,229)                          | -                                | (263)                       | (1,492)         |
| At 30 June/1 July 2024                                | 3,321                                       | 6,638                            | 81                               | 24                          | 10,064          |
| Charge for the financial year                         | 570                                         | 3,407                            | 163                              | 33                          | 4,173           |
| Modification of lease term                            | -                                           | -                                | (23)                             | -                           | (23)            |
| Transfer from property, plant and equipment, net      | -                                           | 618                              | -                                | -                           | 618             |
| Transfer from investment properties                   | 232                                         | -                                | -                                | -                           | 232             |
| At 30 June 2025                                       | 4,123                                       | 10,663                           | 221                              | 57                          | 15,064          |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 4. Right-of-use assets (Cont'd)

| Group                  | Leasehold<br>land and<br>building<br>RM'000 | Plant and<br>machinery<br>RM'000 | Tools and<br>equipment<br>RM'000 | Motor<br>vehicles<br>RM'000 | Total<br>RM'000 |
|------------------------|---------------------------------------------|----------------------------------|----------------------------------|-----------------------------|-----------------|
| <b>Carrying amount</b> |                                             |                                  |                                  |                             |                 |
| At 1 July 2023         | 28,549                                      | 18,191                           | -                                | 14                          | 46,754          |
| At 30 June/1 July 2024 | 26,959                                      | 20,474                           | 407                              | 143                         | 47,983          |
| At 30 June 2025        | 26,844                                      | 26,846                           | 197                              | 110                         | 53,997          |

#### 4.1 Assets pledged as securities for the related lease liabilities

Plant and machinery and motor vehicles are pledged as security for the related lease payables.

#### 4.2 Assets pledged as securities to financial institutions

Leasehold land and building are pledged as securities for bank borrowings as disclosed in Note 17.1 to the financial statements.

#### 4.3 Leasehold land

At 30 June 2025, the remaining period of the lease term of the leasehold land ranges from 24 to 63 years (2024: 25 to 64 years).

#### 4.4 Transfer (to)/from

Plant and machinery transferred from property, plant and equipment with carrying amount of RM9,082,675 (2024: RM1,071,667) were refinanced by lease liabilities amounting to RM10,132,933 (2024: RM6,765,838).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 5. Investment properties

| Group                                      | Leasehold<br>land<br>RM'000 | Buildings<br>RM'000 | Properties<br>under<br>construction<br>RM'000 | Total<br>RM'000 |
|--------------------------------------------|-----------------------------|---------------------|-----------------------------------------------|-----------------|
| <b>Cost</b>                                |                             |                     |                                               |                 |
| At 1 July 2023                             | 687                         | 3,265               | 11,220                                        | 15,172          |
| Additions                                  | -                           | -                   | 99                                            | 99              |
| At 30 June/1 July 2024                     | 687                         | 3,265               | 11,319                                        | 15,271          |
| Additions                                  | 5,323                       | -                   | 5,672                                         | 10,995          |
| Written off                                | -                           | -                   | (1,173)                                       | (1,173)         |
| Reclassification                           | -                           | 11,474              | (11,474)                                      | -               |
| Transfer to property, plant and equipment  | -                           | (11,474)            | -                                             | (11,474)        |
| Transfer to right-of-use assets            | (687)                       | -                   | -                                             | (687)           |
| At 30 June 2025                            | 5,323                       | 3,265               | 4,344                                         | 12,932          |
| <b>Accumulated depreciation</b>            |                             |                     |                                               |                 |
| At 1 July 2023                             | 192                         | 316                 | -                                             | 508             |
| Depreciation charge for the financial year | 24                          | 41                  | -                                             | 65              |
| At 30 June/1 July 2024                     | 216                         | 357                 | -                                             | 573             |
| Depreciation charge for the financial year | 16                          | 274                 | -                                             | 290             |
| Transfer to property, plant and equipment  | -                           | (233)               | -                                             | (233)           |
| Transfer to right-of-use assets            | (232)                       | -                   | -                                             | (232)           |
| At 30 June 2025                            | -                           | 398                 | -                                             | 398             |
| <b>Carrying amount</b>                     |                             |                     |                                               |                 |
| At 1 July 2023                             | 495                         | 2,949               | 11,220                                        | 14,664          |
| At 30 June/1 July 2024                     | 471                         | 2,908               | 11,319                                        | 14,698          |
| At 30 June 2025                            | 5,323                       | 2,867               | 4,344                                         | 12,534          |
| <b>Fair Value</b>                          |                             |                     |                                               |                 |
| At 30 June 2024                            | 2,800                       | 3,800               | N/A                                           | 6,600           |
| At 30 June 2025                            | 5,900                       | 3,864               | N/A                                           | 9,764           |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 5. Investment properties (Cont'd)

The following are recognised in profit or loss in respect of investment properties:

| Group                      | 2025<br>RM'000 | 2024<br>RM'000 |
|----------------------------|----------------|----------------|
| Rental income              | 337            | 303            |
| Direct operating expenses: |                |                |
| - income generating        | 52             | 31             |

#### 5.1 Fair value information

The fair value of the investments properties of the Group is based on the Directors' estimation using the latest available market information and recent experience and knowledge in the location and category of property being valued.

Properties under construction are currently under construction and fair values of the properties are unable to be determined as there are uncertainties in estimating its fair value.

#### 5.2 Securities

Certain investment properties are charged as securities to financial institutions for borrowings granted to the Group as disclosed in Note 17.1 to the financial statements.

#### 5.3 Investment properties under leases

Investment properties are leased to third parties or were vacant. The lease contains a cancellable period. No contingent rents are charged.

#### 5.4 Capitalisation of borrowing costs

The amount of borrowing costs capitalised during the financial year was RM52,541 (2024: RM30,482). The rate used to determine the amount of borrowing costs eligible for capitalisation was 4.96% (2024: 0.41%), which is the effective interest rate of the specific borrowing.

#### 5.5 Properties under construction written off

The Group has written off the carrying amount of properties under construction amounting to RM1,173,000 during the financial year. The write off was made as the building situated on the land was demolished to facilitate the planned construction of a new factory.

#### 5.6 Reclassification of Investment Properties

During the financial year, certain properties previously classified as investment properties were occupied by subsidiary companies of the Group. Accordingly, these properties no longer meet the definition of investment properties under MFRS 140 Investment Property and have been reclassified to property, plant and equipment and right-of-use assets, as appropriate.

### 6. Investment in subsidiaries

| Company                               | 2025<br>RM'000 | 2024<br>RM'000 |
|---------------------------------------|----------------|----------------|
| Unquoted shares, at cost              |                |                |
| At 1 July 2024/2023                   | 273,366        | 273,366        |
| Subscription of share in subsidiaries | 10,001         | -              |
|                                       | 283,367        | 273,366        |
| Less: Accumulated impairment losses   | (14,118)       | (12,836)       |
| At 30 June                            | 269,249        | 260,530        |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 6. Investment in subsidiaries (Cont'd)

The details of the subsidiaries are as follows:

| Name of subsidiary                             | Country of incorporation | Effective ownership interest and voting interest |           | Principal activities                                                                                                                                                                                                                                      |
|------------------------------------------------|--------------------------|--------------------------------------------------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                |                          | 2025<br>%                                        | 2024<br>% |                                                                                                                                                                                                                                                           |
| SMT Technologies Sdn. Bhd.                     | Malaysia                 | 100                                              | 100       | Provision of electronic manufacturing services for computer peripherals and consumer electronic/electrical products and production of high filtration face masks                                                                                          |
| Mastimber Industries Sdn. Bhd.*                | Malaysia                 | 97.3                                             | 97.3      | Dormant                                                                                                                                                                                                                                                   |
| EG Electronic Sdn. Bhd.                        | Malaysia                 | 100                                              | 100       | Original Equipment Manufacturer/Original Design Manufacturer in complete box built products                                                                                                                                                               |
| SMT Industries Co., Ltd.*#                     | Thailand                 | 100                                              | 100       | Provision of electronic manufacturing services for computer peripherals, consumer electronic/electrical and automotive industrial products                                                                                                                |
| EG R&D Sdn. Bhd.                               | Malaysia                 | 100                                              | 100       | Research and development activities for electronic, electrical, telecommunication and technology products and operate a shared services outsourcing center rendering BP outsourcing in financial and administration processes and IT services             |
| EG Operations Sdn. Bhd.                        | Malaysia                 | 100                                              | 100       | Investment holding activities and manufacturing and assembling of plastic moulded parts, electronic components and other related box-build products                                                                                                       |
| Aitronic Sdn. Bhd.*                            | Malaysia                 | 51                                               | -         | Manufacture and wholesale of hardware accessories                                                                                                                                                                                                         |
| <b>Held through SMT Technologies Sdn. Bhd.</b> |                          |                                                  |           |                                                                                                                                                                                                                                                           |
| Glisten Knight Sdn. Bhd.                       | Malaysia                 | 70                                               | 70        | Investment holding activities and to undertake procurement, sales, marketing and distribution activities for electronic/electrical products and related components and operating and rental of warehouses for the storage of goods and materials handling |
| <b>Held through EG Operations Sdn. Bhd.</b>    |                          |                                                  |           |                                                                                                                                                                                                                                                           |
| Genitronic (Malaysia) Sdn. Bhd.*               | Malaysia                 | 30                                               | 30        | Manufacturing, sales and distribution of commercial network communication and security related products, home digital related products, computer peripherals, and provision of technology consulting services                                             |

\* Not audited by UHY Malaysia PLT

# Shares are held in trust by certain Director for EG Industries Berhad



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 6. Investment in subsidiaries (Cont'd)

#### 6.1 Acquisition of subsidiary companies

- (i) On 13 November 2024, the Company incorporated a 51% owned subsidiary company, Aitronic Sdn. Bhd., with cash subscription of RM1,020.
- (ii) Genitronic (Malaysia) Sdn. Bhd. ("GTR"), held through EG Operations Sdn. Bhd. ("EGO"), is regarded as a subsidiary of the Group although the Group owns less than half of the ownership interest and voting interest in GTR, the Group controls this subsidiary by virtue of an agreement with its other investors and its ability to participate in the financial and operating policy decisions of this subsidiary by way of representation on the board of directors. Consequently, the Group consolidates its investment in this subsidiary.

On 16 August 2024, GTR increased its paid up share capital from 11,577,966 to 21,000,326 ordinary shares. EGO subscribed additional 2,826,708 ordinary shares of RM1.50 per share in GTR by way of capitalisation. There is no change in shareholdings resulted from the additional investment.

On 2 April 2025, GTR further increased its paid up share capital from 21,000,326 to 30,275,100 ordinary shares. EGO subscribed additional 2,782,000 ordinary shares of RM1.00 per share in GTR by way of cash. There is no change in shareholdings resulted from the additional investment.

#### 6.2 Non-controlling interest in subsidiaries

The Group's subsidiaries that have non-controlling interest ("NCI") are as follows:

- (i) Partly-owned subsidiary companies

| Name of company                 | NCI percentage of ownership interest and voting interest |      | Profit/(Loss) allocated to NCI |        | Accumulated non-controlling interests |        |
|---------------------------------|----------------------------------------------------------|------|--------------------------------|--------|---------------------------------------|--------|
|                                 | 2025                                                     | 2024 | 2025                           | 2024   | 2025                                  | 2024   |
|                                 | %                                                        | %    | RM'000                         | RM'000 | RM'000                                | RM'000 |
| Mastimber Industries Sdn. Bhd.  | 2.7                                                      | 2.7  | -                              | -      | (217)                                 | (217)  |
| Glisten Knight Sdn. Bhd.        | 30                                                       | 30   | (99)                           | (50)   | (237)                                 | (138)  |
| Genitronic (Malaysia) Sdn. Bhd. | 70                                                       | 70   | (6,302)                        | (689)  | 16,197                                | 8,515  |
| Aitronic Sdn. Bhd.              | 49                                                       | -    | (4)                            | -      | (4)                                   | -      |
|                                 |                                                          |      | (6,405)                        | (739)  | 15,739                                | 8,160  |

## 6. Investment in subsidiaries (Cont'd)

### 6.2 Non-controlling interest in subsidiaries (Cont'd)

- (i) Partly-owned subsidiary companies (Cont'd)

Summarised financial information for each subsidiary company that has non-controlling interests is set out below. The summarised financial information below represents amounts before inter-company eliminations.

#### Summarised statements of financial position

|                         | Mastimber Industries<br>Sdn. Bhd. |         | Glisten Knight<br>Sdn. Bhd. |         | Genitronic (Malaysia)<br>Sdn. Bhd. |          | Aitronic<br>Sdn. Bhd. |        |
|-------------------------|-----------------------------------|---------|-----------------------------|---------|------------------------------------|----------|-----------------------|--------|
|                         | 2025                              | 2024    | 2025                        | 2024    | 2025                               | 2024     | 2025                  | 2024   |
|                         | RM'000                            | RM'000  | RM'000                      | RM'000  | RM'000                             | RM'000   | RM'000                | RM'000 |
| Non-current assets      | -                                 | -       | 12,042                      | 11,912  | 14,535                             | 17,207   | -                     | -      |
| Current assets          | 1                                 | 7       | 1,107                       | 579     | 42,507                             | 25,916   | 2                     | -      |
| Non-current liabilities | (8,051)                           | (8,051) | (7,189)                     | (7,225) | (352)                              | (1,681)  | -                     | -      |
| Current liabilities     | (2)                               | (2)     | (4,161)                     | (3,137) | (31,258)                           | (28,012) | (8)                   | -      |
| Net liabilities/assets  | (8,052)                           | (8,046) | 1,799                       | 2,129   | 25,432                             | 13,430   | (6)                   | -      |

#### Summarised statements of profit or loss and other comprehensive income

|                             | Mastimber Industries<br>Sdn. Bhd. |        | Glisten Knight<br>Sdn. Bhd. |        | Genitronic (Malaysia)<br>Sdn. Bhd. |        | Aitronic<br>Sdn. Bhd. |        |
|-----------------------------|-----------------------------------|--------|-----------------------------|--------|------------------------------------|--------|-----------------------|--------|
|                             | 2025                              | 2024   | 2025                        | 2024   | 2025                               | 2024   | 2025                  | 2024   |
|                             | RM'000                            | RM'000 | RM'000                      | RM'000 | RM'000                             | RM'000 | RM'000                | RM'000 |
| Revenue                     | -                                 | -      | 440                         | 170    | 89,364                             | 11,549 | -                     | -      |
| Loss for the financial year | (6)                               | (4)    | (330)                       | (435)  | (9,003)                            | (985)  | (8)                   | -      |
| Total comprehensive expense | (6)                               | (4)    | (330)                       | (435)  | (9,003)                            | (985)  | (8)                   | -      |

## 6. Investment in subsidiaries (Cont'd)

### 6.2 Non-controlling interest in subsidiaries (Cont'd)

- (i) Partly-owned subsidiary companies (Cont'd)

#### Summarised statements of cash flows

|                                                       | Mastimber Industries<br>Sdn. Bhd. |        | Glisten Knight<br>Sdn. Bhd. |         | Genitronic (Malaysia)<br>Sdn. Bhd. |          | Aitronic<br>Sdn. Bhd. |        |
|-------------------------------------------------------|-----------------------------------|--------|-----------------------------|---------|------------------------------------|----------|-----------------------|--------|
|                                                       | 2025                              | 2024   | 2025                        | 2024    | 2025                               | 2024     | 2025                  | 2024   |
|                                                       | RM'000                            | RM'000 | RM'000                      | RM'000  | RM'000                             | RM'000   | RM'000                | RM'000 |
| Cash flows (used in)/generated from                   |                                   |        |                             |         |                                    |          |                       |        |
| - operating activities                                | (6)                               | (4)    | 678                         | (9,683) | (17,230)                           | 9,069    | -                     | -      |
| - investing activities                                | -                                 | -      | (424)                       | 1,779   | (367)                              | (14,590) | -                     | -      |
| - financing activities                                | -                                 | -      | (167)                       | 7,520   | 19,678                             | 13,461   | 2                     | -      |
| Net (decrease)/ increase in cash and cash equivalents | (6)                               | (4)    | 87                          | (384)   | 2,081                              | 7,940    | 2                     | -      |

### 6.3 Impairment loss for investment in subsidiary companies

During the financial year, EG R&D Sdn. Bhd., the 100% owned subsidiary company was facing the recoverable amount lower than the carrying amount.

The review was principally based on the Company's share of net assets in the subsidiary company, which the Directors' estimated to approximate fair value less costs of disposal.

Based on this assessment, the recoverable amount of the investment was estimated at RMNIL, which was lower than its carrying amount. As a result, an impairment loss of RM1,282,351 was recognised during the financial year.

The impairment loss was recorded under other expenses in the statement of profit or loss and other comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 7. Investment in associates

| Group                              | 2025<br>RM'000 | 2024<br>RM'000 |
|------------------------------------|----------------|----------------|
| <b>At cost</b>                     |                |                |
| Unquoted shares in Malaysia        | 1,960          | 1,960          |
| Share of post-acquisition reserves | 1,169          | 942            |
|                                    | <u>3,129</u>   | <u>2,902</u>   |

Details of the associates are as follows:

| Name of associate                              | Country of incorporation | Effective ownership interest |      | Principal activities                                                                                          |
|------------------------------------------------|--------------------------|------------------------------|------|---------------------------------------------------------------------------------------------------------------|
|                                                |                          | 2025                         | 2024 |                                                                                                               |
|                                                |                          | %                            | %    |                                                                                                               |
| <b>Held through SMT Technologies Sdn. Bhd.</b> |                          |                              |      |                                                                                                               |
| TM SMT Sdn. Bhd. <sup>*#@^</sup>               | Malaysia                 | 49                           | 49   | Manufacturing of electronic and electrical products, wholesale of computer hardware, software and peripherals |
| <b>Held through TM SMT Sdn. Bhd</b>            |                          |                              |      |                                                                                                               |
| TM SMT (Thailand) Co., Ltd. <sup>*#@^</sup>    | Thailand                 | 49                           | 49   | Dormant                                                                                                       |

\* Not audited by UHY Malaysia PLT

# Financial year end 31 December

@ Unaudited financial statements

^ TM SMT Sdn. Bhd. hold 99% of TM SMT (Thailand) Co., Ltd.

The investment in the associates over which the Group has significant influence (but no control over its operations) is accounted for using the equity method. The investment is initially recognised at cost and adjustment thereafter to include the Group's share of post-acquisition distributable and non-distributable reserves of the associate.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 7. Investment in associates (Cont'd)

The following table summarises the information of the Group's associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Groups' interest in the associates.

|  | 2025<br>RM'000 | 2024<br>RM'000 |
|--|----------------|----------------|
|--|----------------|----------------|

#### TM SMT Sdn. Bhd.

##### Summarised financial information as at 30 June

|                   |          |         |
|-------------------|----------|---------|
| Total assets      | 18,100   | 13,458  |
| Total liabilities | (11,737) | (7,675) |
| Net assets        | 6,363    | 5,783   |

##### Year ended 30 June

|                                                                  |     |     |
|------------------------------------------------------------------|-----|-----|
| Net profit and total comprehensive income for the financial year | 462 | 939 |
|------------------------------------------------------------------|-----|-----|

##### Included in total comprehensive income:

|         |        |        |
|---------|--------|--------|
| Revenue | 26,258 | 46,140 |
|---------|--------|--------|

##### Reconciliation of net assets to carrying amount as at 30 June

|  | 2025<br>RM'000 | 2024<br>RM'000 |
|--|----------------|----------------|
|--|----------------|----------------|

|                                                                                                     |       |       |
|-----------------------------------------------------------------------------------------------------|-------|-------|
| Group's share of net assets representing the carrying amount in the statement of financial position | 3,129 | 2,902 |
|-----------------------------------------------------------------------------------------------------|-------|-------|

##### Group's share of results for the year ended 30 June

|  | 2025<br>RM'000 | 2024<br>RM'000 |
|--|----------------|----------------|
|--|----------------|----------------|

|                                                            |     |     |
|------------------------------------------------------------|-----|-----|
| Group's share of net profit and total comprehensive income | 227 | 459 |
|------------------------------------------------------------|-----|-----|

##### Other information

|  | 2025<br>RM'000 | 2024<br>RM'000 |
|--|----------------|----------------|
|--|----------------|----------------|

|                   |   |   |
|-------------------|---|---|
| Dividend received | - | - |
|-------------------|---|---|

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 8. Other investments

| Group and Company                                                  | 2025<br>RM'000 | 2024<br>RM'000 |
|--------------------------------------------------------------------|----------------|----------------|
| <b>Non-current</b>                                                 |                |                |
| <i><b>Fair value through other comprehensive income</b></i>        |                |                |
| <b>Quoted shares in Malaysia</b>                                   |                |                |
| At 1 July 2024/2023                                                | 9,689          | 35             |
| Addition                                                           | -              | 8,700          |
| Net change in fair value of equity instruments designated at FVOCI | (2,040)        | 954            |
| At 30 June                                                         | 7,649          | 9,689          |
| <b>Quoted shares outside Malaysia</b>                              |                |                |
| At 1 July 2024/2023                                                | 62             | 2,742          |
| Addition                                                           | 26,047         | -              |
| Disposal                                                           | -              | (1,690)        |
| Net change in fair value of equity instruments designated at FVOCI | (9,515)        | (990)          |
| At 30 June                                                         | 16,594         | 62             |
| <i><b>Fair value through profit or loss</b></i>                    |                |                |
| <b>Quoted shares in Malaysia</b>                                   |                |                |
| At 1 July 2024/2023                                                | -              | 11,946         |
| Disposal                                                           | -              | (11,946)       |
| At 30 June                                                         | -              | -              |
|                                                                    | 24,243         | 9,751          |

During the financial year, the Group and the Company acquired additional quoted shares outside Malaysia amounting RM26,046,900 as part of its portfolio diversification strategy to enhance investment returns.

The Group and the Company have made an irrevocable election at initial recognition to present subsequent changes in the fair value of equity investments that are not held for trading in other comprehensive income, in accordance with MFRS 9 Financial Instruments.

These investments are held for long-term strategic purposes, and the Group and the Company consider this presentation to provide more relevant information about long-term performance. Dividends received from these investments are recognised in profit or loss when the right to receive payment is established.

The fair value of quoted equity investments is determined by reference to quoted market prices at the reporting date in active markets, classified within Level 2 of the fair value hierarchy as defined in MFRS 13 Fair Value Measurement. No transfers between levels of the fair value hierarchy occurred during the financial year.

The Group's and the Company's quoted investments outside Malaysia primarily comprise shares listed on recognised stock exchanges in Thailand.

The Group and the Company are exposed to equity price risk arising from market fluctuations, which is monitored by management on an ongoing basis. No equity investments are pledged as security as at the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 9. Intangible assets

| Group                                                   | Goodwill<br>RM'000 | Software cost<br>RM'000 | Intellectual<br>property<br>RM'000 | Total<br>RM'000 |
|---------------------------------------------------------|--------------------|-------------------------|------------------------------------|-----------------|
| <b>Cost</b>                                             |                    |                         |                                    |                 |
| At 1 July 2023                                          | 10,148             | 3,501                   | 8,875                              | 22,524          |
| Additions                                               | -                  | 7,491                   | -                                  | 7,491           |
| Foreign exchange differences                            | -                  | (12)                    | -                                  | (12)            |
| At 30 June/1 July 2024                                  | 10,148             | 10,980                  | 8,875                              | 30,003          |
| Additions                                               | -                  | 2                       | -                                  | 2               |
| Foreign exchange differences                            | -                  | 5                       | -                                  | 5               |
| At 30 June 2025                                         | 10,148             | 10,987                  | 8,875                              | 30,010          |
| <b>Accumulated amortisation and<br/>impairment loss</b> |                    |                         |                                    |                 |
| At 1 July 2023                                          |                    |                         |                                    |                 |
| Accumulated amortisation                                | -                  | 2,781                   | 4,240                              | 7,021           |
| Accumulated impairment loss                             | -                  | -                       | 4,635                              | 4,635           |
|                                                         | -                  | 2,781                   | 8,875                              | 11,656          |
| Amortisation for the financial year                     | -                  | 622                     | -                                  | 622             |
| Foreign exchange differences                            | -                  | (11)                    | -                                  | (11)            |
| At 30 June/1 July 2024                                  |                    |                         |                                    |                 |
| Accumulated amortisation                                | -                  | 3,392                   | 4,240                              | 7,632           |
| Accumulated impairment loss                             | -                  | -                       | 4,635                              | 4,635           |
|                                                         | -                  | 3,392                   | 8,875                              | 12,267          |
| Amortisation for the financial year                     | -                  | 1,004                   | -                                  | 1,004           |
| Foreign exchange differences                            | -                  | 4                       | -                                  | 4               |
| At 30 June 2025                                         |                    |                         |                                    |                 |
| Accumulated amortisation                                | -                  | 4,400                   | 4,240                              | 8,640           |
| Accumulated impairment loss                             | -                  | -                       | 4,635                              | 4,635           |
|                                                         | -                  | 4,400                   | 8,875                              | 13,275          |
| <b>Carrying amount</b>                                  |                    |                         |                                    |                 |
| At 1 July 2023                                          | 10,148             | 720                     | -                                  | 10,868          |
| At 30 June/1 July 2024                                  | 10,148             | 7,588                   | -                                  | 17,736          |
| At 30 June 2025                                         | 10,148             | 6,587                   | -                                  | 16,735          |



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 9. Intangible assets (Cont'd)

| Company                                  | Software cost<br>RM'000 |
|------------------------------------------|-------------------------|
| <b>Cost</b>                              |                         |
| At 1 July 2023/30 June 2024/30 June 2025 | <u>89</u>               |
| <b>Accumulated amortisation</b>          |                         |
| At 1 July 2023/30 June 2024/30 June 2025 | <u>89</u>               |
| <b>Carrying amount</b>                   |                         |
| At 1 July 2023/30 June 2024/30 June 2025 | <u>-</u>                |

### 9.1 Impairment testing for goodwill

For the purpose of annual impairment testing, goodwill arising from business combination has been allocated to the following cash generating units ("CGU") at which the goodwill is monitored for internal management purpose:

- i) Electronic Manufacturing Services (RM10,142,066); and
- ii) Investment holding (RM5,606).

The Group has determined the recoverable amount of the goodwill relating to the above CGUs based on value in use calculations. Value in use is determined by discounting the cash flow projections from the five-year period and extrapolated cash flows beyond the five-year period business plan developed based on management's assessment of future trends and market developments primarily in the data storage, consumer electronic/electrical and information and communication technologies industries. The values assigned to the key assumptions such as maintaining sales in the budget for each of the financial year, represent management's estimate derived from both external and internal sources (historical data).

In determining the recoverable amount of the CGUs, the projected cash flows were discounted using a pre-tax discount rate of 5.18% (2024: 4.32%).

The future cash flows were projected based on the actual net operating cash flows achieved by the CGUs in the current financial year, assuming 5.00% growth rate in the next five (5) years and a terminal growth rate of 2.50% beyond the forecast period.

Based on management's assessment, no impairment is required as the recoverable amount exceeds the carrying amount of the goodwill.

There are no reasonably possible changes in significant assumptions used in the fair value calculations which would cause the recoverable amount of the CGUs to fall below its carrying amount.

### 9.2 Intellectual property

Intellectual property paid is for the transfer of licensed technology and know-how in connection with the manufacture, application and sale of licensed products.

### 9.3 Software cost

Software cost paid is for the acquisition of computer software that are not integral to other equipment.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 10. Deferred tax assets

#### Recognised deferred tax assets

Deferred tax assets and liabilities are attributable to the following:

| Group                                             | Assets   |          | Liabilities |          | Net      |          |
|---------------------------------------------------|----------|----------|-------------|----------|----------|----------|
|                                                   | 2025     | 2024     | 2025        | 2024     | 2025     | 2024     |
|                                                   | RM'000   | RM'000   | RM'000      | RM'000   | RM'000   | RM'000   |
| Property, plant and equipment - capital allowance | -        | -        | (32,536)    | (27,421) | (32,536) | (27,421) |
| Unutilised reinvestment allowance                 | 14,737   | 10,360   | -           | -        | 14,737   | 10,360   |
| Unutilised increased in export allowance          | 17,288   | 14,289   | -           | -        | 17,288   | 14,289   |
| Provisions                                        | 6,136    | 3,441    | -           | -        | 6,136    | 3,441    |
| Other temporary differences                       | -        | 920      | (4,109)     | -        | (4,109)  | 920      |
| Tax assets/(liabilities)                          | 38,161   | 29,010   | (36,645)    | (27,421) | 1,516    | 1,589    |
| Set off of tax                                    | (36,645) | (27,421) | 36,645      | 27,421   | -        | -        |
| Net tax assets                                    | 1,516    | 1,589    | -           | -        | 1,516    | 1,589    |

Deferred tax assets and liabilities are offset when there are legally enforceable rights to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

## 10. Deferred tax assets (Cont'd)

### Recognised deferred tax assets (Cont'd)

Management estimated the amount of deferred tax assets to be recognised using profit projections from the five-year business plan developed based on management's assessment of future trends and market developments primarily in the data storage, consumer electronic/electrical and information and communication technologies industries.

Movements in temporary differences during the financial year are as follows:

| Group                                                | At<br>30 June 2023<br>RM'000 | Recognised<br>in profit<br>or loss<br>(Note 25)<br>RM'000 | Exchange<br>difference<br>RM'000 | At<br>30 June/<br>1 July 2024<br>RM'000 | Recognised<br>in profit<br>or loss<br>(Note 25)<br>RM'000 | Exchange<br>difference<br>RM'000 | At<br>30 June 2025<br>RM'000 |
|------------------------------------------------------|------------------------------|-----------------------------------------------------------|----------------------------------|-----------------------------------------|-----------------------------------------------------------|----------------------------------|------------------------------|
| Property, plant and equipment<br>- capital allowance | (16,667)                     | (10,754)                                                  | -                                | (27,421)                                | (5,115)                                                   | -                                | (32,536)                     |
| Unutilised reinvestment allowance                    | -                            | 10,360                                                    | -                                | 10,360                                  | 4,377                                                     | -                                | 14,737                       |
| Increase in export allowance                         | 13,397                       | 892                                                       | -                                | 14,289                                  | 2,999                                                     | -                                | 17,288                       |
| Provisions                                           | 2,756                        | 685                                                       | -                                | 3,441                                   | 2,695                                                     | -                                | 6,136                        |
| Other temporary differences                          | 2,084                        | (1,157)                                                   | (7)                              | 920                                     | (4,954)                                                   | (75)                             | (4,109)                      |
|                                                      | 1,570                        | 26                                                        | (7)                              | 1,589                                   | 2                                                         | (75)                             | 1,516                        |

The unutilised reinvestment allowances can only be carried forward to be absorbed for a maximum period of 7 consecutive years of assessment after the expiry of the qualifying period for reinvestment allowances. The Group's unutilised reinvestment allowance is expiring on year of assessment 2031.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 10. Deferred tax assets (Cont'd)

#### Unrecognised deferred tax asset

Deferred tax asset has not been recognised in respect of the following item (stated at gross):

| Group                                 | 2025<br>RM'000 | 2024<br>RM'000 |
|---------------------------------------|----------------|----------------|
| Unutilised increased export allowance | -              | 11,926         |

The unutilised increased export allowance does not expire under current tax legislation.

Deferred tax asset has not been recognised in respect of the above items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

The comparative figure has been restated to reflect the revised unutilised increased export allowance available to the Group.

### 11. Trade and other receivables

|      | Group          |                | Company        |                |
|------|----------------|----------------|----------------|----------------|
|      | 2025<br>RM'000 | 2024<br>RM'000 | 2025<br>RM'000 | 2024<br>RM'000 |
| Note |                |                |                |                |

#### Current

##### Trade

Trade receivables

|                 |         |         |   |   |
|-----------------|---------|---------|---|---|
|                 |         |         |   |   |
| - third parties | 170,363 | 311,772 | - | - |
| - an associate  | 10,960  | 7,674   | - | - |
|                 | 181,323 | 319,446 | - | - |

##### Non-trade

|                               |      |         |        |        |
|-------------------------------|------|---------|--------|--------|
|                               |      |         |        |        |
| Amount due from subsidiaries  | 11.1 | -       | 69,426 | 24,946 |
| Amount due from related party |      | 70      | -      | -      |
| Other receivables             |      | 7,108   | -      | -      |
| Deposits                      |      | 996     | 2      | 2      |
| Prepayments                   |      | 7,502   | 14     | 13     |
|                               |      | 15,676  | 69,442 | 24,961 |
|                               |      | 196,999 | 69,442 | 24,961 |

#### 11.1 Amount due from subsidiaries

The amount due from subsidiaries is unsecured, interest-free and repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 12. Inventories

| Group                    | 2025<br>RM'000 | 2024<br>RM'000 |
|--------------------------|----------------|----------------|
| Raw materials            | 195,132        | 388,608        |
| Work-in-progress         | 88,905         | 66,058         |
| Manufactured inventories | 331,858        | 65,889         |
|                          | <u>615,895</u> | <u>520,555</u> |

Recognised in profit or loss:

|                                         |            |              |
|-----------------------------------------|------------|--------------|
| Inventories recognised as cost of sales | 778,707    | 886,076      |
| Provision for slow moving stocks        | <u>101</u> | <u>2,401</u> |

#### Provision for slow moving stocks

| Group                          | 2025<br>RM'000 | 2024<br>RM'000 |
|--------------------------------|----------------|----------------|
| At 1 July 2024/2023            | 3,086          | 685            |
| Provision made during the year | 101            | 2,401          |
| At 30 June                     | <u>3,187</u>   | <u>3,086</u>   |

### 13. Fixed deposits with licensed banks

The fixed deposits with licensed banks are with maturities of less than 3 months and are held in lien for borrowings granted to certain subsidiaries (Note 17.1).

### 14. Share capital and treasury shares

| Group and Company             |      | 2025             |                             | 2024             |                             |
|-------------------------------|------|------------------|-----------------------------|------------------|-----------------------------|
|                               | Note | Amount<br>RM'000 | Number of<br>shares<br>'000 | Amount<br>RM'000 | Number of<br>shares<br>'000 |
| <b>Issued and fully paid:</b> |      |                  |                             |                  |                             |
| At 1 July                     |      | 244,910          | 467,802                     | 204,310          | 431,873                     |
| Issue pursuant to:            |      |                  |                             |                  |                             |
| - Private placement           |      | -                | -                           | 40,600           | 35,929                      |
| - Bonus issue                 | 14.1 | -                | 467,802                     | -                | -                           |
| At 30 June                    |      | <u>244,910</u>   | <u>935,604</u>              | <u>244,910</u>   | <u>467,802</u>              |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 14. Share capital and treasury shares (Cont'd)

**14.1** During the financial year, the Company increased its issued and paid-up share capital by way of issuance of 467,801,974 new ordinary shares pursuant to the Bonus Issue on the basis of 1 bonus share for every 1 existing ordinary share held.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

#### 14.2 Treasury shares

| Group and Company      | 2025             |                                | 2024             |                                |
|------------------------|------------------|--------------------------------|------------------|--------------------------------|
|                        | Amount<br>RM'000 | Number of<br>shares<br>( '000) | Amount<br>RM'000 | Number of<br>shares<br>( '000) |
| <b>Treasury shares</b> |                  |                                |                  |                                |
| At 1 July              | 7,385            | 16,146                         | 8,043            | 17,586                         |
| Bonus issues           | -                | 13,262                         | -                | -                              |
| Treasury shares sold   | (1,319)          | (2,884)                        | (658)            | (1,440)                        |
| At 30 June             | <u>6,066</u>     | <u>26,524</u>                  | <u>7,385</u>     | <u>16,146</u>                  |

During the financial year, the Company has disposed a total of 2,884,000 (2024: 1,440,000) treasury shares with a total consideration received, after deducting transaction costs, was RM5,843,767 (2024: RM2,283,620).

The treasury shares are being disposed in accordance with Section 127 (7)(b) of the Companies Act, 2016 in Malaysia.

At 30 June 2025, the Company held 26,523,800 (2024: 16,145,900) of its shares as treasury shares. The number of outstanding ordinary shares in issue after deducting treasury shares held is 909,080,148 (2024: 451,656,074).

### 15. Reserves

|                     | Note | Group    |         | Company  |         |
|---------------------|------|----------|---------|----------|---------|
|                     |      | 2025     | 2024    | 2025     | 2024    |
|                     |      | RM'000   | RM'000  | RM'000   | RM'000  |
| Non-distributable:  |      |          |         |          |         |
| Fair value reserve  | 15.1 | (15,699) | (4,144) | (15,699) | (4,144) |
| Translation reserve | 15.2 | 13,679   | 10,863  | -        | -       |
| Capital reserve     | 15.3 | 34,724   | 30,189  | 34,724   | 30,189  |
|                     |      | <hr/>    | <hr/>   | <hr/>    | <hr/>   |
|                     |      | 32,704   | 36,908  | 19,025   | 26,045  |
| Distributable:      |      |          |         |          |         |
| Retained earnings   |      | 329,934  | 245,570 | 23,540   | 25,802  |
|                     |      | <hr/>    | <hr/>   | <hr/>    | <hr/>   |
|                     |      | 362,638  | 282,478 | 42,565   | 51,847  |

The movements in the reserves are disclosed in the statements of changes in equity.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 15. Reserves (Cont'd)

#### 15.1 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity and debt securities designated at fair value through other comprehensive income until the assets are derecognised or impaired.

#### 15.2 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

#### 15.3 Capital reserve

Capital reserve arose from the capital reduction exercise and the disposal of treasury shares.

### 16. Lease liabilities

| Group                      | 2025<br>RM'000 | 2024<br>RM'000 |
|----------------------------|----------------|----------------|
| At 1 July 2024/2023        | 14,425         | 14,316         |
| Additions                  | 10,133         | 7,422          |
| Modification of lease term | (47)           | -              |
| Payments                   | (9,521)        | (7,313)        |
| At 30 June                 | 14,990         | 14,425         |
| Presented as:              |                |                |
| Non-current                | 6,877          | 7,420          |
| Current                    | 8,113          | 7,005          |
|                            | 14,990         | 14,425         |

The maturity analysis of lease liabilities of the Group at the end of the reporting period:

| Group                        | 2025<br>RM'000 | 2024<br>RM'000 |
|------------------------------|----------------|----------------|
| Less than 1 year             | 8,909          | 7,750          |
| Between 1 and 5 years        | 7,625          | 8,163          |
|                              | 16,534         | 15,913         |
| Less: Future finance charges | (1,544)        | (1,488)        |
|                              | 14,990         | 14,425         |

Additions during the financial year include plant and machinery financed/refinanced as disclosed in Note 4.4 to the financial statements.

The Group leases plant and machinery and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Certain lease liabilities are collateralised by corporate guarantee from the Company.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 17. Loans and borrowings

| Group                | 2025<br>RM'000 | 2024<br>RM'000 |
|----------------------|----------------|----------------|
| <b>Non-current</b>   |                |                |
| <b>Secured</b>       |                |                |
| Term loans           | 141,913        | 142,908        |
| <b>Current</b>       |                |                |
| <b>Secured</b>       |                |                |
| Bankers' acceptances | 348,096        | 397,099        |
| Trust receipts       | -              | 11,558         |
| Term loans           | 14,732         | 12,161         |
| Trade financing      | 27,280         | 10,500         |
| Revolving credits    | 62,434         | 9,439          |
|                      | 452,542        | 440,757        |
|                      | 594,455        | 583,665        |

#### 17.1 Securities

The loans and borrowings of the Group are secured as follows:

- (i) legal charges over the freehold land, leasehold land, buildings and plant and machinery of certain subsidiaries (Note 3.1 and 4.2) and certain investment properties of the Group (Note 5.2);
- (ii) fixed deposits held in lien of the Group (Note 13); and
- (iii) collateralised by corporate guarantee from the Company.

### 18. Provision for retirement benefits

A subsidiary in Thailand operates an unfunded defined benefit plan.

Under the labour laws in Thailand, all employees with more than 120 days of service are entitled to Legal Severance Payment benefits ranging from 30 days to 400 days (2024: 30 days to 400 days) of final salary upon termination of service, including forced termination or retrenchment, or in the event of retirement. The present value of defined benefit obligations are as follows:

| Group                                      | 2025<br>RM'000 | 2024<br>RM'000 |
|--------------------------------------------|----------------|----------------|
| Present value of obligations - non current | 444            | 914            |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 18. Provision for retirement benefits (Cont'd)

The movements in the defined benefit obligations over the financial year are as follows:

| Group                                                        | 2025<br>RM'000 | 2024<br>RM'000 |
|--------------------------------------------------------------|----------------|----------------|
| At 1 July 2024/2023                                          | 914            | 796            |
| Amount recognised in profit or loss:                         |                |                |
| - Past service cost                                          | (179)          | -              |
| - Current service cost                                       | 66             | 130            |
| - Interest cost                                              | 11             | 21             |
| - Foreign exchange differences                               | 12             | (33)           |
|                                                              | 824            | 914            |
| Amount recognised in other comprehensive income:             |                |                |
| - Gain on re-measurement of provision of retirement benefits | (380)          | -              |
| At 30 June                                                   | 444            | 914            |

The principal actuarial assumptions used are as follows:

|                        | 2025  | 2024  |
|------------------------|-------|-------|
| Discount rate          | 3.15% | 2.56% |
| Inflation rate         | 3.00% | 2.75% |
| Future salary increase |       |       |
| - prior to age 30      | 5.0%  | 5.0%  |
| - between age 30 to 40 | 5.0%  | 5.0%  |
| - age 40 onwards       | 5.0%  | 5.0%  |

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics in Thailand. The Thailand TMO17 tables contain the results of the most recent mortality investigation on policy holders of life insurance companies in Thailand. It is reasonable to assume that these rates are reflective of the mortality experience of the working population in Thailand. The Group accounts for this severance liability on an actuarial basis using the projected unit credit method.

#### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

| Group                                           | 2025<br>Increase<br>RM'000 | 2025<br>Decrease<br>RM'000 | 2024<br>Increase<br>RM'000 | 2024<br>Decrease<br>RM'000 |
|-------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Discount rate (1% movement)                     | (7)                        | 8                          | (15)                       | 17                         |
| Long-term salary increment rate (1% movement)   | 13                         | (11)                       | 29                         | (24)                       |
| Turnover rate (20% change from base assumption) | (11)                       | 14                         | (29)                       | 40                         |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 19. Trade and other payables

|                            | Note | Group          |                | Company        |                |
|----------------------------|------|----------------|----------------|----------------|----------------|
|                            |      | 2025<br>RM'000 | 2024<br>RM'000 | 2025<br>RM'000 | 2024<br>RM'000 |
| Non-Current                |      |                |                |                |                |
| Non-trade                  |      |                |                |                |                |
| - third parties            |      | 76             | -              | -              | -              |
| Current                    |      |                |                |                |                |
| Trade                      |      |                |                |                |                |
| - third parties            |      | 292,078        | 357,228        | -              | -              |
|                            |      | 292,078        | 357,228        | -              | -              |
| Non-trade                  |      |                |                |                |                |
| Amount due to subsidiaries | 19.1 | -              | -              | 81,635         | 2,300          |
| Other payables             |      | 13,341         | 33,648         | 19             | 4,579          |
| Deferred revenue           |      | -              | 10             | -              | -              |
| Deposit                    |      | 85             | 85             | -              | -              |
| Accruals                   |      | 25,491         | 18,065         | 288            | 276            |
|                            |      | 38,917         | 51,808         | 81,942         | 7,155          |
|                            |      | 330,995        | 409,036        | 81,942         | 7,155          |
|                            |      | 331,071        | 409,036        | 81,942         | 7,155          |

#### 19.1 Amount due to subsidiaries

The amount due to subsidiaries are unsecured, interest-free and payable on demand.

### 20. Provision for warranties

| Group                          | 2025<br>RM'000 | 2024<br>RM'000 |
|--------------------------------|----------------|----------------|
| At 1 July 2024/2023            | 650            | 632            |
| Provision made during the year | -              | 49             |
| Reversal made during the year  | -              | (31)           |
| At 30 June                     | 650            | 650            |

The provision for warranties represents estimated liabilities for defects arising from products sold under warranty. The provision is based on management's estimate made from historical warranty data associated with the products and judgement on the probability of a defect arising from products sold.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 21. Revenue

|                                              | Group            |                  | Company    |            |
|----------------------------------------------|------------------|------------------|------------|------------|
|                                              | 2025             | 2024             | 2025       | 2024       |
|                                              | RM'000           | RM'000           | RM'000     | RM'000     |
| <b>Revenue from contracts with customers</b> | 1,087,173        | 1,144,180        | -          | -          |
| <b>Other revenue</b>                         |                  |                  |            |            |
| Dividend income                              | 3                | 2                | 3          | 2          |
| Interest income                              | -                | 2                | -          | 2          |
| Management fee                               | -                | -                | 778        | 778        |
|                                              | <u>1,087,176</u> | <u>1,144,184</u> | <u>781</u> | <u>782</u> |

#### 21.1 Disaggregation of revenue

Disaggregation of revenue based on primary geographical markets has been disclosed in Note 31 to the financial statements.

#### 21.2 Nature of goods and services

Revenue is recognised when control of the goods or services is transferred to the customers. The performance obligation is satisfied at a point in time and the customers are required to pay within the agreed credit terms, ranging between 30 to 150 days (2024: 30 to 90 days). Assurance warranties of 2 years are given to certain customers.

#### 21.3 Transaction price allocated to the remaining performance obligations

The Group applies the practical expedient exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.

#### 21.4 Significant judgements and assumptions arising from revenue recognition

The Group applies judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers whereby the Group permits the customer to return an item, revenue is adjusted for expected returns to the extent that it is highly probable that a significant reversal in revenue will not occur. The Group estimated the returns based on the historical data.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 22. Finance costs

|                                      | Group         |               | Company  |          |
|--------------------------------------|---------------|---------------|----------|----------|
|                                      | 2025          | 2024          | 2025     | 2024     |
|                                      | RM'000        | RM'000        | RM'000   | RM'000   |
| Interest expenses on:                |               |               |          |          |
| Bankers' acceptances/Trade financing | 22,861        | 22,597        | -        | -        |
| Trust receipts                       | 218           | 1,325         | -        | -        |
| Lease liabilities                    | 996           | 856           | -        | -        |
| Term loans                           | 10,166        | 3,292         | -        | -        |
| Revolving credits                    | 1,541         | 604           | -        | -        |
| Other                                | -             | 280           | -        | -        |
|                                      | <u>35,782</u> | <u>28,954</u> | <u>-</u> | <u>-</u> |

### 23. Profit/(Loss) before tax

Profit/(Loss) is arrived at after charging/(crediting):

|                                                        | Group  |        | Company |        |
|--------------------------------------------------------|--------|--------|---------|--------|
|                                                        | 2025   | 2024   | 2025    | 2024   |
|                                                        | RM'000 | RM'000 | RM'000  | RM'000 |
| After charging:                                        |        |        |         |        |
| Auditors' remuneration                                 |        |        |         |        |
| - Statutory audit                                      |        |        |         |        |
| - UHY Malaysia PLT                                     |        |        |         |        |
| - current year                                         | 168    | 137    | 61      | 41     |
| - prior year                                           | 40     | -      | 20      | -      |
| - other auditors                                       | 148    | 119    | -       | -      |
| - Other services                                       |        |        |         |        |
| - UHY Malaysia PLT                                     |        |        |         |        |
| - current year                                         | 18     | 19     | 18      | 19     |
| - prior year                                           | (1)    | -      | (1)     | -      |
| - Affiliates of UHY Malaysia PLT                       | 1      | -      | -       | -      |
| - other auditors                                       | 45     | 45     | 45      | 45     |
| <b>Material expenses/(income)</b>                      |        |        |         |        |
| Depreciation of property, plant and equipment (Note 3) | 48,713 | 38,730 | -       | -      |
| Depreciation of right-of-use assets (Note 4)           | 4,173  | 3,343  | -       | -      |
| Depreciation of investment properties (Note 5)         | 290    | 65     | -       | -      |
| Amortisation of intangible assets (Note 9)             | 1,004  | 622    | -       | -      |
| Directors' remuneration:                               |        |        |         |        |
| - Directors of the Company                             |        |        |         |        |
| - fees                                                 | 173    | 217    | 173     | 217    |
| - other emoluments                                     | 753    | 754    | 753     | 754    |
| - contributions to Employees' Provident Fund           | 111    | 111    | 111     | 111    |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 23. Profit/(Loss) before tax (Cont'd)

Profit/(Loss) is arrived at after charging/(crediting): (Cont'd)

|                                                                             | Group    |         | Company |        |
|-----------------------------------------------------------------------------|----------|---------|---------|--------|
|                                                                             | 2025     | 2024    | 2025    | 2024   |
|                                                                             | RM'000   | RM'000  | RM'000  | RM'000 |
| - Other Directors                                                           |          |         |         |        |
| - other emoluments                                                          | 242      | 230     | -       | -      |
| - contributions to Employees' Provident Fund                                | 29       | 27      | -       | -      |
| Impairment loss on investment in subsidiaries                               | -        | -       | 1,282   | -      |
| (Gain)/Loss on disposal of property, plant and equipment                    | (48)     | 139     | -       | -      |
| Gain on disposal of right-of-use assets                                     | -        | (43)    | -       | -      |
| Loss on disposal of other investments                                       | -        | 274     | -       | 274    |
| (Gain)/Loss on foreign exchange, net                                        |          |         |         |        |
| - realised                                                                  | (6,414)  | (2,398) | -       | (10)   |
| - unrealised                                                                | (15,970) | 8,092   | -       | -      |
| Provision for retirement benefits (Note 18)                                 | (102)    | 151     | -       | -      |
| Provision for slow moving stocks (Note 12)                                  | 101      | 2,401   | -       | -      |
| Provision for warranties (Note 20)                                          | -        | 49      | -       | -      |
| Reversal of provision for warranties (Note 20)                              | -        | (31)    | -       | -      |
| Fair value loss on financial instruments mandatorily measured at FVTPL, net | -        | 285     | -       | 285    |
| Interest income                                                             | (1,729)  | (1,843) | -       | (2)    |
| Property, plant and equipment written off                                   | -        | 33      | -       | -      |
| Investment property written off                                             | 1,173    | -       | -       | -      |
| <b>Expenses/(income) arising from leases</b>                                |          |         |         |        |
| Expenses relating to short-term leases                                      | 476      | 1,207   | -       | -      |
| Expenses relating to leases of low-value assets                             | 30       | 33      | -       | -      |
| Rental income                                                               | (846)    | (510)   | -       | -      |
| Rental income from investment properties                                    | (337)    | (303)   | -       | -      |
| <b>Net loss on impairment of financial instruments</b>                      |          |         |         |        |
| Impairment loss on trade and other receivables                              | 8,372    | 2,222   | -       | -      |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 24. Employee benefits

#### 24.1 Staff costs

Staff costs (excluding Directors' remuneration) are as follows:

|                            | Group  |        | Company |        |
|----------------------------|--------|--------|---------|--------|
|                            | 2025   | 2024   | 2025    | 2024   |
|                            | RM'000 | RM'000 | RM'000  | RM'000 |
| Wages, salaries and others | 91,430 | 73,537 | -       | -      |

Included in staff costs of the Group are RM4,324,314 (2024: RM3,698,007) representing contributions to Employees' Provident Fund.

#### 24.2 Key management personnel compensation

|                                            | Group        |              | Company      |              |
|--------------------------------------------|--------------|--------------|--------------|--------------|
|                                            | 2025         | 2024         | 2025         | 2024         |
|                                            | RM'000       | RM'000       | RM'000       | RM'000       |
| Directors' fees                            | 173          | 217          | 173          | 217          |
| Short-term employee benefits               | 2,252        | 2,458        | 753          | 754          |
| Contributions to Employees' Provident Fund | 289          | 313          | 111          | 111          |
|                                            | <u>2,714</u> | <u>2,988</u> | <u>1,037</u> | <u>1,082</u> |

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



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 25. Tax expense

#### Recognised in profit or loss

|                                                 | Group  |        | Company |        |
|-------------------------------------------------|--------|--------|---------|--------|
|                                                 | 2025   | 2024   | 2025    | 2024   |
|                                                 | RM'000 | RM'000 | RM'000  | RM'000 |
| <b>Current tax</b>                              |        |        |         |        |
| <i>Malaysian</i>                                |        |        |         |        |
| - current year                                  | 2,773  | 650    | -       | -      |
| - prior year                                    | (46)   | 107    | -       | -      |
| Total current tax recognised in profit or loss  | 2,727  | 757    | -       | -      |
| <b>Deferred tax</b>                             |        |        |         |        |
| Reversal of temporary differences               | (2)    | (26)   | -       | -      |
| Total deferred tax recognised in profit or loss | (2)    | (26)   | -       | -      |
| Total tax expense                               | 2,725  | 731    | -       | -      |

#### Reconciliation of tax expense

|                                                                   | Group    |          | Company |         |
|-------------------------------------------------------------------|----------|----------|---------|---------|
|                                                                   | 2025     | 2024     | 2025    | 2024    |
|                                                                   | RM'000   | RM'000   | RM'000  | RM'000  |
| Profit/(Loss) before tax                                          | 80,380   | 49,731   | (2,262) | (2,473) |
| Income tax calculated using Malaysian tax rate at 24% (2024: 24%) | 19,291   | 11,935   | (543)   | (594)   |
| Deferred tax asset recognised on reinvestment allowance           | -        | (10,360) | -       | -       |
| Effect of different tax rate in foreign jurisdiction              | (22)     | (158)    | -       | -       |
| Effect of share of profit of equity-accounted associate           | (16)     | 14       | -       | -       |
| Effect of tax incentives                                          | (173)    | (958)    | -       | -       |
| Effect of unrecognised temporary difference                       | (14,719) | (1,308)  | -       | -       |
| Non-deductible expenses                                           | 2,477    | 1,699    | 730     | 784     |
| Non-taxable income                                                | (191)    | (549)    | (187)   | (190)   |
| Others                                                            | (3,876)  | 309      | -       | -       |
| (Over)/Under provision of current tax in prior years              | (46)     | 107      | -       | -       |
| Total tax expense                                                 | 2,725    | 731      | -       | -       |

A foreign subsidiary of the Company was granted promotional privileges under the Investment Promotion Act, B.E.2520 for a period of eight years from the date the income is first derived and a fifty percent reduction in the normal income tax rate on the net profit derived from promoted business for a period of five years for the manufacturing of printed circuit boards.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 26. Earnings per ordinary share

#### Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the financial year ended 30 June 2025 was based on the profit attributable to ordinary shareholders as follows:

| Group                                                         | 2025<br>RM'000 | 2024<br>RM'000 |
|---------------------------------------------------------------|----------------|----------------|
| Profit attributable to ordinary shareholders                  | 84,060         | 49,739         |
| Weighted average number of ordinary shares outstanding ('000) | 935,604        | 933,051        |
| Basic earnings per ordinary share (sen)                       | 8.98           | 5.33           |

#### Diluted earnings per ordinary share

The diluted earnings per share has been computed based on adjusted earnings attributable to ordinary shareholders divided by the adjusted weighted average number of ordinary shares outstanding after adjusting the effect of all dilutive potential ordinary shares calculated as follows:

| Group                                                                                                 | 2025<br>RM'000 | 2024<br>RM'000 |
|-------------------------------------------------------------------------------------------------------|----------------|----------------|
| Profit attributable to ordinary shareholders                                                          | 84,060         | 49,739         |
| Weighted average number of ordinary shares used in the calculation of basic earnings per share ('000) | 935,604        | 933,051        |
| Effect of exercise of Warrants 2023/2028 ('000)                                                       | 67,235         | -*             |
| Weighted average number of ordinary shares ('000)                                                     | 1,002,839      | 933,051        |
| Diluted earnings per ordinary share (sen)                                                             | 8.38           | 5.33           |

The comparative basic and diluted earnings per share of the Group have been restated as a result of the bonus issue.

\* The effect of the potential incremental shares from warrants was not taken into account in the computation of diluted earnings per share as the exercise price of the warrants is higher than the average market price of the Company's ordinary shares.

### 27. Dividends

Dividends recognised as distribution to ordinary shareholders of the Company:

| Company                                                                                                                                 | 2025<br>RM'000 | 2024<br>RM'000 |
|-----------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| An interim single-tier dividend of RM0.01 per ordinary share in respect of financial year ended 30 June 2024, payable on 26 August 2024 | -              | 4,545          |
|                                                                                                                                         | -              | 4,545          |

On 28 August 2025, the Board of Directors declared an interim single-tier dividend of 0.5 sen per ordinary share amounting to RM4,545,401 in respect of the financial year ended 30 June 2025 which is payable on 21 November 2025. The financial statements for the current financial year do not reflect this dividend. Such dividend, will be accounted for in shareholders' equity as an appropriation of retain earnings in the financial year ending 30 June 2026.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 28. Reconciliation of liabilities arising from financing activities

| 2025                               | At<br>1 July 2024<br>RM'000 | Financing<br>cash flows <sup>(i)</sup><br>RM'000 | Foreign<br>exchange<br>adjustments<br>RM'000 | New lease/<br>loan<br>RM'000 | Modification<br>RM'000 | At<br>30 June 2025<br>RM'000 |
|------------------------------------|-----------------------------|--------------------------------------------------|----------------------------------------------|------------------------------|------------------------|------------------------------|
| <b>Group</b>                       |                             |                                                  |                                              |                              |                        |                              |
| Term loans (Note 17)               | 155,069                     | (59,452)                                         | (5,803)                                      | 66,831                       | -                      | 156,645                      |
| Lease liabilities (Note 16)        | 14,425                      | (9,521)                                          | -                                            | 10,133                       | (47)                   | 14,990                       |
| Other bank borrowings<br>(Note 17) | 428,596                     | 12,925                                           | (3,711)                                      | -                            | -                      | 437,810                      |
|                                    | 598,090                     | (56,048)                                         | (9,514)                                      | 76,964                       | (47)                   | 609,445                      |

| 2024                               | At<br>1 July 2023<br>RM'000 | Financing<br>cash flows <sup>(i)</sup><br>RM'000 | Foreign<br>exchange<br>adjustments<br>RM'000 | New lease/<br>loan<br>RM'000 | At<br>30 June 2024<br>RM'000 |
|------------------------------------|-----------------------------|--------------------------------------------------|----------------------------------------------|------------------------------|------------------------------|
| <b>Group</b>                       |                             |                                                  |                                              |                              |                              |
| Term loans (Note 17)               | 68,458                      | 16,592                                           | 5,882                                        | 64,137                       | 155,069                      |
| Lease liabilities (Note 16)        | 14,316                      | (7,313)                                          | -                                            | 7,422                        | 14,425                       |
| Other bank borrowings<br>(Note 17) | 367,676                     | 67,956                                           | (7,036)                                      | -                            | 428,596                      |
|                                    | 450,450                     | 77,235                                           | (1,154)                                      | 71,559                       | 598,090                      |

- (i) The cash flows from loan and borrowings make up the net amount of proceeds from or repayments of borrowings in the statements of cash flows.

## 29. Related parties

### 29.1 Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

The Group has related party relationship with its significant investor, subsidiaries and associates as disclosed in Note 6 and Note 7 to the financial statements.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 29. Related parties (Cont'd)

#### 29.2 Significant related party transactions

Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions to the financial statements are as follows:

|                                              | 2025<br>RM'000 | 2024<br>RM'000 |
|----------------------------------------------|----------------|----------------|
| <b>(a) Transactions with a related party</b> |                |                |
| <b>Group</b>                                 |                |                |
| Rental of premise                            | 840            | 140            |
| Purchase of test services                    | (30,003)       | -              |
| <b>(b) Transactions with subsidiaries</b>    |                |                |
| <b>Company</b>                               |                |                |
| Additional investment in subsidiaries        | (10,001)       | (72,587)       |
| Advances given                               | 9,282          | 7,450          |
| Advances from                                | (15,782)       | (2,300)        |
| Management fee receivable/received           | 778            | 778            |
| <b>(c) Transactions with an associate</b>    |                |                |
| <b>Group</b>                                 |                |                |
| Advances given                               | 45             | 781            |
| Sales                                        | 24,142         | 43,981         |
| Purchase                                     | (3)            | (99)           |
| Service charges                              | 98             | 265            |
| Buy-back materials                           | 37             | 409            |

The non-trade balances with related parties outstanding at the end of the reporting period are disclosed in Note 11 and Note 19 to the financial statements. All the outstanding balances are expected to be settled in cash.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. Financial instruments

#### 30.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Amortised cost ("AC")
- (b) Fair value through profit or loss ("FVTPL") - mandatorily required by MFRS 9
- (c) Fair value through other comprehensive income ("FVOCI")
  - Equity instrument designated upon initial recognition ("EIDUIR").

|  | Carrying<br>amount<br>RM'000 | AC<br>RM'000 | FVOCI-<br>EIDUIR<br>RM'000 |
|--|------------------------------|--------------|----------------------------|
|--|------------------------------|--------------|----------------------------|

#### 2025

##### Financial assets

##### Group

|                                                                                |                |                |               |
|--------------------------------------------------------------------------------|----------------|----------------|---------------|
| Other investments                                                              | 24,243         | -              | 24,243        |
| Trade and other receivables (excluding prepayments and non-refundable deposit) | 189,497        | 189,497        | -             |
| Fixed deposits with licensed banks                                             | 1,141          | 1,141          | -             |
| Cash and bank balances                                                         | 97,317         | 97,317         | -             |
|                                                                                | <u>312,198</u> | <u>287,955</u> | <u>24,243</u> |

##### Company

|                                                     |               |               |               |
|-----------------------------------------------------|---------------|---------------|---------------|
| Other investments                                   | 24,243        | -             | 24,243        |
| Trade and other receivables (excluding prepayments) | 69,428        | 69,428        | -             |
| Cash and bank balances                              | 416           | 416           | -             |
|                                                     | <u>94,087</u> | <u>69,844</u> | <u>24,243</u> |

|  | Carrying<br>amount<br>RM'000 | AC<br>RM'000 |
|--|------------------------------|--------------|
|--|------------------------------|--------------|

#### 2025

##### Financial liabilities

##### Group

|                                                       |                |                |
|-------------------------------------------------------|----------------|----------------|
| Lease liabilities                                     | 14,990         | 14,990         |
| Loans and borrowings                                  | 594,455        | 594,455        |
| Trade and other payables (excluding deferred revenue) | 331,071        | 331,071        |
|                                                       | <u>940,516</u> | <u>940,516</u> |

##### Company

|                          |               |               |
|--------------------------|---------------|---------------|
| Trade and other payables | <u>81,942</u> | <u>81,942</u> |
|--------------------------|---------------|---------------|

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. Financial instruments (Cont'd)

#### 30.1 Categories of financial instruments (Cont'd)

|  | Carrying<br>amount<br>RM'000 | AC<br>RM'000 | FVOCI-<br>EIDUIR<br>RM'000 |
|--|------------------------------|--------------|----------------------------|
|--|------------------------------|--------------|----------------------------|

#### 2024

##### Financial assets

##### Group

|                                                                                 |         |         |       |
|---------------------------------------------------------------------------------|---------|---------|-------|
| Other investments                                                               | 9,751   | -       | 9,751 |
| Trade and other receivables (excluding prepayments and non- refundable deposit) | 321,037 | 321,037 | -     |
| Fixed deposits with licensed banks                                              | 1,094   | 1,094   | -     |
| Cash and bank balances                                                          | 89,237  | 89,237  | -     |
|                                                                                 | 421,119 | 411,368 | 9,751 |

##### Company

|                                                     |        |        |       |
|-----------------------------------------------------|--------|--------|-------|
| Other investments                                   | 9,751  | -      | 9,751 |
| Trade and other receivables (excluding prepayments) | 24,948 | 24,948 | -     |
| Cash and bank balances                              | 1,283  | 1,283  | -     |
|                                                     | 35,982 | 26,231 | 9,751 |

|  | Carrying<br>amount<br>RM'000 | AC<br>RM'000 |
|--|------------------------------|--------------|
|--|------------------------------|--------------|

#### 2024

##### Financial liabilities

##### Group

|                                                       |           |           |
|-------------------------------------------------------|-----------|-----------|
| Lease liabilities                                     | 14,425    | 14,425    |
| Loans and borrowings                                  | 583,665   | 583,665   |
| Trade and other payables (excluding deferred revenue) | 409,026   | 409,026   |
|                                                       | 1,007,116 | 1,007,116 |

##### Company

|                          |       |       |
|--------------------------|-------|-------|
| Trade and other payables | 7,155 | 7,155 |
|--------------------------|-------|-------|

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. Financial instruments (Cont'd)

#### 30.2 Net gains and losses arising from financial instruments

|                                   | Group           |                 | Company         |              |
|-----------------------------------|-----------------|-----------------|-----------------|--------------|
|                                   | 2025            | 2024            | 2025            | 2024         |
|                                   | RM'000          | RM'000          | RM'000          | RM'000       |
| Net (losses)/gains on:            |                 |                 |                 |              |
| Fair value through                |                 |                 |                 |              |
| - profit or loss                  | -               | (559)           | -               | (559)        |
| - other comprehensive income      | (11,555)        | (36)            | (11,555)        | (36)         |
| Financial assets measured at      |                 |                 |                 |              |
| amortised cost                    | (6,642)         | (380)           | -               | -            |
| Financial liabilities measured at |                 |                 |                 |              |
| amortised cost                    | (35,782)        | (28,954)        | -               | -            |
|                                   | <u>(53,979)</u> | <u>(29,929)</u> | <u>(11,555)</u> | <u>(595)</u> |

#### 30.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### 30.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior year.

##### Trade Receivables

##### *Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous financial year.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. Financial instruments (Cont'd)

#### 30.4 Credit risk (Cont'd)

##### Trade Receivables (Cont'd)

##### *Exposure to credit risk, credit quality and collateral*

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

##### *Concentration of credit risk*

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

| Group                              | 2025<br>RM'000 | 2024<br>RM'000 |
|------------------------------------|----------------|----------------|
| Domestic                           | 55,497         | 58,040         |
| Asia Pacific (other than Malaysia) | 46,371         | 188,380        |
| Others                             | 79,455         | 73,026         |
|                                    | <hr/> 181,323  | <hr/> 319,446  |

##### *Recognition and measurement of impairment loss*

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within credit term granted.

The Group uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables. Invoices which are past due 90 days will be considered as credit impaired.

Loss rates are based on actual credit loss experience over the past two years and forward-looking information. The Group believes that the financial impacts to the forward-looking information are inconsequential for the purpose of impairment calculation of trade receivables due to their relatively short term nature.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. Financial instruments (Cont'd)

#### 30.4 Credit risk (Cont'd)

##### Trade Receivables (Cont'd)

##### Recognition and measurement of impairment loss (Cont'd)

| Group                      | Gross<br>carrying<br>amount<br>RM'000 | Loss<br>allowance<br>RM'000 | Net<br>balance<br>RM'000 |
|----------------------------|---------------------------------------|-----------------------------|--------------------------|
| <b>2025</b>                |                                       |                             |                          |
| Not past due               | 83,012                                | (93)                        | 82,919                   |
| Past due 1 - 30 days       | 44,343                                | (48)                        | 44,295                   |
| Past due 31 - 60 days      | 11,740                                | (68)                        | 11,672                   |
| Past due 61 - 90 days      | 15,049                                | (453)                       | 14,596                   |
|                            | 154,144                               | (662)                       | 153,482                  |
| <b>Credit impaired</b>     |                                       |                             |                          |
| Past due more than 90 days | 6,696                                 | (188)                       | 6,508                    |
| Individually impaired      | 35,208                                | (13,875)                    | 21,333                   |
|                            | 196,048                               | (14,725)                    | 181,323                  |
| <b>2024</b>                |                                       |                             |                          |
| Not past due               | 161,822                               | -                           | 161,822                  |
| Past due 1 - 30 days       | 106,330                               | (32)                        | 106,298                  |
| Past due 31 - 60 days      | 17,375                                | (40)                        | 17,335                   |
| Past due 61 - 90 days      | 2,090                                 | (28)                        | 2,062                    |
|                            | 287,617                               | (100)                       | 287,517                  |
| <b>Credit impaired</b>     |                                       |                             |                          |
| Past due more than 90 days | 126                                   | (106)                       | 20                       |
| Individually impaired      | 38,056                                | (6,147)                     | 31,909                   |
|                            | 325,799                               | (6,353)                     | 319,446                  |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. Financial instruments (Cont'd)

#### 30.4 Credit risk (Cont'd)

##### Trade Receivables (Cont'd)

##### *Recognition and measurement of impairment loss (Cont'd)*

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments other than to 3 (2024: 3) customers who collectively contributed 83% (2024: 87%) of the Group's trade receivables at 30 June.

The movements in the allowance for impairment in respect of trade receivables during the year are shown below:

| Group                                | 2025<br>RM'000 | 2024<br>RM'000 |
|--------------------------------------|----------------|----------------|
| Balance at 1 July 2024/2023          | 6,353          | 4,233          |
| Net re-measurement of loss allowance | 8,372          | 2,120          |
| Balance at 30 June                   | 14,725         | 6,353          |

##### Fixed deposits and cash and bank balances

The fixed deposits and cash and bank balances are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that loss allowance is not material and hence, it is not provided for.

##### Other receivables

Credit risks on other receivables are mainly arising from amounts due from authorities for value added tax ("VAT") claimable and non-trade receivables.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group recognise RMNIL (2024: RM102,000) allowance for impairment loss.

##### Other investments

Credit risks on other investments are mainly arising from short term funds and equity-linked investments.

These investments are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. The Group and the Company are of the view that loss allowance is not material and hence, it is not provided for.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. Financial instruments (Cont'd)

#### 30.4 Credit risk (Cont'd)

##### **Investments and other financial assets**

##### ***Risk management objectives, policies and processes for managing the risk***

Investments are allowed only in liquid securities and only with counterparties that have good credit rating.

##### ***Exposure to credit risk, credit quality and collateral***

As at the end of the reporting period, the Group invested in overseas and domestic securities. The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

The investments and other financial assets are unsecured.

##### **Financial guarantees**

##### ***Risk management objectives, policies and processes for managing the risk***

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

##### ***Exposure to credit risk, credit quality and collateral***

The maximum exposure to credit risk amounts to RM609,244,897 (2024: RM597,537,555) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements for the subsidiaries to secure loans.

##### ***Recognition and measurement of impairment loss***

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, the Company did not recognise any allowance for impairment loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. Financial instruments (Cont'd)

#### 30.4 Credit risk (Cont'd)

##### Inter-company balances

##### *Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

##### *Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

##### *Recognition and measurement of impairment loss*

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' loans and advances.

| Company | Gross<br>carrying<br>amount<br>RM'000 | Impairment<br>loss<br>allowance<br>RM'000 | Net<br>balance<br>RM'000 |
|---------|---------------------------------------|-------------------------------------------|--------------------------|
|---------|---------------------------------------|-------------------------------------------|--------------------------|

#### 2025

|                 |        |          |        |
|-----------------|--------|----------|--------|
| Low credit risk | 72,686 | (3,260)  | 69,426 |
| Credit impaired | 8,050  | (8,050)  | -      |
|                 | 80,736 | (11,310) | 69,426 |

#### 2024

|                 |        |          |        |
|-----------------|--------|----------|--------|
| Low credit risk | 28,206 | (3,260)  | 24,946 |
| Credit impaired | 8,050  | (8,050)  | -      |
|                 | 36,256 | (11,310) | 24,946 |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. Financial instruments (Cont'd)

#### 30.4 Credit risk (Cont'd)

##### Inter-company balances (Cont'd)

##### *Recognition and measurement of impairment loss (Cont'd)*

The movements in the allowance for impairment in respect of subsidiaries' loans and advances during the financial year are shown below:

| Company                              | 2025<br>RM'000 | 2024<br>RM'000 |
|--------------------------------------|----------------|----------------|
| Balance at 1 July 2024/2023          | 11,310         | 11,310         |
| Net re-measurement of loss allowance | -              | -              |
| Balance at 30 June                   | 11,310         | 11,310         |

#### 30.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

## 30. Financial instruments (Cont'd)

### 30.5 Liquidity risk (Cont'd)

#### Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

|                                                       | 2025 | Carrying amount<br>RM'000 | Contractual interest rates<br>% | Contractual cash flows<br>RM'000 | Under 1 year<br>RM'000 | 1 - 2 years<br>RM'000 | 2 - 5 years<br>RM'000 | More than 5 years<br>RM'000 |
|-------------------------------------------------------|------|---------------------------|---------------------------------|----------------------------------|------------------------|-----------------------|-----------------------|-----------------------------|
| <b>Group</b>                                          |      |                           |                                 |                                  |                        |                       |                       |                             |
| <i>Non-derivative financial liabilities</i>           |      |                           |                                 |                                  |                        |                       |                       |                             |
| Bankers' acceptances                                  |      | 348,096                   | 5.15 - 7.35                     | 348,096                          | 348,096                | -                     | -                     | -                           |
| Revolving credits                                     |      | 62,434                    | 3.97 - 5.57                     | 62,434                           | 62,434                 | -                     | -                     | -                           |
| Trade financing                                       |      | 27,280                    | 4.90 - 6.23                     | 27,280                           | 27,280                 | -                     | -                     | -                           |
| Term loans                                            |      | 156,645                   | 4.78 - 6.64                     | 220,281                          | 23,431                 | 23,131                | 59,076                | 114,643                     |
| Lease liabilities                                     |      | 14,990                    | 2.15 - 5.28                     | 17,968                           | 10,050                 | 4,765                 | 3,153                 | -                           |
| Trade and other payables (excluding deferred revenue) |      | 331,071                   |                                 | 331,071                          | 331,071                | -                     | -                     | -                           |
|                                                       |      | <u>940,516</u>            |                                 | <u>1,007,130</u>                 | <u>802,362</u>         | <u>27,896</u>         | <u>62,229</u>         | <u>114,643</u>              |
| <b>Company</b>                                        |      |                           |                                 |                                  |                        |                       |                       |                             |
| <i>Non-derivative financial liabilities</i>           |      |                           |                                 |                                  |                        |                       |                       |                             |
| Trade and other payables                              |      | 81,942                    | -                               | 81,942                           | 81,942                 | -                     | -                     | -                           |
| Financial guarantees                                  |      | -                         | -                               | 609,245                          | 609,245                | -                     | -                     | -                           |
|                                                       |      | <u>81,942</u>             |                                 | <u>691,187</u>                   | <u>691,187</u>         | <u>-</u>              | <u>-</u>              | <u>-</u>                    |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 30. Financial instruments (Cont'd)

### 30.5 Liquidity risk (Cont'd)

#### Maturity analysis (Cont'd)

| 2024                                                  | Carrying amount<br>RM'000 | Contractual interest rates<br>% | Contractual cash flows<br>RM'000 | Under 1 year<br>RM'000 | 1 - 2 years<br>RM'000 | 2 - 5 years<br>RM'000 | More than 5 years<br>RM'000 |
|-------------------------------------------------------|---------------------------|---------------------------------|----------------------------------|------------------------|-----------------------|-----------------------|-----------------------------|
| <b>Group</b>                                          |                           |                                 |                                  |                        |                       |                       |                             |
| <i>Non-derivative financial liabilities</i>           |                           |                                 |                                  |                        |                       |                       |                             |
| Bankers' acceptances                                  | 397,099                   | 5.00 - 8.00                     | 397,099                          | 397,099                | -                     | -                     | -                           |
| Revolving credits                                     | 9,439                     | 6.33                            | 9,439                            | 9,439                  | -                     | -                     | -                           |
| Trade financing                                       | 10,500                    | 4.31 - 4.56                     | 10,500                           | 10,500                 | -                     | -                     | -                           |
| Trust receipts                                        | 11,558                    | 5.00 - 8.00                     | 11,558                           | 11,558                 | -                     | -                     | -                           |
| Term loans                                            | 155,069                   | 4.68 - 7.67                     | 162,869                          | 10,273                 | 7,890                 | 16,165                | 128,541                     |
| Lease liabilities                                     | 14,425                    | 2.15 - 5.91                     | 15,849                           | 7,706                  | 4,855                 | 3,288                 | -                           |
| Trade and other payables (excluding deferred revenue) | 409,026                   | -                               | 409,026                          | 409,026                | -                     | -                     | -                           |
|                                                       | <u>1,007,116</u>          |                                 | <u>1,016,340</u>                 | <u>855,601</u>         | <u>12,745</u>         | <u>19,453</u>         | <u>128,541</u>              |
| <b>Company</b>                                        |                           |                                 |                                  |                        |                       |                       |                             |
| <i>Non-derivative financial liabilities</i>           |                           |                                 |                                  |                        |                       |                       |                             |
| Trade and other payables                              | 7,155                     | -                               | 7,155                            | 7,155                  | -                     | -                     | -                           |
| Financial guarantees                                  | -                         | -                               | 597,538                          | 597,538                | -                     | -                     | -                           |
|                                                       | <u>7,155</u>              |                                 | <u>604,693</u>                   | <u>604,693</u>         | <u>-</u>              | <u>-</u>              | <u>-</u>                    |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. Financial instruments (Cont'd)

#### 30.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

##### Currency risk

The Group is exposed to foreign currency risk on sales, purchases, cash and cash equivalents and borrowings that are denominated in a currency other than the respective functional currency of the Group entities. The currency giving rise to this risk is primarily the United States Dollar ("USD").

##### *Risk management objectives, policies and processes for managing the risk*

Transactional currency exposures arise from sales to Asian, North America and European customers. These sales are priced and invoiced in USD currency. The Group also makes purchases of raw materials from China, Hong Kong, Denmark and Singapore. The Company has no hedging policy and does not make use of forward-currency contracts.

##### *Exposure to foreign currency risk*

The Group's exposure to foreign currency risk based on carrying amounts as at the end of the reporting period was:

| Group                       | 2025<br>RM'000   | 2024<br>RM'000   |
|-----------------------------|------------------|------------------|
| <b>Denominated in USD</b>   |                  |                  |
| Trade and other receivables | 132,739          | 280,224          |
| Trade and other payables    | (290,527)        | (227,123)        |
| Cash and bank balances      | 67,618           | 50,029           |
| Loans and borrowings        | (463,447)        | (522,329)        |
| <b>Net exposure</b>         | <b>(553,617)</b> | <b>(419,199)</b> |

##### *Currency risk sensitivity analysis*

A 5% (2024: 5%) strengthening of the RM against the USD at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

| Group | 2025<br>Profit or (loss) |                    | 2024<br>Profit or (loss) |                    |
|-------|--------------------------|--------------------|--------------------------|--------------------|
|       | Increase<br>RM'000       | Decrease<br>RM'000 | Increase<br>RM'000       | Decrease<br>RM'000 |
| USD   | 21,037                   | (21,037)           | 15,930                   | (15,930)           |



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. Financial instruments (Cont'd)

#### 30.6 Market risk (Cont'd)

##### Currency risk (Cont'd)

##### Currency risk sensitivity analysis (Cont'd)

A 5% (2024: 5%) weakening of the RM against the USD at the end of the reporting period would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant.

##### Interest rate risk

The Group's investments in fixed rate deposits and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

##### Risk management objectives, policies and processes for managing the risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risks that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-earning financial assets are mainly short term in nature and are mostly placed in fixed deposits.

##### Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-earning and interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

|  | Group  |        | Company |        |
|--|--------|--------|---------|--------|
|  | 2025   | 2024   | 2025    | 2024   |
|  | RM'000 | RM'000 | RM'000  | RM'000 |

##### Fixed rate instruments

|                       |                  |                  |          |          |
|-----------------------|------------------|------------------|----------|----------|
| Financial assets      | 1,141            | 1,094            | -        | -        |
| Financial liabilities | (452,800)        | (443,021)        | -        | -        |
|                       | <u>(451,659)</u> | <u>(441,927)</u> | <u>-</u> | <u>-</u> |

##### Floating rate instruments

|                       |                  |                  |          |          |
|-----------------------|------------------|------------------|----------|----------|
| Financial liabilities | <u>(156,645)</u> | <u>(155,069)</u> | <u>-</u> | <u>-</u> |
|-----------------------|------------------|------------------|----------|----------|

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. Financial instruments (Cont'd)

#### 30.6 Market risk (Cont'd)

##### Interest rate risk (Cont'd)

##### *Interest rate risk sensitivity analysis*

##### *(a) Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate forward exchange contracts as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

##### *(b) Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

| Group                     | 2025               |                    | 2024               |                    |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
|                           | Profit or (loss)   |                    | Profit or (loss)   |                    |
|                           | 100 bp<br>Increase | 100 bp<br>Decrease | 100 bp<br>Increase | 100 bp<br>Decrease |
|                           | RM'000             | RM'000             | RM'000             | RM'000             |
| Floating rate instruments | (1,190)            | 1,190              | (1,179)            | 1,179              |

##### Other price risk

Equity price risk arises from the Group's investments in equity securities.

##### *Risk management objectives, policies and processes for managing the risk*

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Company.

##### *Equity price risk sensitivity analysis*

This analysis assumes that all other variables remain constant and the Group's and the Company's equity investments moved in correlation with the FTSE Bursa Malaysia KLCI ("FBMKLCI") and Straits Times Index ("STI").

A 10% (2024: 10%) strengthening in FBMKLCI and STI at the end of the reporting period would have increased equity by the amounts shown below:

| Group and Company | 2025   |        | 2024   |        |
|-------------------|--------|--------|--------|--------|
|                   | FVTPL  | FVOCI  | FVTPL  | FVOCI  |
|                   | RM'000 | RM'000 | RM'000 | RM'000 |
| Effect on equity  | -      | 2,424  | -      | 975    |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. Financial instruments (Cont'd)

#### 30.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables, payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses other financial instruments at fair value.

| Group                        | 2025                                                      |                   |                   |                                                               |                   |                   |                   |                  |           |                 |
|------------------------------|-----------------------------------------------------------|-------------------|-------------------|---------------------------------------------------------------|-------------------|-------------------|-------------------|------------------|-----------|-----------------|
|                              | Fair value of financial instruments carried at fair value |                   |                   | Fair value of financial instruments not carried at fair value |                   |                   |                   | Total fair value |           | Carrying amount |
|                              | Level 1<br>RM'000                                         | Level 2<br>RM'000 | Level 3<br>RM'000 | Total<br>RM'000                                               | Level 1<br>RM'000 | Level 2<br>RM'000 | Level 3<br>RM'000 | Total<br>RM'000  | RM'000    | RM'000          |
| <b>Financial asset</b>       |                                                           |                   |                   |                                                               |                   |                   |                   |                  |           |                 |
| Quoted shares                | 7,722                                                     | 16,521            | -                 | 24,243                                                        | -                 | -                 | -                 | -                | 24,243    | 24,243          |
| <b>Financial liabilities</b> |                                                           |                   |                   |                                                               |                   |                   |                   |                  |           |                 |
| Term loans - variable rate   | -                                                         | -                 | -                 | -                                                             | -                 | -                 | (156,645)         | (156,645)        | (156,645) | (156,645)       |
| Lease liabilities            | -                                                         | -                 | -                 | -                                                             | -                 | -                 | (15,784)          | (15,784)         | (15,784)  | (14,990)        |
|                              | -                                                         | -                 | -                 | -                                                             | -                 | -                 | (172,429)         | (172,429)        | (172,429) | (171,635)       |
| <b>Company</b>               |                                                           |                   |                   |                                                               |                   |                   |                   |                  |           |                 |
| <b>Financial asset</b>       |                                                           |                   |                   |                                                               |                   |                   |                   |                  |           |                 |
| Quoted shares                | 7,722                                                     | 16,521            | -                 | 24,243                                                        | -                 | -                 | -                 | -                | 24,243    | 24,243          |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. Financial instruments (Cont'd)

#### 30.7 Fair value information (Cont'd)

| 2024                         | Fair value of financial instruments carried at fair value |                   |                   |                 | Fair value of financial instruments not carried at fair value |                   |                   |                 | Total carrying amount      |           |
|------------------------------|-----------------------------------------------------------|-------------------|-------------------|-----------------|---------------------------------------------------------------|-------------------|-------------------|-----------------|----------------------------|-----------|
|                              | Level 1<br>RM'000                                         | Level 2<br>RM'000 | Level 3<br>RM'000 | Total<br>RM'000 | Level 1<br>RM'000                                             | Level 2<br>RM'000 | Level 3<br>RM'000 | Total<br>RM'000 | Total fair value<br>RM'000 | RM'000    |
| <b>Group</b>                 |                                                           |                   |                   |                 |                                                               |                   |                   |                 |                            |           |
| <b>Financial asset</b>       |                                                           |                   |                   |                 |                                                               |                   |                   |                 |                            |           |
| Quoted shares                | 9,751                                                     | -                 | -                 | 9,751           | -                                                             | -                 | -                 | -               | 9,751                      | 9,751     |
| <b>Financial liabilities</b> |                                                           |                   |                   |                 |                                                               |                   |                   |                 |                            |           |
| Term loans - variable rate   | -                                                         | -                 | -                 | -               | -                                                             | -                 | (155,069)         | (155,069)       | (155,069)                  | (155,069) |
| Lease liabilities            | -                                                         | -                 | -                 | -               | -                                                             | -                 | (15,106)          | (15,106)        | (15,106)                   | (14,425)  |
|                              | -                                                         | -                 | -                 | -               | -                                                             | -                 | (170,175)         | (170,175)       | (170,175)                  | (169,494) |
| <b>Company</b>               |                                                           |                   |                   |                 |                                                               |                   |                   |                 |                            |           |
| <b>Financial asset</b>       |                                                           |                   |                   |                 |                                                               |                   |                   |                 |                            |           |
| Quoted shares                | 9,751                                                     | -                 | -                 | 9,751           | -                                                             | -                 | -                 | -               | 9,751                      | 9,751     |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. Financial instruments (Cont'd)

#### 30.7 Fair value information (Cont'd)

##### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

##### Transfers between fair value levels

There has been no transfer between the fair value levels during the financial year (2024: no transfer in either direction).

##### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

##### Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

##### Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

##### Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

##### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial liabilities.

##### Non-derivative financial liabilities

Fair value which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. The carrying amount of floating rate term loans approximate fair value as their effective interest rate changes accordingly to movements in the market interest rate.

The fair value of lease liabilities is calculated using discounted cash flow.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 31. Operating segment

The Group has 1 segment, as described below, which is the Group's strategic business unit. The strategic business unit offers different products and services, and is managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group CEO reviews internal management reports on at least a quarterly basis. The following summary describes the operation of the Group's reportable segment:

- Provision of Electronic Manufacturing Services ("EMS") and Original Equipment Manufacturer ("OEM")/Original Design Manufacturer ("ODM") for electronic and electrical products. OEM products are produced in accordance with the design specifications provided by customers whereas for ODM products, the Group provide an additional "design" service.

Other non-reportable segment comprises operations related to investment holding and research and development.

Performance is measured based on segment profit before tax as included in the internal management reports that are reviewed by the Group CEO, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

#### Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group CEO. Segment total asset is used to measure the return of assets of each segment.

#### Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group CEO. Hence, no disclosure is made on segment liabilities.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 31. Operating segment (Cont'd)

|                                                       | EMS and<br>OEM/ODM<br>for electronic<br>and electrical<br>products<br>RM'000 | Other non-<br>reportable<br>segment<br>RM'000 | Total<br>RM'000 |
|-------------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------------|-----------------|
| <b>2025</b>                                           |                                                                              |                                               |                 |
| <b>External revenue</b>                               | 1,087,173                                                                    | 3                                             | 1,087,176       |
| <b>Segment profit/(loss)</b>                          | 85,947                                                                       | (5,567)                                       | 80,380          |
| <i>Included in the measure of segment profit are:</i> |                                                                              |                                               |                 |
| Gain on disposal of property, plant and equipment     | (48)                                                                         | -                                             | (48)            |
| Depreciation of property, plant and equipment         | 48,369                                                                       | 344                                           | 48,713          |
| Depreciation of right-of-use assets                   | 4,173                                                                        | -                                             | 4,173           |
| Amortisation of intangible assets                     | 1,004                                                                        | -                                             | 1,004           |
| Depreciation of investment properties                 | -                                                                            | 290                                           | 290             |
| Finance costs                                         | 35,392                                                                       | 390                                           | 35,782          |
| Interest income                                       | (1,729)                                                                      | -                                             | (1,729)         |
| Impairment loss on trade and other receivables        | 8,372                                                                        | -                                             | 8,372           |
| Investment property written off                       | -                                                                            | 1,173                                         | 1,173           |
| Provision for slow moving stocks                      | 101                                                                          | -                                             | 101             |
| Unrealised gain on foreign exchange, net              | (15,970)                                                                     | -                                             | (15,970)        |
| <b>Segment assets</b>                                 | 1,501,634                                                                    | 59,227                                        | 1,560,861       |
| <i>Included in the measure of segment assets are:</i> |                                                                              |                                               |                 |
| Additions to property, plant and equipment            | 111,412                                                                      | 306                                           | 111,718         |

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 31. Operating segment (Cont'd)

|                                                                             | EMS and<br>OEM/ODM<br>for electronic<br>and electrical<br>products<br>RM'000 | Other non-<br>reportable<br>segment<br>RM'000 | Total<br>RM'000 |
|-----------------------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------------|-----------------|
| <b>2024</b>                                                                 |                                                                              |                                               |                 |
| <b>External revenue</b>                                                     | 1,144,180                                                                    | 4                                             | 1,144,184       |
| <b>Segment profit/(loss)</b>                                                | 55,315                                                                       | (5,584)                                       | 49,731          |
| <i>Included in the measure of segment profit are:</i>                       |                                                                              |                                               |                 |
| Loss on disposal of property, plant and equipment                           | 139                                                                          | -                                             | 139             |
| Gain on disposal of right-of-use assets                                     | (43)                                                                         | -                                             | (43)            |
| Loss on disposal of other investments                                       | -                                                                            | 274                                           | 274             |
| Depreciation of property, plant and equipment                               | 38,373                                                                       | 357                                           | 38,730          |
| Depreciation of right-of-use assets                                         | 3,343                                                                        | -                                             | 3,343           |
| Amortisation of intangible assets                                           | 622                                                                          | -                                             | 622             |
| Depreciation of investment properties                                       | -                                                                            | 65                                            | 65              |
| Finance costs                                                               | 28,660                                                                       | 294                                           | 28,954          |
| Fair value loss on financial instruments mandatorily measured at FVTPL, net | -                                                                            | 285                                           | 285             |
| Interest income                                                             | (1,834)                                                                      | (8)                                           | (1,842)         |
| Impairment loss on trade and other receivables                              | 2,120                                                                        | 102                                           | 2,222           |
| Property, plant and equipment written off                                   | 33                                                                           | -                                             | 33              |
| Provision for slow moving stocks                                            | 2,401                                                                        | -                                             | 2,401           |
| Provision for warranties                                                    | 49                                                                           | -                                             | 49              |
| Reversal of provision for warranties                                        | (31)                                                                         | -                                             | (31)            |
| Unrealised loss on foreign exchange, net                                    | 8,092                                                                        | -                                             | 8,092           |
| <b>Segment assets</b>                                                       | 1,513,081                                                                    | 23,772                                        | 1,536,853       |
| <i>Included in the measure of segment assets are:</i>                       |                                                                              |                                               |                 |
| Additions to property, plant and equipment                                  | 292,270                                                                      | 144                                           | 292,414         |
| Additions to right-of-use assets                                            | 655                                                                          | -                                             | 655             |



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 31. Operating segment (Cont'd)

#### Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments, investment in associates and deferred tax assets.

|  | Malaysia<br>RM'000 | Thailand<br>RM'000 | USA<br>RM'000 | Europe<br>RM'000 | Others<br>RM'000 | Total<br>RM'000 |
|--|--------------------|--------------------|---------------|------------------|------------------|-----------------|
|--|--------------------|--------------------|---------------|------------------|------------------|-----------------|

#### 2025

|                                 |         |        |         |        |         |           |
|---------------------------------|---------|--------|---------|--------|---------|-----------|
| Revenue from external customers | 144,292 | 70,560 | 566,074 | 39,386 | 266,864 | 1,087,176 |
| Non-current assets              | 553,302 | 67,210 | -       | -      | -       | 620,512   |

#### 2024

|                                 |         |         |         |        |         |           |
|---------------------------------|---------|---------|---------|--------|---------|-----------|
| Revenue from external customers | 139,786 | 491,856 | 288,368 | 47,887 | 176,287 | 1,144,184 |
| Non-current assets              | 494,067 | 89,462  | -       | -      | -       | 583,529   |

#### Major customers

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

|            | Revenue        |                | Segment                                                |
|------------|----------------|----------------|--------------------------------------------------------|
|            | 2025<br>RM'000 | 2024<br>RM'000 |                                                        |
| Customer A | 561,505        | 288,477        | EMS and OEM/ODM for electronic and electrical products |
| Customer B | 67,062         | 486,522        |                                                        |
| Customer C | 278,997        | 218,109        |                                                        |

### 32. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Directors are of the opinion that the Group's banking facilities will continue to be available from its lenders and that the Group and the Company will be able to generate sufficient cash flows from operations to meet their liabilities as and when they fall due.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 32. Capital management (Cont'd)

There were no changes in the Company's approach to capital management during the financial year. The debt-to-equity ratios at 30 June 2025 and at 30 June 2024 were as follows:

| Group                           | 2025<br>RM'000 | 2024<br>RM'000 |
|---------------------------------|----------------|----------------|
| Lease liabilities (Note 16)     | 14,990         | 14,425         |
| Loans and borrowings (Note 17)  | 594,455        | 583,665        |
|                                 | 609,445        | 598,090        |
| Less: Cash and cash equivalents | (97,317)       | (89,237)       |
| Net debt                        | 512,128        | 508,853        |
| Total equity                    | 617,221        | 528,163        |
| Debt-to-equity ratio            | 0.83           | 0.96           |

### 33. Capital commitment

| Group                              | 2025<br>RM'000 | 2024<br>RM'000 |
|------------------------------------|----------------|----------------|
| Authorised and contracted for      |                |                |
| - Construction of factory building | 73,204         | -              |
| - Property, plant and equipment    | 18,987         | -              |
| Authorised but not contracted for  |                |                |
| - Property, plant and equipment    | 4,204          | 17,581         |

### 34. Significant events

- (i) In prior financial year, EG Operations Sdn. Bhd. ("EGO"), a wholly owned subsidiary of the Company entered into a Sale and Purchase Agreement to acquire a piece of leasehold land held under H.S.(M) 22721, Plot 36, Tempat Bakar Arang, Bandar Sungai Petani, Daerah Kuala Muda, Negeri Kedah for a purchase consideration of RM8,300,000.

During the current financial year, EGO entered into a contract with a contractor for the construction of a factory building on the said land, with a total contract sum of RM74,075,000. The outstanding contract sum as at the reporting date has been disclosed above as capital commitment.

- (ii) On 28 August 2024, the Company entered into a Subscription Agreement to subscribe for 110,000,000 ordinary shares in N.D. Rubber Public Co., Ltd. ("NDR") by stages at a subscription price of THB1.80 per share via a private placement. The investment, amounting to a total consideration of THB198,000,000, represents 24.08% of NDR's issued share capital. The subscription was completed on 8 October 2024.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 34. Significant events (Cont'd)

- (iii) On 7 February 2025, the Company proposed to undertake a bonus issue of up to 692,909,981 Bonus Shares, on the basis of 1 Bonus Share for every 1 existing ordinary share in the Company held by the shareholders of the Company whose names appear in the Record of Depositors of the Company on an entitlement date.

Subsequently on 12 March 2025, the Company announced that Bursa Securities had resolved to approve the listing and quotation as follows:

- (a) up to 692,909,981 new ordinary shares to be issued pursuant to the Proposed Bonus Issue;
- (b) up to 225,108,007 additional Warrants 2023/2028 ("Warrants-D") arising from the adjustment made pursuant to the Proposed Bonus Issue; and
- (c) up to 225,108,007 new ordinary shares to be issued pursuant to the exercise of the additional Warrants-D.

The Proposed Bonus Issue of Shares were approved by the shareholders during the Extraordinary General Meeting held on 7 April 2025, and 467,801,974 Bonus Shares and 225,108,007 additional Warrants-D were listed and quoted on the Main Market of Bursa Securities on 28 April 2025, marking the completion of the Proposed Bonus Issue of Shares.

### 35. Subsequent events

- (i) On 28 August 2025, the Board of Directors declared an interim single-tier dividend of 0.5 sen per ordinary share in respect of the financial year ended 30 June 2025 which is payable on 21 November 2025. Based on the total number of issued shares (excluding treasury shares) of the Company as at 30 June 2025, the interim single-tier dividend payable would be amounting to RM4,545,401.
- (ii) On 7 October 2025, the Company has disposed a total of 620,000 treasury shares with a total consideration received, after deducting transaction costs, was RM903,778.
- (iii) Subsequent to the financial year end, SMT Technologies Sdn. Bhd., a wholly-owned subsidiary of the Company, plans to acquire a five-storey commercial building located at No. 1-A, Hadapan Sekolah Che Tom, Sungai Petani, Kedah, for a total purchase consideration of RM4,300,000. A deposit of RM96,000 was paid prior to the year end, and the sale and purchase agreement has not been executed as at the date of this report.

## LIST OF GROUP PROPERTIES

| Location                                                                                                   | Current use                                | Tenure<br>Lease period<br>(Expiry date)      | Approximate<br>Age of<br>Building | Area<br>(sq. ft.) | Date of Last<br>Valuation | Net Book<br>Value as at<br>30 June 2025<br>(RM) |
|------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------|-----------------------------------|-------------------|---------------------------|-------------------------------------------------|
| Lot 122<br>304 Industrial Park<br>Tha Tum District<br>Srimahapho<br>Prachinburi, Thailand                  | Factory, Office<br>Building &<br>Warehouse | Freehold                                     | 17 years                          | 172,223           | 30 June 2025              | 3,872,214                                       |
| H.S.(M) 17426<br>P.T.No. 8543<br>Bandar Sungai Petani<br>Daerah Kuala Muda<br>Kedah, Malaysia              | Factory, Office<br>Building &<br>Warehouse | Leasehold<br>60 years<br>(8 October 2049)    | 32 years                          | 177,055           | 30 June 2023              | 7,936,557                                       |
| H.S.(M) 17427<br>P.T.No. 8544<br>Bandar Sungai Petani<br>Daerah Kuala Muda<br>Kedah, Malaysia              | Factory, Office<br>Building &<br>Warehouse | Leasehold<br>60 years<br>(24 March 2050)     | 12 years                          | 158,089           | 30 June 2023              | 13,184,288                                      |
| H.S.(M) 18565<br>P.T.No. Plot 35<br>Bandar Sungai Petani<br>Daerah Kuala Muda<br>Kedah, Malaysia           | Warehouses                                 | Leasehold<br>60 years<br>(12 September 2054) | 3 years                           | 123,408           | 26 January 2024           | 11,696,582                                      |
| H.S.(M) 23422<br>P.T.No 8545<br>Bandar Sungai Petani<br>Daerah Kuala Muda<br>Kedah, Malaysia               | Factory, Office<br>Building &<br>Warehouse | Leasehold<br>60 years<br>(24 March 2050)     | 7 years                           | 262,101           | 30 June 2023              | 12,190,149                                      |
| 1-18-1<br>Suntech@Penang<br>Cybercity, Lintang<br>Mayang Pasir 3<br>11950 Bayan Baru<br>Penang, Malaysia   | Office                                     | Leasehold<br>99 years<br>(2 April 2095)      | 12 years                          | 1,130             | 30 June 2023              | 674,133                                         |
| 1-12A-16<br>Suntech@Penang<br>Cybercity, Lintang<br>Mayang Pasir 3<br>11950 Bayan Baru<br>Penang, Malaysia | Office                                     | Leasehold<br>99 years<br>(2 April 2095)      | 11 years                          | 463               | 30 June 2023              | 284,375                                         |
| 1-12A-17<br>Suntech@Penang<br>Cybercity, Lintang<br>Mayang Pasir 3<br>11950 Bayan Baru<br>Penang, Malaysia | Office                                     | Leasehold<br>99 years<br>(2 April 2095)      | 11 years                          | 463               | 30 June 2023              | 284,375                                         |

## LIST OF GROUP PROPERTIES (CONT'D)

| Location                                                                                                 | Current use                                        | Tenure<br>Lease period<br>(Expiry date)      | Approximate<br>Age of<br>Building | Area<br>(sq. ft.) | Date of Last<br>Valuation | Net Book<br>Value as at<br>30 June 2025<br>(RM) |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------|-----------------------------------|-------------------|---------------------------|-------------------------------------------------|
| 1-10-1<br>Suntech@Penang<br>Cybercity, Lintang<br>Mayang Pasir 3<br>11950 Bayan Baru<br>Penang, Malaysia | Office                                             | Leasehold<br>99 years<br>(2 April 2095)      | 9 years                           | 1,711             | 30 June 2023              | 1,044,719                                       |
| 1-10-2<br>Suntech@Penang<br>Cybercity, Lintang<br>Mayang Pasir 3<br>11950 Bayan Baru<br>Penang, Malaysia | Office                                             | Leasehold<br>99 years<br>(2 April 2095)      | 9 years                           | 915               | 30 June 2023              | 579,001                                         |
| 1-10-7<br>Suntech@Penang<br>Cybercity, Lintang<br>Mayang Pasir 3<br>11950 Bayan Baru<br>Penang, Malaysia | Office                                             | Leasehold<br>99 years<br>(2 April 2095)      | 9 years                           | 2,164             | 30 June 2023              | 1,313,240                                       |
| Plot 329(d)<br>Batu Kawan<br>Industrial Park<br>Penang, Malaysia                                         | Factory, Office<br>Building &<br>Warehouse         | Leasehold<br>60 years<br>(24 August 2080)    | 1 year                            | 228,518           | 30 June 2023              | 130,096,978                                     |
| H.S.(M) 323<br>Lot 4103 Seksyen 66<br>Bandar Sungai Petani<br>Daerah Kuala Muda<br>Kedah, Malaysia       | Warehouse                                          | Leasehold<br>60 years<br>(24 March 2050)     | 3 year                            | 56,737            | 15 March 2023             | 2,675,401                                       |
| H.S.(D) 1671/97<br>P.T.No. 51023<br>Bandar Sungai Petani<br>Daerah Kuala Muda<br>Kedah, Malaysia         | Double Storey<br>Detached<br>House                 | Freehold                                     | 2 year                            | 17,276            | 30 September 2023         | 1,046,951                                       |
| H.S.(M) 22721<br>P.T.No. Plot 36<br>Bandar Sungai Petani<br>Daerah Kuala Muda<br>Kedah, Malaysia         | Four Storey<br>Detached<br>Factory with<br>rooftop | Leasehold<br>99 years<br>(23 September 2081) | 1 year                            | 130,680           | 26 February 2025          | 9,666,969                                       |
| Geran 46714,<br>Lot 21121,<br>Mukim Sungai Pasir,<br>Daerah Kuala Muda<br>Kedah, Malaysia                | Factory                                            | Freehold                                     | 1 year                            | 25,995            | -                         | 3,701,630                                       |

# STATISTICS OF SHAREHOLDINGS

As At 08 October 2025

|                      |                                                                         |
|----------------------|-------------------------------------------------------------------------|
| Issued Share Capital | : 909,080,148 Ordinary Shares<br>(excluding 26,523,800 Treasury Shares) |
| Class of Shares      | : Ordinary Shares ("Shares")                                            |
| Voting Rights        | : One vote per Ordinary Share                                           |

| Size of Holdings          | No. of Holders | %             | No. of Shares      | %             |
|---------------------------|----------------|---------------|--------------------|---------------|
| 1 – 99                    | 50             | 1.23          | 1,272              | ***           |
| 100 – 1,000               | 491            | 12.04         | 246,025            | 0.03          |
| 1,001 – 10,000            | 2,016          | 49.45         | 10,054,856         | 1.11          |
| 10,001 – 100,000          | 1,129          | 27.69         | 38,410,010         | 4.22          |
| 100,001 – 45,454,006 (*)  | 390            | 9.57          | 807,158,385        | 88.79         |
| 45,454,007 and above (**) | 1              | 0.02          | 53,209,600         | 5.85          |
| <b>Total</b>              | <b>4,077</b>   | <b>100.00</b> | <b>909,080,148</b> | <b>100.00</b> |

\* Less than 5% of issued shares

\*\* 5% and above of issued shares

\*\*\* Negligible

## DIRECTORS' SHAREHOLDINGS

| Name                       | Direct Interest | No. of Ordinary Shares Held |                           |       |
|----------------------------|-----------------|-----------------------------|---------------------------|-------|
|                            |                 | % (#)                       | Indirect Interest         | % (#) |
| Dato' Alex Kang Pang Kiang | 95,678,400      | 10.52                       | 60,747,600 <sup>(a)</sup> | 6.68  |
| Ong Lye Soon               | 2,500,000       | 0.28                        | -                         | -     |
| Lim Sze Yan                | -               | -                           | -                         | -     |
| Lee Kean Teong             | 65,800          | 0.01                        | -                         | -     |
| Tan Jie En                 | -               | -                           | -                         | -     |

<sup>(a)</sup> 60,747,600 shares are held through KPK Capital Sdn. Bhd. (f.k.a. QYH Capital Sdn. Bhd.).

<sup>(#)</sup> After netting off 26,523,800 treasury shares

## SUBSTANTIAL SHAREHOLDERS

| Name                                                 | Direct Interest | No. of Ordinary Shares Held |                           |       |
|------------------------------------------------------|-----------------|-----------------------------|---------------------------|-------|
|                                                      |                 | % (#)                       | Indirect Interest         | % (#) |
| Dato' Alex Kang Pang Kiang                           | 95,678,400      | 10.52                       | 60,747,600 <sup>(a)</sup> | 6.68  |
| KPK Capital Sdn. Bhd. (f.k.a. QYH Capital Sdn. Bhd.) | 60,747,600      | 6.68                        | -                         | -     |

<sup>(a)</sup> 60,747,600 shares are held through KPK Capital Sdn. Bhd. (f.k.a. QYH Capital Sdn. Bhd.).

<sup>(#)</sup> After netting off 26,523,800 treasury shares

## STATISTICS OF SHAREHOLDINGS (CONT'D)

As At 08 October 2025

### 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 08 OCTOBER 2025 (EXCLUDED TREASURY SHARES) (WITHOUT AGGREGATING THE SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

| NO. | HOLDER NAME                                                                                                                        | NO. OF HOLDINGS | %    |
|-----|------------------------------------------------------------------------------------------------------------------------------------|-----------------|------|
| 1.  | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR KANG PANG KIANG (DATO') (6000059)                      | 53,209,600      | 5.85 |
| 2.  | UNIVERSAL TRUSTEE (MALAYSIA) BERHAD<br>KAF CORE INCOME FUND                                                                        | 38,819,600      | 4.27 |
| 3.  | ECIG SDN. BHD.                                                                                                                     | 36,268,600      | 3.99 |
| 4.  | UOU RESOURCES SDN. BHD.                                                                                                            | 35,741,900      | 3.93 |
| 5.  | XENIAN SDN. BHD.                                                                                                                   | 30,750,500      | 3.38 |
| 6.  | MBSB INVESTMENT NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR KPK CAPITAL SDN BHD (KPK0003M)                       | 27,410,400      | 3.02 |
| 7.  | YEOH YEW CHOO                                                                                                                      | 26,693,300      | 2.94 |
| 8.  | SEM GLOBAL SDN BHD                                                                                                                 | 25,710,300      | 2.83 |
| 9.  | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>NATIONAL TRUST FUND (IFM KAF) (446190)                                                      | 22,658,200      | 2.49 |
| 10. | LOW SOOK MENG                                                                                                                      | 21,786,744      | 2.40 |
| 11. | SLC TOP SDN. BHD.                                                                                                                  | 20,603,300      | 2.27 |
| 12. | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR KPK CAPITAL SDN. BHD. (MY4382)          | 20,297,200      | 2.23 |
| 13. | MBSB INVESTMENT NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR KANG PANG KIANG (MGN-KPK0003M)                       | 19,435,400      | 2.14 |
| 14. | CITIGROUP NOMINEES (ASING) SDN BHD<br>EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)                                             | 17,932,400      | 1.97 |
| 15. | BERJAYA EQUITY NOMINEES (TEMPATAN) SDN BHD<br>BERJAYA MUTUAL BERHAD FOR AMANAH RAYA BERHAD FOR COMMON FUND                         | 12,930,000      | 1.42 |
| 16. | CIMB GROUP NOMINEES (TEMPATAN) SDN BHD<br>CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OP-PORTUNITIES FUND (50156 TR01) | 12,425,100      | 1.37 |
| 17. | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR KANG PANG KIANG (MY3922)                | 12,149,900      | 1.34 |
| 18. | TOKIO MARINE LIFE INSURANCE MALAYSIA BHD<br>AS BENEFICIAL OWNER (TMEF)                                                             | 12,000,000      | 1.32 |
| 19. | LOW CHOON YEN                                                                                                                      | 10,926,200      | 1.20 |
| 20. | ROGER BEH HAW CHUN                                                                                                                 | 10,737,200      | 1.18 |
| 21. | RHB NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR KANG PANG KIANG                                                  | 10,600,000      | 1.17 |
| 22. | CIMB GROUP NOMINEES (TEMPATAN) SDN BHD<br>EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (ACF-KENANGA-EQ)                                 | 10,464,800      | 1.15 |
| 23. | UNIVERSAL TRUSTEE (MALAYSIA) BERHAD<br>KAF TACTICAL FUND                                                                           | 9,300,000       | 1.02 |
| 24. | CITIGROUP NOMINEES (ASING) SDN BHD<br>EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)                                             | 9,177,000       | 1.01 |
| 25. | CITIGROUP NOMINEES (ASING) SDN BHD<br>UBS AG                                                                                       | 8,498,980       | 0.93 |

## STATISTICS OF SHAREHOLDINGS (CONT'D)

As At 08 October 2025

### 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 08 OCTOBER 2025 (EXCLUDED TREASURY SHARES)

(WITHOUT AGGREGATING THE SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON) (CONT'D)

| NO.          | HOLDER NAME                                                                                                    | NO. OF HOLDINGS    | %            |
|--------------|----------------------------------------------------------------------------------------------------------------|--------------------|--------------|
| 26.          | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>MAYBANK TRUSTEES BERHAD FOR KENANGA SYARIAHEXTRA FUND<br>(N14011960240) | 8,450,900          | 0.93         |
| 27.          | HONG LEONG ASSURANCE BERHAD<br>AS BENEFICIAL OWNER (UNITLINKED MF)                                             | 7,957,100          | 0.88         |
| 28.          | AMANAH RAYA BERHAD<br>KUMPULAN WANG BERSAMA SYARIAH                                                            | 7,755,300          | 0.85         |
| 29.          | HONG LEONG ASSURANCE BERHAD<br>AS BENEFICIAL OWNER (UNITLINKED GF)                                             | 7,375,000          | 0.81         |
| 30.          | CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD<br>CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND          | 7,104,400          | 0.78         |
| <b>TOTAL</b> |                                                                                                                | <b>555,169,324</b> | <b>61.07</b> |



# STATISTICS OF WARRANTS 2023/2028 ("WARRANTS-D") HOLDINGS

As At 08 October 2025

|                           |                                         |
|---------------------------|-----------------------------------------|
| No. of Warrants-D         | : 450,216,014                           |
| Exercise/Conversion price | : RM0.90                                |
| Exercise/Conversion ratio | : 1 Warrants-D for 1 new Ordinary Share |
| Maturity Date             | : 26 December 2028                      |

| Size of Holdings          | No. of Holders | %             | No. of Warrants-D  | %             |
|---------------------------|----------------|---------------|--------------------|---------------|
| 1 – 99                    | 75             | 2.44          | 2,995              | ***           |
| 100 – 1,000               | 611            | 19.92         | 377,051            | 0.08          |
| 1,001 – 10,000            | 1,055          | 34.39         | 5,521,778          | 1.23          |
| 10,001 – 100,000          | 919            | 29.95         | 35,609,400         | 7.91          |
| 100,001 – 22,510,799 (*)  | 407            | 13.27         | 379,763,090        | 84.35         |
| 22,510,800 and above (**) | 1              | 0.03          | 28,941,700         | 6.43          |
| <b>Total</b>              | <b>3,068</b>   | <b>100.00</b> | <b>450,216,014</b> | <b>100.00</b> |

\* Less than 5% of issued shares

\*\* 5% and above of issued shares

\*\*\* Negligible

## DIRECTORS' WARRANTS-D HOLDINGS

| Name                       | Direct Interest | No. of Warrants-D Held |                           | Indirect Interest | % |
|----------------------------|-----------------|------------------------|---------------------------|-------------------|---|
|                            |                 | %                      |                           |                   |   |
| Dato' Alex Kang Pang Kiang | 39,012,500      | 8.67                   | 27,945,200 <sup>(a)</sup> | 6.21              |   |
| Ong Lye Soon               | 1,250,000       | 0.28                   | -                         | -                 |   |
| Lim Sze Yan                | -               | -                      | -                         | -                 |   |
| Lee Kean Teong             | -               | -                      | -                         | -                 |   |
| Tan Jie En                 | -               | -                      | -                         | -                 |   |

<sup>(a)</sup> 27,945,200 Warrants-D are held through KPK Capital Sdn. Bhd. (f.k.a. QYH Capital Sdn. Bhd.)

# STATISTICS OF WARRANTS 2023/2028 ("WARRANTS-D") HOLDINGS

(CONT'D)

As At 08 October 2025

## 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 08 OCTOBER 2025

(WITHOUT AGGREGATING THE SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

| NO. | HOLDER NAME                                                                                                                                    | NO. OF HOLDINGS | %    |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------|
| 1.  | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR KANG PANG KIANG (DATO') (6000059)                                  | 28,941,700      | 6.43 |
| 2.  | XENIAN SDN. BHD.                                                                                                                               | 22,023,000      | 4.89 |
| 3.  | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR TERENCE WONG @ HUANG THAR-REARN                     | 15,000,000      | 3.33 |
| 4.  | YEOH YEW CHOO                                                                                                                                  | 12,770,200      | 2.84 |
| 5.  | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR KPK CAPITAL SDN. BHD. (MY4382)                      | 11,240,000      | 2.50 |
| 6.  | LOW SOOK MENG                                                                                                                                  | 10,978,372      | 2.44 |
| 7.  | SEM GLOBAL SDN BHD                                                                                                                             | 10,135,400      | 2.25 |
| 8.  | AMSEC NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR QYH CAPITAL SDN BHD (MX3960)                                               | 10,000,000      | 2.22 |
| 9.  | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>NATIONAL TRUST FUND (IFM KAF) (446190)                                                                  | 8,619,900       | 1.91 |
| 10. | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR TAY MOY KOH (SEGAMAT-CL)                            | 7,181,600       | 1.60 |
| 11. | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR CHAN SHOOK FUN                                      | 7,000,000       | 1.55 |
| 12. | KPK CAPITAL SDN. BHD.                                                                                                                          | 6,705,200       | 1.49 |
| 13. | LOW CHOON YEN                                                                                                                                  | 5,463,100       | 1.21 |
| 14. | ANAS BIN AHMAD FARIS                                                                                                                           | 5,419,700       | 1.20 |
| 15. | RHB NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR KANG PANG KIANG                                                              | 5,300,000       | 1.18 |
| 16. | ROGER BEH HAW CHUN                                                                                                                             | 5,218,600       | 1.16 |
| 17. | TEOH WEI CHAN                                                                                                                                  | 5,133,000       | 1.14 |
| 18. | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR SAY ZHENG ZHEE                                                           | 5,000,000       | 1.11 |
| 19. | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR KANG PANG KIANG (MY3922)                            | 4,629,050       | 1.03 |
| 20. | NITHIYANANDA VEL A/L ARJUNAN                                                                                                                   | 4,430,000       | 0.98 |
| 21. | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.<br>EXEMPT AN FOR CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.<br>(RETAIL CLIENTS) | 4,200,000       | 0.93 |
| 22. | RHB NOMINEES (TEMPATAN) SDN BHD<br>CHAN SHOOK FUN                                                                                              | 4,000,000       | 0.89 |
| 23. | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR TEY YAO DONG (MY4293)                               | 3,952,400       | 0.88 |
| 24. | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>MTRUSTEE BERHAD FOR ETHEREAL CAPITAL SDN. BHD. (GROWTH FUND)<br>(445788)                                | 3,544,800       | 0.79 |

# STATISTICS OF WARRANTS 2023/2028 ("WARRANTS-D") HOLDINGS

(CONT'D)

As At 08 October 2025

## 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 08 OCTOBER 2025

(WITHOUT AGGREGATING THE SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON) (CONT'D)

| NO.          | HOLDER NAME                                                                           | NO. OF<br>HOLDINGS | %            |
|--------------|---------------------------------------------------------------------------------------|--------------------|--------------|
| 25.          | RHB NOMINEES (TEMPATAN) SDN BHD<br>TERENCE WONG @ HUANG THAR-REARN                    | 3,500,000          | 0.78         |
| 26.          | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>KOW CHIN SOON                                  | 3,400,000          | 0.76         |
| 27.          | UNIVERSAL TRUSTEE (MALAYSIA) BERHAD<br>KAF CORE INCOME FUND                           | 3,300,000          | 0.73         |
| 28.          | UOU RESOURCES SDN. BHD.                                                               | 3,148,900          | 0.70         |
| 29.          | LEE SIEW PENG                                                                         | 2,950,000          | 0.66         |
| 30.          | MOOMOO NOMINEES (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR CHIA YEE LOONG | 2,766,000          | 0.61         |
| <b>TOTAL</b> |                                                                                       | <b>225,950,922</b> | <b>50.19</b> |

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Thirty-Fourth Annual General Meeting ("AGM") of shareholders of EG Industries Berhad ("EG" or "the Company") will be held at PMT 855, Jalan Cassia Selatan 6/2, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang, Malaysia on Thursday, 27 November 2025 at 11:00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing the following resolutions with or without modifications:

## As Ordinary Business:

- |    |                                                                                                                                                                                                                                                                                                                            |                       |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2025 and the Reports of Directors and Auditors thereon.                                                                                                                                                                                   |                       |
| 2. | To approve the Directors' Fees and benefits payable to the Directors of the Company up to an aggregate amount of RM350,000 commencing this AGM through to the next AGM of the Company in 2026 and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine. | Ordinary Resolution 1 |
| 3. | To re-elect Mr. Lim Sze Yan who retires in accordance with Clause 99 of the Company's Constitution.                                                                                                                                                                                                                        | Ordinary Resolution 2 |
| 4. | To re-elect Mr. Ong Lye Soon who retires in accordance with Clause 99 of the Company's Constitution.                                                                                                                                                                                                                       | Ordinary Resolution 3 |
| 5. | To re-appoint UHY Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.                                                                                                                                                                                                        | Ordinary Resolution 4 |

## As Special Business:

- |    |                                                                                       |                       |
|----|---------------------------------------------------------------------------------------|-----------------------|
| 6. | <b>Retention as Independent Non-Executive Director</b>                                | Ordinary Resolution 5 |
| 7. | <b>Power to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016</b> | Ordinary Resolution 6 |

"THAT Mr. Lee Kean Teong be retained as Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance until the conclusion of the next AGM."

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons, as the Directors may, in their absolute discretion, deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being."

THAT the Directors are also empowered to obtain the approval from the Bursa Securities for the listing and quotation for the additional shares to be issued and THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

AND THAT pursuant to Section 85 of the Act read together with Clause 13 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from issuance of new shares pursuant to this mandate.

FURTHER THAT the new shares to be issued shall, upon issuance and allotment, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### 8. **Proposed Renewal of Authority to Buy Back Its Own Shares by the Company**

Ordinary Resolution 7

"THAT subject always to the Act, rules, regulations and orders made pursuant to the Act, provisions of the Constitution of the Company, the MMLR of Bursa Securities and any other relevant authorities, the Directors of the Company be hereby unconditionally and generally authorised to make purchases of ordinary shares in the Company's total number of issued shares through the Bursa Securities at any time and upon such terms and conditions and for such purposes as the Directors may, in their discretion deem fit, subject to the following:

- (i) the aggregate number of ordinary shares which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being ("EG Shares");
- (ii) the amount of fund to be allocated by the Company for the purpose of purchasing the EG Shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable);
- (iii) the authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and will continue in force until:
  - (a) the conclusion of the next AGM of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
  - (b) the expiration of the period within which the next AGM is required by law to be held (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting) but not so as to prejudice the completion of purchase(s) by the Company made before the aforesaid expiry date and, in any event, in accordance with the MMLR of the Bursa Securities or any other relevant authorities.
- (iv) upon completion of the purchase(s) of the EG Shares by the Company, the Directors of the Company be hereby authorised to deal with the EG Shares in the following manner:
  - (a) to cancel the EG Shares so purchased; or
  - (b) to retain the EG Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; or
  - (c) to retain part of the EG Shares so purchased as treasury shares and cancel the remainder; or
  - (d) in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT the Directors of the Company be and are hereby authorised to take all such actions and steps as are necessary or expedient to implement or to effect the purchase of EG shares."

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### 9. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions** Ordinary Resolution 8

"THAT subject to the provisions of the MMLR of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries ("EG Group") to enter into recurrent related party transactions of a revenue or trading nature as set out in the Circular to Shareholders dated 31 October 2025 which transactions are necessary for the day-to-day operations in the ordinary course of business of EG Group on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

AND THAT, such approval, shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is earlier.

FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Shareholders' Mandate."

10. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution.

By Order of the Board

ONG TZE-EN (MAICSA 7026537) | (SSM PC NO. 202008003397)  
LAU YOKE LENG (MAICSA 7034778) | (SSM PC NO. 202008003368)  
Joint Company Secretaries

Penang, 31 October 2025

### **Notes on Proxy and Voting:**

- 1. A proxy may but need not be a member of the Company.
- 2. For a proxy to be valid, the Proxy Form duly completed must be deposited at the Company's Registered Office at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia, not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member(s) duly executes the Proxy Form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the Proxy Form, other than the particulars of the proxy have been duly completed by the member(s).
- 3. A member entitled to attend and vote is entitled to appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

4. Where a member of the Company is an authorised nominee as defined under the Securities Industries (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee who holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there shall be 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 SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
6. If the appointer is a corporation, the Proxy Form must be executed under the corporation's common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
7. In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on **18 November 2025** (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy to attend and/or vote on his/her behalf.

### Explanatory Notes:

1. The Proposed Ordinary Resolution 1 is to seek shareholders' approval on the fees and benefits payable to the Directors that are recommended by the Remuneration Committee and the Board of Directors ("Board") of the Company, which recognises that the fees and benefits payable are in the best interest of the Company. The approval will also authorise payment to be made by the Company on a monthly basis and/or as and when incurred. The Board is of the view that it is fair and equitable for the Directors to be paid on a monthly basis and/or as and when incurred particularly after they have discharged their responsibilities and rendered their services to the Company. The benefits payable comprises of meeting allowances. The amount also includes a contingency sum to cater for unforeseen circumstances such as the appointment of any additional Director and/or for the formation of additional Board Committees and/or unscheduled meetings of the Board and Board Committee. This approval shall continue to be in force until the conclusion of the next AGM of the Company. Please refer the Corporate Governance Overview Statement for details of the fees and benefits payable for the Directors.
2. The Proposed Ordinary Resolutions 2 and 3 are to re-elect Directors who retire in accordance with Clause 99 of the Company's Constitution. The profiles of the retiring Directors are set out under Directors' Profile in the Annual Report 2025. The Board approved the recommendations from the Nomination Committee ("NC"). The assessments were based on the criteria set out in the Fit and Proper Policy, which included commitment, contributions, knowledge, integrity, experience, and overall performance. The Board is satisfied that both individuals meet the performance criteria required for the discharge of their duties and responsibilities and is supportive of the re-election based on the justifications below. The retiring Directors had abstained from deliberation and decision making on their own eligibility to stand for re-election at the meetings of the NC and Board, as applicable. Both of them do not have any conflict of interest and/or potential conflict of interest with the Company and its subsidiaries ("the Group").
  - 2.1 Mr. Lim Sze Yan is the Non-Independent Non-Executive Director of the Company. He has exhibited his objectivity during meetings of the Board and Board Committees by sharing independent and impartial insights, views and opinions on issues tabled for discussion. He has exercised due care and carried out his professional duties proficiently. His familiarity with operations and activities of the Group has not clouded his judgment but allowed him to view matters from a commercial perspective. The Board, therefore, recommended for him to remain as a Board member.
  - 2.2 Mr. Ong Lye Soon is the Independent Non-Executive Chairman of the Board. He has fulfilled the requirements on independence as set out in the MMLR of Bursa Securities and the prescribed criteria under the Malaysian Code on Corporate Governance 2021. He has provided confirmation of independence and has exhibited his objectivity through his engagements during meetings of the Board. He has exercised due care and carried out his professional duties proficiently and effectively throughout his tenure as a Director of the Company.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

3. The Proposed Ordinary Resolutions 5 is to retain Mr. Lee Kean Teong ("Mr. Lee") as the Independent Non-Executive Director ("INED") of the Company. Mr. Lee was appointed as the INED on 1 June 2016 and has served the Company as the INED for more than nine (9) years as at the date of the notice of the Thirty-Fourth AGM. The NC (with the exception of Mr. Lee) has assessed the independence of Mr. Lee and noted that he meets the independence requirements as set out in the MMLR of Bursa Securities. He has demonstrated independence in character and judgement. He has performed his duties diligently and has remained objective and independent in expressing his views during deliberation and decision-making of the Board and the Board Committees. He has exercised due care during his tenure and carried out his professional duties in the best interest of the Company. His judgment is not clouded by familiarity. He does not have any conflict of interest and/or potential conflict of interest with the Group. The Board, therefore, considers Mr. Lee to be independent and recommends him to remain as INED of the Company. Mr. Lee had abstained from deliberation and decision making on his own eligibility to stand for re-election at both NC and Board meetings.
4. The Proposed Ordinary Resolution 6 is for the purpose of granting authority to the Board to issue and allot ordinary shares up to a maximum of ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier ("General Mandate").

The waiver of pre-emptive rights pursuant to Section 85 of the Act will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

The Directors of the Company did not allot, or issue ordinary shares pursuant to the General Mandate given by its shareholders at the previous AGM. The renewal of the General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions. At this juncture, there is no decision to issue new shares from this General Mandate but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make announcement in respect thereof.

5. The Proposed Ordinary Resolution 7, if passed, will allow the Company to purchase its own shares. The total number of shares purchased shall not exceed ten per centum (10%) of the total number of issued shares of the Company. This authority will, unless revoked or varied by the Company in general meeting, expires at the next AGM of the Company.
6. The Proposed Ordinary Resolution 8, if passed, will approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions and allow the Group to enter into Recurrent Related Party Transactions in accordance with Chapter 10 of the MMLR. This approval shall continue to be in force until the conclusion of the next AGM or the expiration of the period within which the next AGM is required by the law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

### Statement of Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the MMLR of Bursa Securities)

No individual is standing for election as a Director at the forthcoming AGM of the Company.



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**EG Industries Berhad**  
Registration No. 199101012585 (222897-W)  
(Incorporated in Malaysia)

## PROXY FORM

No. of Ordinary Shares Held

CDS Account No.

\*I/We ..... \*NRIC/Passport No./Registration No. ....  
**(FULL NAME IN BLOCK LETTERS)**

of .....  
**(FULL ADDRESS IN BLOCK LETTERS)**

with email address ..... mobile no. ....

being a \*member/members of EG Industries Berhad ("Company"), hereby appoint(s):-

| Full Name (in Block Letters) | Email Address and Mobile No. | NRIC/ Passport No. | No. of Shares | % of Shareholding |
|------------------------------|------------------------------|--------------------|---------------|-------------------|
|                              |                              |                    |               |                   |

\* and/or

| Full Name (in Block Letters) | Email Address and Mobile No. | NRIC/ Passport No. | No. of Shares | % of Shareholding |
|------------------------------|------------------------------|--------------------|---------------|-------------------|
|                              |                              |                    |               |                   |

or failing him/her, the Chairman of the Thirty-Fourth Annual General Meeting ("34th AGM"), as \*my/our proxy to vote for \*me/us and on \*my/our behalf at the 34<sup>th</sup> AGM of the Company to be held at PMT 855, Jalan Cassia Selatan 6/2, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang, Malaysia on Thursday, 27 November 2025 at 11:00 a.m. or at any adjournment thereof.

\*My/our proxy is to vote on the ordinary resolutions as indicated by an "X" in the appropriate spaces below. If this Proxy Form is returned without any indications as to how the proxy shall vote, \*my/our proxy shall vote or abstain as he/she thinks fit.

|                | ORDINARY RESOLUTIONS |   |   |   |   |   |   |   |
|----------------|----------------------|---|---|---|---|---|---|---|
|                | 1                    | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| <b>FOR</b>     |                      |   |   |   |   |   |   |   |
| <b>AGAINST</b> |                      |   |   |   |   |   |   |   |

\* Strike out whichever is not desired.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2025

\_\_\_\_\_  
Signature of Shareholder(s)/Common Seal



**Notes on Proxy and Voting:**

1. A proxy may but need not be a member of the Company.
2. For a proxy to be valid, the Proxy Form duly completed must be deposited at the Company's Registered Office at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia, not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member(s) duly executes the Proxy Form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the Proxy Form, other than the particulars of the proxy have been duly completed by the member(s).
3. A member entitled to attend and vote is entitled to appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industries (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee who holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there shall be 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 SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
6. If the appointer is a corporation, the Proxy Form must be executed under the corporation's common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
7. In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on **18 November 2025** (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy to attend and/or vote on his/her behalf.

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Stamp

**EG Industries Berhad**

Registration No. 199101012585 (222897-W)

170-09-01, Livingston Tower,  
Jalan Argyll,  
10050 George Town,  
Pulau Pinang, Malaysia

Please fold across the line and close

**Personal Data Privacy**

*By submitting the duly executed Proxy Form, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.*



**EG Industries Berhad**  
Registration No. 199101012585 (222897-W)  
(Incorporated in Malaysia)

## ADMINISTRATIVE GUIDE

### **Administrative Guide for the Thirty-Fourth Annual General Meeting ("34<sup>th</sup> AGM") of EG Industries Berhad ("EG" or "the Company")**

Day, Date & Time : **Thursday, 27 November 2025 at 11:00 a.m.**  
Venue : **PMT 855, Jalan Cassia Selatan 6/2, Taman Perindustrian Batu Kawan,  
14110 Bandar Cassia, Pulau Pinang, Malaysia**

#### **Registration on the day of the 34<sup>th</sup> AGM**

Registration will commence at 10:00 a.m. and will end at the time as may be determined by the Chairman of the Meeting.

Please present your original MyKad (for Malaysians) or Passport (for non-Malaysians) to the registration staff for verification. Please make sure your MyKad or Passport is returned to you after registration.

No individual will be allowed to register on behalf of another person even with original MyKad or Passport of other individual being presented.

#### **Entitlement to Participate and Appointment of Proxy**

Only members whose names appear on the Record of Depositors on **18 November 2025** (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

The instrument appointing a proxy shall be deposited at the Company's Registered Office at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia, not less than forty-eight (48) hours before the time fixed for holding the 34<sup>th</sup> AGM or any adjournment thereof. Last day and time to lodge the Proxy Form is **25 November 2025 at 11:00 a.m.**

#### **Revocation of Proxy**

If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in our 34<sup>th</sup> AGM in person, please write in and deposit at the Registered Office of the Company to revoke the earlier appointed proxy twenty-four (24) hours before the 34<sup>th</sup> AGM.

#### **Recording or Photography of the AGM Proceedings is Prohibited**

Recording or photography of the 34<sup>th</sup> AGM proceedings is strictly prohibited without prior permission from the Company.

#### **No Door Gifts/Food Vouchers**

There will be no distribution of door gifts or food vouchers at the 34<sup>th</sup> AGM.

#### **Enquiries**

For any enquiries, kindly contact the following during office hours (8:30 a.m. to 5:30 p.m.) on Monday to Friday (except public holidays):

Boardroom Corporate Services Sdn. Bhd.  
T: +604 229 4390 | F: +604 226 5860

Securities Services (Holdings) Sdn Bhd  
T: +604-263 1966 | Email: info@sshsb.com.my

#### **Personal Data Privacy**

By submitting the duly executed Proxy Form, the member and his/her proxy consent to the Company (and/or its agents/ service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 34<sup>th</sup> AGM, and any adjournment thereof.

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**EG INDUSTRIES BERHAD**

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