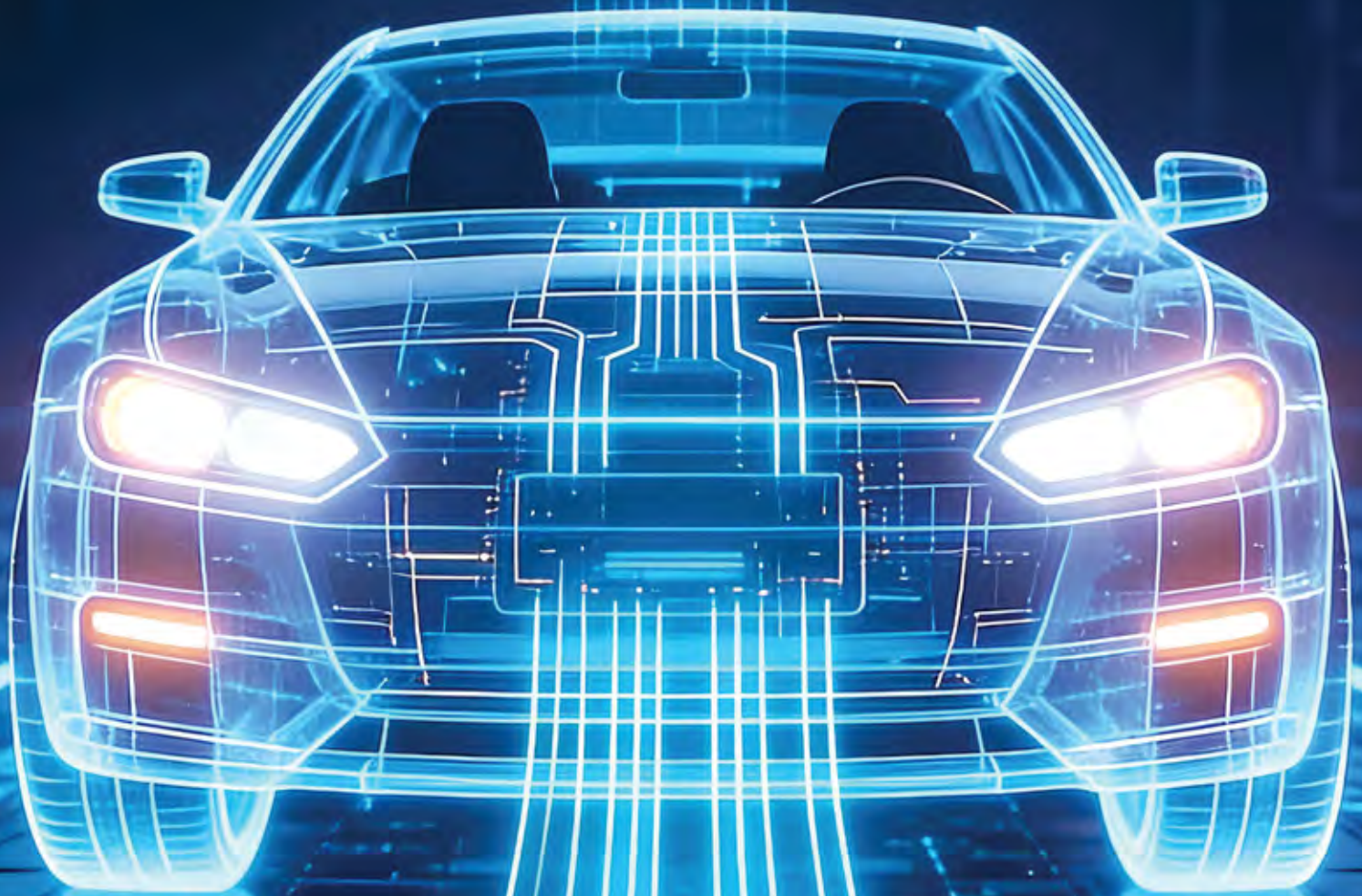




**JHM**

CONSOLIDATION  
BERHAD

200501009101 (686148-A)



**TRANSFORMING POSSIBILITIES  
INTO PROGRESS**

**ANNUAL REPORT 2025**

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## TRANSFORMING POSSIBILITIES INTO PROGRESS

The cover art for the 2025 Annual Report of JHM Consolidation Berhad, titled "Transforming Possibilities into Progress", illustrates the Group's ability to convert technological capability into meaningful industrial advancement. At the base of the artwork lies a glowing semiconductor chip and circuit board foundation, symbolising the Group's strong technological backbone. This visual element represents JHM's expertise in design, SMT production and assembly as well as its capabilities in precision manufacturing solutions.

Rising from this technological platform is the outline of a car constructed from circuit lines, representing the Group's significant presence in the automotive sector. The illuminated circuitry flowing into the vehicle symbolises how advanced electronics drive modern mobility solutions and highlight JHM's engineering capabilities. Particularly prominent are the car's headlights and taillights, emphasising the Group's expertise in design, SMT production and assembly of automotive rear, interior and front headlamp lighting, including shifter control and turn signal indicator systems. Together, these elements symbolise how JHM transforms engineering possibilities into tangible technological progress.





## MISSION

1. Manufacture and deliver products that give our customers the peace of mind.
2. Acquire and enhance technologies with the required skill sets that will continue to provide net positive values.
3. Retain, attract and reward high job performers to provide an unrivalled and sustainable customer experience.



## VISION

To be the best manufacturing service provider that will enable our customers to gain competitive advantages in the market place.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### **Lim Chun Thang**

(Non-Executive Chairman,  
Independent Non-Executive Director)

#### **Dato' Seri Tan King Seng**

(Executive Director/  
Group Chief Executive Officer)

#### **Cheah Choon Ghee**

(Executive Director)

#### **Low Soo Kim**

(Executive Director)

#### **Wong Chi Yeng**

(Independent Non-Executive Director)

#### **Lai Fah Hin**

(Independent Non-Executive Director)

#### **Khor Cheng Kwang**

(Independent Non-Executive Director)

#### **AUDIT COMMITTEE AND RISK MANAGEMENT COMMITTEE** **Wong Chi Yeng**

(Chairman,  
Independent Non-Executive Director)

#### **Lai Fah Hin**

(Member,  
Independent Non-Executive Director)

#### **Khor Cheng Kwang**

(Member,  
Independent Non-Executive Director)

#### **NOMINATION COMMITTEE**

##### **Lim Chun Thang**

(Chairman,  
Independent Non-Executive Director)

##### **Wong Chi Yeng**

(Member,  
Independent Non-Executive Director)

#### **REMUNERATION COMMITTEE**

##### **Lim Chun Thang**

(Chairman,  
Independent Non-Executive Director)

##### **Wong Chi Yeng**

(Member,  
Independent Non-Executive Director)

##### **Lai Fah Hin**

(Member,  
Independent Non-Executive Director)

#### **COMPANY SECRETARIES**

Chee Wai Hong (BC/C/1470)  
SSM Practicing Certificate  
No. 202008001804

Tan She Chia (MAICSA 7055087)  
SSM Practicing Certificate  
No. 202008001923

#### **MANAGEMENT OFFICE**

15-1-21 Bayan Point  
Medan Kampung Relau  
11900 Bayan Lepas, Pulau Pinang  
Tel: 04-646 5121  
Fax: 04-645 7326  
Email: corpinfo@jhm.net.my  
Website: www.jhm.net.my

#### **SHARE REGISTRAR**

Securities Services (Holdings) Sdn. Bhd.  
Suite 18.05, MWE Plaza  
No. 8, Lebuhr Farquhar  
10200 George Town, Pulau Pinang  
Tel: 04-263 1966  
Fax: 04-262 8544  
Email: info@sshsb.com.my

#### **SOLICITORS**

Allen Chee Ram  
Wong Beh & Toh  
Wong Chooi & Mohd Nor  
Zaid Ibrahim & Co.

#### **REGISTERED OFFICE**

Suite 16.06 MWE Plaza  
No. 8 Lebuhr Farquhar  
10200 George Town, Pulau Pinang  
Tel: 04-226 2188  
Email: enquiry@ascendbps.com

#### **AUDITORS**

Grant Thornton Malaysia PLT  
Chartered Accountants  
Level 5, Menara BHL  
51, Jalan Sultan Ahmad Shah  
10050 George Town, Pulau Pinang  
Tel: 04-228 7828  
Fax: 04-227 9828

#### **PRINCIPAL BANKERS**

AmBank (M) Berhad  
AmBank Islamic Berhad  
Hong Leong Bank Berhad  
Hong Leong Islamic Bank Berhad  
RHB Bank Berhad

#### **STOCK EXCHANGE LISTING**

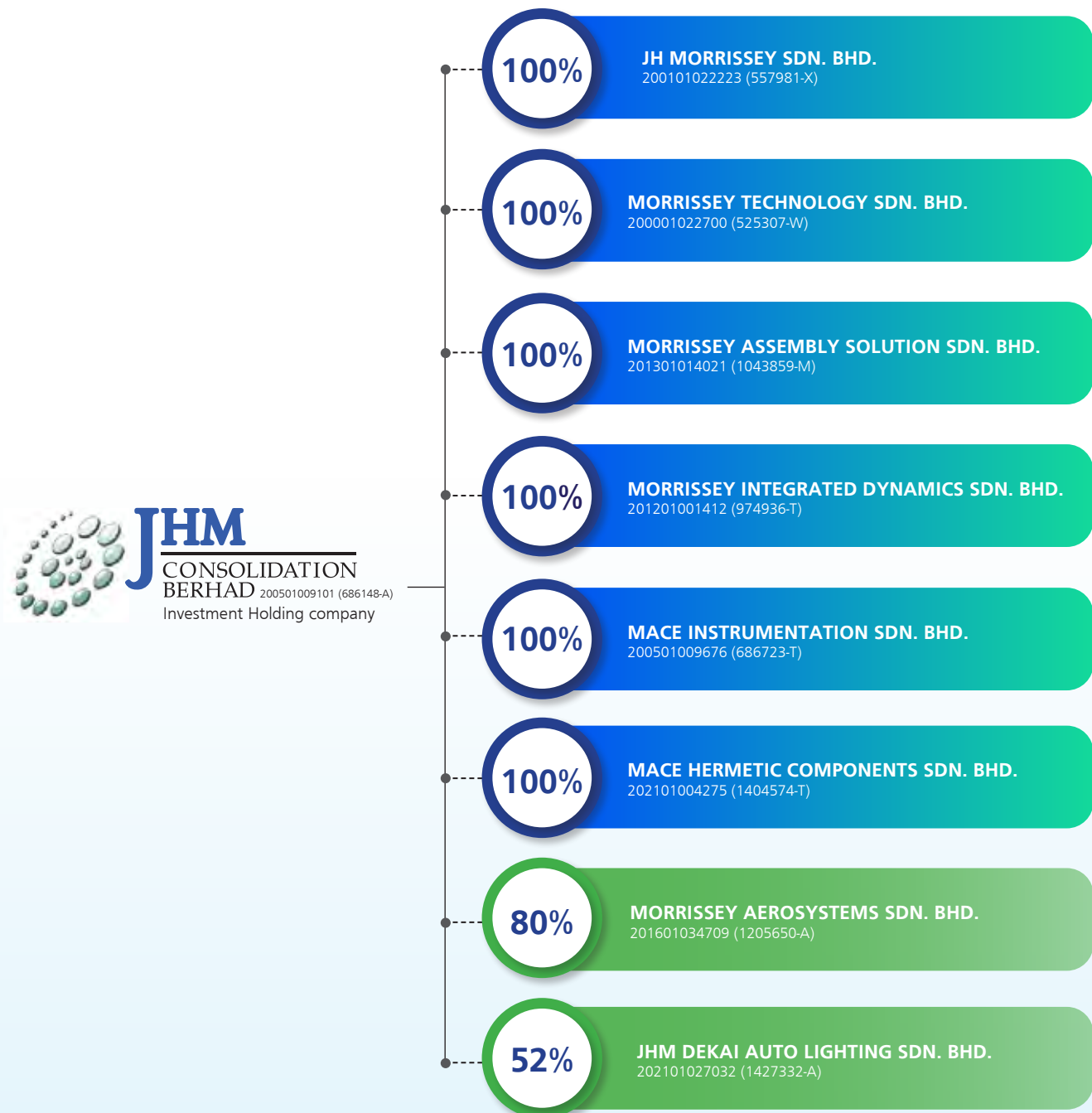
Main Market of Bursa Malaysia Securities Berhad  
Stock Name: JHM  
Stock Code: 0127

## GROUP STRUCTURE OF JHM GROUP

JHM Consolidation Berhad ("JHM") was incorporated in Malaysia on 26 March 2005 and was listed on the MESDAQ Market (now known as the ACE Market) of Bursa Malaysia Securities Berhad on 13 July 2006. The Company was subsequently transferred to the Main Market of Bursa Malaysia Securities Berhad on 12 November 2020.

JHM is principally an investment holding company with eight (8) subsidiaries, namely Morrissey Technology Sdn. Bhd. ("MTSB"), Morrissey Assembly Solution Sdn. Bhd. ("MASSB"), JH Morrissey Sdn. Bhd. ("JMSB"), Morrissey Aerosystems Sdn. Bhd. ("MASB"), an 80% owned subsidiary, Morrissey Integrated Dynamics Sdn. Bhd. ("MIDSB"), Mace Instrumentation Sdn. Bhd. ("MISB"), Mace Hermetic Components Sdn. Bhd. ("MHCSB") and JHM Dekai Auto Lighting Sdn. Bhd. ("JDALSB"), a 52%-owned subsidiary.

The current group structure is as follows:-



## GROUP STRUCTURE OF JHM GROUP (CONT'D)

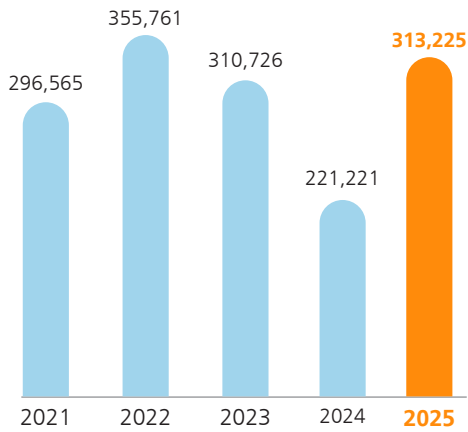
The principal activities of its subsidiaries are as follows:-

Companies	Date of Incorporation	Total Issued Shares	Principal activities
<b><u>Subsidiaries:</u></b>			
Morrissey Technology Sdn. Bhd.	5 September 2000	1,000,000	Design and manufacture of precision miniature engineering metal parts and components.
Morrissey Assembly Solution Sdn. Bhd.	24 April 2013	30,000,000	Manufacturing and assembling of electronic components.
JH Morrissey Sdn. Bhd.	5 September 2001	200,000	International procurement office and Research and Development Center.
Morrissey Aerosystems Sdn. Bhd.	18 October 2016	2,500,000	Manufacturing of machined metal parts, secondary processes, sub-assemblies and assembly of LED lighting for aerospace industry.  Currently, the company has not commenced operations.
Morrissey Integrated Dynamics Sdn. Bhd.	12 January 2012	30,000,000	Manufacturing of precision mechanical parts, die casting, moulding of precision plastic lens and modular assembly.
Mace Instrumentation Sdn. Bhd.	31 March 2005	5,000,000	Manufacturing, assembling and dealing of testing measuring equipment
Mace Hermetic Components Sdn. Bhd.	4 February 2021	2,500,000	Design and manufacture of mechanical parts (lenses and etc.), electronic components and electrical products (cameras, connectors and etc.) and products assembly for optical instruments, process control equipment, lighting and other industrial equipment.
JHM Dekai Auto Lighting Sdn. Bhd.	18 August 2021	100,000	Manufacture and module assembly for electronics and electrical components

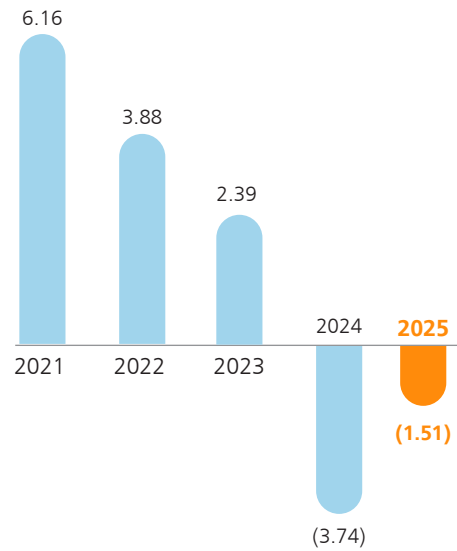
## FINANCIAL HIGHLIGHTS

Year Ended 31 December	Audited				2025 RM'000
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	
Revenue (RM'000)	296,565	355,761	310,726	221,221	313,225
Profit/(Loss) Attributable to Owners of the Company (RM'000)	34,371	21,654	14,497	(22,666)	(9,178)
Net Earnings/(Loss) per share (sen)	6.16	3.88	2.39	(3.74)	(1.51)
Net Assets per share (RM)	0.45	0.55	0.53	0.49	0.47

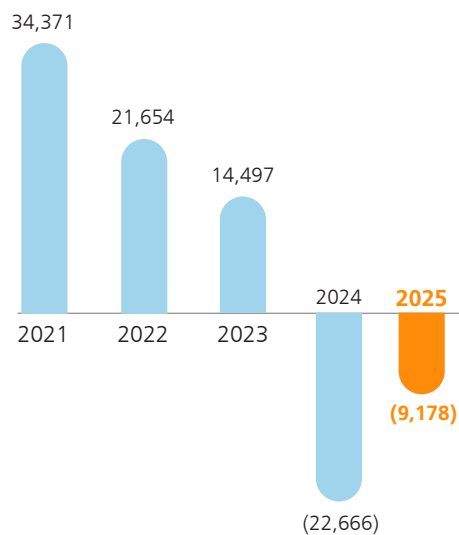
**REVENUE**  
(RM'000)



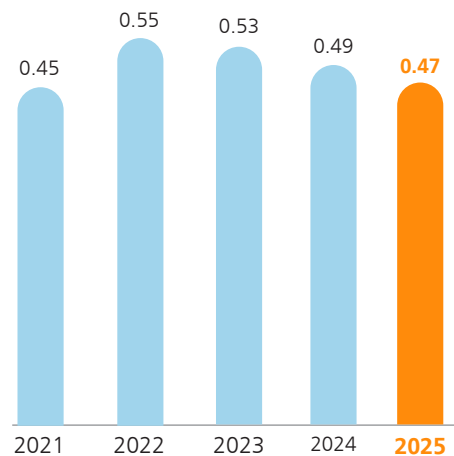
**NET EARNING/(LOSS) PER SHARE**  
(sen)



**PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY**  
(RM'000)



**NET ASSETS PER SHARE**  
(RM)



## GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE

On behalf of the Board of Directors and Management team of JHM Consolidation Berhad ("JHM" or "the Group"), I am pleased to present the Annual Report and Financial Statements for the financial year ended 31 December 2025 ("FY2025").

### Business Overview

The Group is an integrated electronics and mechanical engineering service provider, delivering one-stop solutions to industries including automotive, semiconductor, aerospace. For electronics manufacturing, the Group primarily focuses on the manufacture and assembly of Surface Mount Technology ("SMT") / Printed Circuit Board Assembly ("PCBA") and is one of the leading players in providing one-stop solutions from fabrication of tooling fabrication, design, final assembly, testing of LED Lighting modules and applications and box-build services. In addition to our electronic expertise, the group has strong mechanical capabilities in Sheet Metal Fabrication, Computerised Numerical Control ("CNC") Precision Machining and Stamping, enabling us to manufacture electronics and mechanical parts, as well as provide integrated box-built assembly solutions. Our capabilities span automotive lighting modules, electronic components, precision mechanical fabrication parts and turnkey box-built assemblies, allowing us to serve the evolving needs of global customers.

Over the years, the Group has strengthened its electronics and mechanical capabilities to become a high-value integrated engineering solution provider. Our vertically integrated manufacturing solutions offers end-to-end support — from design and fabrication to assembly and testing — enhancing our customers in streamline their supply chains while ensuring consistent deliverables.

The Group continued to invest in advanced manufacturing capabilities and infrastructure, including the state-of-the-art SMT, Sheet Metal and CNC machining facilities. In addition, the Group also focuses on talent development, ensuring we have the expertise to provide high-value and high-quality engineering solutions. These investments are important in supporting sustainable growth, improving operational efficiency, and maintaining product quality as the Group continues to scale its operations.

### Navigating a Shifting Global Trade Environment

FY2025 was marked by heightened uncertainty in global trade environment, primarily driven by evolving international trade policies and rising geopolitical tensions. These developments reshaped global supply chains, increased compliance complexity and exerted cost pressures across the manufacturing sector. The situation also disrupted global energy and trade networks, which may contribute to inflationary pressures and further uncertainty in the global economic outlook.

For the Group, these external factors translated into higher input costs, pricing pressures and a more cautious demand environment from customers operating within global automotive supply chains. To mitigate the impact from these challenges, the Group remained focused on operational resilience and cost management, leveraging process optimisation, Industry 4.0 initiatives, and strategic sourcing to strengthen our operational efficiency and business competitiveness.

Looking ahead, the Group remains vigilant of global developments and will continue to adapt its strategies to safeguard long-term growth. Key priorities include pursuing operational excellence, accelerating digitalisation and automation initiatives, diversifying customer and geographic markets, and enhancing supply chain resilience. These initiatives position the Group to seize opportunities arising from market shifts while delivering sustainable value to our stakeholders.

### Financial Review and Group Prospects

Notwithstanding the challenging macroeconomic and trade environment, the Group recorded a significant improvement in financial performance in FY2025, achieving both higher revenue and reduced losses compared to financial year ended 31 December 2024 ("FY2024").

The Group recorded revenue of RM313.22 million, representing a strong y-o-y increase of 41.59% from RM221.22 million in FY2024. This growth was primarily driven by:

- Improved order volumes from key customers
- Gradual stabilisation in both automotive and industrial segments
- Contributions from ongoing and newly secured projects

The Group reported a net loss attributable to shareholders of RM9.18 million, a substantial improvement from RM22.67 million in FY2024. This improvement reflects:

- Better absorption of fixed costs arising from higher revenue
- Continued cost optimisation initiatives
- Improved operational efficiency across manufacturing operations

## GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE (CONT'D)

### Financial Review and Group Prospects (Cont'd)

During FY2025, the Group continued to advance its strategic priorities to strengthen its market position and support long-term growth. The Group remained focused on deepening its presence in the automotive sector by enhancing capabilities in LED lighting modules, as well as electronics and mechanical manufacturing. These capabilities enable us to design, build, and assemble automotive module parts, delivering higher-value solutions and additional value-added services to our customers.

As part of our diversification beyond the automotive segment, we continued to expand our presence in the industrial segment. This supports revenue diversification and reduces reliance on a single industry. The Group is progressively positioning itself in higher-end industrial manufacturing by providing integrated solutions that support customers in building full box-built products involving more complex processes and comprehensive testing capabilities.

Looking ahead, financial year ending 2026 presents significant growth opportunities as demand in the global automotive and industrial segments continues to expand. Automotive segment is expected to remain the Group's primary revenue driver, with positive growth prospects in the US and Malaysian markets. Our proactive investments in Industry 4.0 manufacturing technologies and advanced equipment ensure that the Group remains at the forefront of the industry and continues to deepen integration into the global automotive supply chain. With a proven track record and a continued focus on technological innovation, the Group is well-positioned to capture emerging opportunities in automotive industry.

For industrial segment, the Group continues to advance its manufacturing capabilities in Sheet Metal Fabrication and CNC Precision Machining. The Group sees continued growth opportunities in the industrial segment, driven by rising demand mainly for semiconductor equipment, AI infrastructure, and the gradual recovery in the aerospace sector. By further enhancing these manufacturing capabilities, the Group is positioning itself to meet the growing demand for high-quality industrial products, while delivering reliable and comprehensive integrated solutions to various industries.

By leveraging our technological capabilities, operational efficiency, and diversified customer base, the Group aims to achieve sustainable revenue growth while strengthening its competitive position. We will continue to focus on enhancing operational efficiency to improve margins through cost optimisation, productivity improvement, and strategic supply chain management. The Group remains committed to building supply chain resilience, optimising cost structures, and capitalising on regional and global market trends to deliver long-term value to stakeholders.

### Continuing our ESG Journey

The group continues to place strong emphasis on Environmental, Social, and Governance (ESG) practices which remain embedded in our business strategy and operational framework. Throughout FY2025, the Group remained guided by its four key ESG pillars — Economic, Environmental, Workplace, and Social, ensuring that sustainability continues to be integrated into our decision-making processes while creating long-term value for our stakeholders. During the year, we are pleased that the Group was included in the FTSE4Good Bursa Malaysia (F4GBM) Index and FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index in December 2025, reflecting recognition of our ongoing efforts in strengthening ESG practices and integrating sustainability across our business operations.

In an increasingly competitive and technology-driven landscape, the Group continues to enhance its operational capabilities through innovation, process optimisation, and effective management practices. The ongoing adoption of Industry 4.0 technologies and advanced manufacturing practices has enabled the Group to improve operational efficiency, strengthen product quality, and better support the evolving requirements of our customers. At the same time, we remain committed to managing our environmental impact responsibly. The Group continues to implement initiatives to improve energy efficiency across our operations and continued to evaluate opportunities to incorporate renewable energy solutions as part of our efforts to reduce carbon emissions and support broader sustainability goals.

Our employees remain a key pillar of the Group's continued success. The Group is committed to providing a safe, inclusive, and supportive working environment where employees are valued and provided with opportunities to develop their skills and advance their careers. Through continuous training and skills development initiatives, the Group aims to further strengthen its workforce in supporting long-term sustainable growth and technological advancement. Beyond our operations, the Group also recognises the importance of contributing positively to the communities in which we operate through responsible business practices and active community engagement initiatives.

More details of the Group's ESG initiatives are stated in the section on "Sustainability Statement" in this Annual Report.

## GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE (CONT'D)

### Appreciation

On behalf of the Board of Directors, I wish to extend our deepest appreciation to our valued customers, suppliers, affiliates, business partners, and shareholders for your unwavering support and confidence in the Group. Your trust and commitment have been instrumental in driving our continued growth and success.

I would also like to acknowledge the dedication and perseverance of our employees, whose unwavering commitment, resilience, and exemplary teamwork serve as the cornerstone of our achievements. These collective efforts remain fundamental to the Group's ability to seize new opportunities and sustain long-term success.

Additionally, I extend my sincere gratitude to all Board Members for your astute leadership, patience, and invaluable guidance. Your strategic insights continue to steer the Group toward sustained growth and success. Moving forward, I am confident that with a well-defined strategic direction and expansion initiatives, JHM will remain steadfast in delivering sustainable value to our shareholders, while adeptly navigating evolving market conditions and economic uncertainties.

Thank you.

**Dato' Seri Tan King Seng**  
Group Chief Executive Officer

# MANAGEMENT DISCUSSION & ANALYSIS

## 1. OVERVIEW OF BUSINESS OPERATION

The business operation is segmented into three (3) business segments as below:

- a) Electronics business unit;
- b) Mechanical business unit; and
- c) Others

The above was disclosed in Note 30 (Operating Segment) of the notes to the financial statements.

The key performance for the Group is mainly contributed from electronic and mechanical business units which is serving automotive and industrial industry respectively. Details as below:

### (a) Electronic Business Unit

- Design, Surface Mount Technology (“SMT”) production and assembly of automotive rear, interior and front headlamp lighting, inclusive of shifter control and turn signal indicator (*Automotive industry*);
- SMT production and assembly for Industrial products, i.e. motor controller (*Industrial industry*).

### (b) Mechanical Business Unit

- One stop solution provider for high precision, high speed tooling design, fabrication and production for Micro Electronic Components (*Industrial industry*);
- Production on LEDs application to support 3D effects as well as signature lighting effect substrate (*Automotive industry*);
- Manufacturing of sheet metal enclosures and value-added electro-mechanical assembly for a broad range of industries which includes electronics (semiconductors and telecommunication), medical device and instrumentation industries (*Industrial industry*);
- Manufacturing of precision mechanical parts, die casting, moulding of precision plastic lenses and modular assembly (*Industrial industry*).

The resource allocation and assessment of performance are mainly based on the nature of business for each of the subsidiaries of JHM. Morrissey Technology Sdn. Bhd. (“M<sup>T</sup>SB”), Morrissey Integrated Dynamics Sdn. Bhd. (“M<sup>I</sup>DSB”), Mace Instrumentation Sdn. Bhd. (“M<sup>I</sup>SB”) are operating under the Mechanical Business Unit and Morrissey Assembly Solution Sdn. Bhd. (“M<sup>A</sup>SSB”), JH Morrissey Sdn. Bhd. (“J<sup>M</sup>SB”), Mace Hermetic Components Sdn. Bhd. (“M<sup>H</sup>CSB”), JHM Dekai Auto Lighting Sdn. Bhd. (“J<sup>D</sup>AL”) are operating under the Electronics Business Unit.

For additional segmental information, please refer to Note 30 (Operating Segment) under the Notes to the financial statements.

## 2. FINANCIAL RESULTS AND FINANCIAL CONDITION

### *Financial performance*

For the financial year ended 31 December 2025 (“FY2025”), the Group recorded a revenue of RM313.22 million, representing a 41.59% increase as compared to RM221.22 million in the preceding year (“FY2024”). The strong performance was primarily driven by higher sales volume under new automotive programs.

In tandem with improved revenue, the Group’s operating loss reduced significantly to RM8.49 million (FY2024: RM22.99 million), while loss before tax narrowed to RM10.52 million (FY2024: RM24.14 million). Correspondingly, loss after tax improved by 53.22% to RM10.71 million, compared to RM22.89 million in FY2024.

The key factors contributing to the improvement include:

- Increased sales under new automotive programs in the second half of FY2025;
- Enhanced production efficiencies leveraging on existing capacity; and
- Improved cost management and capital allocation discipline.

However, profitability remained impacted by foreign exchange losses arising from Ringgit Malaysia’s strengthening against the USD during the fourth quarter, resulting in a realised foreign exchange loss of RM1.17 million compared to a gain of RM2.64 million in the corresponding quarter of FY2024.

## MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

### 2. FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

#### *Liquidity and capital resources*

As at 31 December 2025, the Group maintained a healthy balance sheet with:

- Cash and cash equivalents of RM56.48 million (FY2024: RM67.49 million).
- Net assets of RM287.21 million, translating to a net tangible assets (NTA) per share of RM0.47 (FY2024: RM0.49).
- Total borrowings of RM84.54 million (FY2024: RM44.82 million), mainly due to drawdowns of revolving credit and hire purchase facilities to fund factory acquisition and machinery investments.

The Group's current ratio stood at 1.78 times (FY2024: 2.67 times). The decrease was mainly attributable to higher short-term borrowings utilised to fund capital expenditure during the financial year. Notwithstanding the reduction, the Group continues to maintain adequate liquidity to meet its operational and financial obligations.

During the financial year, the Group incurred capital expenditure mainly for factory acquisition and investment in machinery and equipment to support capacity expansion and operational efficiency. Moving forward, the Group expects to continue incurring capital expenditure to enhance its production capabilities and support business growth. These capital expenditure requirements are expected to be funded through a combination of internally generated funds and bank borrowings, where appropriate.

### 3. REVIEW OF OPERATING ACTIVITIES BY INDUSTRY

#### *Automotive Industry*

The automotive segment recorded a rebound in FY2025, contributing 55% of Group external revenue (FY2024: 44%), driven by new programs secured from existing and new customers. Export sales remained primarily to customers in the United States, while the new Proton lighting program (via JDAL) commenced mass production in December 2025, further strengthening domestic market presence.

Despite modest exchange rate headwinds in Q4 2025, the segment benefited from higher sales volume and improved utilisation of production lines. The Group continues to enhance its automotive customer portfolio, currently serving nine (9) automotive customers, with additional programs expected to commence in FY2026.

#### *Industrial Industry*

The industrial segment contributed 45% of Group external revenue (FY2024: 56%), with overall growth driven by manufacturing of sheet metal enclosure for semiconductors, medical device and instrumentation industries.

Looking ahead, the Group intends to continue capturing growth opportunities in the industrial segment. This will be achieved by further enhancing its mechanical manufacturing capabilities, particularly in manufacturing of sheet metal enclosure, die-casting and Computer Numerical Control ("CNC") high precision machining. These efforts are expected to further strengthen the industrial segment and contribute to the Group's long-term growth.

### 4. OPERATIONAL AND FINANCIAL RISKS

Operational Risks - Dependence on Automotive industry

While the Group has made meaningful progress in diversifying its revenue base across the automotive and industrial segments, concentration risk at the customer level remains a key area of focus.

Revenue Contribution by Segment (FY2022 - FY2025):

Segmental industry	FY2022	FY2023	FY2024	FY2025
Automotive	60%	68%	44%	55%
Industrial products	40%	32%	56%	45%
	100%	100%	100%	100%

For FY2025, revenue contribution between automotive (55%) and industrial products (45%) reflects a more balanced portfolio, reducing the Group's exposure to sector-specific cyclical risks. Notwithstanding this improvement, a portion of the Group's revenue continues to be derived from a limited number of key customers.

## MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

### 4. OPERATIONAL AND FINANCIAL RISKS (CONT'D)

The Group remains exposed to risks arising from:

- changes in customers' production volumes and demand cycles;
- delays in new project launches; and
- pricing pressure from major customers.

To mitigate these risks, the Group continues to:

- actively expand its customer base across both automotive and industrial segments;
- secure new programs from existing and new customers; and
- diversify geographically and across different product applications.

As at FY2025, the Group serves a total of nine (9) automotive customers, alongside a growing base of industrial customers, which collectively support a more resilient revenue profile.

#### Financial Risks Management

The Group's financial risks are set out in Note 31.2 under the notes to the financial statements.

### 5. FORWARD-LOOKING

#### Automotive Segment Outlook

Looking ahead to FY2026, the automotive sector is expected to remain the main revenue driver. The global automotive lighting market is projected to stay robust, supported by rising demand for both combustion engine and electric vehicles (EVs).

The Group's automotive lighting products — including LED modules and advanced adaptive lighting systems — continue to gain traction among international and domestic OEMs due to enhanced functionality, energy efficiency, and design aesthetics. The ramp-up of the new Proton model program will underpin growth momentum.

JHM remains focused on strengthening its technological capabilities and expanding capacity to support larger production volumes and new program launches.

#### Industrial Segment Outlook

The industrial sector is projected to continue its strong growth trajectory, buoyed by increased demand for automation, industrial IoT, and precision manufacturing components.

The Group plans to expand its capabilities in mechanical manufacturing, particularly in manufacturing of sheet metal enclosure, die-casting and CNC high-precision machining, which will position it to meet the rising demand for advanced industrial components. In FY2026, the industrial segment is expected to maintain its upward momentum, with new projects in the pipeline across key markets.

#### Conclusion

FY2025 marked a year of operational recovery and revenue resurgence for JHM Consolidation Berhad. Despite persistent foreign exchange volatility and higher financing costs, the Group achieved nearly 42% revenue growth and narrowed net loss by more than half.

With strengthened foundations in both automotive and industrial sectors, major capital investments completed, and new programs coming online in FY2026, the Group is well-positioned to benefit from improving global demand, particularly in lighting and precision engineering applications.

Barring unforeseen circumstances, the Board expects continued improvement in financial performance in FY2026, driven by ramp-up of new automotive projects, improved cost absorption, and operational efficiency gains.

### 6. DIVIDEND POLICY

The Board of Directors highly values the unwavering support the Group has received from its loyal shareholders over the years. While the Board recognises the importance of rewarding the shareholders for their support, the decision to declare dividend is subject to several factors, including earnings, capital commitment, financial conditions, future expansion and other factors.

In view of ongoing market challenges and the need to maintain a good cash flow position, the Board has not recommended a dividend payment for FY2025. Nevertheless, once the Group is comfortable distributing dividends, the Board is committed to resuming the payment of dividends in the future.

## DIRECTORS' PROFILE

### DATO' SERI TAN KING SENG

Age 70

Gender Male

Nationality Malaysian

**Dato' Seri Tan King Seng**, aged 70, male, a Malaysian, was appointed to the Board on 13 April 2006 and is presently the Executive Director/Group Chief Executive Officer of the Company. He graduated with a Bachelor of Science Degree in Mechanical Engineering from National Cheng Kung University of Taiwan in 1983. Dato' Seri Tan started his career as an engineer with Intel Technology Sdn. Bhd. in 1984, and thereafter in Hewlett Packard Sdn. Bhd. in 1989. Prior to starting his own business in 1995, he was a Senior Production Engineer in charge of Optoelectronic Production at Hewlett Packard Sdn. Bhd.

He is the major shareholder of the Company.

### CHEAH CHOON GHEE

Age 63

Gender Male

Nationality Malaysian

**Cheah Choon Ghee**, aged 63, male, a Malaysian, was appointed to the Board on 11 December 2007 and is presently the Executive Director of the Company. Prior to his appointment to the Board, he was the Senior Administration Manager of the Group. He graduated with a Diploma in Electronic Engineering from Tunku Abdul Rahman College in 1984. Mr. Cheah started his career as an Assistant Engineer with National Semiconductor Sdn. Bhd. in 1985. He left National Semiconductor Sdn. Bhd. in 1989 and joined Cintronic Marketing Sdn. Bhd. as its Administrator Manager in charge of the company's operation until 1995. In 1996, Mr. Cheah joined Allied Stamping Corporation Sdn. Bhd. as its Sales Director overseeing the company's business and later left in year 2000. Currently, Mr. Cheah is appointed as Chief Operating Officer in charge of the Mace Instrumentation Sdn. Bhd. ("MISB")

He is the major shareholder of the Company by virtue of he being a director and shareholder of Noble Matters Sdn. Bhd. ("NMSB") pursuant to Section 8 of the Companies Act 2016, where NMSB is a major shareholder of the Company.

### LOW SOO KIM

Age 48

Gender Female

Nationality Malaysian

**Low Soo Kim**, aged 48, female, a Malaysian, was appointed to the Board on 26 February 2021 and is presently the Executive Director of the Company. Ms. Low graduated with a Bachelor of Accounting (Hons) from University of Malaya in 2002 and is a member of the Malaysian Institute of Accountants.

She started her career in the tax division of Ernst & Young Tax Consultants Sdn. Bhd. ("EY") and left EY in January 2009 when she held the position of Assistant Tax Manager. She joined a manufacturing company, a wholly owned subsidiary of a Public Listed Company ("PLC") as Accounts/Finance Manager in year 2009 and was promoted to Group Financial Controller of the PLC in year 2013. She joined the Company as Finance Manager on 30 November 2015 and she currently holds a position as Finance Director in the Company. Ms. Low is in charge of the Group's financial reporting, investor relations and corporate planning.

She is also the Independent Non-Executive Director of EcoSys (Malaysia) Berhad.

### LIM CHUN THANG

Age 61

Gender Male

Nationality Malaysian

**Lim Chun Thang**, aged 61, male, a Malaysian, was appointed as the Non-Executive Chairman/ Independent Non-Executive Director of the Company on 23 August 2018. He serves as Chairman of the Nomination Committee and Remuneration Committee.

He graduated from Middlesex University, London with a Bachelor Degree in Accounting and Finance (Honours). Upon returning from London, he joined Arab-Malaysian Merchant Bank in 1995 and left in 1997 as a Corporate Finance Officer. Subsequently, he joined a few companies with his main scope of work in planning the success of their listings on Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad).

Thenceforth, from 2002 to 2018, he was attached to a public listed company in Malaysia, as the Personal Assistant to the Group Chairman and Managing Director in assisting the Group Chairman and Managing Director mainly overseeing the Group's corporate planning related matters; investor relations by dealing with fund managers, institutional shareholders, the press and analyst; the Group's compliance with corporate governance and Listing Requirements. He had also participated in Board meetings and involved in various corporate exercises of the Group.

He is also the Non-Executive Chairman/Independent Non-Executive Director of Supercomnet Technologies Berhad.

## DIRECTORS' PROFILE (CONT'D)

### WONG CHI YENG

Age 64

Gender Female

Nationality Malaysian

**Wong Chi Yeng**, aged 64, female, a Malaysian, was appointed to the Board on 4 January 2017 and is presently the Independent Non-Executive Director. She serves as the Chairman of the Audit Committee and Risk Management Committee and as a member of Nomination Committee and Remuneration Committee of the Company.

She graduated from University of Malaya, Kuala Lumpur with a Bachelor of Accounting (Honours) in 1987. She started her career as an auditor in a Chartered Accountants firm in Penang in 1987. Mdm. Wong is currently a Director of Interresources Tax Advisory Sdn Bhd. She is a member of both Malaysian Institute of Accountants and Chartered Tax Institute of Malaysia. She is also an Audit Committee member of The Institute of Internal Auditors Malaysia (CACD).

### LAI FAH HIN

Age 70

Gender Male

Nationality Malaysian

**Lai Fah Hin**, aged 70, male, a Malaysian, was appointed to the Board on 30 August 2017 and is presently the Independent Non-Executive Director. He serves as a member of the Audit Committee and Risk Management Committee and Remuneration Committee. He graduated with Malaysian Certificate of Education in year 1975.

Mr. Lai started his career in the government service (Royal Malaysia Police) on 1 October 1977 as a Police Inspector. In year 2006, he was promoted to Deputy Superintendent of Police (DSP) and he became an officer in charge of Police District (OCPD) (South West District of Penang) in year 2014 until his retirement on 11 July 2016. He is currently a Security Consultant for Bandar Kepala Batas Sdn. Bhd., a subsidiary of Hunza Properties Berhad.

### KHOR CHENG KWANG

Age 54

Gender Male

Nationality Malaysian

**Khor Cheng Kwang**, aged 54, male, a Malaysian, was appointed as the Independent Non-Executive Director of the Company on 3 March 2020. He serves as a member of the Audit Committee and Risk Management Committee.

He graduated with a Diploma in Mechanical & Manufacturing Engineering from Tunku Abdul Rahman College (TARC) in 1996 and subsequently furthered his studies with a Master of Science (Msc) in Manufacturing Systems Engineering from The Queen's University of Belfast, United Kingdom in 1997.

In December 1997, he joined Intel Technology (M) Sdn. Bhd. as an engineer. His last position held was Intel marketing manager, responsible for business development for embedded communication products and solutions in the China and Asia-Pacific region, working closely with MNCs, OEMs & ODMs corporations. He was part of the Malaysian Development Economic Corporation's (MDEC) program 'Grow the Tech Sector' which promoted embedded technology under the country's Economic Transformation Program (ETP).

In 2012, he became the Founder and Managing Director of Metro Green Adventure Sdn Bhd., a company specialising in eco-friendly initiatives, educational, coaching and 'Building Future' programs for corporates and educational institutions. In addition to his directorship in the Company, he currently holds directorship in other private limited companies.

#### Notes:

1. Save as disclosed above, none of the Directors of the Company have any family relationship with any Director and/or major shareholder of the Company.
2. All the Directors do not have any conflict of interest with the Company.
3. Other than traffic offences, none of the Directors of the Company have any convictions for offences within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
4. The Directors' shareholdings are as disclosed on page 141 of this Annual Report.
5. The details of the number of Board Meetings attended by the Directors of the Company for the financial year are disclosed on page 17 of this Annual Report.
6. Save as disclosed above, none of the Directors hold any directorships in other public companies and listed issuers.

## PROFILE OF KEY SENIOR MANAGEMENT

**DATO' SERI TAN KING SENG**                      **Age** 70                      **Gender** Male                      **Nationality** Malaysian

**Dato' Seri Tan King Seng**, aged 70, male, a Malaysian, was appointed as the Executive Director/Group Chief Executive Officer on 13 April 2006.

Dato' Seri Tan's profile is set out on page 13 of this Annual Report.

**CHEAH CHOON GHEE**                      **Age** 63                      **Gender** Male                      **Nationality** Malaysian

**Cheah Choon Ghee**, aged 63, male, a Malaysian, was appointed as the Executive Director/Chief Operating Officer of MISB on 11 December 2007.

Mr. Cheah's profile is set out on page 13 of this Annual Report.

**LOW SOO KIM**                      **Age** 48                      **Gender** Female                      **Nationality** Malaysian

**Low Soo Kim**, aged 48, female, a Malaysian, was appointed as the Executive Director/Finance Director of the Company on 26 February 2021.

Ms. Low's profile is set out on page 13 of this Annual Report

### Notes:

1. Save as disclosed on page 13 of the Annual Report, none of the key senior management of the Company have any family relationship with any director and/or major shareholder of the Company.
2. All the above Key Senior Management do not have any conflict of interest with the Company.
3. Other than traffic offences, none of the Key Senior Management of the Company has any convictions for offences within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
4. None of our Key Senior Management hold or have held any directorships in other public companies and listed companies.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) of JHM Consolidation Berhad (“**the Company**”) remains committed to upholding high standards of corporate governance in discharging its fiduciary duties and responsibilities, with a focus on integrity, accountability and long-term value creation for shareholders.

This Corporate Governance Overview Statement is prepared pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**MMLR**”) and provides an overview of the Group’s application of the principles set out in the Malaysian Code on Corporate Governance 2021 (“**MCCG**”) during the financial year ended 31 December 2025 (“**FY2025**”).

The Board confirms that the Group has substantially applied the Principles and Practices of the MCCG throughout FY2025.

The Board’s governance framework is anchored on the following key principles:

- **Principle A:** Board Leadership and Effectiveness
- **Principle B:** Effective Audit and Risk Management
- **Principle C:** Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The Board has also provided specific disclosures on the application of each Practices in its Corporate Governance Report (“**CG Report**”). This CG Report was announced together with the Annual Report of the Company on 27 April 2026. Shareholders may obtain this CG Report by accessing this link [www.jhm.net.my](http://www.jhm.net.my) for further details.

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### (I) Board Responsibilities

The Group acknowledges the pivotal role played by the Board in the stewardships of its direction and operations. To fulfil this role, the Board is responsible for the following:

- a) Review, approve and monitor the overall strategies and direction of the Group;
- b) Identify the principal risks and implementing appropriate system to manage such risks;
- c) Oversee and evaluate the conduct and performance of the Group’s business;
- d) Review the adequacy of the Group’s internal control policy; and
- e) Ensure that appropriate plans are in place in respect of the succession plan of the Group.

The Board has overall responsibility for the proper conduct of the Group.

#### ***Clear functions of the Board and Management***

To ensure the effective discharge of its function and responsibilities, the Board has established a Board Charter which clearly set out the relevant matters reserved for the Board’s approval, as well as those is delegated to the Board committees and Group Chief Executive Officer.

Key matters reserved for the Board’s decision include, inter alia, the following:-

- a) Approval of business strategy and group operational plan and annual budget;
- b) Acquisition and disposal of assets of the Company or its subsidiaries that are material in nature;
- c) Approval of investment or divestment in a company/business /property/undertaking;
- d) Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities;
- e) Any other significant business direction; and
- f) Corporate proposal on fund raising.

#### ***Appointment to the Board***

The Board has established the Nomination Committee for the purpose of making recommendations on suitable candidates for appointment to the Board and for assessing Directors on an ongoing basis. Candidates recommended must be approved and appointed by the Board. The Nomination Committee is responsible for recommending the right candidates with the required skills, experience and attributes to the Board for appointment.

Further details on the Nomination Committee are set out on pages 21 and 22 of this Annual Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### (I) Board Responsibilities (Cont'd)

##### *Retirement and Re-election of Directors*

In accordance with the Company's Constitution, one-third (1/3) of the Directors including the Managing Director shall retire by rotation from office at each Annual General Meeting ("AGM") and they shall be eligible for re-election at the AGM. The Directors to retire shall be the Directors who have been longest in office since their appointment or last re-election. In addition, all Directors including the Managing Director shall be subject to retirement by rotation at least once every three (3) years.

Directors who are standing for re-election at the Twenty First AGM of the Company to be held on 26 May 2026 are as per detailed set out in the Notice of the Twenty First AGM.

##### *Board Meetings and Time Commitment*

The Board is to meet at least four (4) times a year with additional meetings convened as and when necessary. Besides Board meetings, the Board also exercises control on matters that require Board's approval through Directors' Circular Resolutions. Among others, key matters such as approval of annual and quarterly results, financial statements, major acquisitions and disposals, major capital expenditure and risk management policies are discussed and decided by the Board.

During the financial year, the Board met four (4) times. The Board is satisfied with the time commitment given by the Directors of the Company in discharging their duties for FY2025 as evidenced by the attendance record of the Directors at the Board Meeting. The details of attendance of the Directors during FY2025 are as follows:

Name of Directors	Number of Meetings Attended	Percentage of Attendance
Lim Chun Thang	4/4	100%
Dato' Seri Tan King Seng	4/4	100%
Cheah Choon Ghee	4/4	100%
Low Soo Kim	4/4	100%
Wong Chi Yeng	4/4	100%
Lai Fah Hin	4/4	100%
Khor Cheng Kwang	4/4	100%

The Directors are in compliance with the provision of MMLR on the restriction of not holding more than five directorships in the listed issuers.

##### *Company Secretaries*

The Board is of the view that current Company Secretaries are suitably qualified, competent and can support the Board in carrying out its roles and responsibilities. The Company Secretaries ensure there are a quorum for all meetings and that such meetings are convened in accordance with the relevant Terms of Reference. The minutes prepared by the Company Secretaries memorialise the proceedings of all meetings including pertinent issues, the substance of inquiries and responses, members' suggestions and the decision made. This reflects the fulfillment of the Board's fiduciary duties and the significant oversight role performed by the respective Board Committees.

The Board obtained appropriate advice and services, if necessary, from Company Secretaries to ensure adherence to Board meeting procedures and compliance with regulatory requirements.

##### *Code of Ethics*

The Directors observed the code in accordance with the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. This code can be assessed through the Company's website at [www.jhm.net.my](http://www.jhm.net.my).

## CORPORATE GOVERNANCE **OVERVIEW STATEMENT (CONT'D)**

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

#### **(I) Board Responsibilities (Cont'd)**

##### ***Code of Conduct***

In order to enhance the standard of corporate governance and behaviours, the Board observed the Company's Code of Conduct which set out standards of business and ethical conduct based on general principles including, amongst others, integrity and honesty, fair dealing and confidentiality as guidance to all directors and employees in the conduct of their business. This code can be assessed through the Company's website at [www.jhm.net.my](http://www.jhm.net.my).

##### ***Board Charter***

The Board has adopted a charter to provide a reference for directors in relation to the Board's role, duties and responsibilities, division of responsibilities between the Board, the Board Committees, the Chairman and Group Chief Executive Officer. The Charter, which serve as referencing point for Board's activities to enable Directors to carry out their stewardship role and discharge their fiduciary duties to the Group, also contains a formal schedule of matters reserved to the Board for deliberation and decision so that control and direction of the Group's business are in its hands.

The Charter is available on the Company's website at [www.jhm.net.my](http://www.jhm.net.my) in line with Practice 2.1 of the MCCG. The Board will review the Board Charter from time to time in order to ensure consistency with the Board's strategic intent and relevant standards of corporate governance.

##### ***Sustainability Governance***

The Board acknowledges the growing importance of sustainability and Environmental, Social and Governance ("ESG") considerations in driving long-term value.

Sustainability considerations, including environmental and climate-related risks, are integrated into the Group's strategy, risk management framework and operational practices.

Details of the Group's sustainability initiatives are set out in the Sustainability Statement on pages 26 to 65 of this Annual Report.

##### ***Gender Diversity Policy***

The Board has adopted Gender Diversity Policy which can be found on the Company's website at [www.jhm.net.my](http://www.jhm.net.my). In considering Board member appointment, the Board provides equal opportunity to candidates who have the necessary skills, experience, competencies and other attributes regardless of gender, ethnicity and age. The Board is taking steps to identify women candidates for appointment to the Board. The Board is currently having Two (2) women members out of Seven (7) members.

The Board acknowledges the best practice of the MCCG for the Board comprises at least 30% women Directors. In heading this, there was a positive development for the Company in making greater strides towards notable gender diversity on the Board with the appointments of Ms. Wong Chi Yeng to the Board on 4 January 2017 and Ms. Low Soo Kim on 26 February 2021.

The Board is mindful that any gender representation should be in the best interest of the Company. Although the Company has not reached the 30% women representation target at the Board level as required, the Board decisions are made objectively in the best interests of the Group taking into account diverse perspectives and insights. The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximize the effectiveness of the Board.

The Board notwithstanding the view that diversity should be in tandem with expertise, experience and skills and not gender alone acknowledges the importance of the establishment of a gender diversity policy. Hence, the Nomination Committee has been tasked to look for suitably qualified female candidates when there is a vacancy.

## CORPORATE GOVERNANCE **OVERVIEW STATEMENT (CONT'D)**

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

#### (I) Board Responsibilities (Cont'd)

##### *Internal Corporate Disclosure Policies and Procedures*

Along with good corporate governance practices, the Company is committed to provide the investors and the public with comprehensive, accurate and material information on a timely basis.

In line with this commitment and in order to enhance transparency and accountability, the Board has adopted an Internal Corporate Disclosure Policies and Procedures to facilitate the handling and disclosure of material information on a timely and accurate manner.

##### *Anti Corruption Policy*

The Company has adopted an Anti Corruption Policy to prevent the occurrence of bribery and corrupt policies in relation to the Group's businesses.

The Anti Corruption Policy can be assessed through the Company's website at [www.jhm.net.my](http://www.jhm.net.my).

##### *Directors' Training*

The Directors are encouraged to attend continuous education programmes such as seminars and conferences. This is to keep themselves abreast with the latest development in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and the need to be cognizant of commercial opportunities and risks as well as to be adequately equipped to execute judicious decision making.

All members of the Board have attended and successfully completed the Mandatory Accreditation Programme ("MAP") Part I and Part II as required by Bursa Securities.

During the FY2025, the Directors of the Company had attended seminar or conference organized externally. The programmes attended by the Directors during the financial year, include the following:

Name	No. of days	Mode of Training	Title
Dato' Seri Tan King Seng	1 hour	Webinar	China Equity Outlook: Tech AI, Stimulus, Tariffs & Risk by AHAM Capital Asset Management
	1 hour	Webinar	US Reciprocal Tariff & Its Potential Implications by OCBC Global Market
Cheah Choon Ghee	2 days	Webinar	Mandatory Accreditation Programme Part II: Leading for Impact (LIP).
Low Soo Kim	1 day	Seminar	Tax Seminar on Budget 2026 by Grant Thornton
	3 hours	Seminar	Sales Tax Amendments & Service Tax Expansion by Grant Thornton Malaysia PLT
	4 hours	Webinar	Company Tax Savings by YYC GST Consultants Sdn Bhd.
	4 hours	Webinar	Withholding Tax by YYC GST Consultants Sdn Bhd.
	4 hours	Webinar	Transfer Pricing YYC GST Consultants Sdn Bhd.
	1 day	Seminar	Introduction to Anti-Bribery by Salient Asia Consulting
	2 hours	Webinar	The Verdict on Budget 2026: What It Means for Malaysia's Growth by Hong Leong Bank Berhad
Wong Chi Yeng	1/2 day	Webinar	Tax and Transfer Pricing Considerations for Intra-Group Cross Charges by MIA
	1 day	Seminar	Hasil- CTIM Tax Forum Roadshow 2025 by LHDN
	1 day	Seminar	2026 Budget Seminar by CTIM
	2 days	Conference	National Tax Conference 2025 by CTIM
	1 day	Seminar	Audit Committee Conference 2025 - Navigating Risk, Driving Resilience by MIA and IIAM

## CORPORATE GOVERNANCE **OVERVIEW STATEMENT (CONT'D)**

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

#### (I) Board Responsibilities (Cont'd)

##### *Directors' Training (Cont'd)*

Name	No. of days	Mode of Training	Title
Lim Chun Thang	1 hour	Webinar	China Equity Outlook: Tech AI, Stimulus, Tariffs & Risk by AHAM Capital Asset Management
	1 hour	Webinar	US Reciprocal Tariff & Its Potential Implications by OCBC Global Market
	3 hours	Webinar	Sales Tax Amendments & Service Tax Expansion by Grant Thornton Malaysia PLT
	1/2 day	Webinar	The Audit Committee Chair of the future by Deloitte Global Boardroom Program
	1 hour	Webinar	Kenanga Technology Sector Outlook by Kenanga Investment Bank Berhad
	1 hour	Webinar	Kenanga 4Q25 Malaysia Market Outlook by Kenanga Investment Bank Berhad
Khor Cheng Kwang	4.5 hours	Seminar	Legal Innovation Summit 2025 - Penang by Lee Hishammuddin Allen & Gledhill
	1 hour	Webinar	US Reciprocal Tariff & Its Potential Implications by OCBC Global Market
	1 hour	Webinar	"Liberation Day" tariff on Asia by UOB Bank Berhad
Lai Fah Hin	2 days	Webinar	Mandatory Accreditation Programme Part II: Leading for Impact (LIP).

In addition to the above training attended, the Directors also received updates from time to time from Company Secretaries on the amendments or any updates on MMLR, Companies Act 2016 as well as MCCG.

##### **Supply of Information**

The Board members have full and unrestricted access to information on the Group's business and affairs in discharging their duties. Prior to the meetings, all Directors are provided with sufficient and timely reports and supporting documents which are circulated in advance of each meeting to ensure sufficient time is given to understand the key issues and contents. In addition, the Board is kept informed of the updates and requirements issued by Bursa Securities and various regulatory authorities.

Where necessary, the Directors may engage independent professional advice at the Company's expense on specific issues to enable the Board to discharge their duties on the matters being deliberated.

##### **Committees of the Board**

The Board, in discharging its fiduciary duties and responsibilities has appointed the following Board Committees with specific terms of reference to assist the Board:

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

##### **Audit Committee and Risk Management Committee**

The summary of the activities of the Company's Audit Committee and Risk Management Committee during the financial year are set out under the Audit Committee Report on pages 69 to 71 of this Annual Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### (I) Board Responsibilities (Cont'd)

##### ***Nomination Committee***

The Nomination Committee currently comprises of the following members:-

<b>Name of Directors</b>	<b>Designation</b>
Lim Chun Thang (Chairman)	Independent Non-Executive Director
Wong Chi Yeng	Independent Non-Executive Director

The Committee consists entirely of Non-Executive Directors, where all its members are independent. The Nomination Committee meets at least once a year and as and when necessary and may make decisions by way of circular resolutions.

The duties and responsibilities of the Nomination Committee are guided by its terms of reference. The main responsibilities of the Nomination Committee included the following:-

- Nominate the right candidates with the required skills, experience and attributes for recommendation to and appointment by the Board.
- Regularly review the structure, size and composition (including the skills, knowledge and experience) required by the Board compared to its current position and make recommendations to the Board with regard to any changes.
- Review and recommend the membership of the Audit Committee and Risk Management Committee and Remuneration Committee, in consultation with the Chairman of those committees.
- Assess the effectiveness of the Board and the contribution of individual directors and his/her independence where applicable.
- To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors.

The Nomination Committee has developed criteria to assess the effectiveness of the Board, the Board committees and individual Director. The evaluation on the Board's effectiveness is divided into three sections on the following key areas:-

- Board mix & composition;
- Quality of information and decision making; and
- Boardroom activities.

The process also assess the competencies of each Director in the areas of fit and proper, contribution and performance, calibre and personality.

The Nomination Committee also undertakes annual assessment of the independence of the independent directors based on required mix skills, criteria of independence as per requirements of MMLR, meeting attendance, ability to ensure effective checks and balances on the Board's decision making process, constructively challenge business propositions and contributes to the development of business strategy and direction of the Company, ensures that adequate systems and controls to safeguard the interests of the Company are in place and continuous updating of knowledge and enhancing of skills through attendance of business related trainings.

The Company has adopted the Fit and Proper Policy on 30 May 2022. When considering new appointment as well as Directors who are seeking for re-election as Director in the Company, the Nomination Committee shall evaluate the balance of skills, knowledge and experience on the board. In identifying suitable candidates, the Committee should consider the following fit and proper criteria of the candidates:-

- (i) Character and Integrity
- (ii) Experience and Competence
- (iii) Time and Commitment

The Company has conducted the fit and proper assessment on 26 February 2025 on Directors who were proposed for re-election at the Twentieth AGM of the Company in accordance with the Fit and Proper Policy. The Nomination Committee is satisfied with the performance of the retiring directors.

## CORPORATE GOVERNANCE **OVERVIEW STATEMENT (CONT'D)**

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

#### (I) Board Responsibilities (Cont'd)

##### ***Nomination Committee (Cont'd)***

A familiarisation programme, including visits to the Group's business and operations premises and meetings with senior management will be arranged for new Directors to facilitate their understanding of the Group.

The Nomination Committee had met one (1) time during FY2025 and activities of the Nomination Committee are summarized as follows:

- (a) Reviewed and assessed the effectiveness of the Board and the committees of the Board.
- (b) Reviewed and recommended the re-election of Directors who were retiring and seeking for re-election at Twentieth AGM.
- (c) Reviewed and assessed the independence of the Independent Non-Executive Directors.
- (d) Reviewed the terms of office and performance of an Audit Committee and its members.
- (e) Reviewed the Company's performance in addressing the Company's Sustainability or ESG.
- (f) Reviewed and assessed the performance of each individual Directors.
- (g) Reviewed the training needs of Directors for the FY2025.
- (h) Reviewed the existing terms of reference of Nomination Committee and existing Directors' Fit and Proper policy.

##### ***Remuneration Committee***

The Remuneration Committee currently comprises the following members:

<b>Name of Directors</b>	<b>Designation</b>
Lim Chun Thang (Chairman)	Independent Non-Executive Director
Wong Chi Yeng	Independent Non-Executive Director
Lai Fah Hin	Independent Non-Executive Director

The Remuneration Committee consists of three (3) Independent Non-Executive Directors. The Committee is responsible for recommending to the Board the appropriate remuneration of the Executive Directors in all forms to commensurate with the respective contributions of the Executive Directors. The Executive Directors are to abstain from deliberation and voting on the decision in respect of their own remuneration packages.

The remuneration of the Non-Executive Directors is a matter for the Board as a whole and the Director concerned is required to abstain from deliberation and voting on decisions relating to his/her own remuneration. Directors' fees and benefits payable are subject to shareholders' approval at the forthcoming AGM.

#### (II) Board Composition

The Company is led and managed by a well-balanced Board which consists of members with a wide range of business, technical and financial background. The Board is entrusted with the proper stewardship of the Company's resources for the best interest of its shareholders and also to steer the Group towards achieving the maximum economic value. The members of the Board, who have extensive experience and expertise in a wide range of related and unrelated industries, have been selected based on their skills, knowledge and their ability to add strength to the leadership. The business and financial experience of each member of the Board has inevitably contributed to the success in steering the Group towards sustaining its financial performance.

The Board is currently made up of Seven (7) members as follows:

- Three (3) Executive Directors, and
- Four (4) Independent Non-Executive Directors.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

This is in compliance with the one-third requirement for Independent Non-Executive Directors to be appointed to the Board under MMLR. The Nomination Committee and the Board assess the independence of the Independent Non-Executive Directors annually, taking into account the individual Director's ability to exercise independent judgement at all times and to contribute to the effective functioning of the Board. The Nomination Committee and the Board had reviewed and assessed its Independent Non-Executive Directors.

There is a clear division of authority between the Chairman and Executive Directors, to ensure a balance of power and authority. The Independent Non-Executive Directors are independent from Management and have no relationships that could interfere with the exercise of their independent judgement. They play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision making process.

All decisions of the Board are made based on a majority decision and no individual Board member can make any decision on behalf of the Board, unless duly authorised by the Board. As such, no individual or a group of individuals dominate the decision-making process.

#### ***Tenure of Independent Directors***

The Board notes the recommendation of the MCCG on the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director's re-designation as Non-Independent Director.

If the Board intends to retain an Independent Non-Executive Director beyond nine (9) years, it shall justify and seek annual shareholders' approval through a two-tier voting process. Under the two-tier voting process, shareholders' votes will be cast in the following manner at the same shareholders' meeting:

- a) Tier 1: Only the Large Shareholder(s) of the Company votes.
- b) Tier 2: Shareholders other than Large Shareholder(s) votes.

At the forthcoming 21<sup>st</sup> AGM, the Company will seek shareholders' approval through a two-tier voting process to retain Ms. Wong Chi Yeng as an Independent Non-Executive Director, as she has served as an Independent Non-Executive Director for more than 9 years since her appointment on 4 January 2017.

#### ***Separation of Roles of Chairman and Group Chief Executive Officer***

The roles of the Independent Non-Executive Chairman and Group Chief Executive Officer are distinct and separate to ensure that there is a balance of power and authority. The Independent Non-Executive Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board.

The Group Chief Executive Officer has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The Group Chief Executive Officer is responsible to ensure due execution of strategic goals, effective operations within the Group, and to explain, clarify and inform the Board on key matters pertaining to the Group.

#### (III) REMUNERATION

The objective of the Company's policy on Directors' remuneration is to attract and retain the appropriate Directors of their caliber to run the Group successfully. In general, the remuneration is structured so as to link rewards to corporate and individual performance, as in the case of the Executive Directors and senior management. As for the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken individually by the Director concerned.

While the Board has formalised its remuneration policies, it is the policy of the Company and the Group that all Executive Directors and Senior Management are remunerated based on the Group's performance, market conditions and their responsibilities whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience, level of responsibilities assumed in the Board Committees and the Board, their attendance and/or special skills and expertise they bring to the Board. This policy is available on the Company's website at [www.jhm.net.my](http://www.jhm.net.my).

The aggregate remuneration paid or payable to all Directors of the Company during FY2025 is listed on a named basis with the detailed remuneration breakdown is available on Practice 8.1 of CG Report.

The disclosure on the remuneration of Senior Management in relation to Practice 8.2 of MCCG are provided in the CG Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

#### (I) Audit Committee and Risk Management Committee

The Board has established an effective and independent Audit Committee. The members of the Audit Committee comprise fully Independent Non-Executive Directors and the Chairman of the Audit Committee is not the Chairman of the Board. With the present composition structure and practice, the Audit Committee is able to objectively review and report its findings and recommendations to the Board.

A summary of the activities of the Audit Committee during the financial year are set out in the Audit Committee's Report on pages 69 to 71 of this Annual Report.

The Audit Committee discusses the nature and scope of audit and reporting obligations with the external auditors before commencement of audit engagement. It is also the practice of the Audit Committee to respond to auditors' enquiries and recommendations, if any, to ensure compliance with various approved accounting standards in the preparation of the Group's financial statements.

The Audit Committee is empowered by the Board to review all issues in relation to appointment and re-appointment, resignation or dismissal of external auditors. The Audit Committee has also assessed the suitability and independence of the external auditors. The external auditor attends Audit Committee meetings when necessary and have direct access to the Audit Committee and Internal Auditors for independent discussion.

The external auditors met with the Audit Committee twice in the FY2025 without the presence of the Executive Directors, with the purposes of finalising the Group's audited financial statement and approving the audit planning memorandum. The external auditors have confirmed that they are independent throughout the conduct of audit engagement in accordance with terms of professional and regulatory requirements.

#### (II) Risk Management and Internal Control Framework

The Board affirms the importance of maintaining a sound system of internal controls and risk management practices for good corporate governance. In order to enhance consistency within the Group, the Board has appointed an external consultant to provide professional services for internal control assessment and to carry out internal audit functions for the Group.

The Statement on Risk Management and Internal Control set out on pages 66 to 68 of this Annual Report provides an overview of the state of internal control within the Group.

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

#### (I) Communication with Stakeholders

The Group acknowledges the importance of timely dissemination of information to shareholders and accordingly, ensures that they are well informed of any major developments of the Group. Such information is communicated through:

- Announcements and corporate disclosure to Bursa Securities that are available on the website [www.bursamalaysia.com](http://www.bursamalaysia.com);
- Company website at [www.jhm.net.my](http://www.jhm.net.my) provides corporate information on the Group; and
- Annual Report of the Company.

#### (II) Conduct of General Meetings

The AGM is the principal forum for dialogue with all shareholders and the Board encourages shareholders to attend and participate in the AGM. Shareholders are provided with an opportunity to enquire about the Group's activities and prospects as well as to communicate their expectations and concerns. Shareholders are also encouraged to participate in the question and answer session.

In compliance with the MMLR, all resolutions set out in the notice of any general meeting or notice of resolution will be voted by the poll.

## CORPORATE GOVERNANCE **OVERVIEW STATEMENT (CONT'D)**

### **PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)**

#### **(II) Conduct of General Meetings (Cont'd)**

A copy of the Annual Report and the notice of the AGM are sent to all shareholders at least 28 days before the AGM. The notice of the AGM is also published in a nationally circulated daily newspaper. The Board is available to respond to shareholders' questions during the meeting. Where appropriate, the Board will undertake to provide written answers to any questions that cannot be readily answered at the meeting.

Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

Shareholders are also informed of and invited to attend any Extraordinary General Meetings through circulars and notices of meetings.

#### **Statement of Compliance with Corporate Governance**

The Company is committed to achieve high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings. The Board considers that it has complied substantially with the principles and recommendations as stipulated in the MCCG throughout FY2025.

This statement is made in accordance with the resolution of the Board of Directors dated 24 April 2026.

## SUSTAINABILITY STATEMENT

### CORPORATE SUSTAINABILITY STATEMENT

The Board of Directors is pleased to present the Sustainability Statement of the Group, which has been prepared based on the Bursa Malaysia Securities Berhad Sustainability Reporting Guide and toolkits.

Sustainability in the context of this Statement is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

To sustain its operations for the long term, the Board recognizes that sustainable development is an important and integral part of the pursuit of value creation for shareholders, employees, customers and society at large. In this regard, the Board is responsible for setting the Group's sustainability strategies. In fact, sustainability practices are embedded in the Group's day to day operations. In this report, the Board has set the key elements of the Group's practices with respect to economic, environmental and social sustainability matters.

#### A. STATEMENT OF ASSURANCE

In strengthening the credibility of our reporting, selected parts of this Sustainability Statement have been subjected to an internal review by the company's internal auditors and has been approved by the Company's Audit Committee.

Subject Matters covered are as per performance Data Table generated from the ESG Reporting Platform set out on pages 58 to 65 of this Annual Report.

#### B. GOVERNANCE STRUCTURE

The Group is presently at Phase 2 of the governance structure as prescribed by the Bursa Malaysia Sustainability Reporting Guide. The governance structure for the Group's Sustainability is as per below.



#### SCOPE

This Sustainability Statement covers the following subsidiaries of the Group:

- Morrissey Technology Sdn. Bhd. ("MTSB")
- Morrissey Assembly Solution Sdn. Bhd. ("MASSB")
- Morrissey Integrated Dynamics Sdn. Bhd. ("MIDSB")
- Mace Instrumentation Sdn. Bhd. ("MISB")
- JHM Dekai Auto Lighting Sdn. Bhd. ("JDAL")
- Mace Hermetic Components Sdn. Bhd. ("MHC")

In 2025, the Group remains steadfast in its commitment to being a good corporate citizen, consistently fostering responsible business practices across all areas of operations. To drive sustainable growth and deliver long-term value to shareholders, the Group upholds a robust corporate governance framework, integrates environmentally responsible practices, and maintains strong social policies.







# SUSTAINABILITY STATEMENT (CONT'D)

## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

### C. STAKEHOLDERS' ENGAGEMENT

The Board of Directors acknowledges that advancing the Group's sustainability journey requires close collaboration with stakeholders. By actively engaging stakeholders, we identify their key concerns and align our operations with their expectations, ensuring our business practices remain responsible, transparent, and impactful.

To strengthen this engagement, the Group has identified key sustainability stakeholders and continuously seeks to enhance our dialogue and partnerships with them. This approach enables us to align our operations with stakeholder expectations while driving long-term value and sustainable growth.

KEY STAKEHOLDERS	PURPOSE	STAKEHOLDERS' INTEREST	ENGAGEMENT CHANNEL
<b>Shareholders and Investors</b> 	To assist investors in making informed decisions and ensure timely, consistent dissemination of material information, including financial performance, strategic direction, and key business development.	<ul style="list-style-type: none"> <li>• Strong financial performance</li> <li>• Sustainability reporting</li> <li>• Business strategy and expansion plan</li> <li>• Risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Financial announcements</li> <li>• Investor briefing and meetings</li> <li>• Corporate website and investor portal</li> </ul>
<b>Employees</b> 	To promote career development, provide a safe and healthy working environment, and support talent retention.	<ul style="list-style-type: none"> <li>• Employee welfare</li> <li>• Training and Development</li> <li>• Talent development and retention</li> <li>• Career progression</li> </ul>	<ul style="list-style-type: none"> <li>• Training and learning programmes</li> <li>• Orientation and onboarding programmes</li> <li>• Employee performance self-appraisal</li> <li>• Team building events</li> <li>• Employee Appreciation activities</li> </ul>
<b>Customers</b> 	To strengthen market integrity, improve product quality and customer service, and build long-term relationships.	<ul style="list-style-type: none"> <li>• Operational matters</li> <li>• Customers' satisfaction</li> <li>• Value-added services and products</li> </ul>	<ul style="list-style-type: none"> <li>• Customer feedback survey</li> <li>• Face-to-face meetings</li> <li>• Annual operation audits</li> </ul>
<b>Suppliers</b> 	To drive sustainability across the supply chain and maintain ethical sourcing.	<ul style="list-style-type: none"> <li>• Sustainable practices</li> <li>• Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier/Vendor selection via tender</li> <li>• Code of Conduct questionnaires</li> <li>• Supplier/Vendor performance evaluation</li> <li>• Establish long-term supplier relationships</li> <li>• Supplier training</li> </ul>
<b>Government and Regulators</b> 	To comply with applicable laws and regulations across all operations.	<ul style="list-style-type: none"> <li>• Regulatory compliance</li> <li>• Annual reporting</li> <li>• Sustainability reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Membership in industry associations such as Federation of Malaysian Manufacturers (FFM) and Malaysia Semiconductor Industry Association (MSIA)</li> <li>• Annual audit performed by relevant authorities</li> <li>• Regular reporting and submissions</li> <li>• Participation in government-led programmes and initiatives</li> </ul>
<b>Local Communities</b> 	To support economic, environmental, and social development in local communities.	<ul style="list-style-type: none"> <li>• Financial contributions and non-financial contributions</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Social Responsibility programmes</li> <li>• Donations to schools, hospitals and organisations</li> <li>• Fundraising activities</li> <li>• Community initiatives</li> </ul>

## SUSTAINABILITY STATEMENT (CONT'D)

### CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

#### D. MATERIAL SUSTAINABILITY MATTERS

The Group's core businesses are primarily involved in the design, manufacturing and assembling of electronic components, precision metal parts and mechanical products. These operations require the employment of significant workforce.

The Group conducts its operations with minimal environmental impact. Our processes do not release harmful emissions into the air or discharge hazardous effluent into the drainage system. Industrial waste generation is low, and by-products such as metal scraps from the manufacturing of precision metal parts and components are fully recyclable, reducing the amount sent to landfill.

Sustainability matters refer to risks and opportunities arising from the economic, environmental and social (EES) impacts of the Group's operations and activities. Sustainability matters are considered material if they:

- (i) reflect the Group's organisation's significant EES impacts; or
- (ii) substantively influence stakeholders' assessment and decisions.

Our sustainability matters are categorised under four (4) ESG Pillars:

- 1) Economic – ensuring sustainable financial growth and responsible governance.
- 2) Environment – minimising environmental impacts through efficient operations and recycling initiatives.
- 3) Workplace – fostering a safe, inclusive, and supportive working environment.
- 4) Social – contributing positively to the communities and stakeholders we serve.

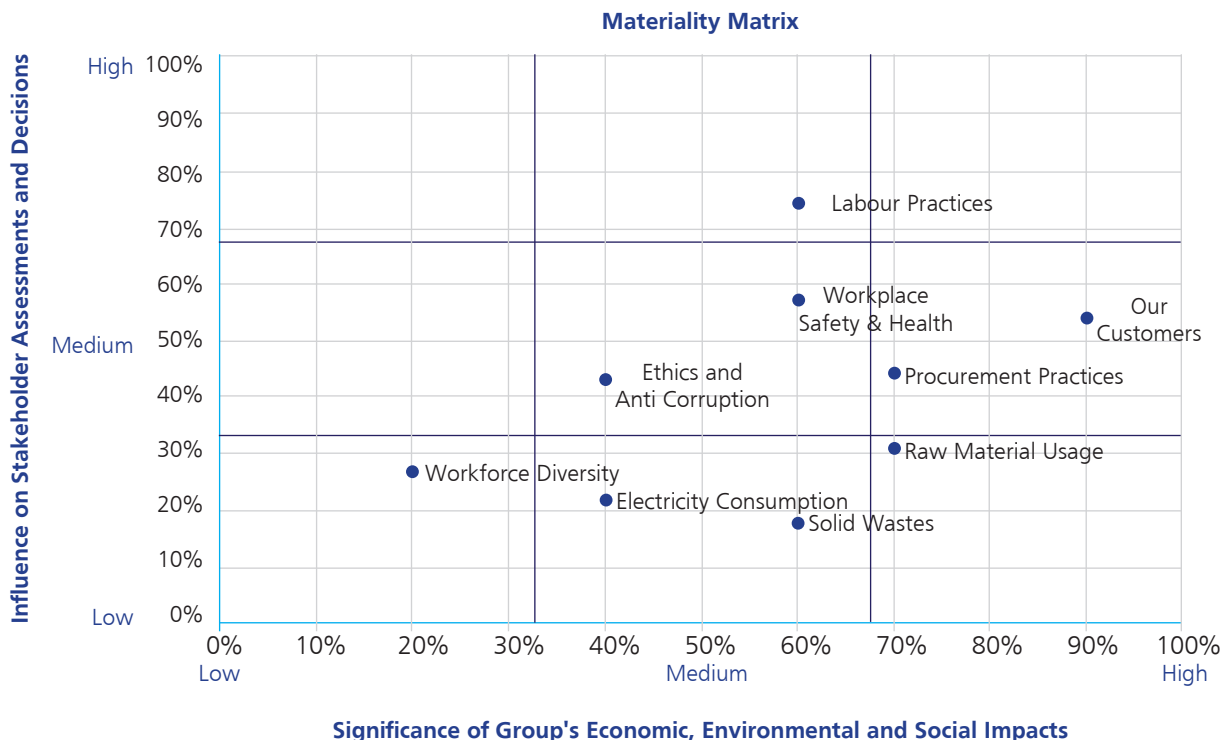
To demonstrate our commitment towards sustainable development, each pillar is integrated throughout our business value chain.

#### **Materiality Matrix**

A materiality assessment is essential for identifying and prioritising sustainability matters that can affect the Group and its stakeholders. In FY2025, our Group conducted the materiality assessment by engaging with both internal and external stakeholders. The outcome of this engagement is presented in the Materiality Matrix below, highlighting the prioritised Material Sustainability Matters based on two key dimensions:

- Significance of Impact on the Group's EES performance
- Level of Influence on Stakeholders' assessments and decisions

The Materiality Matrix guides the Group's ESG initiatives, disclosure practices, and resource allocation, ensuring that efforts are focused on areas of greatest relevance and impact. The Group will continue to review and update the assessment regularly to address emerging risks, opportunities, and stakeholder expectations.



# SUSTAINABILITY STATEMENT (CONT'D)

## ESG STATEMENT

### D. MATERIAL SUSTAINABILITY MATTERS

#### United Nation’s Sustainable Development Goals ("UN SDGs")

The UN SDGs provide a global framework agreed upon by 193 UN member states to address the world’s most pressing challenges by 2030. Comprising 17 interlinked goals, the SDGs aim to promote a more sustainable, inclusive, and equitable future for all.

Our Group is committed to supporting and integrating the SDGs into our sustainability initiatives. We embed these goals into our organisational culture and business operations, making them a fundamental component of our strategy to achieve long-term sustainability.

The overview of the Group’s sustainability initiatives, aligned with our ESG pillars and key focus areas, is presented below:









ESG Pillars	Focus Areas	Our response
<p><b>Economic</b></p> <ul style="list-style-type: none"> <li>Corporate Governance and Ethics Practices</li> <li>Customer Satisfaction</li> <li>Product Quality</li> <li>Industry 4.0 journey</li> <li>Innovation and automation</li> <li>Supply Chain Management</li> </ul> 	<ul style="list-style-type: none"> <li>➤ Good corporate governance framework, environmentally responsible practices and sound social policies</li> <li>➤ Ensure high quality products and communicate with customer engagement with various feedback channels</li> <li>➤ Engage employees on Code of Business Conduct and Ethics</li> <li>➤ Engage suppliers on Social Responsibility Policy i.e. Supplier Code of Conduct</li> <li>➤ Prioritise purchase from local suppliers</li> </ul>	<ul style="list-style-type: none"> <li>➤ Uphold strong corporate governance framework</li> <li>➤ Established Code of Conduct and Whistle Blowing Policy</li> <li>➤ Established Anti-Bribery and Anti-Corruption Policy and provided training for all employees</li> <li>➤ Zero cases reported for non-compliance with regulatory requirement</li> <li>➤ Deliver quality products and value-added services</li> <li>➤ Communicate with all new suppliers to acknowledge and sign off our Supplier Code of Conduct - Social Responsibility Policy</li> <li>➤ Conduct annual performance evaluation on key suppliers</li> <li>➤ Invest in digitalisation and automation</li> <li>➤ Implement risk assessments and contingency planning for operational resilience</li> <li>➤ Increased number of local suppliers and spending on local sourcing</li> </ul>
<p><b>Environment</b></p> <ul style="list-style-type: none"> <li>Climate Change and Energy Management</li> <li>Conservation and Preservation</li> <li>Water Management</li> <li>Waste Management</li> <li>Biodiversity</li> <li>Circular Economy Initiatives</li> </ul> 	<ul style="list-style-type: none"> <li>➤ Optimise energy consumption</li> <li>➤ Conserve and preserve environment</li> <li>➤ Comply with local environmental regulations</li> <li>➤ Preserve biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>➤ Uses high energy-efficient light emitting diode (LED) lighting</li> <li>➤ Metal scraps generated from the production are fully recyclable</li> <li>➤ Use recyclable materials for packaging</li> <li>➤ Fully compliant with the Environmental Quality Act 1994 ("EQA")</li> <li>➤ Avoid environmentally harmful raw materials.</li> <li>➤ Practices 4R (Reduce, Replace, Reuse and Recycle)</li> <li>➤ Selected manufacturing facilities diligently in designated industrial zones</li> <li>➤ Track carbon footprint and implement reduction strategies</li> </ul>

## SUSTAINABILITY STATEMENT (CONT'D)

### ESG STATEMENT (CONT'D)

#### D. MATERIAL SUSTAINABILITY MATTERS (CONT'D)

##### United Nation's Sustainable Development Goals ("UN SDGs") (Cont'd)

ESG Pillars	Focus Areas	Our response
<b>Workplace</b> <ul style="list-style-type: none"> <li>Workforce diversity</li> <li>Talent Development and Retention</li> <li>Human Rights</li> <li>Workplace Safety and Health</li> <li>Employee Well-being</li> </ul>      	<ul style="list-style-type: none"> <li>Equal career opportunity for all employees</li> <li>Employee engagement and enhancement</li> <li>Practice gender neutrality in hiring practices</li> <li>Provide career development and training programmes</li> <li>Fully compliant with human and labour rights</li> <li>Safe and healthy workplace</li> </ul>	<ul style="list-style-type: none"> <li>All employees completed performance reviews and self-assessment</li> <li>Increase the employment of female employees (2025: 49%; 2024: 37%) in the workforce</li> <li>Completed a total of 96,442 training hours: an average of 65 hours per employee</li> <li>No cases reported for violation of human rights i.e. forced labour or child labour.</li> <li>No penalty due to non-compliance with OSHA.</li> <li>Provide health checking and safety programmes</li> </ul>
<b>Social</b> <ul style="list-style-type: none"> <li>Contribution to the Community</li> <li>Internship Programmes</li> <li>Stakeholder Engagement</li> </ul>  	<ul style="list-style-type: none"> <li>Responsible support for local communities through CSR initiatives</li> <li>Financial and non-financial contributions to local communities</li> <li>Develop internship programme to improve students' employability</li> </ul>	<ul style="list-style-type: none"> <li>CSR initiatives contributed RM157,000 to various organisations.</li> <li>4 interns were hired</li> <li>Supporting community healthcare and social welfare</li> </ul>

#### ESG Recognition



The Group is committed to upholding high standards of ESG practices across all aspects of its operations. Our sustainability efforts are guided by principles that ensure responsible business conduct, environmental stewardship, and positive social impact. In recognition of our ESG initiatives, the Group was included in the following indices in December 2025:

- FTSE4Good Bursa Malaysia (F4GBM) Index – recognising companies that demonstrate strong ESG practices in line with global responsible investment standards.
- FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index – recognising companies that meet ESG standards and Shariah-compliance requirements.

These inclusions reflect the Group's commitment to transparency, accountability, and sustainable value creation for all stakeholders. Guided by our core values and aligned with the SDGs, the Group will continue to embed ESG considerations into its business strategy to address environmental and social challenges, while ensuring alignment with global sustainability benchmarks and stakeholder expectations, and delivering sustainable long-term value. Moving forward, the Group will further strengthen its ESG strategies, enhance our sustainability initiatives, and strive to contribute meaningfully to a more sustainable and resilient future.

## SUSTAINABILITY STATEMENT (CONT'D)

### ECONOMIC

The Group remains committed to creating sustainable long-term value for its stakeholders, including customers, suppliers, shareholders, employees, business partners, and the wider community. Sustainability considerations are embedded into our business operations through the cultivation of strong stakeholder relationships and the prudent optimisation of resources to support responsible growth and economic contribution.

As an Electronics Manufacturing Services (EMS) provider with vertically integrated electronics and mechanical assembly capabilities, the Group plays a vital role within the Electrical and Electronics ("E&E") supply chain. The Group provides integrated electronics and mechanical engineering service provider, delivering one-stop solutions to diverse range of industries including automotive, semiconductor and aerospace. Leveraging our strategic position within the E&E ecosystem, the Group contributes to strengthening Malaysia's competitiveness as a manufacturing hub while delivering sustainable value across the global supply chain.

Guided by a strong governance framework, the Group upholds high standards of integrity, transparency, and ethical conduct in all aspects of its operations. Our corporate governance practices are supported by well-established policies, internal controls, and organisational structures to ensure accountability, effective risk management, and sound decision-making.

Customer satisfaction remains a core priority to our business sustainability. The Group maintains continuous engagement with customers through structured communication channels and feedback mechanisms to ensure expectations are consistently met in terms of product quality, delivery performance, and service reliability.

#### (1) Corporate Governance and Ethics Practices

The Group maintains a strong corporate governance framework underpinned by sound ethical principles, responsible business practices, and effective oversight mechanisms. These key elements form the foundation of our sustainability approach, enabling the Group to achieve long-term growth while safeguarding stakeholder interests.

All employees are required to adhere to the Group's established policies and procedures including the Code of Conduct, Anti-Bribery and Corruption Policy and Whistleblowing Policy. These policies are made available on our corporate website. All these policies are communicated during employee onboarding and remain accessible for continuous reference to promote a culture of integrity and accountability. The Group will continue to strengthen our governance frameworks and regularly review our policies to ensure alignment with applicable regulatory requirements and international best practices

The Board is supported by established committees with defined terms of reference to ensure the effective discharge of its duties:

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

The Audit Committee and Risk Management Committee comprises entirely Independent Non-Executive Directors and operates with independence in reviewing financial reporting, internal controls, and risk management matters.

The Nomination Committee, consisting wholly of Independent Non-Executive Directors, is responsible for Board appointments and evaluations. It assesses Board effectiveness across key areas, including composition, quality of decision-making, and Boardroom practices, as well as the competencies and performance of individual Directors.

The Remuneration Committee, comprising Independent Non-Executive Directors, reviews and recommends remuneration packages to ensure alignment with performance and responsibilities.

In accordance with the Company's Constitution, all Directors, including the Managing Director, are subject to retirement by rotation at least once every three (3) years, and are eligible for re-election, ensuring accountability and ongoing Board renewal.

## SUSTAINABILITY STATEMENT (CONT'D)

### ECONOMIC (CONT'D)

#### (1) Corporate Governance and Ethics Practices (Cont'd)

##### **Code of Conduct**

The Code of Conduct outlines the standards of business conduct and ethical behaviour expected of all Directors, senior management, and employees of the Group. It serves as a guide for ethical and legal conduct in the performance of their duties and responsibilities, whether acting on behalf of the Group or representing it in any capacity.

All employees, including Directors and senior management, are required to comply with the Code, which reflects the Group's commitment to integrity, objectivity, and fairness. This commitment is closely aligned with our core values — Sincerity, Integrity, and Responsibility. By consistently upholding these ethical standards, the Group continues to foster public confidence and strengthen trust in its governance and business operations.

The Board periodically reviews and evaluates the adequacy of the Code of Conduct to ensure its continued relevance and effectiveness. Directors are required to complete the Conflict-of-Interest and Related Party Transactions Declaration Form on an annual basis and/or as necessary.

For FY2025, there were no reported cases of non-compliance with the Code of Conduct.

##### **Anti-Bribery and Corruption Policy**

The Group adopts a zero-tolerance approach towards fraud, bribery and corruption and is committed to conducting business with integrity and transparency. Oversight of anti-corruption measures is undertaken at the Board level to ensure effective implementation and compliance.

The Group's Anti-Bribery and Corruption Policy outlines our principles and responsibilities in preventing unethical conduct and applies to all employees as well as business partners. Training is conducted for all employees to enhance awareness, and all suppliers are required to acknowledge and sign the Group's Anti-Bribery and Corruption Policy and Social Responsibility Policy and expected to comply with the Group's ethical standards.

For FY2025, there were no reported incidents of corruption or breaches of Anti-Bribery and Corruption Policy. During the year, no employees were disciplined or dismissed for non-compliance with ethical business conduct. The Group remains committed to maintaining this positive record and will continue to uphold the highest standards of integrity and business ethics across all levels of the organisation.

##### **Whistleblowing Policy**

The Group has established a Whistleblowing Policy to provide a formal channel for reporting suspected misconduct, unethical behaviour, or violations of policies. The policy applies to both internal and external stakeholders.

Reports can be submitted in writing via email to the Group, all reports are handled with strict confidentiality with highest level of sensitivity, and whistleblowers are protected against retaliation. The Group is committed to ensuring that all concerns are addressed in a fair, transparent, and timely manner.

For FY2025, there were no whistleblowing cases reported.

#### (2) Customer Satisfaction

Customer satisfaction is a key driver of the Group's sustainability and long-term success. We are committed to delivering high-quality, value-added engineering solutions that meet customer requirements across the product lifecycle, from design and development to manufacturing and assembly.

The Group integrates Design for Manufacturing (DFM) principles at the early stages of product development to enhance manufacturability, cost efficiency, and product quality. Continuous engagement with customers throughout the development process ensures alignment with specifications and expectations.

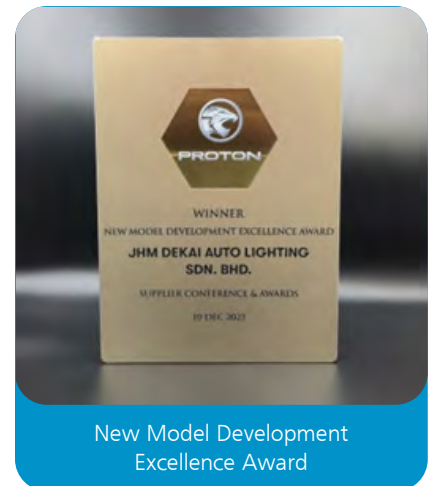
## SUSTAINABILITY STATEMENT (CONT'D)

### ECONOMIC (CONT'D)

#### (2) Customer Satisfaction

We continuously invest in technological innovation and process improvements to enhance operational efficiency, strengthen our technical capabilities, and remain competitive in meeting evolving customer demands. In addition, employee training and development programmes are implemented to ensure our workforce remains competent and capable of delivering high standards of performance. Customer feedback is actively sought through regular engagement and annual satisfaction surveys, enabling the Group to identify areas for improvement and strengthen long-term customer relationships.

In FY2025, one of the Group’s subsidiaries has received an “Development Excellence Award” from a local automotive customer, in recognition of our outstanding performance in supporting its new automotive projects. This award underscores the Group’s strong commitment to customer satisfaction, particularly in meeting critical project timelines, providing end-to-end technical support, and ensuring seamless coordination across design, prototyping, and production phases. By consistently delivering high-quality solutions and fostering collaborative relationships, the Group strengthens stakeholder confidence, reinforces long-term partnerships, and contributes to sustainable economic growth within the communities and industries we serve.



#### Product Quality

The Group is committed to delivering products and services that meet customer requirements and applicable regulatory standards. This is supported by stringent quality assurance and control processes, as well as continuous improvement initiatives across our operations. Our focus on consistency in delivering products of high and acceptable quality ensures that our products meet the highest standards, minimizing waste and avoiding unnecessary costs related to product returns. Our commitment to quality is underpinned by the Group’s Quality Policy, which serves as a guiding framework to achieve our quality objectives and reaffirms our dedication to meeting customer satisfaction as our key focus.

The Group monitors product quality performance across its subsidiaries using Defective Parts Per Million (DPPM) and Part Return Rate metrics, with defined internal targets to ensure consistent quality standards and continuous improvement. For FY2025, the average return rate from customers was as follows:

Subsidiary	Average DPPM/Part Return Rate	Target DPPM/Part Return Rate
MTSB	Part Return Rate: 0.06%	Part Return Rate: 0.1%
MASSB	DPPM: <1	DPPM: 50
MISB	Part Return Rate: 0.4%	Part Return Rate: 3%

*DPPM - Defective Parts Per Million*

*Part Return rate – Defective Return Material Authorization (RMA) quantity returned by customer vs total delivery quantity (based on parts)*

The Group emphasises consistency in product performance, timely delivery, and responsiveness to customer needs. These efforts enable us to build long-term partnerships, enhance customer trust, and maintain a strong market position within the automotive and semiconductor industry. Through our focus on quality and operational excellence, the Group continues to drive sustainable economic value creation, contributing positively to financial performance while delivering consistent value to stakeholders.

In FY2025, one of our Group’s subsidiaries received an “Outstanding Quality” award from a global automotive customer in the United States. This recognition underscores the Group’s strong commitment to delivering high-quality products and responsive services that consistently meet or exceed customer expectations. By upholding rigorous quality standards and promptly addressing customer needs, the Group reinforces stakeholder trust, strengthens long-term partnerships, and contributes to sustainable economic growth across our global markets.



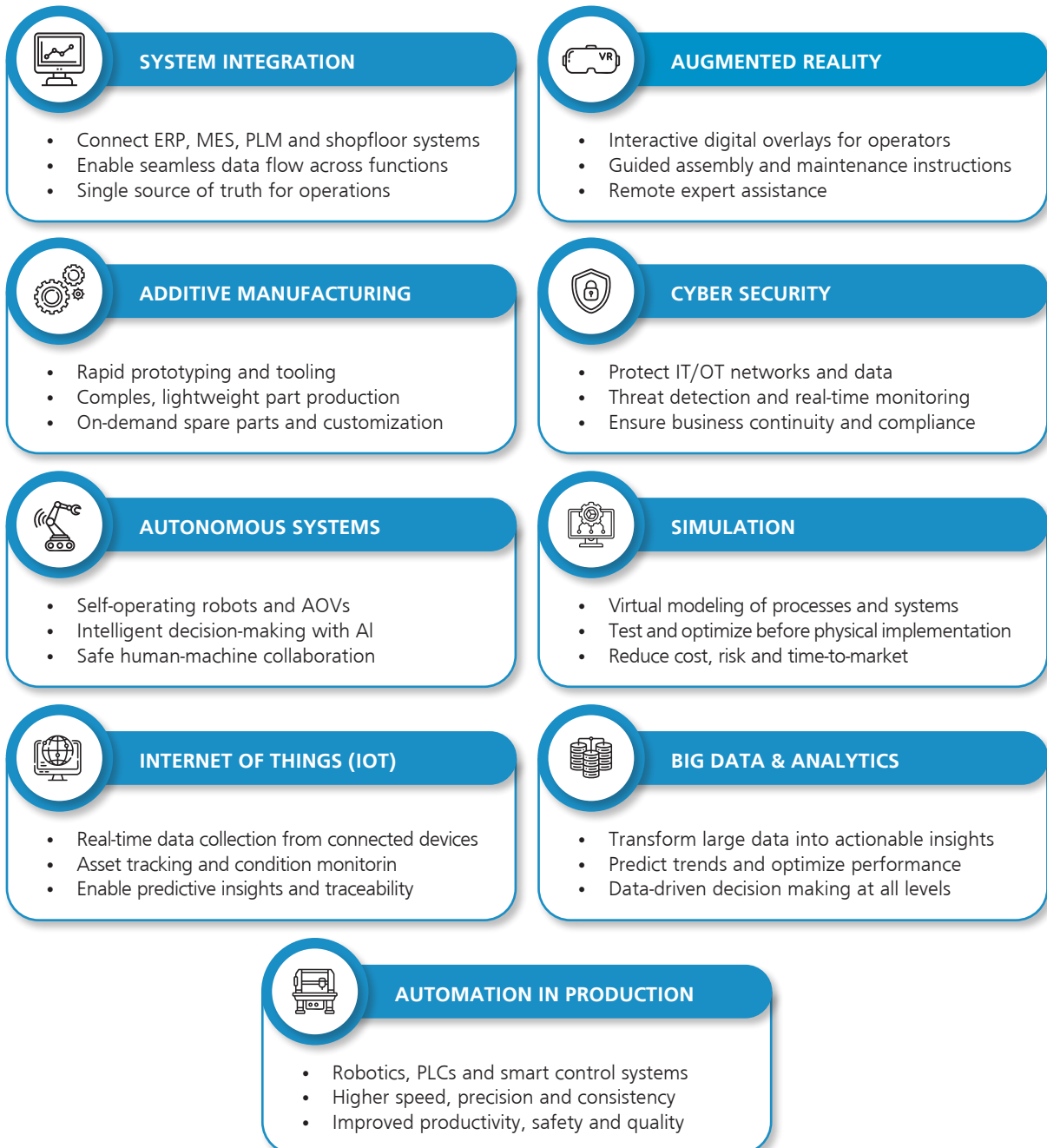
## SUSTAINABILITY STATEMENT (CONT'D)

### ECONOMIC (CONT'D)

#### (3) Industry 4.0 journey

The Group is committed to sustainable growth through the adoption of Industry 4.0 technologies, strengthening operational excellence, stakeholder value, and long-term competitiveness. Our digital transformation leverages smart automation, artificial intelligence, machine learning, and real-time connectivity to optimise production efficiency, reduce waste, and improve resource utilisation.

The Group's Industry 4.0 roadmap is anchored on nine (9) Technology Advancement Pillars, with System Integration serving as the foundation to enable seamless communication across machines, processes and digital systems. This integration supports real-time data synchronisation across the operations, enabling timely decision-making, cost optimisation and effective resource utilisation. It further enhances operational visibility, process traceability and data-driven decision-making, which are critical enablers of sustainable operational performance.



## SUSTAINABILITY STATEMENT (CONT'D)

### ECONOMIC (CONT'D)

#### (3) Industry 4.0 journey (Cont'd)

In line with the Group's commitment to Industry 4.0 transformation and guided by lean operations principles, the Group continues to invest in advanced technologies and equipment to drive cost efficiency, productivity, and environmentally responsible manufacturing. During the year, the Group invested in new state-of-the-art SMT machines and sheet metal fabrication equipment to expand production capabilities and capacity, while further enhancing test and assembly capabilities with new equipment. As part of our continuous workforce upskilling initiatives, the Group has provided selected employees with opportunities to attend local or overseas training programmes focused on new technologies and advanced technical capabilities.

The Group has undertaken progressive upgrade of our Enterprise Resource Planning ("ERP") system from SAP version 9 to version 10, strengthening our digital backbone to support real-time, data-driven operations. The enhanced system enables seamless integration between SAP and Manufacturing Execution System ("MES"), improving operational visibility, decision-making accuracy, and overall operational efficiency. Through ongoing system integration, the ERP platform enables centralised and digitalised data capture, improving data consistency, traceability and accessibility, while enhancing the overall efficiency of operational monitoring and reporting. Complementing this initiative, the Group has implemented a barcode-based traceability system across key manufacturing processes, whereby each component and product is scanned and verified at every stage of production prior to progression. This end-to-end traceability framework establishes a digital record of product genealogy, enhances quality control, and ensures greater transparency and accountability throughout the manufacturing lifecycle. To safeguard digital infrastructure, the Group has continuously upgraded our cybersecurity infrastructure through firewall upgrades to ensure the resilience of its operations.

#### Innovation and Automation

The Group has also invested in two units of Automated Guided Vehicles ("AGVs") for deployment within our SMT operations. This optimises internal material handling by automating logistics, ensuring an efficient material flow while reducing reliance on manual handling and minimising non-value-added activities. This enhances line utilisation, improves operational efficiency, and supports the Group's transition towards an integrated smart factory environment.

As part of our continuous Industry 4.0 journey, the Group will further enhance its digital and automation capabilities. Planned initiatives include the implementation of a warehouse management system to improve inventory control and warehouse efficiency, as well as the deployment of additional robotic arms and cobots for assembly processes, and the automation of welding and spray processes. These advancements are expected to minimise human error, improve precision and further enhance overall production efficiency.

Collectively, these initiatives reinforce the Group's transition towards smart manufacturing by enabling real-time data capture, system integration, and process automation. The Group's ongoing focus on technology integration and process optimisation enables more efficient workflows, improved resource utilisation and reduced waste. These efforts not only strengthen our operational competitiveness but also contribute towards reduce waste, lower energy consumption and support broader sustainability targets. These efforts support long-term value creation through enhanced productivity, improved governance via data transparency and traceability, and environmentally responsible manufacturing practices.

#### (4) Supply Chain Management

The Group supports long-term economic sustainability by strengthening supply chain resilience, enhancing operational efficiency and creating value across the electronics and mechanical ecosystem. Through a vertically integrated manufacturing model, end-to-end solutions are delivered to optimise resource utilisation, improve cost efficiency and ensure consistent product quality in meeting stringent customer specifications. As the Group primarily serves global automotive and industrial customers, our supply chain integrates local supply chains into international markets, contributing not only to broader industry development and national economic progress but also enabling sustainable value creation beyond immediate stakeholders.

The Group focuses on localisation sourcing strategy to support domestic economic development, strengthen supplier capabilities and enhance supply chain responsiveness. Increased purchase with local suppliers contributes to shorter lead times, reduced logistics-related emissions and improved cost efficiency, while supporting local employment and industry growth. However, some procurement flexibility is guided by customer requirements, particularly for key electronic components. Certain global customers mandate sourcing from designated foreign suppliers under long-term agreements to ensure pricing competitiveness, quality consistency and supply reliability. These arrangements form part of established global sourcing strategies and are necessary to meet contractual and technical specifications. The Group remains committed to support local suppliers and continue to engage proactively with our customers to identify areas where local sourcing alternatives may be considered in the future, without compromising on quality and cost.

## SUSTAINABILITY STATEMENT (CONT'D)

### ECONOMIC (CONT'D)

#### (4) Supply Chain Management

For FY2025, the Group's procurement mix between local and foreign suppliers is as shown below:

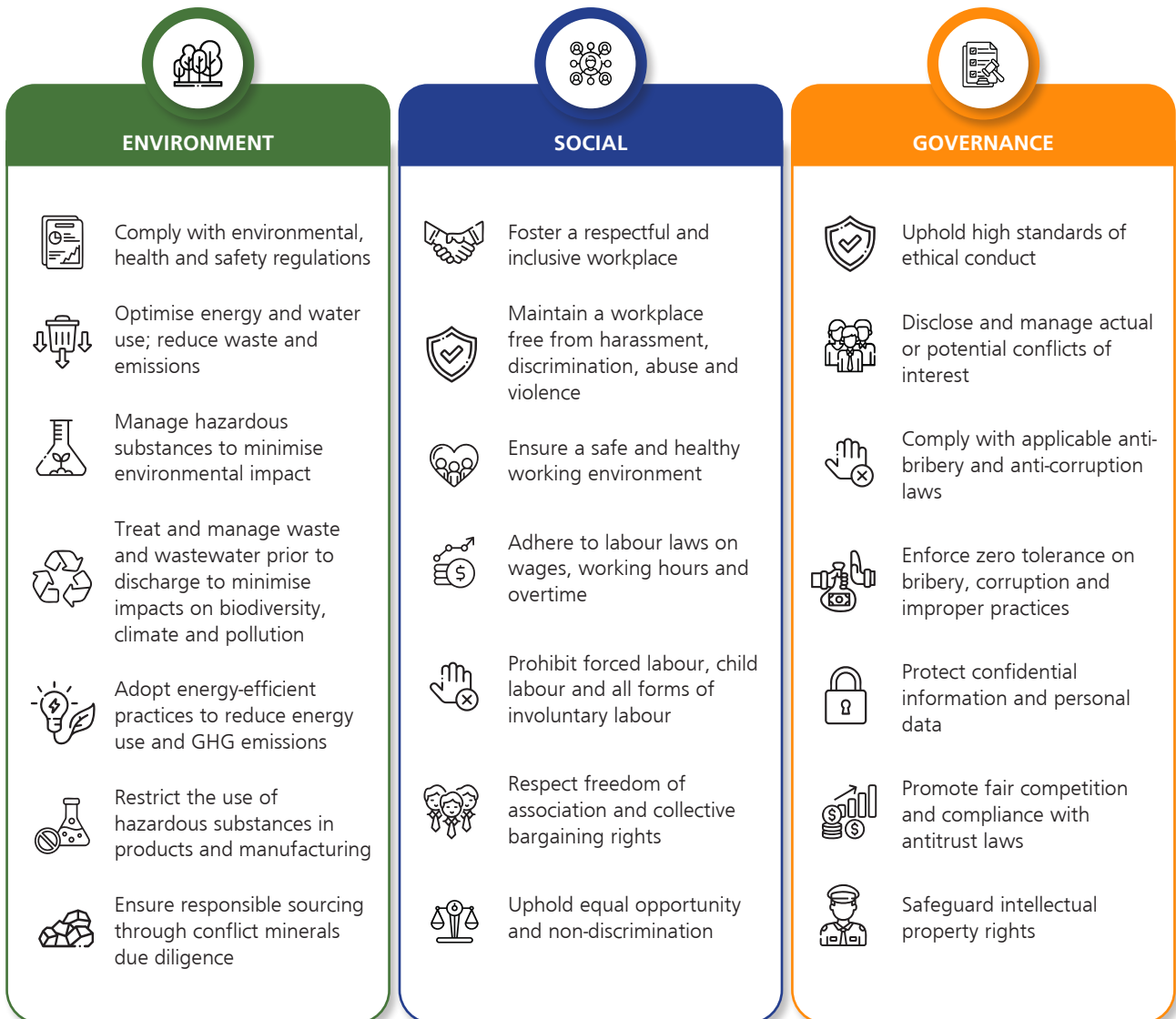
By procurement amount	FY2023*	FY2024*	FY2025
% of local suppliers	23%	22%	22%
% of foreign suppliers	77%	78%	78%

\* Restated

Increase in local sourcing activities in FY2025 remained limited, primarily due to customer-directed procurement requirements and the limited availability of specialised components within the local supply market. Nonetheless, the Group continues to identify opportunities to expand local sourcing activities without compromising quality, cost or delivery performance.

#### Supplier Code of Conduct (Social Responsibility Policy)

To uphold responsible supply chain practices, a Supplier Code of Conduct (Social Responsibility Policy) has been established, setting out minimum standards for all suppliers and business partners. Our environmental, social and corporate governance standards, outlined within the Social Responsibility Policy, make reference to Responsible Business Alliance (RBA) policy, Code of Conduct, Environmental Health and Safety Policy, Conflict Minerals Policy and Supplier Quality Management System.



## SUSTAINABILITY STATEMENT (CONT'D)

### ECONOMIC (CONT'D)

#### (4) Supply Chain Management (Cont'd)

##### Supplier Code of Conduct (Social Responsibility Policy) (Cont'd)

The Group is committed to responsible and sustainable procurement through a structured, fair, and transparent vendor selection and performance evaluation process, governed by established Standard Operating Procedures ("SOP"). Compliance with the Group's Social Responsibility Policy is mandatory for all suppliers. As part of the onboarding process, all new suppliers are required to formally acknowledge and adhere to these standards, ensuring alignment with ESG expectations from the outset of the business relationship.

Procurement activities are reviewed and approved by the relevant internal authorities, aligned with production requirements and inventory levels, ensuring timely delivery and fulfilment of customer commitments. Materials are sourced exclusively from approved vendors that meet the Group's strict procurement guidelines. Our suppliers are expected to adhere to the Group's Procurement Guidelines and Social Responsibility Policy, which outline clear expectations on ethical conduct, human rights and labour standards, business integrity, conflict minerals regulations, and environmental compliance such as REACH and RoHS.

As part of our efforts to uphold quality and responsible sourcing across the supply chain, the Group conducts annual quality audits on key direct material suppliers. The Group's Quality Assurance team evaluates supplier facilities and production processes to ensure alignment with our performance and ESG requirements. The Group actively engages with suppliers to address potential non-compliance risks and drive continuous improvement. In FY2025, the Group successfully conducted annual quality audits on 34 suppliers, reinforcing our commitment to sustainable and responsible supply chain practices.

### ENVIRONMENT

The Group is committed to environmental stewardship and recognises the importance of minimising environmental impact in ensuring long-term sustainable value creation. Our approach focuses on responsible resource management, pollution prevention, and continuous improvement, in alignment with applicable environmental laws, regulatory requirements, and global sustainability frameworks such as the UN SDGs. The Group is committed to minimising environmental impact through the efficient use of resources and responsible management of waste. This includes reducing or eliminating the consumption of water, energy, and raw materials at source through process optimisation, maintenance improvements, materials substitution, and the adoption of conservation, recycling, and reuse practices.

The Group has established an Environmental Policy (available on our corporate website). This Policy reflects our commitment to comply with the requirements of the Environment Management System Standard and Environmental Management System. This framework governs our environmental practices, including policies, processes, and performance monitoring mechanisms to ensure effective environmental management across our operations. We remain committed to complying with all applicable legal and regulatory requirements while continuously enhancing the effectiveness of our Environment Management System. As part of our environmental management approach, we prioritise the efficient use of resources including water and energy and the reduction of waste generation at source. This is achieved through process optimisation, materials substitution, conservation initiatives, and the adoption of recycling and reuse practices. Chemicals and hazardous materials are systematically identified and managed to ensure safe handling, storage, transportation, usage, recycling, and disposal, thereby mitigating potential environmental risks. The Group maintains strict compliance with customer and regulatory environmental requirements, including adherence to the Environmental Quality Act 1994 (EQA) and restrictions on hazardous substances. In FY2025, the Group remained fully compliant with all relevant environmental regulations, with no penalties or non-compliance issues recorded across any of our subsidiaries.

The Group actively integrates low-carbon strategies into its operations to reduce greenhouse gas emissions and energy consumption. Initiatives include the adoption of energy-efficient technologies, and implementation of automation. These efforts not only enhance operational efficiency but also contribute to reducing our overall carbon footprint. Water management remains an important aspect of our environmental strategy. While no major water disruption incidents were recorded during the financial year, the Group continues to monitor water security risks as part of its operational risk management framework. Employee awareness programmes are conducted to promote water conservation practices, encouraging responsible usage and contributing to incremental water savings across our operations.

## SUSTAINABILITY STATEMENT (CONT'D)

### ENVIRONMENT

In terms of waste management, the Group adopts a circular approach by promoting the 4R principles — Reduce, Replace, Reuse, and Recycle. Metal scraps generated from production processes are fully recyclable, while packaging materials are increasingly sourced from recyclable inputs. Our operations generate minimal industrial waste, with only a small proportion directed to landfills. Additionally, our manufacturing processes do not produce harmful air emissions or discharge hazardous effluents into the drainage system.

To further strengthen our ESG performance and reporting capabilities, the Group has participated in Bursa Malaysia's Centralised Sustainability Intelligence ("CSI") platform. This initiative enhances ESG data management, supports carbon emissions tracking, and ensures alignment with evolving sustainability disclosure standards. It also reinforces transparency across our operations and supply chain. The Group conducts regular environmental assessments to evaluate the impact of its activities, products, and services. These assessments support proactive risk management and continuous improvement initiatives, ensuring that environmental considerations remain embedded in our operational decision-making. Overall, the Group remains committed to integrating sustainable environmental practices into its daily operations while working closely with employees, customers, and suppliers to uphold shared environmental responsibilities and deliver long-term sustainable outcomes.

As part of our commitment to environmental excellence, several subsidiaries — MASSB, MTSB, and MDSB — have successfully obtained and maintained ISO 14001 certification from an internationally recognised certification body. MISB is currently progressing towards certification, which is targeted for completion in the second quarter of 2026. MHC and JDAL, being relatively newly established entities, are in the early stages of operational development, will target to pursue ISO14001 in due course as part of the Group's broader environmental management roadmap. These efforts reflect the Group's ongoing commitment to strengthening environmental governance and standardising best practices across all operations.

**OUR SUSTAINABILITY JOURNEY TOWARDS ISO 14001**

**OUR SUSTAINABILITY JOURNEY TOWARDS ISO 14001**

MISB's journey towards ISO14001 certification

## SUSTAINABILITY STATEMENT (CONT'D)

### ENVIRONMENT (CONT'D)

Company	Certifications
MTSB	ISO 9001:2015, ISO 14001: 2015 and IATF 16949: 2016
MASSB	ISO 9001:2015, ISO 14001: 2015, IATF 16949: 2016, ISO 13485:2016
MIDSB	ISO 9001:2015, ISO 14001: 2015, ISO 13485:2016, AS9100D
MISB	ISO 9001:2015
JDAL	ISO 9001:2015
MHC	ISO 9001:2015




- ISO 9001:2015 – Quality Management System
- ISO 14001:2015 – Environmental Management System
- IATF 16949:2016 – Automotive Quality Management System
- ISO 13485:2016 – Medical Devices Quality Management System
- AS9100D – Aerospace Quality Management System

#### (1) Climate Change

The Group recognises climate change as a key sustainability issue that presents both risks and opportunities to our operations.

From a risk perspective, while the Group's manufacturing facilities are not located in areas with significant exposure to extreme weather events such as floods, certain suppliers and subcontractors may be affected during the monsoon season. Such disruptions could impact supply chain continuity and logistics. The Group may be exposed to transition risks, including potential increase in electricity tariffs driven by fuel cost fluctuations, and the need to adapt to evolving technologies that may replace existing equipment and technology which are less efficient.

#### KEY CLIMATE-RELATED RISKS

Type of Risk	Example	Impact	Time Horizon*
 <b>Physical Risk</b>	Extreme weather events such as floods or heatwaves	Impact production and logistics	MT, LT
 <b>Regulatory Risk</b>	Stricter environmental regulations and carbon pricing mechanisms	Influence operational cost structure	MT, LT
 <b>Market Risk</b>	Shifting customer preferences toward low-carbon manufacturing and sustainable sourcing	Decrease sales; Increase production cost	ST, MT, LT

\*ST: Short-Term (0-3 years)    MT: Medium-Term (4-7 years)    LT: Long-Term (>8 years)




At the same time, the Group recognises opportunities arising from the transition towards a low-carbon economy. These include the potential adoption of renewable energy solutions, such as the installation of solar power systems, to progressively reduce GHG emissions. The Group also continues to enhance operational efficiency through process optimisation, automation, and digitalisation initiatives, which contribute to reduced energy consumption and improved productivity.

## SUSTAINABILITY STATEMENT (CONT'D)

### ENVIRONMENT (CONT'D)

#### (1) Climate Change (Cont'd)

##### KEY CLIMATE-RELATED OPPORTUNITIES

Type of Risk	Example	Impact	Time Horizon*
<b>Energy Efficiency</b> 	Investing in renewable energy, process optimization, and waste reduction	Enhance cost efficiency	ST, MT
<b>Sustainable Manufacturing</b> 	Expanding our capabilities in green production and eco-friendly materials	Meet customer demand and increase revenue	ST, MT, LT
<b>Competitive Differentiation</b> 	Strengthening our ESG credentials and access to new markets	Attract global customers seeking responsible manufacturing partner and increase revenue	ST, MT, LT

\*ST: Short-Term (0-3 years)    MT: Medium-Term (4-7 years)    LT: Long-Term (>8 years)

The Group actively monitors developments in global and local climate policies and incorporates relevant considerations into its business strategies. This enables us to respond effectively to regulatory changes while capturing opportunities arising from the transition to a low-carbon economy. Through a balanced approach in managing climate-related risks and capturing sustainability-driven opportunities, the Group remains committed to strengthening operational resilience while supporting long-term sustainable growth. Our proactive approach reflects our commitment to responsible corporate practices while maintaining our competitive position within the EMS industry.

#### Energy Management

The Group recognises energy management as a critical component of operational performance and environmental stewardship. Electricity remains the primary energy source for our manufacturing operations, powering essential machinery and equipment. We acknowledge that disruptions in electricity supply can impact production capacity, underscoring the importance of reliable and efficient energy use. The Group is committed to responsible energy management as part of its broader sustainability strategy. This commitment includes continuous optimisation of energy consumption, improving operational efficiency, and reducing the environmental impact of electricity usage. Our efforts also extend to exploring renewable energy adoption where feasible.

Electricity consumption is reviewed regularly to support data-driven decision-making and continuous improvement in energy performance. In FY2025, total electricity consumption increased, primarily driven by higher sales volumes, increased utilisation of machinery and the inclusion of two additional subsidiaries' manufacturing sites. Notwithstanding the increase in absolute consumption, the Group achieved improved energy efficiency, with total electricity usage relative to revenue at 4% in FY2025 compared to 6% in FY2024. The group's energy intensity ratio (kWh/sq ft) has also shown consistent improvement over the years, reflecting our ongoing efforts to enhance operational efficiency and optimise energy usage across our manufacturing footprint. These improvements are supported by initiatives such as better production planning, efficient machine utilisation and continuous monitoring of energy performance indicators.

These operational requirements highlight the importance of enhancing energy efficiency strategies, particularly in areas with fixed energy loads, and reinforce our commitment to transitioning toward more energy-efficient infrastructure to support long-term sustainability.

Total electricity consumption (MWh)	FY2022	FY2023	FY2024	FY2025 ^
Total	11,709	10,285	10,208	12,362

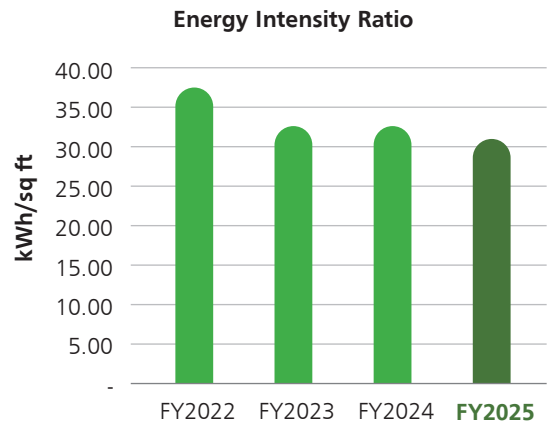
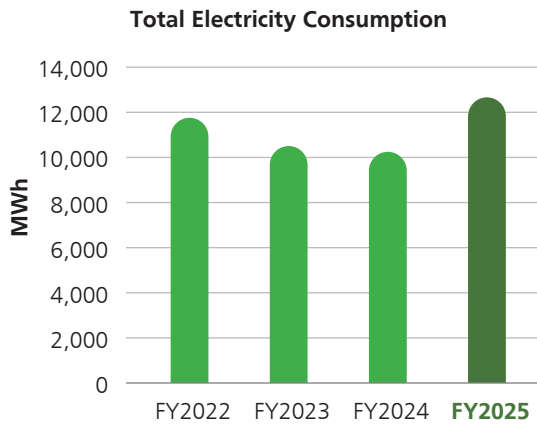
^ Includes 2 additional manufacturing plants - JDAL and MHC

## SUSTAINABILITY STATEMENT (CONT'D)

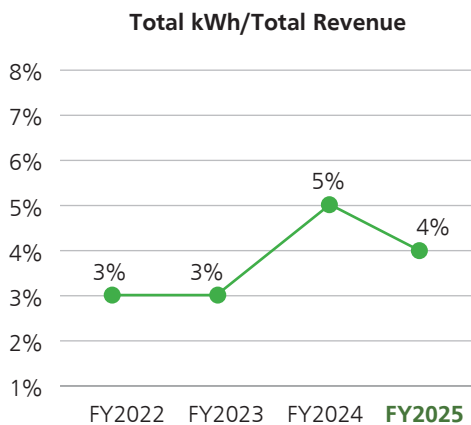
### ENVIRONMENT (CONT'D)

#### (1) Climate Change (Cont'd)

##### Energy Management (Cont'd)



\* Energy intensity ratio was calculated by total energy consumption divided by self-occupied areas.



To further strengthen energy efficiency, the Group has implemented initiatives to raise employee awareness, encouraging employees to switch off unused lights and equipment, adopt paperless practices, minimise air-conditioning usage, and set optimum cooling temperatures. Procurement practices prioritise energy-efficient equipment, including air-conditioning units and refrigerators rated three stars and above, while office lighting has been fully transitioned to LED bulbs. Collectively, these initiatives support our ongoing efforts to reduce electricity consumption and carbon emissions, aligning with our broader climate action goals.

Looking ahead, the Group is actively exploring renewable energy integration to further reduce environmental impact. Feasibility studies with solar power installation are underway to assess potential energy savings and cost efficiencies. This initiative forms part of the Group's long-term commitment to cleaner energy adoption and enhancing operational sustainability.

##### GHG Emissions

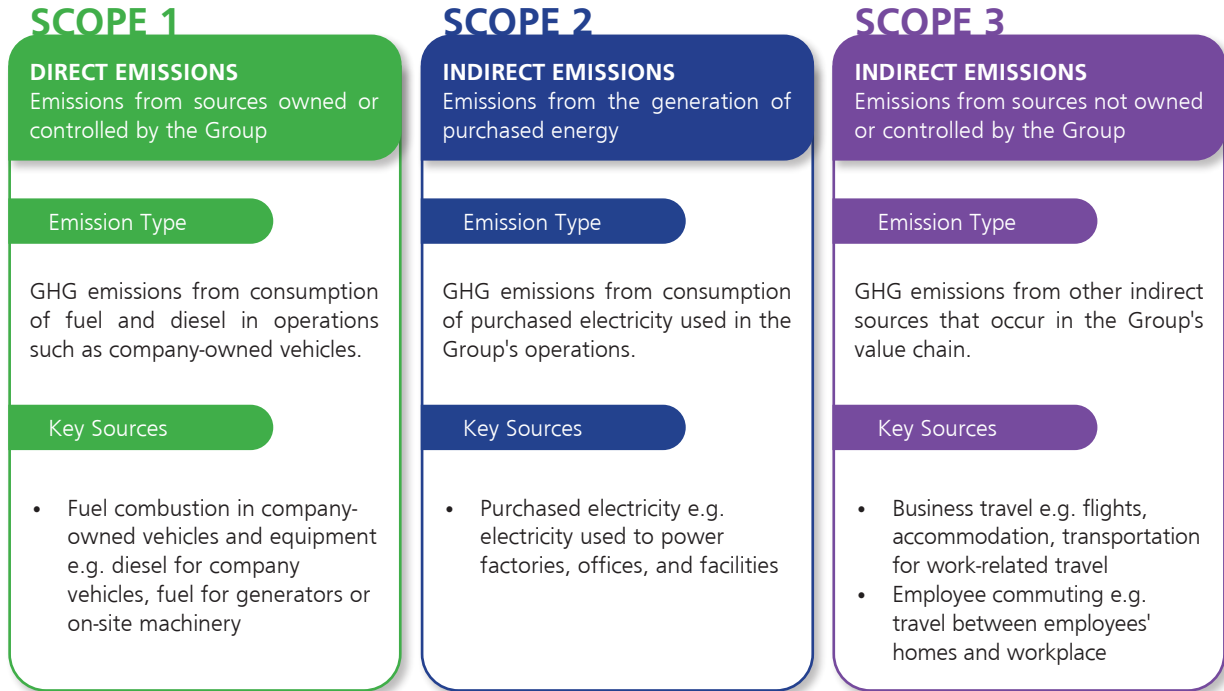
As part of our commitment to environmental responsibility, we actively measure, monitor, and manage greenhouse gas ("GHG") emissions across our business activities. Energy consumption data from each of our plants is converted into GHG emissions, enabling us to track carbon footprints, identify key areas of energy use, and assess variables that drive emissions. This monitoring allows us to implement targeted measures for continuous improvement, including energy efficiency initiatives and the adoption of renewable energy solutions.

## SUSTAINABILITY STATEMENT (CONT'D)

### ENVIRONMENT (CONT'D)

#### (1) Climate Change (Cont'd)

##### Energy Management (Cont'd)



GHG Emissions (tCO <sub>2</sub> e)	FY2023	FY2024	FY2025 <sup>^</sup>
Scope 2 emissions *	8,022.95	7,962.39	9,642.21
GHG emissions intensity ratio (tCO <sub>2</sub> e/sqm)	0.52	0.53	0.55

\* Scope 2 emissions value represents both location and market-based. As we only purchase electricity from one source, which is Tenaga Nasional Berhad, both location and market-based computations of our scope 2 emissions are the same. We used the grid emissions factor published by Energy Commission of Malaysia.

<sup>^</sup> Includes 2 additional manufacturing sites - JDAL and MHC

In FY2025, the Group recorded higher Scope 2 emissions, primarily driven by increased electricity consumption in line with higher machine utilisation and operational expansion to include two additional subsidiaries' manufacturing sites. Scope 1 and Scope 2 emissions are continuously measured and disclosed in accordance with our ongoing ESG reporting commitments. Moving forward, we will continue to strengthen our efforts to reduce GHG emissions through enhanced energy efficiency, renewable energy adoption, and operational optimisation. By managing our carbon footprint, the Group aims to contribute to climate change mitigation while promoting sustainable operations that create long-term value for stakeholders.

#### (2) Environmental Conservation and Preservation

Our Group is committed to environmental conservation and the responsible management of natural resources across all aspects of our operations. We actively integrate sustainability principles into packaging, procurement, logistics, and manufacturing to minimise environmental impact and support a circular economy.

In our packaging and shipment processes, the Group prioritises the use of recycled trays and cartons for certain parts, reducing the reliance on virgin materials and supporting circular economy practices. For in-house parts transit within our vertically integrated manufacturing operations, we utilise recycled pallets and actively minimise the use of plastic bins for storage. These measures not only help reduce waste generation but also promote resource recovery and responsible material management, contributing to more sustainable and environmentally conscious operations across our supply chain.

## SUSTAINABILITY STATEMENT (CONT'D)

### ENVIRONMENT (CONT'D)

#### (2) Environmental Conservation and Preservation (Cont'd)

In procurement, the Group sources raw materials that comply with RoHS standards, ensuring that our parts and products meet global environmental and safety regulations. To further reduce our carbon footprint, we have adopted electric forklifts for material handling, reducing emissions associated with traditional fuel-powered equipment. Sustainability is also embedded in our manufacturing processes from the outset of product manufacturing. By applying design-for-manufacturing ("DFM") principles and fabricating purpose-built jigs and fixtures during project set-up, we improve operational efficiency, optimise resource utilisation, reduce material waste, and enhance overall process effectiveness.

These initiatives collectively reflect our holistic approach to environmental stewardship, demonstrating our ongoing commitment to minimise environmental impact, support sustainable operations, and contribute positively to the preservation of natural resources for future generations.

#### (3) Water Management

Water is essential to both the Group's business operations and local communities in which we operate. The Group recognises that effective water management is critical in mitigating the risks associated with water scarcity, supply disruptions, rising utility costs and increasingly stringent regulatory expectations. As a manufacturing organisation, responsible water stewardship is integral to maintaining long-term operational resilience, enhancing cost efficiency and meeting stakeholder expectations on sustainable resource utilisation. In this regard, the Group remains committed to enhancing water efficiency and minimising wastage across all production processes, in line with our broader environmental strategy for sustainable resource management.

Water is utilised across the Group's manufacturing activities, including Surface Mount Technology ("SMT") processes and mechanical manufacturing operations. In SMT production, water usage is relatively limited and primarily associated with selective cleaning processes for printed circuit boards and equipment maintenance. The Group adopts water-efficient practices such as optimising cleaning cycles, using closed-loop or minimal-rinse systems where feasible to reduce water consumption. Preventive maintenance practices also minimise the need for excessive washing, thereby conserving water. For mechanical manufacturing activities, water may be used in processes such as parts washing, surface preparation and cooling applications. The Group implements measures to enhance water efficiency, including the use of controlled washing systems, reuse of water where appropriate, and optimisation of process parameters to reduce unnecessary consumption.

Water consumption is monitored monthly by the Group's internal facilities team based on utility data from local municipal water service providers. This enables timely identification of anomalies, such as leakages or abnormal usage patterns, allowing for prompt corrective actions to prevent wastage. In addition, smart meters have been installed at high-consumption areas to provide more granular visibility into water usage, supporting data-driven initiatives to further reduce consumption.

In FY2025, the Group recorded an increase in total water consumption, primarily due to the inclusion of two additional subsidiaries' manufacturing sites. Notwithstanding this, the Group's water intensity ratio has shown improvement over the years, reflecting the effectiveness of our ongoing water management and conservation initiatives. Our water supply is sourced predominantly from local municipal systems, and there were zero incidents of non-compliance with applicable water quality standards and regulatory requirements during the financial year.

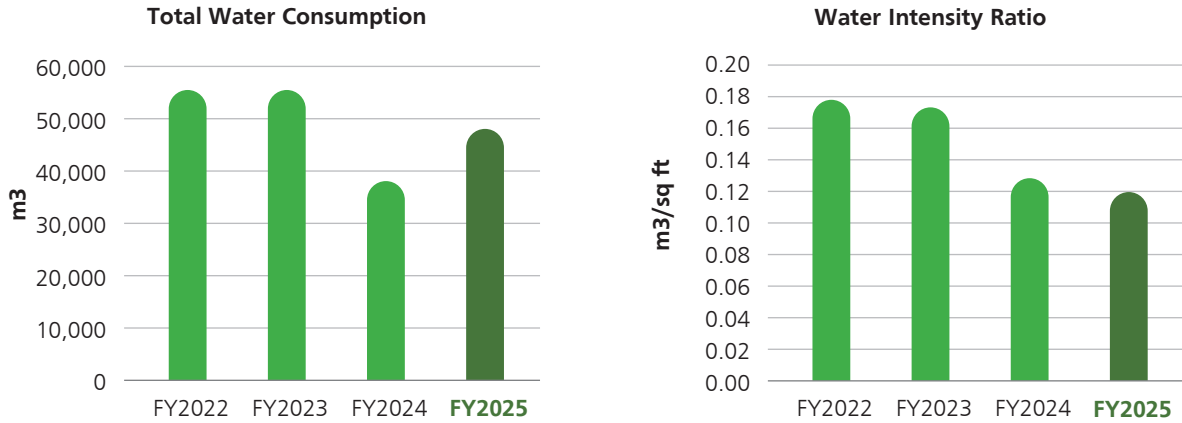
Total water consumption (M3)	FY 2022	FY 2023	FY 2024	FY2025 ^
Total	55,522	54,504	39,135	48,030

^ Includes 2 additional manufacturing plants - JDAL and MHC

## SUSTAINABILITY STATEMENT (CONT'D)

### ENVIRONMENT (CONT'D)

#### (3) Water Management (Cont'd)



\* Water intensity ratio was calculated by total water consumption divided by self-occupied areas.

Beyond operational controls, the Group continues to foster a culture of water conservation across all levels of the organisation. Employee awareness programmes are conducted to encourage responsible water usage and promote conservation practices in daily operations, such as promptly reporting leaks and avoiding unnecessary water use. The Group remains committed to continuously improving its water management practices through operational enhancements, technological adoption and employee engagement. These efforts reflect our ongoing commitment to minimising environmental impact, optimising resource efficiency and supporting sustainable manufacturing practices across all our manufacturing facilities.

#### (4) Waste Management

Effective waste management is an integral component of the Group's sustainability framework and environmental stewardship commitment. Guided by our Environmental, Safety and Health ("ESH") Policy and aligned with ISO 14001:2015 Environmental Management System requirements, the Group adopts a structured and multi-pronged approach to minimise waste generation, promote resource efficiency, and prevent environmental pollution across all operations. All waste management practices are carried out in compliance with applicable regulatory requirements, including the Environmental Quality Act 1974 and its relevant subsidiary regulations.

To advance sustainable operations, the Group actively embeds the principles of the 3Rs – Reduce, Reuse and Recycle – across its electronics and mechanical manufacturing activities. Waste is segregated at source to ensure proper handling of recyclable and non-recyclable streams, while non-hazardous waste that meets recycling criteria is collected and managed by licensed recycling contractors. The Group also continues to drive lean manufacturing and continuous improvement initiatives to reduce scrap generation, improve material yield, and enhance overall operational efficiency.

In SMT manufacturing operations, waste management focuses on controlling process-related waste streams such as solder dross, solder paste residues, stencil cleaning waste, defective printed circuit boards and electronic scrap. The Group adopts preventive and efficiency-driven measures, including optimisation of soldering parameters, controlled dispensing of solder materials, and improved stencil cleaning processes to reduce chemical and consumable waste. Packaging-related waste such as trays and moisture barrier bags is also segregated for recycling or reuse where feasible.

In mechanical manufacturing operations, the primary waste streams include metal scrap, machining offcuts and aluminium. The Group implements measures such as machining optimisation to reduce offcuts and segregation of metal scrap by type for recycling. In addition, cutting fluids and coolants are managed through filtration and reuse systems where applicable, while sludge and contaminated fluids are handled and disposed of in accordance with regulatory requirements. The Group also continues to explore opportunities to enhance process efficiency to minimise material wastage and improve overall yield. In sheet metal fabrication activities, waste generation primarily arises from laser cutting, bending and welding. The Group focuses on optimising cutting layouts and nesting efficiency to maximise material utilisation and reduce offcuts. Metal scrap generated from sheet metal processing is segregated by material type (including steel, stainless steel, and aluminium) and sent for recycling. Welding consumables and grinding dust are managed in accordance with established environmental procedures, while process optimisation initiatives are continuously implemented to improve yield and reduce scrap rates.

## SUSTAINABILITY STATEMENT (CONT'D)

### ENVIRONMENT (CONT'D)

#### (4) Waste Management (Cont'd)

As part of its circular economy initiatives, the Group has increased the utilisation of recycled pallets for the movement of materials and semi-finished goods during inter-line and inter-plant transfers, thereby reducing reliance on single-use packaging materials. In addition, recyclable packaging trays are adopted for selected customers as part of a sustainable packaging strategy developed in collaboration with customers, supporting improved recyclability and reduced environmental footprint across the product lifecycle.

In FY2025, the Group's wastes predominantly consisting of metal scraps and aluminium by-products generated from manufacturing activities. As these materials are inherent outputs of metal processing operations, continuous efforts are directed towards improving production efficiency, optimising material utilisation, and reducing process-related waste generation to enhance cost efficiency and resource productivity. For hazardous and scheduled waste, including electronic waste, solder dross, and metal waste residues, the Group ensures strict compliance with the Environmental Quality (Scheduled Wastes) Regulations under the Environmental Quality Act 1974. All hazardous waste is managed through Department of Environment ("DOE")-licensed contractors, ensuring proper handling, treatment, transportation, and disposal in accordance with regulatory and industry best practices. Robust internal controls are in place to govern waste identification, segregation, storage, and handling to minimise environmental risks and prevent contamination.

The Group also continues to promote a waste management practices through employee awareness programmes and training initiatives, encouraging responsible waste segregation, reduction of material wastage, and adherence to proper handling procedures across all sites. In FY2025, the Group maintained full compliance with all applicable environmental and waste management regulations, reflecting our ongoing commitment to responsible operations and environmental sustainability. The Group remains committed to continuously strengthening its waste management performance through operational improvements, enhanced recycling initiatives, technology adoption, and employee engagement, in support of a more sustainable, efficient, and resource-conscious manufacturing ecosystem.

#### (5) Biodiversity

The Group recognises the importance of biodiversity in maintaining healthy ecosystems, enhancing climate resilience, and supporting sustainable development. As part of our environmental stewardship commitment, we acknowledge our responsibility to minimise potential impacts on natural habitats and to support the preservation of biodiversity in the regions where we operate.

Our manufacturing facilities are strategically located within designated industrial zones in Sungai Petani and Kulim, Kedah, Malaysia, which are specifically zoned for industrial activities. These sites are not situated in or near protected areas, reserved forests, or other environmentally sensitive habitats. This deliberate siting approach reflects the Group's commitment to responsible development and ensures that our operations do not encroach on areas of high conservation value.

Going forward, the Group remains committed to avoiding the development of new facilities in or near ecologically sensitive or high biodiversity conservation areas. This principle is embedded within our site selection and expansion considerations, reinforcing our commitment to balancing industrial growth with environmental preservation. In addition, the Group implements appropriate environmental management controls to mitigate potential impacts on surrounding ecosystems. Solid waste and wastewater generated from our operations are managed, treated, and disposed of in accordance with applicable regulatory requirements prior to discharge. These measures are designed to minimise environmental pollution and reduce potential adverse effects on biodiversity and surrounding ecological systems.

Through these practices, the Group continues to uphold its commitment to responsible environmental management and biodiversity protection, ensuring that our business growth is aligned with the principles of sustainability and environmental responsibility.

## SUSTAINABILITY STATEMENT (CONT'D)

### WORKPLACE

The Group is committed to upholding fair, ethical, and responsible employment practices across all levels of its operations, with a strong emphasis on safeguarding employee well-being, respecting human rights, and fostering continuous talent development. We recognise that our people are fundamental to our long-term success, and we strive to create a workplace environment that is safe, inclusive, and conducive to personal and professional growth.

To ensure transparency, accountability, and consistent governance of workplace conduct, the Group has established a Code of Conduct applicable to all employees, which governs ethical behaviour and expected standards of conduct in the discharge of duties, as well as in business dealings with customers, suppliers and vendors. The Employee Handbook sets out comprehensive HR policies and practices in accordance with applicable local labour laws and regulations, including the Employment Act 1955, and is communicated to all new employees during onboarding to ensure clear understanding of workplace policies and expectations. The Group's Occupational Health & Safety Policy is designed to create a safe and healthy working environment by prioritising the well-being of employees through strict adherence to safety protocols, hazard prevention measures, and continuous improvement of workplace safety practices. The RBA Policy reinforces the Group's commitment to ethical, responsible, and socially accountable business practices across our operations and supply chain. These frameworks promote ethical behaviour, fair employment practices, and compliance with regulatory requirements, while fostering a culture of integrity, respect, and mutual trust across the organisation.

The Group maintains a strict zero-tolerance approach towards unethical labour practices and is firmly committed to upholding human rights across all aspects of its operations. We promote workplace diversity, equity, and inclusion, ensuring that all employees are treated fairly and with respect regardless of age, gender, race, religion, background, or other personal characteristics. Equal opportunity principles are embedded across recruitment, development, and career progression processes, supporting an inclusive workplace culture where every employee is empowered to contribute meaningfully to the Group's success and long-term sustainability objectives.

Talent development remains a key focus area for the Group, with continuous efforts to enhance employee capabilities through structured training programmes, skills development initiatives, and on-the-job learning opportunities. These initiatives are designed to support employee growth, strengthen technical competencies, and build a resilient and future-ready workforce aligned with the Group's strategic objectives. Workplace safety and health are prioritised across all operations, supported by safety management systems, regular risk assessments, and ongoing safety training programmes. The Group is committed to providing a safe and healthy working environment, with preventive measures in place to minimise workplace hazards and ensure compliance with applicable occupational safety and health regulations. The Group places strong emphasis on employee well-being, recognising the importance of maintaining a healthy work-life balance and supporting the physical and mental well-being of our workforce. Various initiatives are implemented to promote employee engagement, health awareness, and a positive working environment that supports productivity and morale.

Through its ongoing commitment to regulatory compliance, workplace safety, diversity and inclusion, talent development, and employee well-being, the Group continues to foster a workplace where employees are valued, respected, and empowered. This commitment underpins our broader sustainability objectives and reinforces our goal of building a responsible and resilient organisation.

In FY2025, MISB was awarded the "Best Employer Award" by the Employees Provident Fund (EPF), which recognises organisations that demonstrate strong governance and exemplary practices in managing employee retirement savings. This recognition reflects the Group's consistent commitment to safeguarding employees' long-term financial well-being through strict adherence to EPF requirements. The Group ensures timely and accurate remittance of employee and employer contributions in accordance with statutory deadlines and applicable EPF contribution rates, demonstrating full compliance with regulatory obligations. This achievement underscores the Group's strong internal governance framework and disciplined payroll management processes. This reinforces the Group's broader commitment to responsible employment practices and employee welfare as an integral part of sustainable business operations.



Best Employer Award by EPF

## SUSTAINABILITY STATEMENT (CONT'D)

### WORKPLACE (CONT'D)

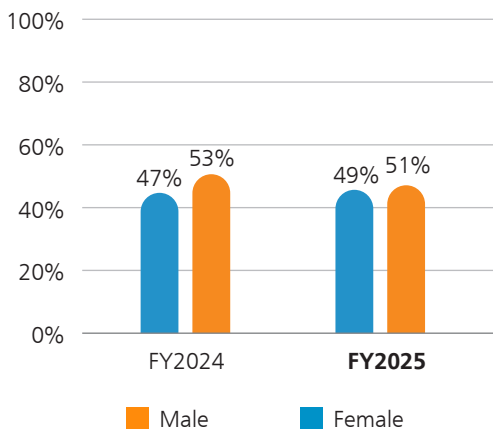
#### 1) Workforce Diversity

Our Group is committed to building a diverse and inclusive workforce, where all employees are provided equal opportunities to grow and success in their careers. We uphold a workplace culture that is based on merits and free from discrimination - regardless of age, race, gender, nationality, religion or disability. All decisions related to recruitment, hiring and promotion processes are made fairly, transparently based on merit. The Group also maintains a workplace environment that promotes fairness, equal pay for equal work, flexibility where appropriate, and zero tolerance for harassment or discrimination.

Our recruitment framework is structured and standardised to ensure consistency and fairness across all hiring processes. Candidates are assessed against predefined criteria aligned to job scope requirements, skills, and performance expectations. The Management continues to adopt a gender-neutral approach in hiring and talent decisions to promote inclusivity and equal opportunity across all levels of the organisation. Through these practices, the Group remains committed to strengthening workforce diversity and eliminating any form of discrimination in the workplace. To further strengthen workforce diversity and inclusion, the Group continues to implement targeted initiatives across its HR strategy by broadening talent sourcing channels to attract talent from diverse racial and educational backgrounds. Equal access to training, upskilling and leadership development opportunities are provided to all employees, enabling fair career progression based on merit and performance. The Group encourages greater female participation in engineering and technical disciplines, supporting a more balanced and diverse workforce composition that strengthens innovation and long-term sustainability.

As at end-December 2025, the Group has a total workforce of 1,496 employees. The workforce composition reflects a balanced gender distribution, with 51% male and 49% female employees (end-December 2024: 53% male and 47% female). This demonstrates the Group's continued progress towards gender balance and its commitment to encouraging greater female participation in suitable operational and technical roles. The Group also recognises the importance of gender diversity and remains focused on promoting equitable representation and opportunities across all levels of the organisation.

**Employee Category by Gender**



Employee Category by Gender & Management Categories (FY2025)	Female	Male
Non-Executive	42%	42%
Executive	5%	6%
Middle Management	1%	2%
Senior Management	n.m. *	1%
<b>Total</b>	<b>49%</b>	<b>51%</b>

\* 2 pax

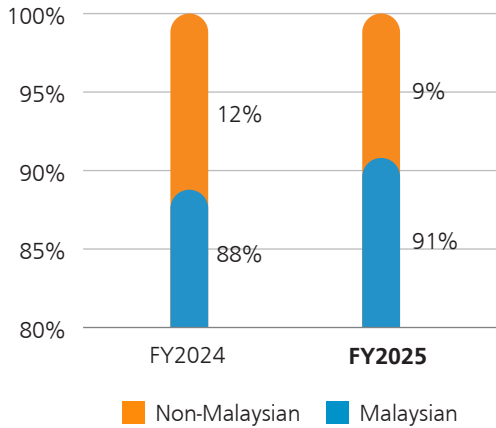
The Group also prioritises local employment as part of its broader commitment to community development and inclusive growth. As at FY2025, 91% of the workforce comprised local Malaysian employees (FY2024: 88%), reflecting our continued efforts to develop local talent, support job creation, and contribute to the socio-economic development of the communities.

# SUSTAINABILITY STATEMENT (CONT'D)

## WORKPLACE (CONT'D)

### 1) Workforce Diversity (Cont'd)

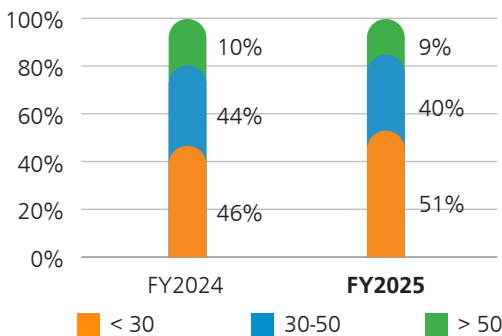
Employee Category by Nationality



The Group continues to strengthen its commitment to workforce diversity and long-term organisational sustainability by fostering a balanced mix of experience and younger talent across its operations. In line with this objective, we have progressively increased the representation of younger employees within the organisation to support operational continuity, innovation, and future leadership development.

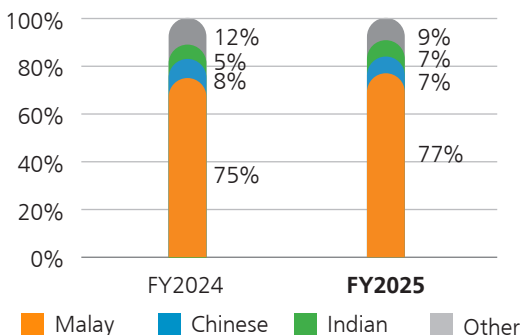
As at end-FY2025, 51% of the Group’s workforce is below the age of 30 (FY2024: 46%), reflecting our continued efforts to attract and develop younger talent as part of our sustainable workforce strategy. This demographic balance enhances agility within our operations, supports the adoption of new technologies, and contributes to building a future-ready talent pipeline. The Group remains committed to providing meaningful career opportunities for young employees through structured onboarding, training, and development programmes. These initiatives are designed to accelerate capability building, strengthen technical competencies, and support career progression within the Group. At the same time, we continue to value the experience of our more senior employees, ensuring effective knowledge transfer and collaboration across all age groups. Through this approach, the Group promotes an inclusive and multi-generational workplace that supports operational excellence, innovation, and long-term sustainability.

Employee Category by Age



Employee Category by Age	Age Group (Years)		
	< 30	30 - 50	> 50
FY2024	46%	44%	10%
FY2025	51%	40%	9%

Employee Category by Ethnicity



Employee Category by Ethnicity	Ethnicity			
	Malay	Chinese	Indian	Other
FY2024	75%	8%	5%	12%
FY2025	77%	7%	7%	9%

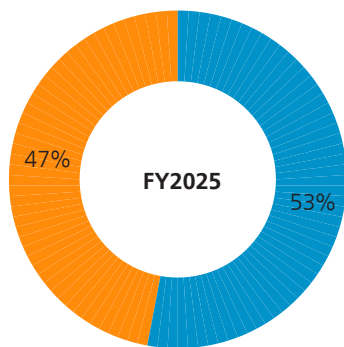
## SUSTAINABILITY STATEMENT (CONT'D)

### WORKPLACE (CONT'D)

#### 1) Workforce Diversity (Cont'd)

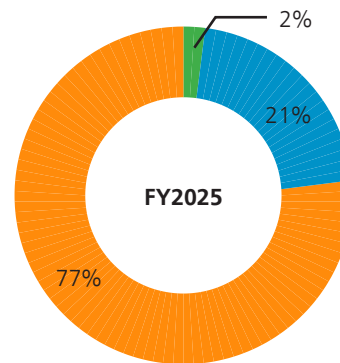
During FY2025, our Group recorded a total of 695 new employee hires, of which 47% is male. The gender distribution reflects the nature of roles and operational requirements, particularly in technical and production functions. Through our continued focus on diversity, equity, and inclusion, we aim to build a resilient workforce that reflects the diverse communities we serve.

Total Number of New Employee Hires (By Gender)



Male Female

Total Number of New Employee Hires (By Age)



< 30 30-50 > 50

Total Number of New Employee Hires (FY2025)	%
<b>By Gender</b>	
Male	47%
Female	53%
<b>By Age Group</b>	
< 30	77%
30 – 50	21%
> 50	2%

#### 2) Talent Development and Retention

The Group recognises that talent development and retention are critical to sustaining long-term business performance and operational excellence. We are committed to building a future-ready workforce by investing in continuous learning, skills enhancement, and leadership development across all levels of the organisation. Employees are provided with equal access to structured training programmes, technical upskilling, and leadership pathways to support both personal growth and organisational needs.

To strengthen retention, the Group fosters a supportive and inclusive work environment that prioritises employee engagement, fair remuneration, and career progression opportunities. Performance evaluations and development discussions are conducted to align individual aspirations with business objectives, while targeted succession planning ensures continuity in key roles. We provide opportunities for high-potential employees to grow and progress into senior positions within the organisation, supported by structured development pathways and leadership grooming initiatives. In line with our internal talent philosophy, priority is given to existing employees for promotion opportunities before considering external hires, reinforcing career progression and recognising employee contributions.

The Group also implements annual training programmes across various departments to support continuous learning and capability building. These programmes are designed to address diverse development needs, encompassing technical competencies, leadership and soft skills, as well as key ESG-related areas. This includes training on quality management, workplace safety, environmental awareness, regulatory compliance, and financial and economic matters, to strengthen operational efficiency and ensure alignment with evolving regulatory standards.

## SUSTAINABILITY STATEMENT (CONT'D)

### WORKPLACE (CONT'D)

#### 2) Talent Development and Retention (Cont'd)

### GOVERNANCE

#### Ethics, Compliance & Risk Management

##### TRAINING PROGRAMMES

- Onboarding Training
- Corporate Governance and Anti-Bribery and Corruption
- Documentation and System Training

##### ESG COMMITMENT

Ensure compliance and ethical conduct.

#### Financial Integrity & Compliance

##### TRAINING PROGRAMMES

- E-Invoicing Seminar
- Tax Seminar (Budget 2026)

##### ESG COMMITMENT

Maintain financial transparency and compliance.

#### Operational Excellence & Quality Management

##### TRAINING PROGRAMMES

- Operational Improvement
- Measurement System Analysis (MSA) Quality Control and Calibration
- Checking Improvement

##### ESG COMMITMENT

Drive quality and continuous improvement.

### SOCIAL

#### Workplace Safety & Employee Wellbeing

##### TRAINING PROGRAMMES

- Safety and Health Training
- Health Screening

##### ESG COMMITMENT

Promote a safe and healthy workplace.

#### Talent Development & Skills Enhancement

##### TRAINING PROGRAMMES

- Technical On-Job Training
- Production Planning
- Quality and Systems Compliance

##### ESG COMMITMENT

Build a skilled and capable workforce.

### ENVIRONMENTAL

#### Environmental Responsibility

##### TRAINING PROGRAMMES

- Waste Management Training

##### ESG COMMITMENT

Support environmental awareness and responsible practices.

## SUSTAINABILITY STATEMENT (CONT'D)

### WORKPLACE (CONT'D)

#### 2) Talent Development and Retention (Cont'd)

In FY2025, the Group invested a total of RM303,678 in training and technical skills development programmes. We have conducted a total of 96,442 training hours across our operations, translating to an average of 64 training hours per employee. Higher training hours were mainly due to more internal trainings provided to all employees, and more onboarding trainings provided to new employee hires.

Total Training Hours	FY2024	FY2025
Total Training Hours for all employees	32,068	96,442
Average training hours per employee	28	64
<b>Total Training Hours - By Gender</b>		
<i>Male</i>	17,875	48,828
<i>Female</i>	14,193	47,614
<b>Total Training Hours - By Employee Category</b>		
<i>Senior Management</i>	441	638
<i>Middle Management</i>	768	1,301
<i>Executive</i>	4,896	5,986
<i>Non-Executive</i>	25,963	88,517
<b>Average Training Hours By Employee Category</b>		
<i>Senior Management</i>	34	40
<i>Middle Management</i>	31	39
<i>Executive</i>	140	130
<i>Non-Executive</i>	252	805

The Group views its internship programme as a key talent pipeline for future recruitment, where high-performing interns are given opportunities for full-time employment upon graduation. This would strengthen our talent pipeline, support workforce sustainability, and contribute to the development of a skilled future workforce aligned with industry needs. During FY2025, the Group offered internship opportunities to 4 students from different educational backgrounds. The internship programme provides students and young graduates with practical exposure to real working environments across various functions, including engineering, operations, quality, and corporate support functions. Through hands-on training, mentorship from experienced employees, interns are able to develop technical competencies, soft skills, and workplace readiness. This initiative bridges the gap between academic learning and industry requirements, enabling participants to better understand operational practices and professional expectations.

#### **Employee Turnover**

The Group recognises that effective management of employee turnover is essential to maintaining workforce stability and sustaining long-term value creation. In line with our workplace ESG commitments, we adopt people-oriented strategies that focus on enhancing employee engagement, satisfaction, and talent retention across the Group.

Employee turnover is closely monitored by HR department and the management on a monthly basis. Exit feedback is compiled and reviewed by department heads and the management team to identify root cause of attrition and drive continuous improvement in retention strategies. The Group conducts annual employee engagement surveys to enable the implementation of targeted initiatives to enhance employee engagement, wellbeing, and overall job satisfaction. These measures form an integral part of the Group's talent retention framework.

## SUSTAINABILITY STATEMENT (CONT'D)

### WORKPLACE (CONT'D)

#### 2) Talent Development and Retention (Cont'd)

##### **Employee Turnover (Cont'd)**

In FY2025, the Group recorded a lower employee turnover rate of 33% (FY2024: 39%). The majority of departure were from non-executive employees, who accounted for 93% of the total turnover. Importantly, turnover among middle management turnover and executive levels remained low at 0.4% and 1.5%, reflecting continued leadership stability and supporting business continuity.

Employee Turnover Rate	FY2023	FY2024	FY2025
Total number of turnover	322	451	489
Turnover rate (%)	26%	39%	33%

\* The employee turnover rate is calculated based on total number of employees left divided by the total number of employees at the end of the reporting period.

In a highly competitive talent environment characterised by active industry headhunting, the Group continuously strengthens its people-oriented strategies by improving employee satisfaction and reviewing remuneration practices to remain competitive. The Group also remains committed to attracting and developing new talent by ensuring the right people are placed in the right roles, thereby supporting operational excellence, business growth, and long-term sustainability. A strong emphasis is also placed on fostering a positive and inclusive workplace culture, supported by leadership accessibility, transparent communication, and recognition programmes that acknowledge employee contributions. Through these people-oriented strategies, the Group aims to minimise turnover, retain critical talent, and build a resilient and engaged workforce aligned with its sustainability objectives.

#### 3) Human Rights

The Group is committed to upholding and respecting human rights across all aspects of its operations. We ensure that all employees are treated fairly, with dignity and respect, and operate in an environment that is free from discrimination, harassment, and any form of forced or child labour. The Group's human rights principles are clearly communicated in both the Code of Conduct and Employee Handbook, and all employees are required to adhere to these standards. These frameworks set out the Group's expectations on fair employment practices, ethical conduct, and responsible behaviour. The Group also promotes a culture of openness and accountability, where employees are encouraged to raise concerns through established grievance channels without fear of retaliation. Through these measures, the Group strives to foster a safe, fair, and respectful workplace that upholds human rights and supports sustainable business growth.

Our policies establish clear principles governing fair employment practices, equal opportunity, diversity and inclusion and ethical conduct in the workplace. These include fair recruitment and selection processes based on merit, adherence to applicable labour laws and regulations, and the provision of safe and conducive working conditions for all employees. The Group is also guided by local labour laws and relevant statutory requirements to safeguard employee welfare, working conditions, and labour rights, ensuring full compliance with all applicable labour standards and regulations.

In addition, the Group extends its commitment to human rights beyond its workforce by requiring all suppliers to comply with applicable labour standards and ethical business practices, as outlined in Social Responsibility Policy. This ensures that human rights principles are upheld throughout the value chain.

##### **Anti-Slavery and Human Trafficking Policy**

The Group is firmly committed to conducting business in an ethical, responsible, and lawful manner and has a zero-tolerance stance towards all forms of modern slavery, forced labour, bonded labour, and human trafficking within its operations and supply chain.

We uphold the fundamental human rights of all individuals and ensure that employment practices across the Group are based on freely chosen employment. All employees are engaged voluntarily, with clear terms and conditions, and are free to terminate employment in accordance with applicable laws and contractual obligations. The Group strictly prohibits the withholding of personal identification documents, passports, or work permits as a condition of employment. To reinforce this commitment, we integrate human rights considerations into our recruitment processes, supplier onboarding, and ongoing vendor management practices. Suppliers and vendors are expected to comply with all applicable labour laws and adhere to the same ethical standards as the Group, which is outlined in the Social Responsibility Policy. Any breach of these principles may result in corrective actions, including termination of business relationships.

During the year, there was zero reported case of violation of labour standards, including human rights such as discrimination, child labour or forced labour.

## SUSTAINABILITY STATEMENT (CONT'D)

### WORKPLACE (CONT'D)

#### 3) Human Rights

##### *Anti-Slavery and Human Trafficking Policy (Cont'd)*

Our policies highlighted the adherence to the following key principles:

CATEGORY	KEY PRINCIPLE	COMMITMENT & PRACTICES
 <b>Employment Practices</b>	<b>Freely Chosen Employment and No Child Labour</b>	Zero tolerance for forced, bonded, or involuntary labour. Employment is voluntary, and employees may leave freely. No retention of passports or personal documents.
 <b>Working Hours</b>	<b>Compliance with Labour Laws</b>	Adherence to local regulations on working hours, targeting ≤60 hours per week with at least one rest day per week.
 <b>Compensation</b>	<b>Fair Wages and Benefits</b>	Provision of wages and benefits in full compliance with statutory and legal requirements.
 <b>Workplace Conduct</b>	<b>Humane Treatment</b>	Strict prohibition of harassment, abuse, coercion, or corporal punishment. Disciplinary actions follow approved procedures only.
 <b>Equal Opportunity</b>	<b>Non-Discrimination</b>	No discrimination based on race, gender, age, religion, disability, or other protected characteristics in any employment practices.
 <b>Worker Rights</b>	<b>Freedom of Association</b>	Employees can freely associate and communicate with management without fear of retaliation or intimidation.
 <b>Ethics &amp; Governance</b>	<b>Business Integrity</b>	Zero tolerance for corruption, bribery, extortion, or fraud. Commitment to fair competition and safeguarding customer information.
 <b>Data Protection</b>	<b>Privacy Protection</b>	Full compliance with Personal Data Protection Act 2010 (Act 709) in handling personal data of employees, customers, and vendors.
 <b>Responsible Sourcing</b>	<b>Conflict-Free Minerals</b>	Ensuring minerals (tin, tungsten, tantalum, gold) do not finance armed groups or contribute to human rights abuses.
 <b>Reporting Culture</b>	<b>Non-Retaliation</b>	Protection for whistleblowers reporting misconduct in good faith. Retaliation against reporters is strictly prohibited.
 <b>Worker Welfare</b>	<b>Freedom of Movement</b>	Workers are free to move during non-working hours and access basic facilities without unreasonable restrictions.

## SUSTAINABILITY STATEMENT (CONT'D)

### WORKPLACE (CONT'D)

#### 4) Workplace Safety and Health

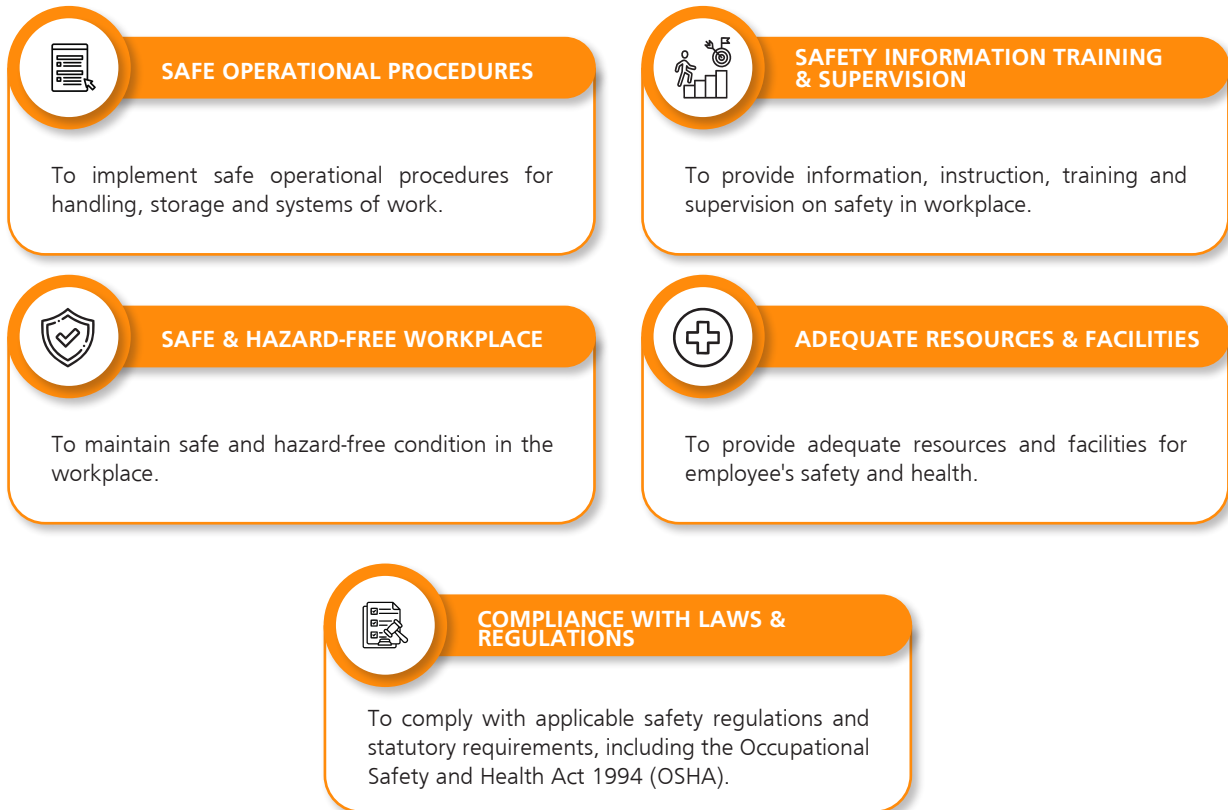
The Group is committed to providing a safe, healthy, and secure working environment for all employees, contractors, and visitors. Occupational safety and health is embedded into our operations through a structured OSH management system focused on proactive risk identification, hazard control, and incident prevention, with the aim of achieving a zero-harm workplace. We comply with all applicable occupational safety and health laws and regulations, and continuously strengthen workplace safety through regular risk assessments, safety inspections, emergency preparedness drills, and ongoing safety training. Workplace improvements, including ergonomic enhancements, machine safety controls, and health monitoring initiatives, are implemented to safeguard employee wellbeing.

Safety awareness and competency are reinforced through mandatory induction training for new employees and regular refresher programmes for existing employees. The Group's Occupational Safety and Health Policy and alignment with the RBA Code of Conduct and Ethics further reinforce our commitment to ethical, responsible, and socially accountable practices across operations and supply chain. In FY2025, a total of 793 employees participated in occupational safety and health training programmes. During the year, there were no incidences of non-compliance with OSHA or other applicable environmental or health regulations by authorities such as the Department of Occupational Safety and Health ("DOSH") and the Department of Environment ("DOE").

	FY2023	FY2024	FY2025
<b>Lost Time Injury Rate (LTIR)</b>	0.56	0.66	0.54

\* Number of lost time incidents divided by total number of hours worked in the reporting period, multiplied by 200,000 (represents a standardised value of the total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks)

Our continuous improvement of workplace safety and health is guided by the following key principles:



## SUSTAINABILITY STATEMENT (CONT'D)

### WORKPLACE (CONT'D)

#### 4) Workplace Safety and Health

The Group is committed to maintaining a safe, healthy, and secure working environment through continuous strengthening of its OSH governance framework. We have implemented a series of structured initiatives and preventive measures across our operations.

These include the appointment of a designated Safety Officer and OSH Coordinator to oversee compliance, coordinate safety programmes, and drive continuous improvement in workplace safety performance. We have also established an OSH Committee that meets regularly to review safety performance, assess risks, and implement corrective actions.

A structured risk management system has been implemented to identify, evaluate, and control workplace hazards, supported by regular safety audits and inspections. Employees are actively engaged through continuous safety awareness campaigns and comprehensive training programmes to reinforce safe work practices. The Group also enforces strict Personal Protective Equipment ("PPE") requirements in designated areas and conducts emergency preparedness exercises to enhance workplace readiness. Preventive measures are further strengthened through hazardous chemical management protocols and the installation of emergency response facilities such as eyewash stations and emergency showers in production areas.

To safeguard employee health and wellbeing, the Group provides essential health surveillance and assessment programmes to employees:

- Chemical Health Risk Assessment
- Audiometry Test
- Medical Surveillance
- Noise Risk Assessment

In addition, the Group also provides comprehensive safety and health training to employees to enhance awareness and competency in workplace safety practices. Key trainings included:

- Hearing Conservation programme
- 5S, Schedule Waste, Chemical Handling
- 3M Product Training & PPE Used
- Hazardous Chemical & Spill Kit handling
- Safety Induction Training
- Firefighting Training
- Fire drill Training
- Safe Forklift Driving Skill
- Hazard Identification, Risk Assessment and Risk Control ("HiRaRc") Programme



Firefighting Training



Hazardous Chemical & Spill Kit handling

## SUSTAINABILITY STATEMENT (CONT'D)

### WORKPLACE (CONT'D)

#### 5) Employee Well-being

The Group is committed to promoting employee wellbeing through a holistic approach that supports work-life balance, physical and mental wellness, and an inclusive and engaging workplace culture. We encourage a healthy lifestyle by organising wellness activities and initiatives that promote physical fitness and overall wellbeing, including participation in community-based activities such as charity runs, which foster both employee health and social responsibility through support for local communities.

The Group continues to enhance the workplace environment to ensure a safe, comfortable, and conducive physical workspace for employees. Employee welfare is further supported through comprehensive benefits and programmes designed to promote wellbeing and job satisfaction.

Employee engagement remains a key focus, with regular team-building activities, recreational events, and festive celebrations such as appreciation and “eating” gatherings that strengthen relationships, foster unity, and promote a positive organisational culture. These initiatives reflect the Group’s commitment to creating a supportive and people-centric workplace where employees are valued, motivated, and empowered to thrive both personally and professionally.



Jamuan Raya 2025



Team Building 2025

## SUSTAINABILITY STATEMENT (CONT'D)

### Social

#### 1) Contribution to the Community

The Group remains committed to contributing to the wellbeing of the communities in which it operates through active participation in charitable and social initiatives. During FY2025, the Group made a total contribution of RM157,000 to various charitable organisations, including the Penang Rotary Charity Foundation, which supports a wide range of community initiatives such as medical assistance, education support, poverty alleviation, and welfare programmes for underprivileged groups. These contributions help to strengthen healthcare accessibility and improve the quality of life for vulnerable communities. The Group also supports Non-Governmental Organisation such as Persatuan Kebajikan Untuk Kanak-Kanak Neurodiversiti in Penang, reflecting its commitment to inclusive community development and support for children with neurodiverse needs. These initiatives collectively demonstrate the Group's ongoing dedication to creating positive social impact and contributing to the wellbeing of society beyond its business operations.

During FY2025, the Group supported various community health and welfare programmes, including participation in the Charity Green Parade Run 2025 in Penang organised by Penang Adventist Hospital, which raised funds for the Dr J Earl Gardner Fund to support healthcare-related needs. In line with its long-standing commitment to community healthcare support, the Group has contributed to the Penang Rotary Club Dialysis Centre for about 10 years, with cumulative contributions exceeding RM1 million, supporting access to affordable dialysis treatment for patients in need.



Charity Green Parade Run 2025

Beyond social contributions, the Group also actively promotes environmental stewardship through initiatives such as organising beach cleaning activities to help conserve coastal ecosystems, reduce marine pollution, and raise environmental awareness among employees. These efforts reflect our broader commitment to sustainability and responsible corporate citizenship.

Collectively, these initiatives demonstrate the Group's ongoing dedication to creating positive social and environmental impact and contributing to the wellbeing of society beyond its business operations.



Beach Cleaning 2025

#### 2) Local employment

The Group is committed to supporting local employment and contributing to national workforce development by prioritising the hiring and development of local talent. As at end-FY2025, 91% of the Group's workforce comprised Malaysian employees, reflecting the Group's strong emphasis on building and sustaining local employment opportunities.

In addition, the Group also provides internship opportunities to local university students, enabling them to gain practical industry exposure and relevant workplace experience. These initiatives support the development of future-ready talent and facilitate a smoother transition from academia to the workforce.

The Group continues to invest in the development of local employees through on-the-job training, skills enhancement programmes, and career development opportunities, ensuring employees are equipped to grow within the organisation. Through these efforts, the Group contributes to strengthening the local talent pipeline, creating meaningful job opportunities, and supporting sustainable socio-economic development in the communities where it operates.

## SUSTAINABILITY STATEMENT (CONT'D)

## JHM Consolidation Berhad

### BMLR Transition Period

Date & Time: 2026-04-23\_10:11:27  
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category- Senior Management	Percentage	100.00	100.00	Internal	
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category- Middle Management	Percentage	100.00	100.00	Internal	
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category- Executive	Percentage	100.00	100.00	Internal	
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category- Non-executive	Percentage	100.00	100.00	Internal	
Bursa (Anti-corruption)	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	88.89	88.89	Internal	One of the subsidiaries is not covered and all its sales are interco.
Bursa (Anti-corruption)	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	Internal	
Bursa (Community/Society)	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	157000	-	Internal	

## SUSTAINABILITY STATEMENT (CONT'D)

Date & Time: 2026-04-23\_10:11:27  
FYE 31/12/2025

JHM Consolidation Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Community/Society)	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	80	-	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category - Senior Management Under 30	Percentage	0.00	-	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category - Senior Management Between 30-50	Percentage	25.00	-	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category - Senior Management Above 50	Percentage	75.00	-	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category - Middle Management Under 30	Percentage	0.00	-	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category - Middle Management Between 30-50	Percentage	50.00	-	Internal	

## SUSTAINABILITY STATEMENT (CONT'D)

Date & Time: 2026-04-23\_10:11:27  
FYE 31/12/2025

**JHM Consolidation Berhad**  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category - Middle Management Above 50	Percentage	50.00	—	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category - Executive Under 30	Percentage	8.00	—	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category - Executive Between 30-50	Percentage	72.57	—	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category - Executive Above 50	Percentage	19.43	—	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category - Non-Executive Under 30	Percentage	58.86	—	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category - Non-Executive Between 30-50	Percentage	35.58	—	Internal	

## SUSTAINABILITY STATEMENT (CONT'D)

Date & Time: 2026-04-23\_10:11:27  
FYE 31/12/2025

JHM Consolidation Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category - Non-Executive Above 50	Percentage	5.56	—	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group by Employee Category - Senior Management Male	Percentage	8.750	—	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group by Employee Category - Senior Management Female	Percentage	12.50	—	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group by Employee Category - Middle Management Male	Percentage	6.739	—	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group by Employee Category - Middle Management Female	Percentage	32.61	—	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group by Employee Category - Executive Male	Percentage	54.29	—	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group by Employee Category - Executive Female	Percentage	45.71	—	Internal	

## SUSTAINABILITY STATEMENT (CONT'D)

Date & Time: 2026-04-23\_10:11:27  
FYE 31/12/2025

JHM Consolidation Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group by Employee Category - Non-executive Male	Percentage	49.96	—	Internal	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group by Employee Category - Non-executive Female	Percentage	50.04	—	Internal	
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender group - Male	Percentage	71.43	—	Internal	
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender group - Female	Percentage	28.57	—	Internal	
Bursa (Diversity)	Bursa C3(b) Percentage of directors by age group - Under 30	Percentage	0.00	—	Internal	
Bursa (Diversity)	Bursa C3(b) Percentage of directors by age group - Between 30-50	Percentage	14.30	—	Internal	
Bursa (Diversity)	Bursa C3(b) Percentage of directors by age group - Above 50	Percentage	85.70	—	Internal	
Bursa (Energy management)	Bursa C4(a) Total energy consumption	Megawatt	12,361,80	3%-5% reduction in energy intensity ratio	Internal	Use energy intensity ratio as monitoring metrics.
Bursa (Health and safety)	Bursa C5(a) Number of work-related fatalities	Number	0	0	Internal	
Bursa (Health and safety)	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.54	—	Internal	

## SUSTAINABILITY STATEMENT (CONT'D)

Date & Time: 2026-04-23\_10:11:27  
FYE 31/12/2025

JHM Consolidation Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Health and safety)	Bursa C5(c) Number of employees trained on health and safety standards	Number	793	—	Internal	
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Senior Management	Hours	638	—	Internal	
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Middle Management	Hours	1,301	—	Internal	
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Executive	Hours	5,986	—	Internal	
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Non-executive	Hours	88,517	—	Internal	
Bursa (Labour practices and standards)	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.53	0.00	Internal	
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Senior Management	Number	1	—	Internal	
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Middle Management	Number	6	—	Internal	

## SUSTAINABILITY STATEMENT (CONT'D)

Date & Time: 2026-04-23\_10:11:27  
FYE 31/12/2025

**JHM Consolidation Berhad**  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Executive	Number	23	—	Internal	
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Non-executive	Number	459	—	Internal	
Bursa (Labour practices and standards)	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	Internal	
Bursa (Supply chain management)	Bursa C7(a) Proportion of spending on local suppliers	Percentage	21.87	25	Internal	
Bursa (Data privacy and security)	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	Internal	
Bursa (Water)	Bursa C9(a) Total volume of water used	Megalitres	48,030	3%-5% reduction in water consumption intensity	Internal	Use water consumption intensity as monitoring metrics.
Bursa (Waste management)	Bursa C10(a) Total waste generated	Metric tonnes	-	—	Internal	
Bursa (Waste management)	Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	—	Internal	
Bursa (Waste management)	Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	—	Internal	

# SUSTAINABILITY STATEMENT (CONT'D)

Date & Time: 2026-04-23\_10:11:27  
FYE 31/12/2025

JHM Consolidation Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Emissions management)	Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	-	-	Internal	
Bursa (Emissions management)	Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	9,642.21	1%-2% reduction in Scope 2 emission as % of revenue ratio	Internal	Use Scope 2 emission as % of revenue as monitoring metrics.
Bursa (Emissions management)	Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	Internal	

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### (A) INTRODUCTION

The Board of Directors (“**Board**”) is pleased to present the Statement on Risk Management and Internal Control (“**SORMIC**”) of the Group for the financial year ended 31 December 2025.

This Statement is prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and the requirements of Bursa Malaysia Securities Berhad.

### (B) BOARD RESPONSIBILITY

The Board affirms its overall responsibility for maintaining a sound system of risk management and internal control and for reviewing its adequacy and effectiveness.

The system is designed to manage, rather than eliminate, the risk of failure to achieve the Group’s business objectives. Accordingly, it provides reasonable, but not absolute, assurance against material misstatement, loss or fraud.

The Board has established an ongoing process for identifying, evaluating and managing significant risks, taking into account the Group’s operating environment, including its export-oriented business model and exposure to external market conditions.

### (C) RISK MANAGEMENT FRAMEWORK

The Board has engaged an external consultant to assist the Board in establishing a risk management framework for the Group. Under this framework, risks relevant to the Group were identified and quantified and have been compiled into the risk profiles of the various operating units in the Group.

Relevant business risks and their potential impact and likelihood of crystallisation are evaluated on an ongoing basis by the key executives and senior management. Key risks affecting the Group are deliberated at Board meetings. Such process has been in place for the financial year under review up to the date of approval of this statement.

The Group’s Risk Management Working Groups (“**RMWG**”) are responsible to perform a periodic review and assessment. The RMWG consists of the Chief Operating Officer/ Vice President of Operations, Business Unit Directors and the Department Heads.

The risks are identified and assessed by employing the following methodologies:

- Identification of risks by the process owners
- Assessment of the likelihood and impact of the risks identified
- Evaluating the control strategies in relation to the risks
- Formulating action plan to address control deficiencies
- Setting Key Risk Indicators to monitor the risks

Formal database of risks and controls information arising from the annual risk assessment exercise shall be captured in the format of risk registers. The identified risks are assessed and rated from low, moderate, high to significant depending on the severity of consequence, the likelihood of its occurrence and financial impact on the Group’s cash flow and profit. Thereafter, RMWG and where applicable the owner of the risk profile shall present the Group’s Risk Report and update the Audit Committee and Risk Management Committee annually on the status of the Group’s Enterprise Risk Management process, changes in risk profiles and the corresponding controls which are in place.

### (D) KEY ELEMENTS OF THE GROUP’S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The risk management and internal control systems are embedded in the various work processes and procedures of the Group.

The key elements of risk management and controls in place are as follows:

- Authorizing Board Committee members to investigate and report on any areas of improvement for the betterment of the Group;
- Conducting in-depth study on major variances and deliberating irregularities at Board meetings and Audit Committee and Risk Management Committee meetings so as to identify the causes of the problems and to formulate appropriate solutions;

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

### (D) KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

- Delegating necessary authority to the Group Chief Executive Officer in order for him to play a major role as the link between the Board and Senior Management in implementing the Board's expectation of effective system of internal control and managing the Group's various operations;
- Maintaining an organisational chart which sets out each individual's responsibility, authority and reporting lines;
- Ensuring that the Management is informed of the development of action plan for enhancing system of internal control and allowing various management personnel to have access to important information for effective decision-making;
- Senior Management personnel make frequent on-site visits to the business and operating premises so as to acquire a first-hand information on various operational matters and address the issues accordingly; and
- Systematic and regular audit on the compliance of ISO14001, ISO9001, IATF16949, AS9100 Rev C and ISO13485 by external quality assurance auditors.

### (E) GOVERNANCE AND OVERSIGHT

The Group adopts the Three Lines of Defence model:

- First Line: Operational Management responsible for managing risks and implementing controls
- Second Line: Risk management and compliance oversight functions
- Third Line: Internal audit function providing independent assurance

The Audit Committee and Risk Management Committee support the Board in overseeing the effectiveness of the Group's risk management and internal control systems.

### (F) MONITORING AND REVIEW

The Group maintains a continuous process for monitoring its risk environment. Risk registers and KRIs are reviewed periodically to assess control effectiveness and identify emerging risks.

Significant risk matters, including changes in risk profiles and mitigation plans, are reported to the Audit Committee and Risk Management Committee on a regular basis.

### (G) PRINCIPAL RISK AREAS

The Group's principal risks include:

- Customer Concentration Risk  
Dependence on key customers may expose the Group to revenue volatility.
- Market and Trade Risk  
Exposure to the United States market subjects the Group to risks arising from tariffs, trade policies and geopolitical developments.
- Supply Chain and Cost Risk  
Volatility in raw material prices, supply disruptions and logistics constraints may impact operations and margins.
- Operational and Quality Risk  
As a manufacturer of automotive components and Industrial components, the Group is exposed to product quality risks, including defects and customer claims.
- Foreign Exchange Risk  
Currency fluctuations arising from export activities may affect financial performance.

### (H) WHISTLEBLOWING AND ETHICS

The Group has established a whistleblowing policy that provides a confidential channel for reporting misconduct, unethical behaviour or non-compliance.

### (I) INFORMATION TECHNOLOGY AND CYBERSECURITY

The Group continues to strengthen its information technology controls, including system access management, data protection and cybersecurity measures.

Ongoing efforts are undertaken to enhance resilience against evolving digital risks, particularly in light of increasing automation and digitalisation of operations.

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

### (J) INTERNAL AUDIT FUNCTION

The Board has outsourced the internal audit function to an external consultant. The Board believes that, due to its independence and objectivity, the consultant has provided the Board much assurance about the state of internal controls of the Group. The internal auditors report directly to the Audit Committee and Risk Management Committee.

The internal audit function carries out its internal audit works through a risk-based approach. Based on the risk profile of the Group, the internal audit function prepares its audit plan by focusing on areas of high risk. During the course of carrying out their reviews, full cooperation of the staff and unrestricted access to all information were given to the internal auditors in order to discharge their duties.

During the financial year, the internal auditors carried out reviews on the following areas to assess the adequacy and effectiveness of internal controls and risk management processes:

- Risk of non-compliance with Section 17A of MACC Act 2009 for JHM and its subsidiaries.
- Information Technology in Mace Instrumentation Sdn Bhd.
- Quality Assurance in Morrissey Technology Sdn. Bhd. and Morrissey Assembly Solution Sdn. Bhd..

The internal auditors noted some weaknesses in the controls, and these together with improvement recommendations have been reported to the Audit Committee and Risk Management Committee. However, none of the weaknesses have resulted in material losses, contingencies or uncertainties to the Group.

The fees paid to the internal auditors in respect of the internal audit function of the Group for the financial year 2025 amounted to RM48,800.

### (K) LIMITATIONS OF THE SYSTEM OF INTERNAL CONTROL

The Group's system of risk management and internal control is designed to manage, rather than eliminate, risks. As such, it can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

The Board recognises that the evolving business environment introduces emerging risks which may not be fully mitigated by existing controls. These include:

- Technological risks, including cybersecurity threats and the increasing use of artificial intelligence, which may impact data integrity, system reliability and decision-making processes
- Sustainability-related risks, including environmental, social and governance ("ESG") factors such as climate-related risks, regulatory developments and stakeholder expectations
- External risks, including global economic conditions, trade restrictions and geopolitical developments

The Group has commenced strengthening its governance over these areas, including sustainability risk management, and will continue to enhance its capabilities accordingly.

### (L) REVIEW OF THE STATEMENT

The Audit Committee has reviewed this Statement and is satisfied that it provides a fair and balanced assessment of the Group's risk management and internal control systems.

The External Auditors have reviewed this Statement in accordance with the applicable guidelines and have reported to the Board accordingly.

### (M) MANAGEMENT ASSURANCE

The Board has received assurance from the Group Chief Executive Officer and the Finance Director that the Group's risk management and internal control systems are adequate and effective, in all material aspects, based on the risk management and internal control framework of the Group.

### (N) CONCLUSION

The Board is of the view that the Group's risk management and internal control systems are adequate and effective, in all material aspects, to safeguard shareholders' interests and the Group's assets.

There were no material losses, significant control failures or adverse compliance events during the financial year that would require disclosure.

This statement is made in accordance with the resolution of the Board of Directors dated 24 April 2026.

# AUDIT COMMITTEE REPORT

## FORMATION

The Audit Committee was formed by the Board of Directors on 14 April 2006. The said Committee is now known as the Audit Committee and Risk Management Committee (the “AC”).

## MEMBERS

The AC currently consists of the following members:

1. Wong Chi Yeng - Chairman  
(Independent Non-Executive Director)
2. Lai Fah Hin - Member  
(Independent Non-Executive Director)
3. Khor Cheng Kwang - Member  
(Independent Non-Executive Director)

## MEETINGS AND ATTENDANCE

During the financial year under review, the AC held four (4) meetings with all the members of the AC in attendance as follows:

Name of AC Members	Number of Meetings Attended	Percentage of Attendance
Wong Chi Yeng	4/4	100%
Lai Fah Hin	4/4	100%
Khor Cheng Kwang	4/4	100%

The AC meetings were attended by the AC members and Senior Management. The Company Secretary acted as Secretary at the meetings to record and maintain minutes for the proceedings of the meetings.

## SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

In line with the terms and reference of the AC, the following activities were carried out by AC during the financial year ended 31 December 2025 (“FY2025”) in discharging its functions and duties:

- i. Financial Reporting Oversight
  - a) Reviewed the quarterly unaudited financial results with the finance team and thereafter recommended to the Board for approvals, for announcements to Bursa Malaysia Securities Berhad (“Bursa Securities”).
- ii. Oversight activities of External Auditors in dealing with the Group
  - a) Discussed and reviewed the external auditors’ audit planning report for FY2025 outlining their audit team, audit timeline, recent development of the Group, identified risks and audit approach, key areas of audit focus, communication of other significant audit matters, updates on accounting standards and audit fees.
  - b) The AC reviewed the external auditors’ findings arising from audits and their recommendations.
  - c) The AC also discussed and reviewed with external auditors the applicability of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board.
  - d) The AC reviewed and evaluated the performance and independence of the external auditors. The AC was satisfied with the performance and independence of the external auditors and recommended their re-appointment to the Board.
  - e) The AC reviewed the external auditors’ audit completion for FY2024.
  - f) The AC met two times with the external auditors without the presence of the Executive Directors and management staff to discuss any issues of concern to the External Auditors arising from the annual statutory audit.
  - g) The AC reviewed the audit fees of the external auditors for the ensuing year prior to the Board of Directors for approval.

## AUDIT COMMITTEE REPORT (CONT'D)

### SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

- iii. Internal Audit ("IA")
  - a) Reviewed the IA plan for the financial year ending 31 December 2026 as tabled by the internal auditors.
  - b) Reviewed IA reports from internal auditors and assessed the internal auditors' findings and recommendations together with the management's comments.
  - c) Reviewed the Risk Management Report in respect of risk management working group of Morrissey Technology Sdn. Bhd. ("MTSB"), Morrissey Assembly Solution Sdn. Bhd. ("MASSB"), Morrissey Integrated Dynamics Sdn. Bhd. ("MIDSB") and Mace Instrumentation Sdn. Bhd. ("MISB").
- iv. Related Party Transaction and Conflict of Interest
  - a) Reviewed any related party transaction and any potential conflict of interest situation that may arise within the Company and the Group.
- v. Other matters considered by the AC
  - a) Reviewed the Financial Analysis and Debtors Ageing Report prepared by the Management
  - b) Reviewed the existing Terms of Reference of AC.
  - c) Reviewed the Sustainability Statement.

### HOW THE AUDIT COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL YEAR

#### a) Financial Reporting

The AC reviewed the quarterly unaudited financial results of the Company and the Group and made recommendations to the Board for approval and announcement to Bursa Securities as follows:

Date of meetings	Financial Statements
26 February 2025	Unaudited Interim Financial Report for the Fourth Quarter ended 31 December 2024
28 May 2025	Unaudited Interim Financial Report for the First Quarter ended 31 March 2025
28 August 2025	Unaudited Interim Financial Report for the Second Quarter ended 30 June 2025
26 November 2025	Unaudited Interim Financial Report for the Third Quarter ended 30 September 2025

#### b) External Auditors

- i) The AC met twice with the External Auditors on 26 February 2025 and 26 November 2025 respectively without the presence of any Executive Director or Management of the Company to review on the issues relating to financial controls and operational efficiencies of the Company and its subsidiaries arising from the audit.
- ii) On 26 February 2025, the AC reviewed the External Auditors' Audit Findings Report for FY2024.
- iii) On 26 February 2025, the AC also evaluated the performance and independence of the External Auditors covering areas such as calibre, quality process / performance, audit team, independence and objectivity, audit scope and planning, audit fees as well as the audit communications of the External Auditors. The AC having been satisfied with the independence and performance of Messrs Grant Thornton Malaysia PLT ("GTM"), had recommended the re-appointment of GTM as External Auditors to the Board for consideration and tabled to the shareholders for approval at the Twentieth Annual General Meeting.
- iv) On 26 November 2025, the AC reviewed and evaluated the audit planning memorandum prepared by GTM for the financial year ending 31 December 2025 which covered the following subject matters:
  - audit team;
  - objective and scope of audit;
  - identified risks and audit approach including areas of significant risks;
  - recent developments of the Group;
  - key areas of audit focus;
  - communication of other significant audit matters;
  - proposed audit timeline and reporting schedule; and
  - proposed audit fees.
- v) The proposed audit fees for the External Auditors in respect of their audit of the financial statements of the Company and its subsidiaries were analysed and reviewed by the AC for recommendation to the Board for approval.

## AUDIT COMMITTEE REPORT (CONT'D)

### HOW THE AUDIT COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL YEAR (CONT'D)

- c) Internal audit
- i) On 26 February 2025, the AC evaluated the performance of the internal audit function of the Company covering the adequacy of scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.
  - ii) On 26 February 2025 and 28 August 2025, the AC reviewed the risk management reports in respect of risk management working group of MISB, MTSB, MIDSB and MASSB in the areas of strategic, operations, reporting, compliance and financial.
  - iii) On 28 May 2025, the AC reviewed the internal audit report (“**IAR**”) which covered the Risk of non-compliance with Section 17A of MACC Act 2009 for JHM and its subsidiaries.
  - iv) On 28 August 2025, the AC reviewed the internal audit which focused on the area of Information Technology in MISB.
  - v) On 26 November 2025, the AC reviewed the internal audit which covers Quality Assurance in MTSB and MASSB.
  - vi) On 26 November 2025, the AC reviewed and approved the Internal Audit Plan for the financial year ending 31 December 2026.

The IAR on audit findings, description, implications, recommendation to improve any weaknesses and the management action plan and comments thereto were tabled to the AC for their review and deliberations. The management was invited to attend the meetings as and when necessary to brief the AC on matters relating to their area of responsibility.

Some weaknesses in the internal control were identified for the year under review and measures have been or are being taken to address these weaknesses. The Internal Auditors monitored the implementation of management’s action plan on the outstanding issues through follow up reports to ensure that all key risk and control weaknesses are being properly addressed.

- d) Conflict of Interest of Potential Conflict of Interest (“**COI**”)
- i) On 26 November 2025, the AC reviewed the existing COI Policy and Procedures.
  - ii) The AC is satisfied that no COI situations arose, persisted, or may have arisen during the financial year that required resolution, elimination or mitigation measures.

### EXECUTIVE SHARE OPTION SCHEME

Executive Share Option Scheme (“**ESOS**”) which had been approved by the shareholders of the Company at an Extraordinary General Meeting held on 24 January 2018 and shall be in force for a duration of five years from 3 April 2018 until 2 April 2023. However, the ESOS may at the absolute discretion of the Board upon the recommendation by the ESOS committee be extended, provided always that the initial ESOS period stipulated above and such extension made pursuant to the By-Laws shall not in aggregate exceed a duration of ten (10) years.

The Company has extended its existing ESOS for another five (5) years until 2 April 2028 in accordance with the terms of the By-Laws of the ESOS.

No share options were granted to the employees pursuant to the ESOS during the financial year.

### INTERNAL AUDIT FUNCTION

The Group has appointed an independent professional firm to carry out the internal audit function. In order to act independently from the Management, the external consultant will report directly to the Audit Committee and Risk Management Committee and assists the Board in monitoring and reviewing the effectiveness of the risk management, internal control and corporate governance process within the Group.

The independent internal audit function and activities were carried out according to the internal audit plan presented by the external consultant. The internal audit plan is derived based on a risk-based assessment of all units and operations of the Group. The internal audit reports highlight any deficiencies or findings which are discussed with the management and relevant action plans agreed and to be implemented. Significant findings are presented in the AC Meetings for consideration and reporting to the Board. A follow-up audit review is also conducted to determine whether all audit recommendations are effectively implemented.

Further details on the internal audit function and its activities are set out in the Statement on Risk Management and Internal Control on page 68 of this Annual Report.

The Board is of the view that there is no significant breakdown or weaknesses in the systems of internal controls of the Group that may result in material losses incurred by the Group for FY2025.

## STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

This statement is prepared pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are required to prepare audited financial statements that give a true and fair view of the state of affairs, including the cash flow and results, of the Group and the Company as at the end of each financial year.

In preparing these financial statements, the Directors have considered the following:

- The Group and the Company have used appropriate accounting policies, and are consistently applied;
- That reasonable and prudent judgements and estimates were made; and
- That the approved accounting standards in Malaysia have been applied.

The Directors are responsible for ensuring that the Company maintains proper accounting records which disclose with reasonable accuracy of the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the applicable Malaysian Financial Reporting Standards, the International Financial Reporting Standards and the requirements of the Companies Act 2016.

The Directors have general responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

This statement is made in accordance with the resolution passed by the Board of Directors dated 24 April 2026.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. MATERIAL CONTRACTS INVOLVING DIRECTORS, CHIEF EXECUTIVE OR MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Company and its subsidiaries involving interests of Directors, chief executive who is not a Director or major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

### 2. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")

The Company is seeking approval from shareholders for the proposed renewal of existing shareholders' mandate for the Group to enter into RRPT(s) of a revenue or trading nature at the forthcoming Annual General meeting to be held on 26 May 2026.

Details of the RRPTs entered into by the Group during the financial year ended 31 December 2025 pursuant to the shareholders' mandate obtained by the Company at the Annual General meeting held on 28 May 2025 were as follows:

Name of related party	JHM Group - Transacting party	Nature of relationship between JHM Group and the related party	Nature of Transaction	Value of Transaction (RM'000)
Jiangsu Dekai Auto Parts Co. Ltd.	JHM Dekai Auto Lighting Sdn. Bhd. ("JHM Dekai')	JHM Dekai is 52% owned by JHM Consolidation Berhad ("JHM") and 48% owned by Jiangxi Dekai Auto Lighting Co., Ltd., respectively.  Jiangxi Dekai Auto Lighting Co., Ltd. is wholly owned by Jiangsu Dekai Auto Parts Co. Ltd.  Jiangsu Dekai Auto Parts Co. Ltd. is owned by Mr. Dai, Shiwei (50%), Mr. Cheng, Xiaobing (25%), and Mr. Lin, Xilong (25%), respectively. Accordingly, by virtue of their shareholdings in Jiangsu Dekai Auto Parts Co. Ltd., Mr. Dai, Shiwei, Mr. Cheng, Xiaobing and Mr. Lin, Xilong are deemed major shareholders of JHM Dekai.	Purchase of tooling, assembly component / part, sub-assembly part by JHM Dekai from Jiangsu Dekai Auto Parts Co. Ltd.	11,500

### 3. UTILISATION OF PROCEEDS

During the financial year, there were no proceed raised by the Company from any corporate exercise.

### 4. AUDIT FEES

During the financial year ended 31 December 2025, the amount of audit fees payable to external auditors by the Company and the Group respectively were as follows:

	Audit Fee (RM)
Company	56,000
Group	207,000

## ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

### 5. NON-AUDIT FEES

During the financial year ended 31 December 2025, the amount of non-audit fees payable to external auditors and its affiliates by the Company and the Group respectively were as follows:

	Non-Audit Fee (RM)*
Company	6,500
Group	46,000

\* Non-audit services rendered by Grant Thornton Malaysia PLT and their affiliates for:

- Tax services fee
- Review IT General Controls

### 6 DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

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

#### (A) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Revenue		313,225	221,221
Other income		2,478	2,705
Finance income		1,152	1,503
<b>Total</b>		<b>316,855</b>	<b>225,429</b>
<b>Total Assets</b>		<b>476,655</b>	<b>423,944</b>

#### (B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Interest income		1	544
<b>Total</b>		<b>1</b>	<b>544</b>

## ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

## 6 DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

## (C) Component of Financial Position

## (i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Cash at bank (exclude cash in hand)		19,769	19,730
<b>Total</b>		<b>19,769</b>	<b>19,730</b>
<b>Conventional Account/Instruments</b>			
Deposits with licensed bank		9,052	8,835
Cash at bank (exclude cash in hand)		27,657	38,921
<b>Total</b>		<b>36,709</b>	<b>47,756</b>

## (ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
<b>Current</b>			
Term financing		27,928	1,699
<b>Non-Current</b>			
Term financing		21,250	8,526
<b>Total</b>		<b>49,178</b>	<b>10,225</b>

Conventional Borrowing	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
<b>Current</b>			
Term loans		3,003	5,390
Banker's acceptances		12,112	7,000
Bank borrowings		5,935	5,104
<b>Non-Current</b>			
Term loans		3,186	6,462
Banker's acceptances		0	0
Bank borrowings		11,125	10,635
<b>Total</b>		<b>35,361</b>	<b>34,592</b>

# FINANCIAL STATEMENTS

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## DIRECTORS' REPORT

### For The Financial Year Ended 31 December 2025

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

#### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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

#### RESULTS

	GROUP RM	COMPANY RM
(Loss)/Profit for the financial year	<u>(10,709,024)</u>	<u>3,168,004</u>
Attributable to:		
Owners of the Company	(9,177,839)	3,168,004
Non-controlling interests	<u>(1,531,185)</u>	-
	<u>(10,709,024)</u>	<u>3,168,004</u>

In the opinion of the directors, the results of operations of the Group and of the Company for the financial year ended **31 December 2025** have not been substantially affected by any item, transaction or event of a material and unusual nature.

#### DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

The directors do not recommend any final dividend payment for the financial year.

#### RESERVES AND PROVISIONS

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

#### SHARE CAPITAL AND DEBENTURE

During the financial year, the Company did not issue any share or debentures.

#### EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The effective date for the implementation of the Company's ESOS is 3 April 2018 which is the date of full compliance of all relevant requirements of Rule 6.44(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The ESOS shall be in force for a period of five (5) years from 3 April 2018 and will expire on 2 April 2023. On 15 March 2023, the Company has extended its existing ESOS period for another five (5) years until 2 April 2028.

There were no options granted during the financial year.

The salient features of the ESOS are disclosed in Note 34 to the financial statements.

## DIRECTORS' REPORT (CONT'D)

### For The Financial Year Ended 31 December 2025

#### DIRECTORS

The directors of the Company in office since the beginning of the financial year to the date of this report are:

##### **Directors of the Company:**

Lim Chun Thang  
 \* Dato' Seri Tan King Seng  
 \* Cheah Choon Ghee  
 Low Soo Kim  
 Wong Chi Yeng  
 Lai Fah Hin  
 Khor Cheng Kwang

##### **Director of a subsidiary:**

Tan Chee Ming

\* The directors are also directors of the Company's certain subsidiaries.

#### DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares			Balance at 31.12.2025
	Balance at 1.1.2025	Bought	Sold	
<b>Direct Interest:</b>				
Dato' Seri Tan King Seng	192,130,000	-	-	192,130,000
Cheah Choon Ghee	1,830,000	-	-	1,830,000
Low Soo Kim	50,000	-	-	50,000
Wong Chi Yeng	30,000	-	-	30,000
Lai Fah Hin	40,000	-	-	40,000
Khor Cheng Kwang	39,400	-	-	39,400
<b>Deemed Interest:</b>				
<sup>1</sup> Dato' Seri Tan King Seng	50,000	-	-	50,000
<sup>2</sup> Cheah Choon Ghee	67,441,452	-	-	67,441,452
<sup>3</sup> Lai Fah Hin	60,000	-	-	60,000

<sup>1</sup> Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of shares held by his son.

<sup>2</sup> Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of his substantial shareholdings in Noble Matters Sdn. Bhd.

<sup>3</sup> Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of shares held by his spouse.

By virtue of his shareholdings in the Company, **Dato' Seri Tan King Seng** is also deemed interested in the shares of all the subsidiaries of the Company, to the extent that the Company has interests.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interests in shares in the Company or its related corporations during the financial year.

## DIRECTORS' REPORT (CONT'D)

### For The Financial Year Ended 31 December 2025

#### DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Fees	144,000	-	144,000
Salaries, allowances and bonus	12,000	1,918,240	1,930,240
Defined contribution plan	-	283,730	283,730
Social security contribution	-	3,929	3,929
Employment insurance scheme	-	143	143
Benefits-in-kind	-	52,300	52,300
	<b>156,000</b>	<b>2,258,342</b>	<b>2,414,342</b>

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member, or with a company in which the director has substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects 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.

#### INDEMNITY AND INSURANCE FOR DIRECTORS OR OFFICERS

No indemnity has been given to or insurance effected for any of the directors or officers of the Group and 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:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debts was required; and
- (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

- (i) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or
- (ii) which 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 would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

## DIRECTORS' REPORT (CONT'D)

### For The Financial Year Ended 31 December 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 and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

#### AUDITORS

The auditors, **Grant Thornton Malaysia PLT**, have expressed their willingness to continue in office.

The total amount of fees paid to or receivable by the auditors and its affiliate as remuneration for their services to the Group and the Company for the financial year ended 31 December 2025 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	207,000	56,000
Assurance related and non-audit services	46,000	6,500
Total	<u>253,000</u>	<u>62,500</u>

The Company has agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

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

\_\_\_\_\_  
Dato' Seri Tan King Seng

\_\_\_\_\_  
Cheah Choon Ghee

Penang,

Date: 24 April 2026

## DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 86 to 139 are properly drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 December 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 Board of Directors:

---

**Dato' Seri Tan King Seng**

---

**Cheah Choon Ghee**

**Date: 24 April 2026**

## STATUTORY DECLARATION

I, **Low Soo Kim**, the director primarily responsible for the financial management of **JHM Consolidation Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 86 to 139 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 at Penang, this **24th** )  
day of **April 2026**. )

---

**Low Soo Kim**  
**MIA No. 28242**

**Before me,**

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**Commissioner for Oaths**

# INDEPENDENT AUDITORS' REPORT

To The Members Of JHM Consolidation Berhad

Registration No. 200501009101 (686148-A)

(Incorporated in Malaysia)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **JHM Consolidation Berhad**, which comprise the statements of financial position as at **31 December 2025** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 86 to 139.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 December 2025** and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence and Other Ethical Responsibilities

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company 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>Goodwill impairment assessment</b> <i>(Note 8 to the financial statements)</i></p> <p>As at the reporting date, the Group has goodwill amounting to RM21.53 million which has been allocated to its manufacturing segment as the cash generating unit ("CGU").</p> <p>The management is required to perform annual impairment assessment for its goodwill. We focus on this area as management's assessment of the value in use of the CGU involves estimation uncertainty and judgements about the future results of the business and key assumptions applied to future cash flows projection.</p>	<p>Our audit procedures in relation to the goodwill impairment assessment included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>· Evaluated the model used in determining the value in use of the CGU as well as assessed the discount rate used;</li> <li>· Challenged the reasonableness of key assumptions based on our knowledge of the business and industry;</li> <li>· Compared actual performance of the CGU to assumptions applied in prior years model and assessed the accuracy of management's estimates;</li> <li>· Performed sensitivity analysis on the key assumptions inputted to the model and understood the impact on the overall carrying amount of goodwill with the alterations to the key assumptions; and</li> <li>· Assessed the adequacy of disclosures in the financial statements.</li> </ul>

## INDEPENDENT AUDITORS' REPORT (CONT'D)

To The Members Of JHM Consolidation Berhad

Registration No. 200501009101 (686148-A)

(Incorporated in Malaysia)

Key Audit Matters	How Our Audit Addressed the Key Audit Matters
<p><b>Valuation of inventories</b> <i>(Note 10 to the financial statements)</i></p> <p>The Group has significant balance of inventories as at 31 December 2025 which exposed the Group to a risk that the inventories may become slow moving or obsolete and eventually non-saleable or recoverable below their carrying amounts.</p> <p>We focused on this area as it involves estimation uncertainty by the management in determining the accuracy of inventories written down and in assessing the adequacy of inventories not stated at the lower of cost and net realisable value.</p>	<p>Our audit procedures in relation to the valuation of inventories included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>· Obtained an understanding of: <ul style="list-style-type: none"> <li>- the Group's inventory management process;</li> <li>- how the Group identifies and assesses inventory write-downs; and</li> <li>- how the Group makes the accounting estimates for inventory write-downs.</li> </ul> </li> <li>· Attended the year end physical inventory counts to identify whether any inventories are slow moving or obsolete;</li> <li>· Reviewed and tested the net realisable value of inventories on a sampling basis;</li> <li>· Reviewed the ageing analysis of inventories and tested the reliability thereof;</li> <li>· Checked the subsequent movements of the finished goods to identify any slow moving items;</li> <li>· Reviewed the consistency of the application of management's methodology in determining and estimating the inventories written down from year to year; and</li> <li>· Evaluated the adequacy of the inventories written down recognised for identified exposures.</li> </ul>

There is no key audit matter to be communicated in the audit of the separate financial statements of the Company.

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

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

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

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

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

### Responsibilities of the Directors for the Financial Statements

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

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

## INDEPENDENT AUDITORS' REPORT (CONT'D)

To The Members Of JHM Consolidation Berhad

Registration No. 200501009101 (686148-A)

(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 from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

## INDEPENDENT AUDITORS' REPORT (CONT'D)

To The Members Of JHM Consolidation Berhad

Registration No. 200501009101 (686148-A)

(Incorporated in Malaysia)

### Other Matter

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.

Grant Thornton Malaysia PLT  
AF: 0737  
201906003682 (LLP0022494-LCA)  
Chartered Accountants

Loo Wei Teng  
No. 03487/03/2028 J  
Chartered Accountant

Penang

Date: 24 April 2026

## STATEMENTS OF FINANCIAL POSITION

As At 31 December 2025

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	183,559,241	144,824,350	419,991	474,328
Investment properties	5	-	-	62,879,529	31,838,222
Right-of-use assets	6	2,646,350	2,960,637	-	-
Investment in subsidiaries	7	-	-	70,477,998	70,477,998
Goodwill on consolidation	8	21,531,534	21,531,534	-	-
Trade and other receivables	9	-	-	35,820,055	26,426,145
		<u>207,737,125</u>	<u>169,316,521</u>	<u>169,597,573</u>	<u>129,216,693</u>
<b>Current assets</b>					
Inventories	10	119,794,301	101,542,577	-	-
Trade and other receivables	9	85,129,554	72,821,691	29,033	4,507,767
Contract costs	11	4,959,851	6,866,666	-	-
Other investments	12	-	3,484,111	-	2,146,981
Tax recoverable		2,552,253	2,419,902	158,273	263,674
Cash and bank balances	13	56,482,320	67,492,550	326,187	3,635,555
		<u>268,918,279</u>	<u>254,627,497</u>	<u>513,493</u>	<u>10,553,977</u>
<b>TOTAL ASSETS</b>		<u>476,655,404</u>	<u>423,944,018</u>	<u>170,111,066</u>	<u>139,770,670</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	14	132,532,586	132,532,586	132,532,586	132,532,586
Capital reserve	15	(276,976)	(276,976)	-	-
Retained profits/ (Accumulated losses)		158,667,477	167,845,316	(5,072,001)	(8,240,005)
		<u>290,923,087</u>	<u>300,100,926</u>	<u>127,460,585</u>	<u>124,292,581</u>
Non-controlling interests		(3,717,667)	(2,186,482)	-	-
<b>Total equity</b>		<u>287,205,420</u>	<u>297,914,444</u>	<u>127,460,585</u>	<u>124,292,581</u>
<b>Non-current liabilities</b>					
Borrowings	16	35,560,333	25,624,220	23,573,662	12,092,835
Lease liabilities	6	1,737,891	2,169,482	-	-
Deferred tax liabilities	17	725,386	3,041,880	722,000	393,000
		<u>38,023,610</u>	<u>30,835,582</u>	<u>24,295,662</u>	<u>12,485,835</u>
<b>Current liabilities</b>					
Trade and other payables	18	91,631,487	65,070,138	2,344,851	107,968
Borrowings	16	48,977,579	19,192,493	16,009,968	2,884,286
Lease liabilities	6	1,103,825	987,957	-	-
Contract liabilities	19	8,519,650	9,877,487	-	-
Refund liabilities	20	79,744	65,917	-	-
Tax payable		1,114,089	-	-	-
		<u>151,426,374</u>	<u>95,193,992</u>	<u>18,354,819</u>	<u>2,992,254</u>
<b>Total liabilities</b>		<u>189,449,984</u>	<u>126,029,574</u>	<u>42,650,481</u>	<u>15,478,089</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>476,655,404</u>	<u>423,944,018</u>	<u>170,111,066</u>	<u>139,770,670</u>

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

## STATEMENTS OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2025

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	21	313,224,780	221,221,462	7,518,727	3,463,039
Cost of sales		<u>(290,596,480)</u>	<u>(217,879,490)</u>	<u>-</u>	<u>-</u>
<b>Gross profit</b>		<b>22,628,300</b>	3,341,972	<b>7,518,727</b>	3,463,039
Other income	22	2,477,889	2,704,511	1,037,249	895,211
Administrative expenses		<b>(32,475,020)</b>	(29,042,954)	<b>(3,280,717)</b>	(3,164,806)
Allowance for expected credit losses on amount due from subsidiaries		-	-	-	(9,275,213)
Other operating expenses		<u>(1,125,425)</u>	<u>-</u>	<u>-</u>	<u>(1,875,025)</u>
<b>Operating (loss)/profit</b>		<b>(8,494,256)</b>	(22,996,471)	<b>5,275,259</b>	(9,956,794)
Finance costs	23	<b>(3,173,800)</b>	(2,645,400)	<b>(1,428,952)</b>	(697,765)
Finance income	24	<u>1,151,708</u>	1,503,455	<u>-</u>	<u>-</u>
<b>(Loss)/Profit before tax</b>	25	<b>(10,516,348)</b>	(24,138,416)	<b>3,846,307</b>	(10,654,559)
Taxation	26	<u>(192,676)</u>	1,247,977	<u>(678,303)</u>	<u>(173,422)</u>
<b>(Loss)/Profit for the financial year, representing total comprehensive (loss)/ income for the financial year</b>		<b><u>(10,709,024)</u></b>	<u>(22,890,439)</u>	<b><u>3,168,004</u></b>	<u>(10,827,981)</u>
<b>Total comprehensive (loss)/income attributable to:</b>					
Owners of the Company		<b>(9,177,839)</b>	(22,666,130)	<b>3,168,004</b>	(10,827,981)
Non-controlling interests		<u>(1,531,185)</u>	<u>(224,309)</u>	<u>-</u>	<u>-</u>
		<b><u>(10,709,024)</u></b>	<u>(22,890,439)</u>	<b><u>3,168,004</u></b>	<u>(10,827,981)</u>
<b>Loss per share attributable to owners of the Company (sen)</b>					
- Basic/Diluted	27	<u>(1.51)</u>	<u>(3.74)</u>		

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2025

	Attributable to Owners of the Company					Total Equity RM
	Share Capital RM	Capital Reserve RM	Retained Profits RM	Non-controlling Interests RM	Total RM	
<b>2025</b>						
Balance at beginning	132,532,586	(276,976)	167,845,316	300,100,926	(2,186,482)	297,914,444
Total comprehensive loss for the financial year	-	-	(9,177,839)	(9,177,839)	(1,531,185)	(10,709,024)
Balance at end	<b>132,532,586</b>	<b>(276,976)</b>	<b>158,667,477</b>	<b>290,923,087</b>	<b>(3,717,667)</b>	<b>287,205,420</b>
<b>2024</b>						
Balance at beginning	132,532,586	(276,976)	188,008,728	320,264,338	492,545	320,756,883
Total comprehensive loss for the financial year	-	-	(22,666,130)	(22,666,130)	(224,309)	(22,890,439)
<i>Transactions with owners of the Company:</i>						
Issuance of ordinary shares to non- controlling interests	-	-	-	-	48,000	48,000
Dilution of equity interest in a subsidiary	-	-	2,502,718	2,502,718	(2,502,718)	-
Total transactions with owners	-	-	2,502,718	2,502,718	(2,454,718)	48,000
Balance at end	132,532,586	(276,976)	167,845,316	300,100,926	(2,186,482)	297,914,444

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

## STATEMENT OF **CHANGES IN EQUITY** For The Financial Year Ended 31 December 2025

	Share Capital RM	Accumulated losses RM	Total Equity RM
<b>2025</b>			
Balance at beginning	132,532,586	(8,240,005)	124,292,581
Total comprehensive income for the financial year	-	3,168,004	3,168,004
Balance at end	<u>132,532,586</u>	<u>(5,072,001)</u>	<u>127,460,585</u>
<b>2024</b>			
Balance at beginning	132,532,586	2,587,976	135,120,562
Total comprehensive loss for the financial year	-	(10,827,981)	(10,827,981)
Balance at end	<u>132,532,586</u>	<u>(8,240,005)</u>	<u>124,292,581</u>

## STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 December 2025

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
(Loss)/Profit before tax	<b>(10,516,348)</b>	(24,138,416)	<b>3,846,307</b>	(10,654,559)
Adjustments for:				
Accretion of interest on lease liabilities	<b>125,012</b>	131,316	-	-
Allowance for expected credit losses on amount due from subsidiaries	-	-	-	9,275,213
Depreciation of:				
- investment properties	-	-	<b>1,562,779</b>	1,920,594
- property, plant and equipment	<b>17,909,217</b>	17,671,428	<b>95,684</b>	91,054
- right-of-use assets	<b>1,067,505</b>	1,025,778	-	-
Distribution income	<b>(137,184)</b>	(443,532)	<b>(3,415)</b>	(78,417)
Fair value (gain)/loss on other investments designated at FVTPL	<b>(571,536)</b>	381,590	<b>(776,182)</b>	586,236
Gain on disposal of property, plant and equipment	<b>(447,329)</b>	(367,945)	-	-
Gross dividend income	-	-	<b>(3,000,000)</b>	-
Impairment loss on property, plant and equipment	<b>1,125,425</b>	-	-	-
Impairment loss on investment in subsidiaries	-	-	-	1,875,025
Interest expense	<b>3,048,788</b>	2,514,084	<b>1,428,952</b>	697,765
Interest income	<b>(1,203,401)</b>	(1,538,746)	<b>(1,510,472)</b>	(1,295,788)
Inventories written down, net	<b>43,118</b>	3,806,282	-	-
Loss/(Gain) on disposal of other investments	<b>544,302</b>	(670,751)	<b>747,835</b>	(895,211)
Loss on derecognition of right-of-use assets and lease liabilities	-	39,115	-	-
Property, plant and equipment written off	<b>415,277</b>	1,266,978	<b>4,953</b>	-
Unrealised loss/(gain) on foreign exchange	<b>3,979,703</b>	(998,920)	-	-
Operating profit/(loss) before working capital changes carried forward	<b>15,382,549</b>	(1,321,739)	<b>2,396,441</b>	1,521,912

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

## STATEMENTS OF CASH FLOWS (CONT'D)

For The Financial Year Ended 31 December 2025

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
Operating profit/(loss) before working capital changes bought forward		<b>15,382,549</b>	(1,321,739)	<b>2,396,441</b>	1,521,912
Changes in:					
Inventories		<b>(18,294,842)</b>	(3,614,346)	-	-
Receivables		<b>(20,190,206)</b>	35,672,992	<b>1,734</b>	(4,481,792)
Payables		<b>27,631,247</b>	10,291,821	<b>7,978</b>	942
Contract costs		<b>1,906,815</b>	(1,535,500)	-	-
Contract liabilities		<b>(1,357,837)</b>	(1,784,916)	-	-
Refund liabilities		<b>13,827</b>	4,015	-	-
Cash generated from operations		<b>5,091,553</b>	37,712,327	<b>2,406,153</b>	(2,958,938)
Income tax paid		<b>(2,544,232)</b>	(3,996,274)	<b>(464,993)</b>	(490,833)
Income tax refunded		<b>1,016,800</b>	-	<b>221,091</b>	-
Interest paid		<b>(3,048,788)</b>	(2,514,084)	<b>(1,350,047)</b>	(697,765)
Net cash from/(used in) operating activities		<b>515,333</b>	31,381,969	<b>812,204</b>	(4,147,536)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Additions in investment in subsidiaries		-	-	-	(51,900)
Additions in other investments		<b>(41,390,000)</b>	(54,910,000)	<b>(16,400,000)</b>	(29,900,000)
Gross dividend received		-	-	<b>3,000,000</b>	-
Interest received		<b>986,212</b>	1,316,551	<b>51,693</b>	35,291
Net change in subsidiaries balances		-	-	<b>(5,785,131)</b>	(9,943,922)
Proceeds from disposal of property, plant and equipment		<b>591,513</b>	3,439,694	-	-
Proceeds from disposal of other investments		<b>45,038,529</b>	58,402,530	<b>18,578,743</b>	28,400,000
Purchase of property, plant and equipment	A	<b>(46,300,044)</b>	(16,737,699)	<b>(46,300)</b>	-
Purchase of investment properties	B	-	-	<b>(28,127,086)</b>	(5,260,433)
Net cash used in investing activities		<b>(41,073,790)</b>	(8,488,924)	<b>(28,728,081)</b>	(16,720,964)

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

## STATEMENTS OF CASH FLOWS (CONT'D)

For The Financial Year Ended 31 December 2025

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from issuance of ordinary shares to non-controlling interests		-	48,000	-	-
Net changes in amount due to a director		<b>1,150,000</b>	(5,525,000)	-	-
Net changes in short term borrowings	C	<b>5,111,845</b>	(12,159,550)	-	-
Net changes in revolving credits	C	<b>40,652,528</b>	-	<b>27,501,008</b>	-
Repayment of finance lease liabilities	C	<b>(6,231,341)</b>	(6,292,391)	-	-
Drawdown of term loan	C	<b>27,710,000</b>	4,770,000	-	4,770,000
Repayment of term loans	C	<b>(34,508,093)</b>	(7,316,166)	<b>(2,894,499)</b>	(2,698,436)
Repayment of lease liabilities	C	<b>(1,193,953)</b>	(1,097,383)	-	-
Net cash from/(used in) financing activities		<b>32,690,986</b>	(27,572,490)	<b>24,606,509</b>	2,071,564
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(7,867,471)</b>	(4,859,445)	<b>(3,309,368)</b>	(18,796,936)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>(3,359,948)</b>	294,539	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>		<b>58,657,672</b>	63,222,578	<b>3,635,555</b>	22,432,491
<b>CASH AND CASH EQUIVALENTS AT END</b>		<b>47,430,253</b>	58,657,672	<b>326,187</b>	3,635,555
<b>Cash and cash equivalents represented by:</b>					
Fixed deposits with licensed banks		<b>9,052,067</b>	8,834,878	-	-
Short term money market deposit		<b>7,603,586</b>	12,348,461	<b>214,032</b>	1,486,267
Cash in hand and at banks		<b>39,826,667</b>	46,309,211	<b>112,155</b>	2,149,288
		<b>56,482,320</b>	67,492,550	<b>326,187</b>	3,635,555
Less: Bank overdraft					
Fixed deposits pledged to licensed banks		<b>(9,052,067)</b>	(8,834,878)	-	-
		<b>47,430,253</b>	58,657,672	<b>326,187</b>	3,635,555

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

## STATEMENTS OF CASH FLOWS (CONT'D)

For The Financial Year Ended 31 December 2025

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

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
Total acquisition cost		<b>58,328,994</b>	17,732,324	<b>46,300</b>	-
Acquired under finance lease liabilities	C	<b>(7,551,950)</b>	(464,625)	-	-
Changes in prepayment		<b>(4,477,000)</b>	(530,000)	-	-
Total cash acquisition		<b>46,300,044</b>	16,737,699	<b>46,300</b>	-

### B. Purchase of investment properties

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
Total acquisition cost		-	-	<b>32,604,086</b>	5,790,433
Changes in prepayment		-	-	<b>(4,477,000)</b>	(530,000)
Total cash acquisition		-	-	<b>28,127,086</b>	5,260,433

### C. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities of the Group and of the Company is as follows:

	Balance at beginning RM	Cash flows RM	Others <sup>1</sup> RM	Balance at end RM
<b>GROUP</b>				
<b>2025</b>				
Borrowings	<b>44,816,713</b>	<b>40,286,889</b>	<b>(565,690)</b>	<b>84,537,912</b>
Lease liabilities	<b>3,157,439</b>	<b>(1,193,953)</b>	<b>878,230</b>	<b>2,841,716</b>
Total liabilities arising from financing activities	<b>47,974,152</b>	<b>39,092,936</b>	<b>312,540</b>	<b>87,379,628</b>
<b>2024</b>				
Borrowings	65,282,953	(20,533,482)	67,242	44,816,713
Lease liabilities	4,126,660	(1,097,383)	128,162	3,157,439
Total liabilities arising from financing activities	69,409,613	(21,630,865)	195,404	47,974,152

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

## STATEMENTS OF CASH FLOWS (CONT'D)

For The Financial Year Ended 31 December 2025

	Balance at beginning RM	Cash flows RM	Others <sup>1</sup> RM	Balance at end RM
<b>COMPANY</b>				
<b>2025</b>				
Borrowings, representing total liabilities arising from financing activities	<b>14,977,121</b>	<b>24,606,509</b>	-	<b>39,583,630</b>
<b>2024</b>				
Borrowings, representing total liabilities arising from financing activities	12,905,557	2,071,564	-	14,977,121

<sup>1</sup>Others consist of non-cash movement as follows:

	<b>GROUP</b>	
	<b>2025</b>	2024
	<b>RM</b>	RM
Accretion of interest on lease liabilities	<b>125,012</b>	131,316
Addition of lease liabilities	<b>753,218</b>	278,790
Derecognition of lease liabilities	-	(281,944)
Unrealised (gain)/loss on foreign exchange	<b>(565,690)</b>	67,242
	<b>312,540</b>	195,404

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

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

## 1. GENERAL INFORMATION

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

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The registered office of the Company is located at Suite 16.06 MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Penang.

The principal place of business of the Company is located at 15-1-21, Bayan Point, Medan Kampung Relau, 11900 Bayan Lepas, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24 April 2026.

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### 2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for other investments that are measured at fair values.

### 2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

### 2.4 Adoption of Amendments to MFRSs

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial years except for the adoption of the following amendments to MFRSs that are mandatory for the current financial year:

#### **Effective for annual period beginning on or after 1 January 2025**

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

Initial application of the above amendments to MFRSs did not have any material impact to the financial statements of the Group and of the Company upon adoption.

### 2.5 Standards/Amendments to MFRSs Issued But Not Yet Effective

The following are accounting standards/amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

#### **Effective for annual period beginning on or after 1 January 2026**

*Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments*

*Annual Improvements to MFRS Accounting Standards - Volume 11*

*Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity*

#### **Effective for annual period 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*

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

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

31 December 2025

### 2. BASIS OF PREPARATION (CONT'D)

#### 2.5 Standards/Amendments to MFRSs Issued But Not Yet Effect (Cont'd)

##### **Effective 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 initial application of the above standards/amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for *MFRS 18 Presentation and Disclosure in Financial Statements*.

*MFRS 18* introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to *MFRS 107 Statement of Cash Flows* and *MFRS 134 Interim Financial Reporting*.

The amendments will have an impact on the Group's and on the Company's presentation of statements of comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group is currently assessing the impact of *MFRS 18* and plans to adopt the new standard on the required effective date.

### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements 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 estimate is revised and in any future periods affected.

#### 3.1 Judgements made in applying accounting policies

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

##### **Determining the lease term of contracts with renewal and termination options - Group as lessee**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group has included the extension options period as part of the lease term for lease of factory buildings as it is reasonably certain that the extension options will be exercised. The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

#### 3.2 Key sources of estimation uncertainty

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

##### (i) **Impairment of goodwill**

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying amount, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in assumptions are disclosed in Note 8 to the financial statements.

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

### 31 December 2025

#### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### 3.2 Key sources of estimation uncertainty (Cont'd)

###### (ii) Inventories

The management reviews for damage, slow-moving and obsolete inventories. This review requires judgements and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

The carrying amount of the Group's inventories as at the end of the reporting period is disclosed in Note 10 to the financial statements.

###### (iii) Impairment of investment in subsidiaries

Investment in subsidiaries are tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such indication exists, based on the evaluation of both internal and external sources of information. If any such indication exists, management assesses the recoverable amount of the investment in subsidiaries based on the higher of value in use or fair value less cost to sell as at the end of the reporting period. If the recoverable amount of the investment in subsidiaries is less than its carrying amount, an impairment loss is recognised in profit or loss to reduce the carrying amount of the investment in subsidiaries. An impairment loss of **RM Nil** (2024: RM1,875,025) was recognised in profit or loss to write down the subsidiaries to their recoverable amount.

###### (iv) Provision for expected credit loss ("ECL") of receivables

The Group uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecasted economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECL on the Group's trade receivables is disclosed in Note 31.3.1 to the financial statements.

###### (v) Estimating variable consideration for volume rebates

The Group estimates variable consideration to be included in the transaction price for the sales of mechanical components with volume rebates.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining a customer's rebate entitlement is dependent upon the customer's historical rebates entitlement and accumulated purchases to date.

###### (vi) Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

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

31 December 2025

### 4. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land RM	Leasehold land RM	Office lot and factory buildings RM	Plant and machinery and factory equipment RM	Office equipment, furniture and fittings RM	Electrical installation and renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
<b>2025</b>									
<b>At cost</b>									
Balance at beginning	11,593,637	27,577,440	23,103,440	147,291,708	19,679,908	27,275,181	7,039,799	12,531,303	276,092,416
Additions	10,544,052	8,260,034	13,800,000	21,041,323	1,871,420	2,169,159	492,032	150,974	58,328,994
Disposals	-	-	-	(2,940,891)	-	-	(321,424)	-	(3,262,315)
Write offs	-	-	-	(291,310)	(164,257)	-	-	(204,220)	(659,787)
Reclassification	-	209,000	-	624,341	-	-	-	(833,341)	-
Balance at end	22,137,689	36,046,474	36,903,440	165,725,171	21,387,071	29,444,340	7,210,407	11,644,716	330,499,308
<b>Accumulated depreciation</b>									
Balance at beginning	-	2,129,456	4,261,085	89,437,130	13,758,855	16,284,045	5,397,495	-	131,268,066
Current charge	-	774,241	1,367,840	10,961,499	1,742,632	2,360,425	702,580	-	17,909,217
Disposals	-	-	-	(2,852,881)	-	-	(265,250)	-	(3,118,131)
Write offs	-	-	-	(80,872)	(163,638)	-	-	-	(244,510)
Balance at end	-	2,903,697	5,628,925	97,464,876	15,337,849	18,644,470	5,834,825	-	145,814,642
<b>Accumulated impairment losses</b>									
Current charge/	-	-	-	1,125,425	-	-	-	-	1,125,425
Balance at end	-	-	-	1,125,425	-	-	-	-	1,125,425
<b>Carrying amount</b>	22,137,689	33,142,777	31,274,515	67,134,870	6,049,222	10,799,870	1,375,582	11,644,716	183,559,241

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

31 December 2025

### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

#### GROUP (CONT'D)

2024	Freehold land RM	Leasehold land RM	Office lot and factory buildings RM	Plant and machinery and factory equipment RM	Office equipment, furniture and fittings RM	Electrical installation and renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
At cost									
Balance at beginning	8,576,720	27,577,440	20,538,924	145,812,707	18,555,136	26,676,459	6,980,674	12,360,053	267,078,113
Additions	3,016,917	-	2,564,516	1,594,054	998,142	336,372	134,125	9,088,198	17,732,324
Disposals	-	-	-	(7,375,741)	-	-	(75,000)	-	(7,450,741)
Write offs	-	-	-	(352,100)	-	-	-	(915,180)	(1,267,280)
Reclassification	-	-	-	7,612,788	126,630	262,350	-	(8,001,768)	-
Balance at end	11,593,637	27,577,440	23,103,440	147,291,708	19,679,908	27,275,181	7,039,799	12,531,303	276,092,416
Accumulated depreciation									
Balance at beginning	-	1,537,680	2,420,563	83,400,388	12,061,002	13,865,057	4,691,242	-	117,975,932
Current charge	-	591,776	1,840,522	10,344,786	1,697,853	2,418,988	777,503	-	17,671,428
Disposals	-	-	-	(4,307,742)	-	-	(71,250)	-	(4,378,992)
Write offs	-	-	-	(302)	-	-	-	-	(302)
Balance at end	-	2,129,456	4,261,085	89,437,130	13,758,855	16,284,045	5,397,495	-	131,268,066
Carrying amount	11,593,637	25,447,984	18,842,355	57,854,578	5,921,053	10,991,136	1,642,304	12,531,303	144,824,350

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

### 31 December 2025

#### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

##### COMPANY

	Office equipment, furniture and fittings RM	Electrical installation and renovation RM	Capital work-in- progress RM	Total RM
<b>2025</b>				
<b>At cost</b>				
Balance at beginning	53,420	813,700	4,953	872,073
Additions	-	46,300	-	46,300
Write off	-	-	(4,953)	(4,953)
Balance at end	<u>53,420</u>	<u>860,000</u>	<u>-</u>	<u>913,420</u>
<b>Accumulated depreciation</b>				
Balance at beginning	38,330	359,415	-	397,745
Current charge	9,684	86,000	-	95,684
Balance at end	<u>48,014</u>	<u>445,415</u>	<u>-</u>	<u>493,429</u>
<b>Carrying amount</b>	<u>5,406</u>	<u>414,585</u>	<u>-</u>	<u>419,991</u>
<b>2024</b>				
<b>At cost</b>				
Balance at beginning/end	<u>53,420</u>	<u>813,700</u>	<u>4,953</u>	<u>872,073</u>
<b>Accumulated depreciation</b>				
Balance at beginning	28,646	278,045	-	306,691
Current charge	9,684	81,370	-	91,054
Balance at end	<u>38,330</u>	<u>359,415</u>	<u>-</u>	<u>397,745</u>
Carrying amount	<u>15,090</u>	<u>454,285</u>	<u>4,953</u>	<u>474,328</u>

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

31 December 2025

### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (i) The carrying amount of property, plant and equipment which are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 16 to the financial statements are as follows:

	<b>GROUP</b>	
	<b>2025</b>	2024
	<b>RM</b>	RM
Freehold land	<b>22,137,689</b>	11,593,637
Leasehold land	<b>33,142,777</b>	25,447,984
Office lot and factory buildings	<b>31,274,515</b>	18,842,355
Plant and machinery	<b>17,616,777</b>	6,341,681
	<b>104,171,758</b>	62,225,657

- (ii) The carrying amount of leased assets which are pledged as securities for the finance lease liabilities as disclosed in Note 16 to the financial statements are as follows:

	<b>GROUP</b>	
	<b>2025</b>	2024
	<b>RM</b>	RM
Plant and machinery and factory equipment	<b>21,928,269</b>	24,478,039
Motor vehicles	<b>996,461</b>	1,490,195
	<b>22,924,730</b>	25,968,234

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

### 31 December 2025

#### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (iii) The Group has completed the acquisition transactions arising from:
- (a) Sale and Purchase Agreement dated 6 September 2024 in relation to the acquisition of leasehold land with a detached factory building for a cash consideration of RM20,900,000.
- (b) Sale and Purchase Agreement dated 20 February 2025 in relation to the acquisition of freehold land for a cash consideration of RM9,900,000.
- (iv) In the prior year, the Group had completed the acquisition transaction arising from Sale and Purchase Agreement dated 3 January 2024 in relation to the acquisition of freehold land with a detached factory building for a cash consideration of RM5,300,000.
- (v) During the financial year, certain subsidiaries recognised impairment losses on plant and machinery and factory equipment amounting to RM1,125,425, as the subsidiary has been making loss continuously on die-casting division.
- (vi) The information of right-of-use assets which are included in the property, plant and equipment is as follows:

#### GROUP

	Carrying amount RM	Addition RM	Current depreciation RM
<b>2025</b>			
Leasehold land	<u>33,142,777</u>	<u>8,260,034</u>	<u>774,241</u>
<b>2024</b>			
Leasehold land	<u>25,447,984</u>	<u>-</u>	<u>591,776</u>

#### Material accounting policy information

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

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

<u>Categories</u>	<u>Years</u>
Leasehold land	30 to 64
Office lot and factory buildings	23 to 50
Plant and machinery and factory equipment	3 to 10
Office equipment, furniture and fittings	5 to 10
Electrical installation and renovation	10
Motor vehicles	5

Freehold land is not depreciated as it has an infinite life.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

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

31 December 2025

### 5. INVESTMENT PROPERTIES

#### COMPANY

	Freehold land RM	Leasehold land RM	Factory buildings RM	Capital work- in-progress RM	Total RM
<b>2025</b>					
<b>At cost</b>					
Balance at beginning	11,593,637	4,785,240	19,396,051	209,000	35,983,928
Additions	10,544,052	8,260,034	13,800,000	-	32,604,086
Reclassification	-	209,000	-	(209,000)	-
Balance at end	<u>22,137,689</u>	<u>13,254,274</u>	<u>33,196,051</u>	<u>-</u>	<u>68,588,014</u>
<b>Accumulated depreciation</b>					
Balance at beginning	-	1,020,156	3,125,550	-	4,145,706
Current charge	-	346,830	1,215,949	-	1,562,779
Balance at end	<u>-</u>	<u>1,366,986</u>	<u>4,341,499</u>	<u>-</u>	<u>5,708,485</u>
<b>Carrying amount</b>	<u>22,137,689</u>	<u>11,887,288</u>	<u>28,854,552</u>	<u>-</u>	<u>62,879,529</u>
<b>2024</b>					
<b>At cost</b>					
Balance at beginning	8,576,720	4,785,240	16,831,535	-	30,193,495
Additions	3,016,917	-	2,564,516	209,000	5,790,433
Balance at end	<u>11,593,637</u>	<u>4,785,240</u>	<u>19,396,051</u>	<u>209,000</u>	<u>35,983,928</u>
<b>Accumulated depreciation</b>					
Balance at beginning	-	816,125	1,408,987	-	2,225,112
Current charge	-	204,031	1,716,563	-	1,920,594
Balance at end	<u>-</u>	<u>1,020,156</u>	<u>3,125,550</u>	<u>-</u>	<u>4,145,706</u>
<b>Carrying amount</b>	<u>11,593,637</u>	<u>3,765,084</u>	<u>16,270,501</u>	<u>209,000</u>	<u>31,838,222</u>

- (i) The investment properties have an open market value of approximately **RM67,000,000** (2024: RM34,500,000). The valuations are performed by independent professional valuers using the market comparison approach. The appraised values were derived from unobservable prices per square foot for comparable properties in similar locations (i.e. Level 3).
- (ii) The entire investment properties are pledged to licensed banks as securities for banking facilities granted to the Company as disclosed in Note 16 to the financial statements.
- (iii) The Group has completed the acquisition transactions arising from:
- Sale and Purchase Agreement dated 6 September 2024 in relation to the acquisition of leasehold land with a detached factory building for a cash consideration of RM20,900,000; and
  - Sale and Purchase Agreement dated 20 February 2025 in relation to the acquisition of freehold land for a cash consideration of RM9,900,000.
- (iv) In the prior year, the Group had completed the acquisition transaction arising from Sale and Purchase Agreement dated 3 January 2024 in relation to the acquisition of freehold land with a detached factory building for a cash consideration of RM5,300,000.

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

### 31 December 2025

#### 5. INVESTMENT PROPERTIES (CONT'D)

##### (v) Company as lessor

The Company has entered into operating leases on its investment properties. These leases have terms of between two to three years.

The following are recognised in profit or loss in respect of investment properties:

	COMPANY	
	2025 RM	2024 RM
Rental income from income generating properties	3,004,840	2,088,834
Direct operating expenses	<u>133,730</u>	<u>95,314</u>

#### Material accounting policy information

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Investment properties are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

<u>Categories</u>	<u>Years</u>
Leasehold land	24 to 64
Factory buildings	23 to 50

Freehold land is not depreciated as it has an infinite life.

#### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

##### Group as a lessee

The Group has lease contracts for factory buildings used in its operations that have lease terms between 1 to 3 years, with an option to renew the lease for another 3 years. The lease contracts restrict the Group from assigning and subleasing the leased assets.

The Group also has certain leases of hostels with lease terms of 12 months or less and leases of low-value assets such as office equipment. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

##### *Right-of-use assets*

Set out below are the carrying amount of right-of-use assets recognised and the movements during the financial year:

	Factory buildings	
	2025 RM	2024 RM
<b>GROUP</b>		
Balance at beginning	2,960,637	4,028,684
Additions	753,218	278,790
Depreciation	(1,067,505)	(1,025,778)
Derecognition	-	(321,059)
Balance at end	<u>2,646,350</u>	<u>2,960,637</u>

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

31 December 2025

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

#### *Lease liabilities*

Set out below are the carrying amount of lease liabilities recognised and the movements during the financial year:

	<b>Factory buildings</b>	
	<b>2025</b>	2024
	<b>RM</b>	RM
Balance at beginning	<b>3,157,439</b>	4,126,660
Additions	<b>753,218</b>	278,790
Accretion of interest	<b>125,012</b>	131,316
Derecognition	-	(281,944)
Payments	<b>(1,193,953)</b>	(1,097,383)
	<hr/>	<hr/>
Balance at end	<b>2,841,716</b>	3,157,439
	<hr/>	<hr/>
Represented by:		
Non-current liabilities	<b>1,737,891</b>	2,169,482
Current liabilities	<b>1,103,825</b>	987,957
	<hr/>	<hr/>
	<b>2,841,716</b>	3,157,439
	<hr/>	<hr/>

The maturity analysis of lease liabilities is disclosed in Note 31.4 to the financial statements.

The followings are the amounts recognised in profit or loss:

	<b>GROUP</b>	
	<b>2025</b>	2024
	<b>RM</b>	RM
Accretion of interest on lease liabilities	<b>125,012</b>	131,316
Depreciation expense of right-of-use assets	<b>1,067,505</b>	1,025,778
Expenses relating to leases of low-value assets	<b>68,449</b>	26,081
Expenses relating to short-term leases	<b>734,429</b>	610,300
Loss on derecognition of right-of-use assets and lease liabilities	-	39,115
	<hr/>	<hr/>
<b>Total amount recognised in profit or loss</b>	<b>1,995,395</b>	1,832,590
	<hr/>	<hr/>

The total cash outflows for leases of the Group during the financial year are **RM1,996,831** (2024: RM1,733,764).

#### **Material accounting policy information**

##### **Right-of-use assets**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Right-of-use assets are depreciated on a straight-line basis over their lease term of 2 to 6 years.

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

### 31 December 2025

#### 7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2025 RM	2024 RM
Unquoted shares, at cost	<b>103,213,023</b>	103,213,023
Less: Allowance for impairment loss		
Balance at beginning	<b>(32,735,025)</b>	(30,860,000)
Current year	-	(1,875,025)
Balance at end	<b>(32,735,025)</b>	(32,735,025)
	<b>70,477,998</b>	70,477,998

Details of the subsidiaries, which are all incorporated and principal place of business in Malaysia, are as follows:

Name of Companies	Effective		Principal Activities
	Equity Interest 2025	2024	
Morrissey Technology Sdn. Bhd.	<b>100%</b>	100%	Design and manufacturing of precision miniature engineering metal parts and components.
JH Morrissey Sdn. Bhd.	<b>100%</b>	100%	International procurement office and research and development centre.
Morrissey Assembly Solution Sdn. Bhd.	<b>100%</b>	100%	Manufacturing and assembling of electronic components.
Morrissey Aerosystems Sdn. Bhd.	<b>80%</b>	80%	Manufacturing of machined metal parts, secondary processes, sub-assemblies and assembly of LED lighting for aerospace industry. Currently, the company has not commenced operations.
Morrissey Integrated Dynamics Sdn. Bhd.	<b>100%</b>	100%	Manufacturing of precision mechanical parts, die casting, moulding of precision plastic lenses and modular assembly.
Mace Instrumentation Sdn. Bhd.	<b>100%</b>	100%	Manufacturing, assembling and dealing of testing measuring equipment.
Mace Hermetic Components Sdn. Bhd.	<b>100%</b>	100%	Design and manufacture of mechanical parts (lenses and etc), electronic components and electrical products (cameras, connectors and etc) and products assembly for optical instruments, process control equipment, lighting and other industrial equipment.
JHM Dekai Auto Lighting Sdn. Bhd. ("JDALSB")	<b>52%</b>	52%	Manufacturing and module assembling for electronics and electrical components.

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

31 December 2025

### 7. INVESTMENT IN SUBSIDIARIES (CONT'D)

#### 7.1 Subscription of ordinary shares in subsidiaries

2024

In the prior financial year, the Company had subscribed additional 51,900 ordinary shares in JDALSB for a total consideration of RM51,900.

#### 7.2 Impairment on investment in subsidiaries

The Company reviews the material investment in subsidiaries for impairment when there is an indication of impairment. The recoverable amounts of the investment in subsidiaries are assessed by reference to the higher of value-in-use or fair value less cost to sell of the respective subsidiaries as at the end of the reporting period. Accordingly, an impairment loss of **RM Nil** (2024: RM1,875,025) is recognised in other operating expenses in respect of investment in subsidiaries in the prior financial year due to the continuous losses incurred by the subsidiaries. The fair value measurement of these subsidiaries is disclosed in Note 32.3 to the financial statements.

#### 7.3 Subsidiary with material non-controlling interests ("NCI")

The details of the material NCI for JDALSB are as follows:

	JDALSB	
	2025	2024
NCI percentage of ownership interest and voting interest (%)	<u>48%</u>	<u>48%</u>
Carrying amount of NCI (RM)	<b>(4,206,478)</b>	(2,677,152)
Loss allocated to NCI (RM)	<b>(1,529,326)</b>	(222,434)

The summarised financial information of material NCI presented below is the amount before inter-company elimination:

	JDALSB	
	2025	2024
	RM	RM
<b>Assets and liabilities</b>		
Non-current assets	<b>4,597,429</b>	5,057,598
Current assets	<b>11,408,444</b>	4,124,673
Non-current liabilities	<b>(1,499,505)</b>	(2,286,636)
Current liabilities	<b>(23,269,864)</b>	(12,473,036)
Net liabilities	<b>(8,763,496)</b>	(5,577,401)
<b>Results</b>		
Revenue	<b>10,854,773</b>	6,810
Loss for the financial year, representing total comprehensive loss for the financial year	<b>(3,186,095)</b>	(3,126,778)
Net cash (used in)/generated from:		
Operating activities	<b>(2,067,862)</b>	(2,972,464)
Investing activities	<b>(395,039)</b>	(19,535)
Financing activities	<b>2,467,195</b>	3,023,635
Net change in cash and cash equivalents	<b>4,294</b>	31,636

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

### 31 December 2025

#### 7. INVESTMENT IN SUBSIDIARIES (CONT'D)

##### 7.3 Subsidiary with material non-controlling interests ("NCI") (Cont'd)

###### Material accounting policy information

Investment in subsidiaries are measured at cost less any impairment losses in the Company's separate financial statements.

#### 8. GOODWILL ON CONSOLIDATION

The goodwill is allocated to the Group's subsidiary, Mace Instrumentation Sdn. Bhd. as the cash-generating unit ("CGU").

For annual impairment testing purposes, the recoverable amount of the CGU are determined based on their value-in-use, which apply a discounted cash flow model using cash flow projections based on approved financial budget and projections covering a five (5)-year period.

###### Key assumptions used in value-in-use calculations

The key assumptions on which the management has based on for the computation of value-in-use are as follows:

(i) Cash flow projections and growth rate

The 5-year cash flow projections are prepared based on management's past experience. The revenue for the first year of the 5-year cash flow projections is prepared based on the most recent approved financial budget by the Board of Directors and a **7%** (2024: 1%) annual growth rate is applied. A terminal value is assigned at the end of the 5-year cash flow projections period based on an assumed growth rate of **2%** (2024: 1%) in perpetuity.

(ii) Discount rate

The pre-tax discount rate of 9.90% (2024: 10.46%) is applied to the cash flow projections, which is based on the weighted average cost of capital of the Group for the financial year.

###### Sensitivity to changes in key assumptions

The management believes that any reasonable change in the key assumptions would not cause the recoverable amounts of the CGU to differ materially from their carrying amounts.

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

31 December 2025

### 9. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Non-current</b>				
<b>Other receivables</b>				
Amount due from subsidiaries				
- interest bearing at <b>3.67 %</b> (2024: 4.00%)	-	-	<b>39,827,639</b>	31,512,437
- non-interest bearing	-	-	<b>5,267,629</b>	4,188,921
	-	-	<b>45,095,268</b>	35,701,358
Less: Allowance for expected credit losses	-	-	<b>(9,275,213)</b>	(9,275,213)
	-	-	<b>35,820,055</b>	26,426,145
<b>Current</b>				
<b>Trade receivables</b>				
Third parties	<b>76,175,918</b>	64,721,493	-	-
<b>Other receivables</b>				
Sundry receivables	<b>1,003,039</b>	495,236	-	-
Refundable deposits	<b>1,782,227</b>	1,540,765	<b>1,000</b>	1,000
Prepayments	<b>6,168,370</b>	6,064,197	<b>28,033</b>	4,506,767
	<b>8,953,636</b>	8,100,198	<b>29,033</b>	4,507,767
Total current trade and other receivables	<b>85,129,554</b>	72,821,691	<b>29,033</b>	4,507,767
<b>Total trade and other receivables</b>	<b>85,129,554</b>	72,821,691	<b>35,849,088</b>	30,933,912

The trade receivables are non-interest bearing and generally on **30 to 150 days** (2024: 30 to 150 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The amount due from subsidiaries are unsecured and classified based on the expected timing of realisation.

Included in the prepayments of the Group and of the Company is an amount of **RM Nil** (2024: RM4,477,000) paid to third parties for the acquisition of land and buildings and investment properties as disclosed in Notes 4 and 5 to the financial statements respectively and has been capitalised to property, plant and equipment and investment properties respectively.

The currency profile of trade and other receivables of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
United States Dollar	<b>70,830,788</b>	60,320,776	-	-
Ringgit Malaysia	<b>14,297,313</b>	12,500,915	<b>35,849,088</b>	30,933,912
Renminbi	<b>4,502,481</b>	-	-	-
	<b>85,129,554</b>	72,821,691	<b>35,849,088</b>	30,933,912

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

### 31 December 2025

#### 10. INVENTORIES

	GROUP	
	2025 RM	2024 RM
<b>At cost</b>		
Raw materials	43,308,098	46,326,828
Work-in-progress	7,571,595	5,964,742
Finished goods	63,625,417	41,775,579
Consumables	445,845	480,743
Goods-in-transits	4,843,346	5,187,343
	<b>119,794,301</b>	99,735,235
<b>At net realisable value</b>		
Finished goods	-	1,807,342
	<b>119,794,301</b>	101,542,577
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	290,553,362	214,073,208
Inventories written down		
- Addition	960,907	3,830,398
- Reversal	(917,789)	(24,116)

The reversal of inventories written down was made during the financial year when the related inventories were sold above their carrying amounts.

#### Material accounting policy information

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined on the first-in, first-out basis.

#### 11. CONTRACT COSTS

	GROUP	
	2025 RM	2024 RM
<b>Cost to fulfill contract</b>		
- Manufacture of tooling	4,959,851	6,866,666

Cost to fulfill contract in relation to the manufacture of tooling comprises costs incurred to manufacture tooling which the related tooling sales has yet to be recognised as revenue.

These costs are amortised to profit or loss when the related tooling sales is recognised. During the financial year, the amount of amortisation is **RM11,764,994** (2024: RM5,925,888).

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

31 December 2025

### 12. OTHER INVESTMENTS

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Financial assets at fair value through profit or loss ("FVTPL")</b>				
Short term funds with licensed financial institutions	-	3,484,111	-	2,146,981

Short term funds with licensed financial institutions of the Group and of the Company are primarily invested in a mixture of money market instruments with different maturity period. The funds can be redeemed at any point in time upon request.

### 13. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Unencumbered:</b>				
Short term money market deposit	7,603,586	12,348,461	214,032	1,486,267
Cash in hand and at banks	39,826,667	46,309,211	112,155	2,149,288
	<b>47,430,253</b>	58,657,672	<b>326,187</b>	3,635,555
<b>Encumbered:</b>				
Fixed deposits with licensed banks	9,052,067	8,834,878	-	-
	<b>56,482,320</b>	67,492,550	<b>326,187</b>	3,635,555

The currency profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
United States Dollar	32,626,884	29,993,927	-	-
Ringgit Malaysia	23,851,718	37,497,921	326,187	3,635,555
Others	3,718	702	-	-
	<b>56,482,320</b>	67,492,550	<b>326,187</b>	3,635,555

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

31 December 2025

### 13. CASH AND BANK BALANCES (CONT'D)

The encumbered fixed deposits are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 16 to the financial statements.

The effective interest rates per annum and maturity of the short term money market deposit of the Group and of the Company as at the end of the reporting period are **2.70% to 2.75%** (2024: 2.95% to 3.00%) per annum and **1 day** (2024: 1 day) respectively.

The effective interest rates per annum and maturity of the fixed deposits with licensed banks of the Group as at the end of the reporting period are **2.05% to 2.50%** (2024: 2.35% to 2.60%) per annum and **12 months** (2024: 12 months) respectively.

### 14. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2025	2024	2025 RM	2024 RM
<b>Issued and fully paid with no par value:</b>				
Balance at beginning/end	<u>606,000,000</u>	<u>606,000,000</u>	<u>132,532,586</u>	<u>132,532,586</u>

### 15. CAPITAL RESERVE

Capital reserve represents premium paid to non-controlling interests to acquire additional equity interest in an existing subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
31 December 2025

16. BORROWINGS

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Non-current liabilities Secured:</b>				
<u>Finance lease liabilities</u>				
Minimum payments:				
Within one year	6,699,439	5,797,924	-	-
More than one year and less than two years	5,377,544	4,731,854	-	-
More than two years and less than five years	6,497,140	6,672,572	-	-
	<b>18,574,123</b>	17,202,350	-	-
Future finance charges	(1,514,077)	(1,462,913)	-	-
	<b>17,060,046</b>	15,739,437	-	-
Amount due within one year included under current liabilities	(5,935,445)	(5,104,049)	-	-
	<b>11,124,601</b>	10,635,388	-	-
<u>Term loans</u>				
Total amount repayable	14,713,493	22,077,276	12,082,622	14,977,121
Amount due within one year included under current liabilities	(4,701,117)	(7,088,444)	(2,932,316)	(2,884,286)
	<b>10,012,376</b>	14,988,832	<b>9,150,306</b>	12,092,835
<u>Revolving credits</u>				
Total amount payable	40,652,528	-	27,501,008	-
Amount due within one year under current liabilities	(26,229,172)	-	(13,077,652)	-
	<b>14,423,356</b>	-	<b>14,423,356</b>	-
	<b>35,560,333</b>	25,624,220	<b>23,573,662</b>	12,092,835
<b>Current liabilities</b>				
<b>Secured:</b>				
Bankers' acceptance	12,111,845	7,000,000	-	-
Finance lease liabilities	5,935,445	5,104,049	-	-
Revolving credits	26,229,172	-	13,077,652	-
Term loans	4,701,117	7,088,444	2,932,316	2,884,286
	<b>48,977,579</b>	19,192,493	<b>16,009,968</b>	2,884,286
<b>Total borrowings</b>	<b>84,537,912</b>	44,816,713	<b>39,583,630</b>	14,977,121

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

31 December 2025

### 16. BORROWINGS (CONT'D)

The borrowings are secured by way of:

- (vi) A first party legal charge over the freehold land, leasehold land, office lot and factory buildings of certain subsidiaries as disclosed in Note 4 to the financial statements;
- (vii) A first party legal charge over the freehold land, leasehold land and factory buildings of the Company as disclosed in Note 5 to the financial statements;
- (viii) A fixed charge over the plant and machinery of a subsidiary as disclosed in Note 4 to the financial statements;
- (ix) Fixed deposits with licensed banks of certain subsidiaries as disclosed in Note 13 to the financial statements;
- (x) A third party first fixed charge over the properties of a company in which a director of the Company has substantial financial interest;
- (xi) Corporate guarantee of the Company; and
- (xii) Leased assets as disclosed in Note 4 to the financial statements.

The currency profile of borrowings is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	<b>68,773,955</b>	38,147,104	<b>39,583,630</b>	14,977,121
United States Dollar	<b>15,763,957</b>	6,669,609	-	-
	<b>84,537,912</b>	44,816,713	<b>39,583,630</b>	14,977,121

A summary of the effective interest rates and maturities of the borrowings is as follows:

	Effective interest rates per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
<b>GROUP</b>						
<b>2025</b>						
Banker's acceptance	<b>4.01 to 4.24</b>	<b>12,111,845</b>	<b>12,111,845</b>	-	-	-
Finance lease liabilities	<b>3.87 to 6.75</b>	<b>17,060,046</b>	<b>5,935,445</b>	<b>4,916,312</b>	<b>6,208,289</b>	-
Revolving credits	<b>4.29 to 5.15</b>	<b>40,652,528</b>	<b>26,229,172</b>	<b>1,040,008</b>	<b>4,620,024</b>	<b>8,763,324</b>
Term loans	<b>3.50 to 5.98</b>	<b>14,713,493</b>	<b>4,701,117</b>	<b>3,653,498</b>	<b>4,791,849</b>	<b>1,567,029</b>
<b>2024</b>						
Banker's acceptance	4.17 to 4.24	7,000,000	7,000,000	-	-	-
Finance lease liabilities	2.76 to 6.75	15,739,437	5,104,049	4,288,275	6,347,113	-
Term loans	3.50 to 6.78	22,077,276	7,088,444	4,876,705	8,065,316	2,046,811

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

31 December 2025

### 16. BORROWINGS (CONT'D)

	Effective interest rates per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
<b>COMPANY</b>						
<b>2025</b>						
Revolving credits	4.29 to 4.54	27,501,008	13,077,652	1,040,008	4,620,024	8,763,324
Term loan	4.15 to 5.22	12,082,622	2,932,316	3,029,363	4,553,914	1,567,029
<b>2024</b>						
Term loan	4.40 to 5.22	14,977,121	2,884,286	2,937,817	7,108,207	2,046,811

### 17. DEFERRED TAX LIABILITIES

	<b>GROUP</b>		<b>COMPANY</b>	
	2025 RM	2024 RM	2025 RM	2024 RM
Balance at beginning	3,041,880	5,548,825	393,000	619,000
Recognised in profit or loss	(1,214,728)	(1,882,873)	329,000	(226,000)
	1,827,152	3,665,952	722,000	393,000
Over provision in prior year	(1,101,766)	(624,072)	-	-
Balance at end	<b>725,386</b>	<b>3,041,880</b>	<b>722,000</b>	<b>393,000</b>

The deferred tax liabilities of the Group and of the Company are represented by temporary differences arising from:

	<b>GROUP</b>		<b>COMPANY</b>	
	2025 RM	2024 RM	2025 RM	2024 RM
Property, plant and equipment	6,836,247	5,590,788	87,000	107,000
Investment properties	-	-	635,000	286,000
Right-of-use assets	25,091	58,546	-	-
Lease liabilities	(25,584)	(58,773)	-	-
Unused tax losses	(617,000)	(450,000)	-	-
Unabsorbed capital allowances	(1,849,000)	(1,271,000)	-	-
Unabsorbed reinvestment allowance	(1,491,000)	(148,000)	-	-
Provisions	(994,761)	(733,208)	-	-
Other deductible temporary differences	(1,158,607)	53,527	-	-
	<b>725,386</b>	<b>3,041,880</b>	<b>722,000</b>	<b>393,000</b>

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

### 31 December 2025

#### 18. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Trade payables</b>				
Third parties	67,752,321	46,878,864	-	-
<b>Other payables</b>				
Sundry payables	12,424,032	11,588,472	17,446	16,468
Accruals	10,305,134	6,602,802	98,500	91,500
Amount due to a director	1,150,000	-	-	-
Amount due to a subsidiary	-	-	2,228,905	-
	<b>23,879,166</b>	<b>18,191,274</b>	<b>2,344,851</b>	<b>107,968</b>
<b>Total trade and other payables</b>	<b>91,631,487</b>	<b>65,070,138</b>	<b>2,344,851</b>	<b>107,968</b>

The trade payables are non-interest bearing and are normally settled within **14 to 180 days** (2024: 14 to 180 days) credit terms.

The amount due to a director of the Group is unsecured, non-interest bearing and repayable on demand.

The amount due to a subsidiary is unsecured, interest bearing at **3.67%** (2024: Nil) per annum and repayable on demand.

The currency profile of trade and other payables is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
United States Dollar	44,417,283	46,624,825	-	-
Ringgit Malaysia	34,520,888	17,977,297	2,344,851	107,968
Renminbi	12,491,597	175,655	-	-
Singapore Dollar	122,721	227,383	-	-
Euro	45,751	31,527	-	-
Others	33,247	33,451	-	-
	<b>91,631,487</b>	<b>65,070,138</b>	<b>2,344,851</b>	<b>107,968</b>

#### 19. CONTRACT LIABILITIES

	GROUP	
	2025 RM	2024 RM
<b>Deposits received from customers</b>		
Balance at beginning	9,877,487	11,662,403
Revenue recognised during the financial year	(16,733,179)	(17,666,465)
Progress billings issued during the financial year	15,375,342	15,881,549
Balance at end	<b>8,519,650</b>	<b>9,877,487</b>

Contract liabilities of the Group represent deposits received from customers in advance to manufacture tooling. The decrease in contract liabilities in 2025 is mainly due to more revenue is recognised as a result of to completion of tooling during the financial year.

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

31 December 2025

### 20. REFUND LIABILITIES

	GROUP	
	2025 RM	2024 RM
Arising from volume rebates	<u>79,744</u>	<u>65,917</u>

Refund liabilities arising from volume rebates represent volume rebates provided to certain customers who are entitled to the rebate on accumulated purchases to date. The rebates will be offset against outstanding balance owing by the customers. The volume rebates provided are expected to be materialised in the next financial year.

### 21. REVENUE

#### 21.1 Disaggregated revenue information

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Types of goods</b>				
Sales of goods	301,015,056	212,483,282	-	-
Tooling sales	<u>12,154,616</u>	<u>8,624,472</u>	-	-
<b>Total revenue from contracts with customers</b>	<b>313,169,672</b>	221,107,754	-	-
Distribution income	3,415	78,417	3,415	78,417
Gross dividend income from subsidiaries	-	-	3,000,000	-
Interest income	51,693	35,291	1,510,472	1,295,788
Rental income	-	-	<u>3,004,840</u>	<u>2,088,834</u>
<b>Other revenue</b>	<u>55,108</u>	<u>113,708</u>	<u>7,518,727</u>	<u>3,463,039</u>
<b>Total revenue</b>	<b><u>313,224,780</u></b>	<u>221,221,462</u>	<b><u>7,518,727</u></b>	<u>3,463,039</u>
<b>Geographical markets</b>				
United States of America	176,208,223	100,211,786	-	-
Asia Pacific	68,395,851	73,465,506	-	-
Malaysia	68,151,398	46,395,942	-	-
Europe	340,183	836,432	-	-
Oceania	<u>74,017</u>	<u>198,088</u>	-	-
<b>Total revenue from contracts with customers</b>	<b><u>313,169,672</u></b>	<u>221,107,754</u>	-	-
<b>Timing of revenue recognition</b>				
Revenue recognised at a point in time, representing total revenue from contracts with customers	<u>313,169,672</u>	<u>221,107,754</u>	-	-

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

### 31 December 2025

#### 21. REVENUE (CONT'D)

##### 21.2 Contract balances

	GROUP	
	2025 RM	2024 RM
Trade receivables (Note 9)	76,175,918	64,721,493
Contract liabilities (Note 19)	<u>8,519,650</u>	<u>9,877,487</u>

##### 21.3 Performance obligations

The performance obligations of the Group to recognise revenue are as follows:

###### (i) Sales of electronic components

Revenue from sales of electronic components encompasses manufacturing and assembling of electronic components and is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

###### (ii) Sales of mechanical components

Revenue from sales of mechanical components encompasses the design and manufacturing of precision miniature engineering metal parts and components, precision mechanical parts, die casting and assembling and dealing of testing measuring equipment and is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

#### Unsatisfied performance obligations

The transaction price allocated to the remaining performance obligations of the Group (unsatisfied or partially unsatisfied) to be fulfilled within one year as at the end of the reporting period is **RM2,434,882** (2024: RM7,932,689).

#### 22. OTHER INCOME

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Distribution income	133,769	365,115	-	-
Fair value gain on other investments designated at FVPTL	776,182	-	776,182	-
Gain on disposal of other investments	203,533	670,751	-	895,211
Gain on disposal of property, plant and equipment	447,329	367,945	-	-
Realised gain on foreign exchange	385,404	73,943	261,067	-
Scrap sales	447,517	172,948	-	-
Sundry income	84,155	54,889	-	-
Unrealised gain on foreign exchange	-	998,920	-	-
	<u>2,477,889</u>	<u>2,704,511</u>	<u>1,037,249</u>	<u>895,211</u>

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

31 December 2025

### 23. FINANCE COSTS

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Accretion of interest on lease liabilities	125,012	131,316	-	-
Interest expenses on:				
- amount due to a subsidiary	-	-	78,905	-
- bank overdraft	12,904	10,922	-	-
- bankers' acceptance	245,332	26,109	-	-
- finance lease liabilities	967,783	1,004,620	-	-
- revolving credit	901,653	108,189	734,847	-
- term loans	921,116	1,364,244	615,200	697,765
	<b>3,173,800</b>	<b>2,645,400</b>	<b>1,428,952</b>	<b>697,765</b>

### 24. FINANCE INCOME

	GROUP	
	2025 RM	2024 RM
Interest income from financial institutions	1,151,708	1,503,455

### 25. (LOSS)/PROFIT BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
After charging:				
Auditors' remuneration				
- Statutory audit				
- Grant Thornton Malaysia PLT	207,000	185,000	56,000	49,000
Assurance related and non-audit services				
- Grant Thornton Malaysia PLT	3,000	3,000	3,000	3,000
- Affiliate of Grant Thornton Malaysia PLT	43,000	41,200	3,500	3,500
Depreciation of:				
- investment properties	-	-	1,562,779	1,920,594
- property, plant and equipment	17,909,217	17,671,428	95,684	91,054
- right-of-use assets	1,067,505	1,025,778	-	-
Emoluments for non-executive directors <sup>(i)</sup>	156,000	155,500	156,000	155,500
Expenses relating to leases of low-value assets	68,449	26,081	-	-
Expenses relating to short-term leases	734,429	610,300	-	-

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

### 31 December 2025

#### 25. (LOSS)/PROFIT BEFORE TAX (CONT'D)

This is arrived at:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Fair value loss on other investments designated at FVTPL	204,646	381,590	-	586,236
Impairment loss on investment in subsidiaries	-	-	-	1,875,025
Impairment loss on property, plant and equipment	1,125,425	-	-	-
Inventories written down	960,907	3,830,398	-	-
Loss on derecognition of right-of-use assets and lease liabilities	-	39,115	-	-
Loss on disposal of other investments	747,835	-	747,835	-
Property, plant and equipment written off	415,277	1,266,978	4,953	-
Realised loss on foreign exchange	1,217,115	1,680,598	-	-
Staff costs <sup>(ii)</sup>	60,503,563	49,639,624	-	-
Unrealised loss on foreign exchange	3,979,703	-	-	-
And crediting:				
Reversal of inventories written down	917,789	24,116	-	-
<b>(i) Emoluments for non-executive directors</b>				
- Fees	144,000	144,000	144,000	144,000
- Allowances	12,000	11,500	12,000	11,500
	<b>156,000</b>	155,500	<b>156,000</b>	155,500
<b>(ii) Staff costs</b>				
- Salaries, allowances, bonus and wages	53,870,516	43,997,774	-	-
- Defined contribution plan	5,792,184	4,997,289	-	-
- Social security contribution	762,146	583,883	-	-
- Employment insurance scheme	78,718	60,678	-	-
	<b>60,503,563</b>	49,639,624	-	-

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

31 December 2025

### 25. (LOSS)/PROFIT BEFORE TAX (CONT'D)

#### Directors' remuneration

The aggregate amount of remuneration received and receivable by the directors of the Company and its subsidiaries are as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Executive directors of the Company:</b>				
- Salaries, allowances and bonus	1,918,240	1,844,253	-	-
- Defined contribution plan	283,730	266,940	-	-
- Social security contribution	3,929	3,433	-	-
- Employment insurance scheme	143	125	-	-
Directors' remuneration included in the staff costs	2,206,042	2,114,751	-	-
Benefits-in-kind	52,300	52,300	-	-
	<b>2,258,342</b>	<b>2,167,051</b>	<b>-</b>	<b>-</b>

### 26. TAXATION

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysian income tax:				
Based on results for the financial year				
- Current tax	(2,426,000)	(847,000)	(346,000)	(382,000)
- Deferred tax relating to the origination and reversal of temporary differences	1,214,728	1,882,873	(329,000)	226,000
	<b>(1,211,272)</b>	<b>1,035,873</b>	<b>(675,000)</b>	<b>(156,000)</b>
Over/(Under) provision in prior year				
- Current tax	(83,170)	(411,968)	(3,303)	(17,422)
- Deferred tax	1,101,766	624,072	-	-
	<b>1,018,596</b>	<b>212,104</b>	<b>(3,303)</b>	<b>(17,422)</b>
	<b>(192,676)</b>	<b>1,247,977</b>	<b>(678,303)</b>	<b>(173,422)</b>

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

### 31 December 2025

#### 26. TAXATION (CONT'D)

The reconciliation of taxation of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before tax	<b>(10,516,348)</b>	(24,138,416)	<b>3,846,307</b>	(10,654,559)
Income tax at Malaysian statutory tax rate of 24%	<b>2,523,924</b>	5,793,220	<b>(923,114)</b>	2,557,094
Income not subject to tax	<b>315,744</b>	325,099	<b>907,103</b>	233,671
Expenses not deductible for tax purposes	<b>(743,341)</b>	(1,200,785)	<b>(658,989)</b>	(2,946,765)
Utilisation of current year reinvestment allowance	<b>90,801</b>	397,539	-	-
Deferred tax assets not recognised	<b>(3,398,400)</b>	(4,279,200)	-	-
	<b>(1,211,272)</b>	1,035,873	<b>(675,000)</b>	(156,000)
Over/(Under) provision in prior year	<b>1,018,596</b>	212,104	<b>(3,303)</b>	(17,422)
	<b>(192,676)</b>	1,247,977	<b>(678,303)</b>	(173,422)

The deferred tax assets (gross amount) have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised. As at the end of the reporting period, the Group's deferred tax position is as follows:

	GROUP	
	2025 RM	2024 RM
Deferred tax recognised:		
Property, plant and equipment	<b>9,855,000</b>	9,882,000
Unabsorbed capital allowances	<b>(9,855,000)</b>	(9,882,000)
	-	-
Deferred tax assets not recognised:		
Unused tax losses	<b>(44,935,000)</b>	(33,295,000)
Unabsorbed capital allowances	<b>(29,024,000)</b>	(24,440,000)
Unabsorbed reinvestment allowance	<b>(6,644,000)</b>	(6,644,000)
Other deductible temporary differences	<b>(3,388,000)</b>	(5,452,000)
	<b>(83,991,000)</b>	(69,831,000)

The gross amount and future availability of unused tax losses and unabsorbed allowances which are available to be carried forward for set-off against future taxable income is estimated as follows:

	GROUP	
	2025 RM	2024 RM
Unused tax losses	<b>47,506,000</b>	35,170,000
Unabsorbed capital allowances	<b>46,583,000</b>	39,618,000
Unabsorbed reinvestment allowance	<b>12,857,000</b>	7,261,000

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

31 December 2025

### 26. TAXATION (CONT'D)

The unused tax losses can be carried forward for ten (10) consecutive years of assessment immediately following that year of assessment ("YA") of which tax losses was incurred and this is effective from YA 2019. Unabsorbed reinvestment allowance at the end of the qualifying reinvestment allowance period of fifteen years can be carried forward for seven (7) consecutive YAs while unabsorbed capital allowances can be carried forward indefinitely.

The unabsorbed reinvestment allowance will be disregarded in YA 2032 while the unused tax losses will be disregarded in the following YAs:

	<b>GROUP</b>	
	<b>2025</b> RM	2024 RM
YA 2029	<b>297,000</b>	297,000
YA 2030	<b>2,211,000</b>	2,211,000
YA 2031	<b>3,091,000</b>	3,091,000
YA 2032	<b>3,991,000</b>	3,991,000
YA 2033	<b>6,541,000</b>	6,541,000
YA 2034	<b>6,987,000</b>	6,987,000
YA 2035	<b>12,052,000</b>	12,052,000
YA 2036	<b>12,336,000</b>	-
	<b><u>47,506,000</u></b>	<u>35,170,000</u>

### 27. LOSS PER SHARE

#### (i) Basic loss per share

Basic loss per share of the Group is calculated by dividing the loss attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

	<b>GROUP</b>	
	<b>2025</b>	2024
Loss attributable to owners of the Company (RM)	<b><u>(9,177,839)</u></b>	<u>(22,666,130)</u>
Weighted average number of ordinary shares in issue	<b><u>606,000,000</u></b>	<u>606,000,000</u>
Basic loss per share (sen)	<b><u>(1.51)</u></b>	<u>(3.74)</u>

#### (ii) Diluted loss per share

The loss per share is not diluted as the Company does not have any dilutive potential ordinary shares as at the end of the reporting period.

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

### 31 December 2025

#### 28. CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Contracted but not provided for:				
- Building	-	16,720,000	-	16,720,000
- Plant and machinery and factory equipment	<b>3,160,306</b>	1,503,533	-	-
- Renovation of factory building	<b>21,729</b>	509,150	-	-
	<b>3,182,035</b>	18,732,683	-	16,720,000
Authorised but not contracted for:				
- Building	-	9,603,000	-	9,603,000

#### 29. RELATED PARTY DISCLOSURES

##### (i) Identity of related parties

The Company has related party relationship with its subsidiaries and key management personnel.

##### (ii) Related party transactions

Related party transactions have been entered into at terms agreed between the parties during the financial year.

	COMPANY	
	2025 RM	2024 RM
Gross dividend income from a subsidiary	<b>3,000,000</b>	-
Interest payable to a subsidiary	<b>78,905</b>	-
Interest receivable from subsidiaries	<b>1,458,779</b>	1,260,497
Rental income received from subsidiaries	<b>3,004,840</b>	2,088,834
Net advances to subsidiaries	<b>6,165,513</b>	24,811,095

##### (iii) Compensation of key management personnel

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

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

31 December 2025

### 29. RELATED PARTY DISCLOSURES (CONT'D)

#### (iii) Compensation of key management personnel (Cont'd)

The remuneration of the directors and other members of key management during the financial year is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Fees	144,000	144,000	144,000	144,000
Salaries and other short-term employee benefits	4,923,756	4,019,158	12,000	11,500
Defined contribution plan	590,566	505,424	-	-
Social security contribution	21,326	15,258	-	-
Employment insurance scheme	1,783	1,387	-	-
Benefits-in-kind	97,511	81,556	-	-
	<b>5,778,942</b>	<b>4,766,783</b>	<b>156,000</b>	<b>155,500</b>
<b>Analysed as:</b>				
- Directors	2,414,342	2,322,551	156,000	155,500
- Other key management personnel	3,364,600	2,444,232	-	-
	<b>5,778,942</b>	<b>4,766,783</b>	<b>156,000</b>	<b>155,500</b>

### 30. OPERATING SEGMENT

Operating segment is presented in respect of the Group's business segments. The business segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### Business Segments

The Group comprises the following main business segments:

- (i) Electronic business unit                      Manufacturing and assembling of electronic components.
- (ii) Mechanical business unit                      Design and manufacturing of precision miniature engineering metal parts and components, precision mechanical parts, die casting and assembling and dealing of testing measuring equipment.
- (iii) Others    Investment holding.

Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's Chief Executive Officer (the 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. Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current financial year and previous financial year.

Segment assets exclude tax assets and unallocated assets.

Segment liabilities exclude tax liabilities and unallocated liabilities.

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

### 31 December 2025

#### 30. OPERATING SEGMENT (CONT'D)

By business segments

2025

	Electronic RM	Mechanical RM	Others RM	Elimination RM	Note	Total RM
<b>Revenue</b>						
External customers	220,726,749	92,442,923	55,108	-		313,224,780
Inter-segment revenue	166,290	1,235,982	7,463,619	(8,865,891)	A	-
Total revenue	<u>220,893,039</u>	<u>93,678,905</u>	<u>7,518,727</u>	<u>(8,865,891)</u>		<u>313,224,780</u>
<b>Results</b>						
Segment results	(1,775,846)	(4,520,756)	(2,197,654)	-		(8,494,256)
Finance costs						(3,173,800)
Finance income						1,151,708
Loss before tax						(10,516,348)
Taxation						(192,676)
Loss for the financial year						<u>(10,709,024)</u>
<b>Assets</b>						
Segment assets	284,259,228	102,209,047	66,103,342			452,571,617
Goodwill on consolidation						21,531,534
Tax recoverable						2,552,253
Total assets						<u>476,655,404</u>
<b>Liabilities</b>						
Segment liabilities	123,726,105	24,180,256	39,704,148			187,610,509
Deferred tax liabilities						725,386
Tax payable						1,114,089
Total liabilities						<u>189,449,984</u>
<b>Other segment information</b>						
Additions to non-current assets	22,785,374	3,646,452	32,650,386	-	B	59,082,212
Depreciation of:						
- property, plant and equipment	9,356,616	6,894,138	1,658,463	-		17,909,217
- right-of-use assets	399,993	667,512	-	-		1,067,505
Non-cash expenses other than depreciation	522,073	4,686,946	4,953	-	C	5,213,972

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

31 December 2025

### 30. OPERATING SEGMENT (CONT'D)

By business segments

2024

	Electronic RM	Mechanical RM	Others RM	Elimination RM	Note	Total RM
Revenue						
External customers	148,622,849	72,484,905	113,708	-		221,221,462
Inter-segment revenue	<u>479,973</u>	<u>349,543</u>	<u>3,349,331</u>	<u>(4,178,847)</u>	A	<u>-</u>
Total revenue	<u>149,102,822</u>	<u>72,834,448</u>	<u>3,463,039</u>	<u>(4,178,847)</u>		<u>221,221,462</u>
Results						
Segment results	(13,536,912)	(7,294,311)	(2,165,248)	-		(22,996,471)
Finance costs						(2,645,400)
Finance income						<u>1,503,455</u>
Loss before tax						(24,138,416)
Taxation						<u>1,247,977</u>
Profit for the financial year						<u>(22,890,439)</u>
Assets						
Segment assets	239,730,420	115,202,193	45,059,969	-		399,992,582
Goodwill on consolidation						21,531,534
Tax recoverable						<u>2,419,902</u>
Total assets						<u>423,944,018</u>
Liabilities						
Segment liabilities	83,954,481	23,943,924	15,089,289	-		122,987,694
Deferred tax liabilities						<u>3,041,880</u>
Total liabilities						<u>126,029,574</u>
Other segment information						
Additions to non- current assets	9,441,401	2,779,280	5,790,433	-	B	18,011,114
Depreciation of:						
- property, plant and equipment	8,583,507	7,076,273	2,011,648	-		17,671,428
- right-of-use assets	309,079	716,699	-	-		1,025,778
Non-cash expenses other than depreciation	3,155,278	432,387	-	-	C	3,587,665

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

### 31 December 2025

#### 30. OPERATING SEGMENT (CONT'D)

Notes to segment information:

- A. Inter-segment revenue are eliminated on consolidation.
- B. Additions to non-current assets consist of total cost incurred to acquire property, plant and equipment and additions of right-of-use assets.
- C. Other material non-cash expenses other than depreciation consist of the following items:

	<b>GROUP</b>	
	<b>2025</b>	2024
	<b>RM</b>	RM
Accretion of interest on lease liabilities	<b>125,012</b>	131,316
Addition of inventories written down, net	<b>43,118</b>	3,806,282
Fair value (gain)/loss on other investments designed at FVTPL	<b>(571,536)</b>	381,590
Gain on disposal of property, plant and equipment	<b>(447,329)</b>	(367,945)
Impairment loss on property, plant and equipment	<b>1,125,425</b>	-
Loss/(Gain) on disposal of other investments	<b>544,302</b>	(670,751)
Loss on derecognition of right-of-use assets and lease liabilities	-	39,115
Property, plant and equipment written off	<b>415,277</b>	1,266,978
Unrealised loss/(gain) on foreign exchange	<b>3,979,703</b>	(998,920)
	<b>5,213,972</b>	3,587,665

#### Geographical Segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers as disclosed in Note 21.1 to the financial statements. Segment assets are based on the geographical location of assets.

The entire non-current assets of the Group are derived from Malaysia.

#### Information about major customers

The major customers which individually contributed to 10% or more of the Group's revenue are as follows:

		<b>Revenue</b>	
	<b>Segment</b>	<b>2025</b>	2024
		<b>RM</b>	RM
Customer A	Electronic	<b>83,671,296</b>	49,745,700
Customer B	Electronic	<b>33,394,958</b>	24,847,674
Customer C	Electronic	<b>27,954,737</b>	46,385,685

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

31 December 2025

### 31. FINANCIAL INSTRUMENTS

#### 31.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as FVTPL and amortised cost ("AC"):

	Carrying amount RM	FVTPL RM	AC RM
<b>GROUP</b>			
<b>2025</b>			
<b>Financial assets</b>			
Trade and other receivables, excluding prepayments	78,961,184	-	78,961,184
Cash and bank balances	56,482,320	-	56,482,320
	<u>135,443,504</u>	<u>-</u>	<u>135,443,504</u>
<b>Financial liabilities</b>			
Trade and other payables	91,631,487	-	91,631,487
Borrowings	84,537,912	-	84,537,912
	<u>176,169,399</u>	<u>-</u>	<u>176,169,399</u>
<b>2024</b>			
<b>Financial assets</b>			
Trade and other receivables, excluding prepayments	66,757,494	-	66,757,494
Other investments	3,484,111	3,484,111	-
Cash and bank balances	67,492,550	-	67,492,550
	<u>137,734,155</u>	<u>3,484,111</u>	<u>134,250,044</u>
<b>Financial liabilities</b>			
Trade and other payables	65,070,138	-	65,070,138
Borrowings	44,816,713	-	44,816,713
	<u>109,886,851</u>	<u>-</u>	<u>109,886,851</u>

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

### 31 December 2025

#### 31. FINANCIAL INSTRUMENTS (CONT'D)

##### 31.1 Categories of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised as FVTPL and amortised cost ("AC"): (Cont'd)

	Carrying amount RM	FVTPL RM	AC RM
<b>COMPANY</b>			
<b>2025</b>			
<b>Financial assets</b>			
Trade and other receivables, excluding prepayments	35,821,055	-	35,821,055
Cash and bank balances	326,187	-	326,187
	<u>36,147,242</u>	<u>-</u>	<u>36,147,242</u>
<b>Financial liabilities</b>			
Trade and other payables	2,344,851	-	2,344,851
Borrowings	39,583,630	-	39,583,630
	<u>41,928,481</u>	<u>-</u>	<u>41,928,481</u>
<b>2024</b>			
<b>Financial assets</b>			
Trade and other receivables, excluding prepayments	26,427,145	-	26,427,145
Other investments	2,146,981	2,146,981	-
Cash and bank balances	3,635,555	-	3,635,555
	<u>32,209,681</u>	<u>2,146,981</u>	<u>30,062,700</u>
<b>Financial liabilities</b>			
Trade and other payables	107,968	-	107,968
Borrowings	14,977,121	-	14,977,121
	<u>15,085,089</u>	<u>-</u>	<u>15,085,089</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****31 December 2025****31. FINANCIAL INSTRUMENTS (CONT'D)****31.2 Financial risk management**

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

**31.3 Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables while the Company's exposure to credit risk arises principally from advances to its subsidiaries and financial guarantees provided to financial institutions in respect of credit facilities granted to certain subsidiaries.

**31.3.1 Trade receivables**

The Group extends credit terms to customers that range between **30 to 150 days** (2024: 30 to 150 days). Credit period extended to its customers is based on careful evaluation of the customers' financial condition and payment history. Receivables are monitored on an ongoing basis via Group's management reporting procedures and action will be taken for long outstanding debts. In order to further minimise its exposure to credit risk, the Group, in some instances, requires letters of credits and deposits from the customers.

New customers are subject to a credit evaluation process and existing customers' risk profiles are reviewed regularly with a view to set appropriate terms of trade and credit limits. Where appropriate, further sales are suspended and legal actions are taken to attempt recoveries and mitigate losses for delinquent accounts.

The Group assesses expected credit losses ("ECL") under MFRS 9 on trade receivables based on a provision matrix. The expected credit loss rates are based on the payment profile for sales in the past as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward looking macroeconomic factors affecting the customer's ability to settle the outstanding amount. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed.

The Group applies the simplified approach to recognise lifetime expected credit losses for all trade receivables. The Group's ECL calculated under MFRS 9 is not material as at the end of the reporting period and hence, it was not provided for.

The ageing analysis of the Group's trade receivables as at the end of the reporting period is as follows:

	<b>GROUP</b>	
	<b>2025</b>	2024
	<b>RM</b>	RM
Not past due	<b>72,629,414</b>	60,168,553
1 to 30 days past due	<b>2,884,894</b>	1,208,704
31 to 60 days past due	<b>578,837</b>	352,365
61 to 90 days past due	<b>82,544</b>	2,744,497
More than 90 days past due	<b>360,229</b>	247,374
	<b>3,906,504</b>	4,552,940
	<b>76,175,918</b>	64,721,493

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group has trade receivables amounting to **RM3,906,504** (2024: RM4,552,940) that are past due but not impaired as the management is of the view that these debts will be collected in due course.

As at the end of the reporting period, the Group has significant concentration of credit risk in the form of outstanding balance due from **2 customers** (2024: 2 customers), representing **37%** (2024: 61%) of total trade receivables.

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

31 December 2025

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.3 Credit risk (Cont'd)

##### 31.3.2 Intercompany balances

The Company provides advances to its subsidiaries and monitors the results of the subsidiaries regularly.

The maximum exposure to credit risk is represented by the carrying amount as disclosed in Note 9 to the financial statements.

As at the end of the reporting period, there was no indication that the advances to its subsidiaries are not recoverable except for the impairment made for advances to the subsidiaries which the Company deems uncollectible as disclosed in Note 9 to the financial statements. The Company does not specifically monitor the ageing of these advances.

##### 31.3.3 Financial guarantees

The Company provides unsecured financial guarantees to financial institutions for banking facilities granted to certain subsidiaries. The limit of the financial guarantees and the maximum exposure of the financial guarantees are **RM129,801,418** (2024: RM129,079,134) and **RM42,212,364** (2024: RM24,883,111) respectively.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by them. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment. The directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

#### 31.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

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

31 December 2025

## 31. FINANCIAL INSTRUMENTS (CONT'D)

## 31.4 Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one years and less than five years RM	More than five years RM
<b>GROUP</b>					
<b>2025</b>					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	91,631,487	91,631,487	91,631,487	-	-
Borrowings	84,537,912	86,279,963	49,877,157	26,072,453	10,330,353
Lease liabilities	2,841,716	3,530,873	1,335,580	2,115,432	79,861
Total undiscounted financial liabilities	<b>179,011,115</b>	<b>181,442,323</b>	<b>142,844,224</b>	<b>28,187,885</b>	<b>10,410,214</b>
2024					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	65,070,138	65,070,138	65,070,138	-	-
Borrowings	44,816,713	47,163,648	20,381,407	24,735,430	2,046,811
Lease liabilities	3,157,439	3,870,360	1,225,488	2,644,872	-
Total undiscounted financial liabilities	<b>113,044,290</b>	<b>116,104,146</b>	<b>86,677,033</b>	<b>27,380,302</b>	<b>2,046,811</b>
<b>COMPANY</b>					
<b>2025</b>					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	2,344,851	2,344,851	2,344,851	-	-
Borrowings	39,583,630	39,796,271	16,136,548	13,329,370	10,330,353
* Financial guarantees	-	42,212,364	42,212,364	-	-
Total undiscounted financial liabilities	<b>41,928,481</b>	<b>84,353,486</b>	<b>60,693,763</b>	<b>13,329,370</b>	<b>10,330,353</b>
2024					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	107,968	107,968	107,968	-	-
Borrowings	14,977,121	15,369,167	3,064,356	10,258,000	2,046,811
* Financial guarantees	-	24,883,111	24,883,111	-	-
Total undiscounted financial liabilities	<b>15,085,089</b>	<b>40,360,246</b>	<b>28,055,435</b>	<b>10,258,000</b>	<b>2,046,811</b>

\* This has been included for illustration purpose only as the related financial guarantees have not crystallised as at the end of the reporting period.

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

31 December 2025

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.5 Interest rate risk

The Group's and the Company's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's and of the Company's interest-bearing financial instruments based on their carrying amounts as at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Fixed rate instruments</b>				
Financial assets	16,655,653	21,183,339	30,766,458	23,723,491
Financial liabilities	<u>69,842,854</u>	<u>22,974,371</u>	<u>29,729,913</u>	<u>-</u>
<b>Floating rate instruments</b>				
Financial liabilities	<u>14,695,058</u>	<u>21,842,342</u>	<u>12,082,622</u>	<u>14,977,121</u>

#### Sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial instruments at fair value through profit or loss, and the Group and the Company do not designate derivatives 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.

#### Cash flow sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have impacted the Group's and the Company's (loss)/profit before tax and equity by the amount shown below, and a corresponding decrease would have an equal but opposite effect. These changes are considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables remain constant.

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Increase in loss before tax	36,738	54,606	-	-
Decrease in profit before tax	<u>-</u>	<u>-</u>	<u>30,207</u>	<u>37,443</u>
Decrease in equity	<u>27,921</u>	<u>41,501</u>	<u>22,957</u>	<u>28,457</u>

#### 31.6 Foreign currency risk

The objectives of the Group's foreign exchange policies are to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in currencies other than the functional currency of the Group entities. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk is primarily United States Dollar ("USD") and Renminbi ("RMB").

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

31 December 2025

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.6 Foreign currency risk (Cont'd)

##### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates against Ringgit Malaysia, with all other variables being held constant, of the Group's loss before tax and equity. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have increased the Group's loss before tax and decrease the Group's equity by the amount shown below and a corresponding weakening would have an equal but opposite effect. 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.

	GROUP	
	2025 RM	2024 RM
USD	(4,327,643)	(3,677,732)
RMB	1,248,667	17,519
Others	20,148	29,212
Increase in loss before tax	<u>(3,058,828)</u>	<u>(3,631,001)</u>
Decreased in equity	<u>(2,324,709)</u>	<u>(2,759,561)</u>

#### 31.7 Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial assets designated at FVTPL will fluctuate because of changes in market prices. Equity price risk arises from the Group's and the Company's other investments which are the short term funds with licensed financial institutions.

Management of the Group and of the Company monitor the investment in short term fund and it can be redeemed at any time upon notice given to the financial institutions.

##### Sensitivity analysis for equity price risk

As at the end of the reporting period, if the prices of the short term funds has been 1% higher/lower, with all other variables held constant, the Group's and the Company's (loss)/profit before tax and equity would have been impacted by the amount shown below, arising as a result of higher/lower fair value gain on investment in short term funds.

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Decrease in loss before tax and increase in equity	<u>-</u>	<u>34,841</u>	<u>-</u>	<u>21,470</u>

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

31 December 2025

### 32. FAIR VALUE MEASUREMENT

#### 32.1 Fair value measurement of financial instruments

The carrying amounts of the Group's and of the Company's financial assets (other than other investments) and financial liabilities as at the end of the reporting period approximate their fair values due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of the non-current portion of finance lease liabilities is reasonable approximation of fair values due to the insignificant impact of discounting.

#### 32.2 Financial assets that are measured at fair value on a recurring basis

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Carrying amount RM
<b>GROUP</b>					
2024					
Financial asset					
Other investments	3,484,111	-	-	3,484,111	3,484,111
<b>COMPANY</b>					
2024					
Financial asset					
Other investments	2,146,981	-	-	2,146,981	2,146,981

The Group uses forward foreign exchange contracts to manage some of the transactions exposure. These contracts are not designated as cash flows or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting. The forward foreign exchange contracts have maturity of less than one year after the end of the reporting period.

Forward foreign exchange contracts are primarily used to hedge the Group's purchases denominated in USD, for which firm commitments existed at the end of the reporting period, particularly when market exchange rates are less favourable or volatile.

The fair value of the forward foreign exchange contracts has not been accounted for in the financial statements due to its immateriality to be recognised as at the end of the reporting period. The nominal value of the forward foreign exchange contracts is **RM3,483,780** (2024: RM895,918).

#### Level 1 fair value

Level 1 fair value of the other investments is derived by reference to their quoted market prices in active markets at the end of reporting period.

#### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, 2 and 3 during the financial year.

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

31 December 2025

### 32. FAIR VALUE MEASUREMENT (CONT'D)

#### 32.3 Non-financial assets that are measured at fair value

The directors determine the recurring fair values of the Company's investment properties based on the followings:

- (i) With reference to valuation report by external independent professional valuer using the market comparison method, being comparison of current price in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, size, present market trends and other differences; and
- (ii) Current market values with reference to the selling prices of similar properties.

Details of the Company's investment properties and information about the fair value hierarchy are as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
<b>COMPANY</b>					
<b>2025</b>					
Investment properties	-	-	67,000,000	67,000,000	62,879,529
<b>2024</b>					
Investment properties	-	-	34,500,000	34,500,000	31,838,222

#### Level 3 fair value - fair value of investment properties

Level 3 fair value is estimated using unobservable inputs for the investment properties.

Level 3 fair value of investment properties have been generally derived using the market comparison approach. Selling price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

#### Level 3 fair value - fair value of investment in subsidiaries

The fair value less cost to sell of certain investment in subsidiaries is determined based on the adjusted net assets of those subsidiaries.

The fair value measurement for the fair value less cost to sell is categorised as level 3 fair value based on the management best estimates.

Description of valuation technique and input used	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value measurements
Adjusted net asset method which derives the fair value of the assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

#### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, 2 and 3 during the financial year.

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

31 December 2025

### 33. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and to maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it in the light of changes in economic conditions or expansion of the Group and of the Company. The Group and the Company may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

The Group and the Company consider their total equity and total loans and borrowings to be the key components of their capital structure. The Group and the Company monitor capital using a debt to equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Total borrowings	<b>84,537,912</b>	44,816,713	<b>39,583,630</b>	14,977,121
Less: Cash and bank balances	<b>(56,482,320)</b>	(67,492,550)	<b>(326,187)</b>	(3,635,555)
Net debt/(cash)	<b>28,055,592</b>	(22,675,837)	<b>39,257,443</b>	11,341,566
Total equity	<b>287,205,420</b>	297,914,444	<b>127,460,585</b>	124,292,581
Gearing ratio	<b>0.10</b>	N/A <sup>(i)</sup>	<b>0.31</b>	0.09

<sup>(i)</sup> N/A – Not applicable as net cash position

### 34. EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The effective date for the implementation of the Company's ESOS is 3 April 2018 which is the date of full compliance of all relevant requirements of Rule 6.44(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The ESOS shall be in force for a period of five (5) years from 3 April 2018 and will expire on 2 April 2023. On 15 March 2023, the Company has extended its existing ESOS period for another five (5) years until 2 April 2028.

There were no options granted during the financial year.

The salient features of the ESOS are as follows:

- (i) the total number of options offered under the ESOS shall not exceed ten per centum (10%) of the issued and paid-up share capital of the Company at any point in time during the duration of the ESOS;
- (ii) an employee (including executive and non-executive directors) shall be eligible to participate in the ESOS if the employee is at least eighteen (18) years of age on the date of offer; employed for a continuous period of at least six (6) months in the Group and has not served a notice to resign or received a notice of termination prior to the offer date;
- (iii) not more than fifty per centum (50%) of the new shares available under the ESOS shall be allocated, in aggregate, to directors and senior management of the Group. In addition, not more than ten per centum (10%) of the new shares available under the ESOS shall be allocated to any individual director or employee who, either singly or collectively through person connected with the director or employee, holds twenty per centum (20%) or more in the issued and paid-up share capital of the Company, or such adjustment which may be made under the By-Law, the maximum number of new shares that may be offered and allotted to any employee shall be determined at the discretion of the ESOS Committee, subject to always to the provisions of the Listing Requirements relating to allocation to directors and employees;

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

31 December 2025

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

The salient features of the ESOS are as follows: (Cont'd)

- (iv) the option price shall be the higher of a price which is at a discount of not more than ten per centum (10%) from the weighted average market price of the shares as shown in the daily official list issued by the Bursa Securities for the five (5) market days immediately preceding the date of offer, or such other percentage of discount as may be permitted by the Bursa Securities or any other relevant authorities from time to time during the duration of the ESOS;
- (v) the new shares to be allotted upon any exercise of the options shall upon allotment and issuance rank *pari passu* in all respects with the existing issued and paid-up shares of the Company except that the new shares so issued will not be entitled for any dividend, rights, allotments and/or other distribution where the entitlement date (namely the date as at the close of business on which shareholders must be entered in the Record of Depositors with the Bursa Depository in order to be entitled to any dividends, rights, allotments and/or other distributions) precedes the date of allotment of the ESOS;
- (vi) the new shares to be issued and allotted to a director or employee pursuant to the exercise of option will not be subject to any retention period or restriction except for non-executive director, who must not sell, transfer or assign any new shares obtained through the exercise of option offered to him under the ESOS within one (1) year from the date of offer.

## LIST OF PROPERTIES

Title/Location	Date of Acquisition	Description	Built-up Area / Land area	Existing Use	Tenure	Approximate Age of Buildings	Carrying Amount as at 31/12/2025 RM
15-1-20 & 15-1-21, Bayan Point, Medan Kampung Relau, 11900 Penang	18.09.2006	Office Lot	2,132 sq. ft.	Sales and administration office	Freehold	28 years	269,724
15-1-22, Bayan Point, Medan Kampung Relau, 11900 Penang	10.10.2012	Office Lot	1,066 sq. ft.	Sales and administration office	Freehold	28 years	185,000
HS(D) 87019 PT 19554 Bandar Sungai Petani Daerah Kuala Muda, Kedah Darul Aman	23.05.2018	Industrial Land & Building	45,317 sq. ft.	Factory building	Freehold	31 years	3,049,562
HS(D) 87781 PT 19560 Bandar Sungai Petani Daerah Kuala Muda, Kedah Darul Aman	23.05.2018	Industrial Land & Building	71,318 sq. ft.	Factory building	Freehold	29 years	4,611,885
HS(D) 87778 PT 19559 Bandar Sungai Petani Daerah Kuala Muda, Kedah Darul Aman	23.05.2018	Industrial Land & Building	81,358 sq. ft.	Factory building	Freehold	29 years	4,680,415
HS(D) 10078 PT 6692 Bandar Kulim Daerah Kulim, Kedah Darul Aman	05.08.2013	Industrial Land & Building	82,215 sq ft	Factory building	Leasehold for 60 years expiring on 22/8/2046	26 years	4,261,169
Lot 1341, Section 38 Bandar Kulim Daerah Kulim, Kedah Darul Aman	02.04.2019	Industrial Land & Building	227,119 sq ft	Factory building	Leasehold for 60 years expiring on 9/9/2043	29 years	12,922,239
P326D, Batu Kawan Industrial Park, Penang	28.05.2021	Industrial Land	392,040 sq ft	Vacant land	Leasehold for 60 years expiring on 2/11/2082	N/A	20,424,195
HS(D) 86698 PT19547 Bandar Sungai Petani Daerah Kuala Muda, Kedah Darul Aman	03.01.2024	Industrial Land & Building	43,324 sq. ft.	Factory building	Freehold	29 years	5,491,675
PT 96588, Bandar Sungai Petani Daerah Kuala Muda, Kedah Darul Aman	18.01.2026	Industrial Land & Building	130,680 sq ft	Factory building A Factory building B	Leasehold for 60 years expiring on 4/3/2089	10 years 1 year	21,579,700
Lot 21127, Mukim Sungai Pasir, Daerah Kuala Muda, Kedah Darul Aman	12.10.2025	Industrial Land	274,856 sq.ft.	Vacant land	Freehold	N/A	10,544,052

## ANALYSIS OF SHAREHOLDINGS

As At 1 April 2026

Class of Shares	:	Ordinary shares
Voting Rights	:	On a show of hands, 1 vote
	:	On a poll, 1 vote for 1 ordinary share

### LIST OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

Name	Number of Shares Held			
	Direct	%	Deemed	%
DATO' SERI TAN KING SENG	192,130,000	31.70	50,000*	0.01
NOBLE MATTERS SDN. BHD.	67,441,452	11.13	-	-
CHEAH CHOON GHEE	1,830,000	0.30	67,441,452#	11.13
ONG HOCK SEONG	-	-	67,441,452#	11.13

Notes :

# Deemed interested by virtue of his shareholdings of not less than 20% in Noble Matters Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

\* Deemed interest held through his son pursuant to Section 59(11)(c) of the Companies Act 2016.

### DIRECTORS' SHAREHOLDINGS IN THE COMPANY

Name	Number of Shares Held			
	Direct	%	Deemed	%
LIM CHUN THANG	-	-	-	-
DATO' SERI TAN KING SENG	192,130,000	31.70	50,000*	0.01
CHEAH CHOON GHEE	1,830,000	0.30	67,441,452#	11.13
LOW SOO KIM	50,000	0.01	-	-
WONG CHI YENG	30,000	0.00	-	-
LAI FAH HIN	40,000	0.01	60,000^	0.01
KHOR CHENG KWANG	39,400	0.01	-	-

Notes :

# Deemed interested by virtue of his shareholdings of not less than 20% in Noble Matters Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

^ Deemed interest held through his spouse's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.

\* Deemed interest held through his son's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.

### INTEREST IN RELATED CORPORATIONS

Dato' Seri Tan King Seng, by virtue of his interest in shares in the Company, is deemed interested in shares of all the Company's related corporations to the extent that the Company has an interest. Save as disclosed above, none of the other Directors in office has any interest in shares in the Company's related corporations as at 1 April 2026.

### ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Less than 100 shares	22	0.21	531	***
100 to 1,000 shares	1,715	16.41	1,081,328	0.18
1,001 to 10,000 shares	5,103	48.84	26,015,600	4.29
10,001 to 100,000 shares	3,115	29.81	102,201,900	16.87
100,001 to less than 5% of issued shares	489	4.68	242,427,325	40.00
5% and above of issued shares	5	0.05	234,273,316	38.66
<b>Total</b>	<b>10,449</b>	<b>100.00</b>	<b>606,000,000</b>	<b>100.00</b>

\*\*\*Negligible

## ANALYSIS OF SHAREHOLDINGS (CONT'D)

### As At 1 April 2026

#### LIST OF THIRTY LARGEST SHAREHOLDERS

	NAME	NO. OF SHARES HELD	%
1	TAN KING SENG	55,432,000	9.15
2	TAN KING SENG	52,270,000	8.63
3	TAN KING SENG	48,000,000	7.92
4	NOBLE MATTERS SDN. BHD.	42,143,316	6.95
5	TAN KING SENG	36,428,000	6.01
6	NOBLE MATTERS SDN. BHD.	25,298,136	4.17
7	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	9,098,900	1.50
8	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR OOI KENG THYE	8,796,100	1.45
9	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD	8,184,800	1.35
10	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (AM INV)	8,069,100	1.33
11	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. SAW KONG BENG	7,397,300	1.22
12	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. LEMBAGA TABUNG HAJI (AIIMAN)	4,593,900	0.76
13	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	4,363,400	0.72
14	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHOW CHEAH YONG	4,100,000	0.68
15	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KOK AUN	3,600,000	0.59
16	AMANAHRAYA TRUSTEES BERHAD PMB DANA BESTARI	3,500,000	0.58
17	SHUM THIN SOON	3,300,000	0.54
18	LOH KOK WAI	3,175,200	0.52
19	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SOON CHIEW HEA (E-JBU/BIH)	3,000,000	0.50
20	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ER SOON PUAY	2,750,000	0.45
21	GAN KOK KENG	2,700,000	0.45
22	GAN KOK KENG	2,600,000	0.43
23	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG WAH PENG	2,089,900	0.34
24	CHEAH CHOON GHEE	1,830,000	0.30
25	TEY THIAN SING @ TEE THIAN KERN	1,815,000	0.30
26	AFFIN HWANG NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR LIM & TAN SECURITIES PTE LTD (CLIENTS A/C)	1,742,100	0.29
27	OOI KENG THYE	1,734,200	0.29
28	GOH ENG HOE	1,702,100	0.28
29	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG CHAN HONG	1,700,000	0.28
30	CHAW TECK LONG	1,540,000	0.25
	Total	<b>352,953,452</b>	<b>58.24</b>

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FIRST ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT MARJORIE 2, LEVEL 11, ICONIC MARJORIE HOTEL, NO. 239A, JALAN SULTAN AZLAN SHAH, 11900 BAYAN LEPAS, PENANG, MALAYSIA ON TUESDAY, 26 MAY 2026 AT 2:30 P.M. FOR THE FOLLOWING PURPOSES:-

### AGENDA

#### As Ordinary Business:

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.</li> <li>2. To approve the payment of Directors' fees and Directors' benefits of RM159,000.00 for the financial year ending 31 December 2026.</li> <li>3. To re-elect Mr. Khor Cheng Kwang who retires in accordance with the Article 95 of the Company's Constitution.</li> <li>4. To re-elect Ms. Wong Chi Yeng who retires in accordance with the Article 95 of the Company's Constitution.</li> <li>5. To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.</li> </ol> | <p><b>Please refer to the Explanatory Notes</b></p> <p><b>Ordinary Resolution 1</b></p> <p><b>Ordinary Resolution 2</b></p> <p><b>Ordinary Resolution 3</b></p> <p><b>Ordinary Resolution 4</b></p> |
|--|---|

#### As Special Business :

To consider and if thought fit, to pass with or without modifications the following resolutions :-

- |   |                                     |
|---|-------------------------------------|
| <ol style="list-style-type: none"> <li>6. <b>ORDINARY RESOLUTION<br/>PROPOSED RETENTION OF MS. WONG CHI YENG AS INDEPENDENT NON-EXECUTIVE DIRECTOR</b></li> </ol> <p>"THAT subject to the passing of Ordinary Resolution 3 above, approval be and is hereby given to Ms. Wong Chi Yeng, who has served as an Independent Non-Executive Director ("<b>INED</b>") of the Company for a cumulative term of more than nine (9) years, to continue to act as an INED of the Company until the conclusion of the next Annual General Meeting."</p>  | <p><b>Ordinary Resolution 5</b></p> |
| <ol style="list-style-type: none"> <li>7. <b>ORDINARY RESOLUTION<br/>AUTHORITY TO ISSUE SHARES</b></li> </ol> <p>"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (the "<b>Act</b>"), Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>") ("<b>Listing Requirements</b>") and/or the approvals of the relevant regulatory authorities, where required, the Directors be and are hereby empowered to issue and allot shares in the Company, at such time and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.</p> <p>AND THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the Act read together with Article 57 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the Act."</p> | <p><b>Ordinary Resolution 6</b></p> |

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

8. **ORDINARY RESOLUTION  
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR THE RECURRENT  
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED  
SHAREHOLDERS' MANDATE")**

"THAT subject always to the Listing Requirements, approval be and is hereby given to the Company and/or its subsidiaries ("**JHM Group**") to enter into and give effect to specific recurrent related party transactions of a revenue or trading nature of JHM Group with specified classes of Related Parties (as defined in the Listing Requirements) as set out in Section 2.4 of the Circular to Shareholders dated 27 April 2026, which are necessary for the day-to-day operations of JHM Group provided that transactions are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public as well as are not detrimental to the minority shareholders of the Company and such approval, shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company, at which time the mandate will lapse, unless the mandate is renewed by a resolution passed at that meeting;
- (b) the expiration of the period within which the next AGM of the Company after that date 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.

AND THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

**Ordinary  
Resolution 7**

9. To transact any other business for which due notices shall have been given in accordance with the Companies Act 2016.

By Order of the Board,

**CHEE WAI HONG (BC/C/1470)**  
**SSM PC No. 202008001804**  
**TAN SHE CHIA (MAICSA 7055087)**  
**SSM PC No. 202008001923**  
Company Secretaries

Penang

Date: 27 April 2026

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### Notes :

1. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. The proxy form must be duly completed and deposited at the Registered Office of the Company, Suite 16.06, MWE Plaza, No. 8, Lebuhraya Farquhar, 10200 George Town, Pulau Pinang not less than 48 hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint not more than 2 proxies to attend and vote at the same meeting.
4. Where a member appoints 2 proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one 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.
8. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to the Article 69 of Company's Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("**ROD**") as at 19 May 2026 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
9. All resolutions as set out in this notice of Twenty-First Annual General Meeting are to be voted by poll.

### **Explanatory Note on Ordinary Business**

#### **Item 1 of the Agenda**

#### **To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.**

This item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.

#### **Ordinary Resolution 1 – Payment of Directors' fees and Directors' benefits**

The proposed Ordinary Resolution 1 is to facilitate payment of Directors' fees and Directors' benefits on current financial year basis, calculated based on the number of scheduled general meeting, Board and Committee meetings for 2026 and assuming that all Non-Executive Directors will hold office until the end of the financial year. In the event the Directors' fees and Directors' benefits proposed is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees and benefits to meet the shortfall.

#### **Ordinary Resolutions 2 and 3– Re-election of Directors**

The following Directors are standing for re-election as Directors of the Company pursuant to Article 95 of the Company's Constitution respectively at the Twenty-First AGM of the Company and being eligible have offered themselves for re-election in accordance with the Company's Constitution :-

- a) Mr. Khor Cheng Kwang
  - b) Ms. Wong Chi Yeng
- (collectively referred to as "**Retiring Directors**")

The Board has through the Nomination Committee ("**NC**") carried out the necessary assessment of the Retiring Directors and concluded that the Retiring Directors met the criteria as prescribed under Paragraph 2.20A of the Listing Requirements and the Fit and Proper Policy of the Company on character, experience, integrity, competence and time commitment to effectively discharge their role as Directors.

The Board has also through the NC assessed the performance and contribution of each of the Retiring Directors, including the assessment on the independence of Mr. Khor Cheng Kwang and Ms. Wong Chi Yeng, being the INEDs. The Board is satisfied with the performance of each of the Retiring Directors and the independence of the INEDs.

The Board has endorsed the NC's recommendation to seek shareholders' approval for the re-election of the Retiring Directors. The details and profiles of the Retiring Directors are provided in the Directors' profile on page 14 of the Annual Report 2025.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### *Explanatory Note on Special Business*

#### **Ordinary Resolution 5 – Proposed Retention of Ms. Wong Chi Yeng as INED**

The proposed Ordinary Resolution 5 is proposed pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance. If passed through a two-tier voting process, will allow Ms. Wong Chi Yeng to continue serving as INED of the Company. The Board has through the NC carried out the necessary assessment of Ms. Wong Chi Yeng, who has served as INED of the Company for a cumulative term of more than nine (9) years since her appointment on 4 January 2017, and recommended her to continue acting as INED of the Company.

The NC is satisfied that Ms. Wong Chi Yeng continues to demonstrate independence through her active participation in board committees and Board meetings, providing objective and independent judgment in decision-making. Ms. Wong Chi Yeng has also devoted sufficient time and attention to the Group's affairs. Key justifications for recommending the continuation of Ms. Wong Chi Yeng as INED are as follows:

- (i) She actively participates in Board deliberations, providing objective input and demonstrating the confidence to express an independent voice.
- (ii) She has exercised due care throughout her tenure, performing her professional duties in the best interests of the Company and its shareholders.
- (iii) She has not established or maintained any significant relationships that could impair her independence with the Executive Directors or major shareholders, beyond normal professional interactions necessary for her role as INED and as a member of the board's committees.
- (iv) She has contributed sufficient time and effort in attending meetings of the Board and board committees.
- (v) She possesses proven business insight, academic qualifications, and professional and entrepreneurial experience, allowing her to share valuable expertise and skills with the Board.

The Board has endorsed the NC's recommendation to seek shareholders' approval for the retention of Ms. Wong Chi Yeng as INED. The profile of Ms. Wong Chi Yeng is provided in the Directors' profile on page 14 of the Annual Report 2025.

#### **Ordinary Resolution 6 – Authority to issue shares**

##### **Renewal of authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 6, if passed, will give authority to the Board of Directors of the Company to issue and allot shares in the Company up to an amount not exceeding 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 without convening a general meeting. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM.

As at the date of this Notice, the Company has not issued any new shares pursuant to the general authority granted to the Directors at the Twentieth AGM held on 28 May 2025 and which will lapse at the conclusion of the Twenty-First AGM to be held on 26 May 2026.

A renewal of this authority is being sought at the Twenty-First AGM under proposed Ordinary Resolution 6.

Pursuant to Section 85 of the Companies Act 2016 read together with Article 57 of the Constitution of the Company, the shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company.

The proposed Ordinary Resolution 6, if passed, would allow the Directors to issue new shares to any person under the said mandate without having to offer the new shares in the Company to be issued equally to all existing shareholders of the Company prior to issuance.

This authority if granted 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, acquisition(s) and/or settlement of banking facility(ies).

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### **Ordinary Resolution 7 – Proposed Shareholders' Mandate**

The proposed Ordinary Resolution 7, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties which are necessary for the Group's day-to-day operations and are in the ordinary course of business which carried out on an arm's length basis based on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. The details of the proposal are set out in the Circular to Shareholders dated 27 April 2026.

### **PERSONAL DATA POLICY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the AGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"). (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## STATEMENT ACCOMPANYING NOTICE OF **ANNUAL GENERAL MEETING**

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming AGM.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed Ordinary Resolution 6 as stated in the Notice of Twenty-First AGM of the Company for the details.

# PROXY FORM

**JHM CONSOLIDATION BERHAD**  
Company No. 200501009101 (686148-A)  
(Incorporated in Malaysia)

CDS Account No.	
No. of ordinary shares held	

I/We ..... (FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No./Registration No.....) of.....

..... (FULL ADDRESS) being a

\*member/members of **JHM CONSOLIDATION BERHAD** (the "Company"), hereby appoint

Name of Proxy	NRIC No./Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Address			
E-mail	Contact No.		

\*and

Name of Proxy	NRIC No./Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Address			
E-mail	Contact No.		

or failing him/her, \*the Chairman of the meeting, to attend and vote for \*me/ us and on \*my/ our behalf at the Twenty-First Annual General Meeting of the Company to be held at Marjorie 2, Level 11, Iconic Marjorie Hotel, No. 239A, Jalan Sultan Azlan Shah, 11900 Bayan Lepas, Penang, Malaysia on Tuesday, 26 May 2026 at 2:30 p.m. and at every adjournment thereof to vote as indicated below :

Resolutions		For	Against
Ordinary Resolution 1	Approval of payment of Directors' fees and Directors' benefits for the financial year ending 31 December 2026		
Ordinary Resolution 2	Re-election of Mr. Khor Cheng Kwang as Director		
Ordinary Resolution 3	Re-election of Ms. Wong Chi Yeng as Director		
Ordinary Resolution 4	Re-appointment of Messrs. Grant Thornton Malaysia PLT as Auditors and to authorise the Directors to fix the Auditors' remuneration		
Ordinary Resolution 5	Proposed retention of Ms. Wong Chi Yeng as Independent of Non-Executive Director		
Ordinary Resolution 6	Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to issue shares		
Ordinary Resolution 7	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Please indicate with an "X" in the spaces provided above as to how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.

In the case of a vote taken by a show of hands, the First Proxy shall vote on \*my/our behalf.

As witness my hand this ..... day of ....., 2026.

.....  
Signature of Member (s)/ Common Seal  
Contact No.:

\* Strike out whichever is not desired

Notes :

1. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. The proxy form must be duly completed and deposited at the Registered Office of the Company, Suite 16.06, MWE Plaza, No. 8, Lebuhraya Farquhar, 10200 George Town, Pulau Pinang not less than 48 hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint not more than 2 proxies to attend and vote at the same meeting.
4. Where a member appoints 2 proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one 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.
8. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to the Article 69 of Company's Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 19 May 2026 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
9. All resolutions as set out in this notice of Twenty-First Annual General Meeting are to be voted by poll.

Please fold here to seal

Stamp

THE COMPANY SECRETARIES  
**JHM CONSOLIDATION BERHAD**  
Company No. 200501009101 (686148-A)  
Suite 16.06, MWE Plaza  
No. 8, Lebuhr Farquhar  
10200 George Town, Pulau Pinang

Please fold here to seal

**JHM Consolidation Berhad**

200501009101 (686148-A)

**15-1-21 Bayan Point,  
Medan Kampung Relau,  
11900 Penang.**

**Tel : 604 646 5121  
Fax : 604 645 7326**

**[www.jhm.net.my](http://www.jhm.net.my)**