

2025

Annual Report

Financial Services . Nutrition . Health



MANI

SunZen 宏誠集團
GROUP

SUNZEN GROUP BERHAD

Registration No. 200501003843 (680889-W)
(Formerly known as Sunzen Biotech Berhad)

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CORPORATE INFORMATION

CHING CHEE PUN
Executive Chairman

TEO YEK MING
Group Managing Director

AIDA LIM BINTI ABDULLAH
Senior Independent
Non-Executive Director

BOARD OF DIRECTORS

KHOO KIEN HOE
Independent Non-Executive Director

POO LONG YII
Independent Non-Executive Director

LEE YEW WENG
Non-Independent
Non-Executive Director

AUDIT COMMITTEE

Chairman
Khoo Kien Hoe

Independent Non-Executive Director

Members

Aida Lim Binti Abdullah

Senior Independent Non-Executive Director

Poo Long Yii

Independent Non-Executive Director

Lee Yew Weng

Non-Independent Non-Executive Director

NOMINATION COMMITTEE

Chairman

Khoo Kien Hoe

Independent Non-Executive Director

Members

Aida Lim Binti Abdullah

Senior Independent Non-Executive Director

Poo Long Yii

Independent Non-Executive Director

Lee Yew Weng

Non-Independent Non-Executive Director

REMUNERATION COMMITTEE

Chairperson

Poo Long Yii

Independent Non-Executive Director

Members

Aida Lim Binti Abdullah

Senior Independent Non-Executive Director

Khoo Kien Hoe

Independent Non-Executive Director

Lee Yew Weng

Non-Independent Non-Executive Director

COMPANY SECRETARIES

Teo Mee Hui (MAICSA 7050642)
(SSM PC No. 202008001081)

Goh Xin Yee (MAICSA 7077870)
(SSM PC No. 202008000375)

REGISTERED OFFICE

Level 13, Menara 1 Sentrum
201, Jalan Tun Sambanthan, Brickfields
50470 Kuala Lumpur, Malaysia
Tel : 603-2382 4288
Fax : 603-2382 4710
Email : TMFKL-CoSec@tmf-group.com

CORPORATE OFFICE

No. 13, Jalan Anggerik Mokara 31/47
Kota Kemuning, 40460 Shah Alam
Selangor Darul Ehsan, Malaysia
Tel : 603-5122 9333
Fax : 603-5131 9975
Website : www.sunzengroup.com

SHARE REGISTRAR

**Boardroom Share Registrars
Sdn. Bhd.**
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : 603-7890 4700
Fax : 603-7890 4670

AUDITORS

**Grant Thornton Malaysia PLT
(AF 0737)**
(201906003682 & LLP0022494-LCA)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
Tel : 603-2692 4022
Fax : 603-2691 5229

PRINCIPAL BANKERS

Malayan Banking Berhad

STOCK EXCHANGE LISTING

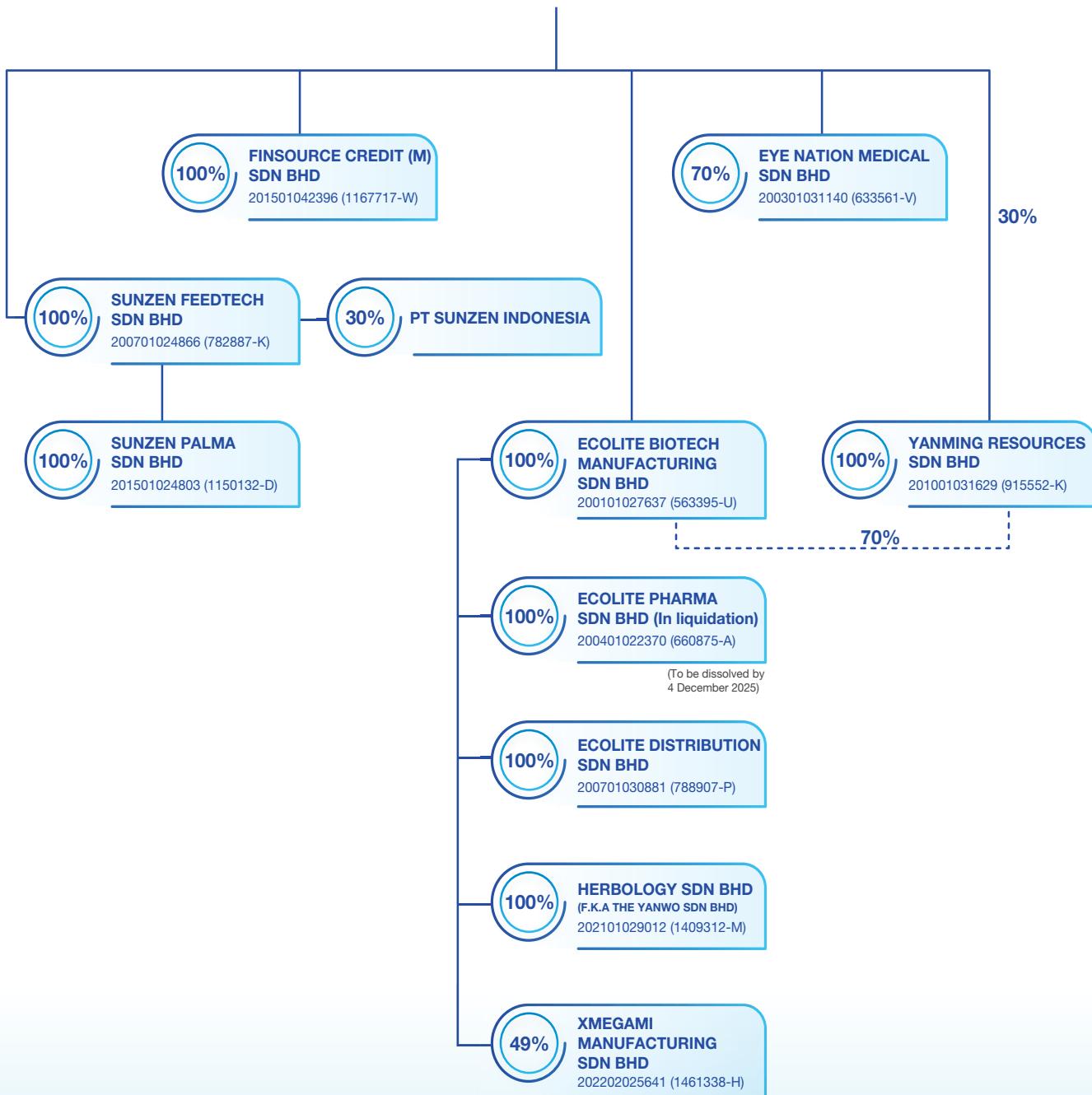
**ACE Market of Bursa Malaysia
Securities Berhad**
Stock Name : SUNZEN
Stock Code :
0148 (Ordinary Shares)
0148WC (Warrants 2022/2027)

CORPORATE STRUCTURE

SunZen GROUP

SUNZEN GROUP BERHAD

Registration No. 200501003843 (680889-W)
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DIRECTORS' PROFILE

CHING CHEE PUN

Executive Chairman

Mr. Ching Chee Pun was appointed to the Board as a Non-Independent Non-Executive Director on 1 August 2020. He was re-designated to Executive Director on 1 October 2020.

Mr. Ching is a Chartered Accountant (CA) of the Malaysian Institute of Accountants (MIA) and a Certified Financial Planner (CFP) of the Financial Planning Association of Malaysia.

Mr. Ching graduated in the UK with an Honours degree majoring in Accounting and Management Control. He is also a member of the Association of Chartered Certified Accountants.

Mr. Ching has over 20 years' experience in areas such as audit, tax planning, financial accounting, corporate financial planning, business advisory, education and corporate training. He practised in Deloitte Kassim Chan for 5 years specialising in tax and audit. During his employment with Deloitte Kassim Chan, he worked with clients ranging from small and medium enterprises (SMEs) to multinational companies.



Male



53 years old



Malaysian

For the past few years, Mr. Ching focused on his area of specialisation, which is assisting SMEs secure business loans to meet both long-term and short-term financing needs. His impressive track record stems from his in-depth knowledge of the loan application process, the banks' requirements, and his extensive connections with top bankers in the country.

Being a recognised expert in business financing, he is often invited to give talks at business events and has appeared several times in Chinese newspapers and on Radio FM, where he gives advice on how to secure business loans.

Mr. Ching currently holds office as a Director at Finsource Sdn. Bhd., which provides advisory services to SMEs, and the Deputy President of the Malaysia Speakers Association (MSA).

He does not hold any directorships in other public companies or listed corporations.

TEO YEK MING

Group Managing Director

Mr. Teo Yek Ming was appointed to the Board as the Managing Director and Chief Executive Officer of the Group on 16 June 2020. He was re-designated to Group Managing Director on 25 February 2022. He is an entrepreneur and savvy investor who has more than ten (10) years of combined experience in managing businesses in various industries, including the one-stop furniture industry, aquaculture, licensed money lending, information technology and property investment.

After completing his high school education, he started his career as a sales and marketing executive for a hardware trading company. Subsequently, he ventured into his first business in 2006, The Ring Telecommunication, which was a company involved in the retail of mobile phones. In 2012, he established Phoenix Arowana Breeders Sdn. Bhd., an aquaculture company involved in arowana fish farming, marketing, and distribution.

Mr. Teo later established Finsource Credit (M) Sdn. Bhd. in 2015, a moneylending company licensed under the Moneylenders Act 1951 which is governed under the Moneylenders (Control and Licensing) Regulations 2003.



Male



41 years old



Malaysian

In addition, he also set up Avex Consulting Sdn. Bhd. and Avex Technology Sdn. Bhd. in 2016, which are principally involved in software development for local businesses.

In 2017, he became one of the major shareholders of Goodnite International Sdn. Bhd. ("Goodnite"), a leading bedding manufacturer in Malaysia. He is currently the managing director of Goodnite, overseeing the overall operations of the Goodnite Group businesses. He has been actively involved in the execution of the business expansion plan through incorporation and acquisition of some upstream and downstream outfits in diversifying the Goodnite Group businesses to include foam and latex manufacturing, bedframe manufacturing, sofa manufacturing, office furniture trading, sales, hire purchase and factory outlets.

He does not hold any directorships in other public companies or listed corporations.

DIRECTORS' PROFILE

cont'd

AIDA LIM BINTI ABDULLAH

Senior Independent Non-Executive Director

Puan Aida was appointed to the Board as a Senior Independent Non-Executive Director on 1 December 2023. Puan Aida is an accomplished professional with extensive experience across diverse industries. She serves as a member of the Audit Committee, Nomination Committee, and Remuneration Committee.

Puan Aida holds a BA (Hons) in Accounting and Finance from Middlesex University, London. She is a Chartered Accountant with the Malaysian Institute of Accountants (MIA), a Fellow Member of the Chartered Global Management Accountant (FCMA), the Chartered Institute of Management Accountants (CIMA), a Fellow Member of Institute of Corporate Directors of Malaysia (ICDM) and a Member of the Chartered Institute of Islamic Finance Professionals (CIIFP). She is also a Certified Financial Planner (CFP) with the Financial Planning Association of Malaysia (FPAM) and a Registered Shariah Financial Planner (RFP Shariah) with Malaysia Financial Planning Council (MFPC). Additionally, she is also a Halal Professional, certified by JAKIM.

With over 30 years of comprehensive experience, Puan Aida has held prominent positions across audit firms, conglomerates, digital and fintech startups, financial institutions, government-linked companies (GLCs), and regulatory bodies, including Bursa Malaysia Bhd and the Securities Commission Malaysia. Her expertise spans a wide range of fields, including corporate governance, internal control, risk management, audit, banking, treasury, corporate finance, mergers and acquisitions, corporate reporting, investment analysis, financial technology, digital solutions, Shariah finance, halal management, and supply chain procurement.



Female



57 years old



Malaysian

Puan Aida was the inaugural Chief Executive Officer of Penang Halal International (PHI), a state-owned agency under the Penang State Government, where she spearheaded a significant transformation and rebranding initiative. Previously, she served as the Chief of Corporate Governance and Business Ecosystem at QSR Brands (M) Holdings Bhd, the largest "farm to fork" halal operator in Southeast Asia and a key subsidiary of Johor Corporation. Notably, she was instrumental in pioneering ESG initiatives ahead of competitors.

Her commitment to corporate governance extends to her previous roles as a member of the Board of Governors of the Malaysian Institute of Corporate Governance (MICG) and a member of the Board of the Malaysian American Commission on Educational Exchange (MACEE).

In recognition of her thought leadership and commitment to lifelong learning, Puan Aida actively contributes to professional and education networks. She serves as a Council Member of the Malaysian Financial Planning Council (MFPC) – UNESCO Entrepreneurship Education Network, promoting entrepreneurship education and financial literacy. She was also a member of the CGMA Southeast Asia Engagement Committee (2023-2024), supporting regional capacity building and professional standards.

In addition to her executive roles, Puan Aida founded Corporate Streets Sdn Bhd, a business consultancy firm, and currently serves as a member of the Education and Social Economy Committee of Yayasan Wilayah Persekutuan (YWP). She is also the Chairman of the Malaysia Art & Cultural Development Association.

She does not hold any directorships in other public companies or listed corporations.

KHOO KIEN HOE

Independent Non-Executive Director

Mr. Khoo Kien Hoe was appointed to the Board as an Independent Non-Executive Director on 22 July 2014. He is the Chairman of the Audit Committee and Nomination Committee and a member of the Remuneration Committee.

Mr. Khoo graduated with a Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College in 1995 and obtained a professional qualification in accounting from the Association of Certified Chartered Accountants (ACCA). He is a fellow member of ACCA and a member of the Malaysian Institute of Accountants (MIA).

Mr. Khoo has over 25 years of experience in corporate advisory, audit, accounting, taxation, and company secretarial matters. He served as Audit Senior at Peter Chong & Co. from December 1995 to March 1997, and as



Male



55 years old



Malaysian

Audit Senior at KPMG from April 1997 to January 2000. He was the Finance Manager at Ins Enterprise Sdn. Bhd. from 2001 to 2003.

Mr. Khoo is the Managing Director of KH Advisory Sdn. Bhd. and Bluetech Consultancy Sdn. Bhd., where he was responsible for tax compliance and accounting related matters. He is also the founder and Managing Director of Bizguide Corporate Services Sdn. Bhd., a company specialised in company secretarial, corporate advisory and accounting.

He is an Independent Non-Executive Director of Scanwolf Corporation Berhad, which is listed on Main Market of Bursa Malaysia Securities Berhad.

DIRECTORS' PROFILE

cont'd

POO LONG YII

Independent Non-Executive Director

Ms. Poo Long Yii was appointed to the Board as an Independent Non-Executive Director on 1 March 2023. She is the Chairperson of the Remuneration Committee and a member of the Audit Committee and Nomination Committee.

Ms. Poo graduated with a Bachelor of Law from the University of Malaya. She is a civil and commercial litigation lawyer who has been in legal practice for more than ten (10) years. She had been appointed as the head of litigation department in Messrs Andrew, Jye & Co. since year 2018.



Female



35 years old



Malaysian

Ms. Poo has conducted full trials from the Magistrate Court up to the High Court, and hearings from the Magistrate Court up to the Court of Appeal, Industrial Court, as well as hearings at the Asian Arbitration Centre of Malaysia. She has handled and attended numerous mediations for various commercial and civil cases.

She does not hold any directorships in other public companies or listed corporations.

LEE YEW WENG

Non-Independent Non-Executive Director

Mr. Lee Yew Weng was appointed to the Board as a Non-Independent Non-Executive Director on 1 August 2020. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee.

Mr. Lee obtained his Bachelor of Commerce degree in 1998 from the University of Adelaide, in Australia. He is a Chartered Accountant and a fellow member of CPA Australia. He is also a member of the Malaysian Institute of Accountants.

Mr. Lee began his career with KK Chow & Partners in March 1999 and then joined Crowe Horwath Malaysia (now known as Crowe Malaysia PLT) in January 2000 as an Audit Assistant where he was involved in performing statutory audits. Subsequently, he joined KPMG Malaysia as an Audit Assistant in January 2001.

Mr. Lee ventured into the corporate sector when he joined Jotech Holdings Berhad as Group Accountant in 2002 where he was responsible for the group's accounting and financial matters. From May 2003 to June 2010, he worked with AmlInvestment Bank Berhad, firstly in the Corporate Finance and Advisory Department and was promoted to Associate Director where he was involved in various corporate exercises, including corporate restructuring, reverse take-overs, mergers and acquisitions, fund raising and an initial public



Male



48 years old



Malaysian

offering. Subsequently in July 2008, he was relocated to their Corporate & Institutional Banking Department of AmlInvestment Bank Berhad as an Associate Director.

After he left AmlInvestment Bank Berhad in 2010, he set up his own firms that are principally engaged in the provision of financial consultancy and management consultancy services.

From June 2019 to February 2020, he joined Canfield Corporate Finance Company Limited ("Canfield"), an approved Corporate Finance Adviser in Hong Kong, licenced by the Securities and Futures Commission of Hong Kong, as a Responsible Officer, where he was involved in marketing and structuring transactions for clients undertaking cross-border corporate exercises. Subsequently, in September 2020, he joined Sorrento Capital Limited, an approved Sponsor and Corporate Finance Adviser in Hong Kong, licenced by the Securities and Futures Commission of Hong Kong, as a Licensed Representative where he has similar responsibilities as his role in Canfield.

He is an Independent Non-Executive Director of Hiap Huat Holdings Berhad, DS Sigma Holdings Berhad and Go Hub Capital Berhad, all of which listed on the ACE Market of Bursa Malaysia Securities Berhad.

KEY SENIOR MANAGEMENTS' PROFILE

LIM WEE CHUN

Sales & Marketing Director

Gender	Male
Age	44
Nationality	Malaysian

Mr. Lim Wee Chun holds a foundation in Marketing with the Chartered Institute of Marketing at Sunway College.

Mr. Lim worked at Prudential Assurance Malaysia Berhad as a Financial Adviser from year 2002 to 2007. Later, he joined Biocan Herbal Sdn. Bhd. as a Business Manager from 2007 to 2011.

Mr. Lim joined Ecolite Biotech Manufacturing Sdn. Bhd. in 2011 as Business Development Manager, and in 2021, he was promoted to Head of Sales and Marketing Division.

He does not hold any other directorships in public companies and listed corporation.

PHANG TONG ENG

Chief Financial Officer

Gender	Male
Age	61
Nationality	Malaysian

Mr. Phang Tong Eng holds a professional qualification in accountancy from the Chartered Institute of Management Accountants (CIMA) and is currently a member of Malaysia Institute of Accountants (MIA).

Mr. Phang worked at Resintech Plastic Sdn. Bhd. as Accounts Manager from January 1995 to June 1997. Later, he joined Jets Express Services Sdn. Bhd. as Finance Manager and served the Company until November 2007.

In February 2008, Mr. Phang joined Sunzen Corporation Sdn. Bhd. as Finance Manager and was promoted to Chief Financial Officer in June 2019.

He does not hold any other directorships in public companies and listed corporation.

Notes to Directors' and Key Senior Management's Profile

1. Family Relationships

The Directors and Key Senior Management do not have any family relationship with any Director and/or major shareholder of the Company.

2. Conflict of Interest

None of the Directors and Key Senior Management has any personal interest/conflict of interest/potential conflict of interest, including interest in any competent business with the Company and the subsidiaries.

3. Conviction of Offences

None of the Directors and Key Senior Management has been convicted for offences within the past five (5) years other than traffic offences or any public sanction or penalty imposed on him/her by the relevant regulatory bodies during the financial year ended 30 June 2025.

4. Attendance at Board Meetings

The details of attendance of the Directors at the Board Meeting are set out on page 41 of this Annual Report.

5. Directors' Shareholdings

The details of the Directors' interest in the securities of the Company are set out in the Analysis of Shareholdings on page 145 to 149 of this Annual Report.

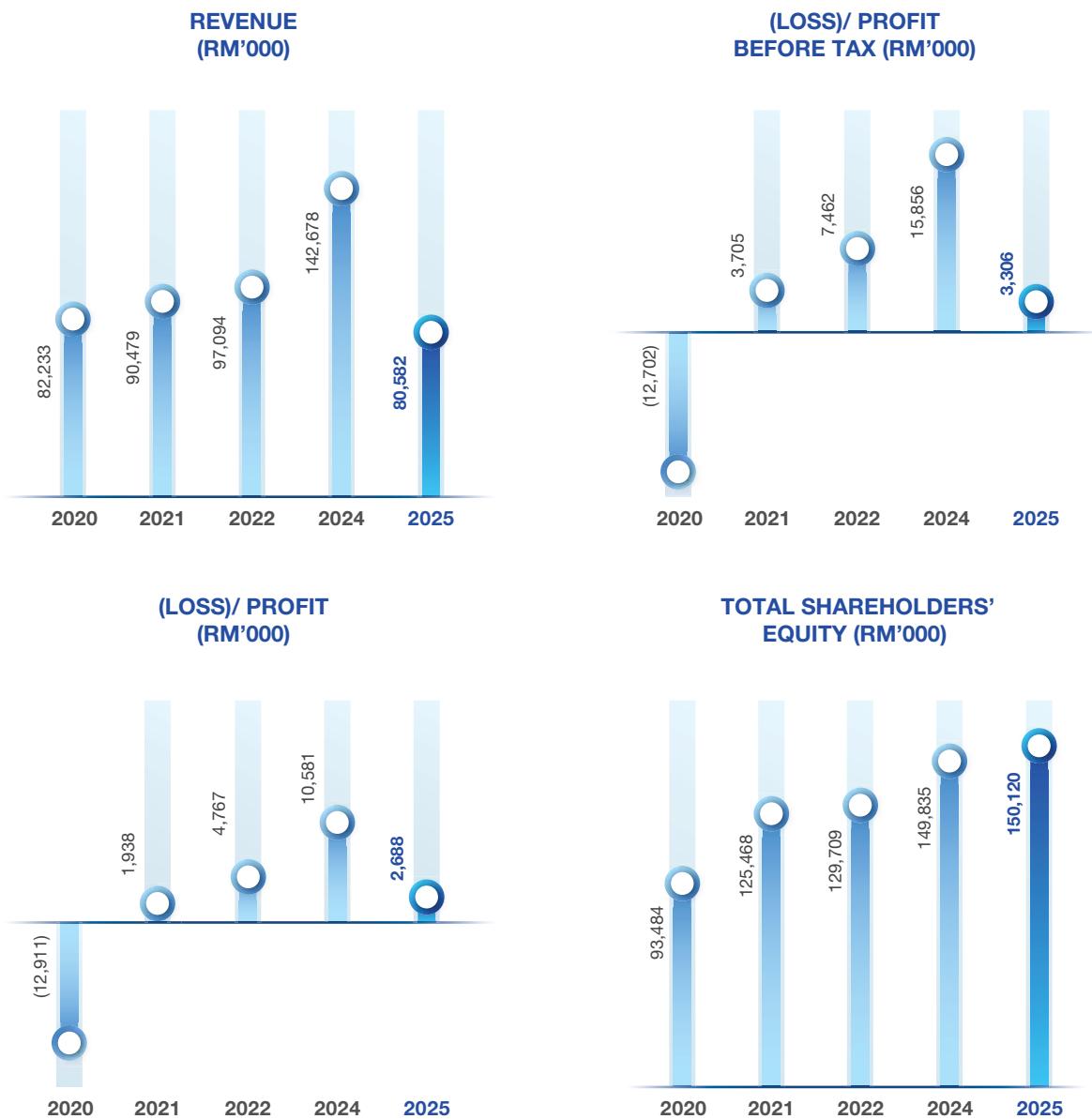
6. Directorships in Public Companies and Listed Issuers

Save as disclosed herein, none of the Directors and Key Senior Management hold any other directorship of public companies and listed issuers.

5 YEAR FINANCIAL HIGHLIGHTS

FINANCIAL YEAR (FYE)/ PERIOD (FPE) ENDED	FYE 31 December 2020 RM'000	FYE 31 December 2021 RM'000	FYE 31 December 2022 RM'000	FPE 30 June 2024 ^ RM'000	FYE 30 June 2025 RM'000
Revenue	82,233	90,479	97,094	142,678	80,582
(Loss)/Profit Before Tax	(12,702)	3,705	7,462	15,856	3,306
(Loss)/Profit	(12,911)	1,938	4,767	10,581	2,688
Total Shareholders' Equity	93,484	125,468	129,709	149,835	150,120

Note: ^ 18-month financial period due to the change of financial year end from 31 December to 30 June.



MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors of the Company and Management are pleased to present the Management Discussion and Analysis for the financial year ended 30 June 2025 ("FYE2025")

OVERVIEW OF THE GROUP'S BUSINESS OPERATIONS

The business operating activities of the Group are as follows:

Segments	Principal activities
Animal Health *	Manufacturing and trading of in-feed anti-bacterial products, disinfectant, detergent and supplements for animal health products.
Human Health	Manufacturing and sales of herbal health foods and beverages, bird's nest drinks, foodstuff and related health products. Processing and trading of edible bird's nest and related activities.
Medical devices and services **	General trading of ophthalmic equipment and other related products
Loan Financing	Financial consultancy services and licensed money lending activities.

Notes:

* The animal health business was disposed of in the first half of 2025 due to its continued loss-making position.

** A new venture in ophthalmic devices business, following the acquisition of 70% equity stake in Eye Nation Medical Sdn. Bhd. in October 2024.

FINANCIAL PERFORMANCE REVIEW

The financial statements for FYE2025 are summarized as follows:

	FYE2025 RM'000	FPE2024* RM'000
Revenue	80,582	142,678
Gross profit	24,998	38,328
Gross profit margin	31.02%	26.86%
Profit before tax	3,306	15,856
Other income	1,042	3,604
Profit for the year/period	2,688	10,581
Profit margin	3.34%	7.42%
Profit attributable to owners of the Company	2,585	9,039

* 18-month financial period from 1 January 2023 to 30 June 2024 due to the change of financial year end to 30 June from 31 December.

FYE2025 versus annualised 18-month FPE2024

The Group's revenue declined by RM14.54 million or approximately 15.29% to RM80.58 million in FYE2025 from RM95.12 million in FPE2024. This was mainly due to the reduction in export revenue from edible bird's nest, declined sales orders from contract manufacturing services for beneficial drinks coupled with the disposal of loss making subsidiaries in animal health business operation, however, the impact was partially offset by the revenue contribution from a newly acquired ophthalmic devices and services business and also higher interest income from the expanded loan financing business in FYE2025.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Gross profit declined by RM0.55 million or 2.15% to RM25.00 million compared to RM25.55 million for FPE2024, where the decline in profit contribution from health products on lower revenue reported was partly cushioned by the contribution from ophthalmic devices and services business alongside higher interest income from loan financing operation.

Other income of RM1.04 million was reported for FYE2025 compared to FPE2024's RM2.40 million, the decline was mainly due to the recognition of one-off reversal of impairment loss on plant and machinery disposed of in FPE2024.

The Group reported a lower profit of RM2.69 million in FYE2025, as compared to RM7.05 million in FPE2024. The decline was primarily attributable to lower profit contribution from health products segment on lower revenue achieved, share of loss of an associate amounting to RM0.45 million, and a write-off of bad debt from loan financing operation of approximately RM2.57 million.

FINANCIAL POSITION REVIEW

	30 June 2025	30 June 2024	Variance	
	RM'000	RM'000	RM'000	%
ASSETS				
Non-current assets	117,230	113,196	4,034	3.56
Current assets	65,016	57,127	7,889	13.81
Total assets	182,246	170,323	11,923	7.00
LIABILITIES				
Non-current liabilities	21,401	12,452	8,949	71.87
Current liabilities	10,724	8,036	2,688	33.45
Total liabilities	32,125	20,488	11,637	56.80
Equity attributable to owners of the Company	148,578	139,395	9,183	6.59

Total assets increased by about 7.00% or RM11.92 million to RM182.25 million as at 30 June 2025 from RM170.32 million as at 30 June 2024, mainly attributable to higher trade receivables on expanded loan financing business and other receivable arising from the disposal of animal health business for the remaining consideration of RM15.57 million.

Total liabilities increased by 56.80% or RM11.64 million to RM32.13 million as at 30 June 2025 from RM20.49 million as at 30 June 2024, mainly due to the commitment of additional flexi-term loan of RM12.00 million from a financial institution during the current financial year, for working capital requirement.

Equity attributable to owners of the Company increased by 6.59% or RM9.18 million to RM148.58 million, mainly attributable to the acquisition of the remaining 30% equity from non-controlling interest as well as the profit generated during the current year.

LIQUIDITY

Turnover period:	FYE2025	FPE2024	Changes
	Days	Days	Days
- Trade receivables ⁽¹⁾ (excluding loan financing under non- current assets)	72	53	19
- Inventories ⁽²⁾	62	49	13
- Trade payables ⁽²⁾	27	21	6
Cash conversion cycle	107	81	26

⁽¹⁾ Based on formula: Average closing balance divided by total annual revenue multiplied by 365 days.

⁽²⁾ Based on formula: Average closing balance divided by total annual cost of sales multiplied by 365 days.

The Group's average cash conversion cycle has expanded by 26 days to 107 days in FYE2025 from 81 days in FPE2024. The Group's current ratio (current assets: current liabilities) has decreased to 6.06 times in FYE2025 from 7.11 times in FPE2024.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

CAPITAL MANAGEMENT

	FYE2025	FPE2024
	RM'000	RM'000
Loans and borrowings	18,851	6,489
Lease liabilities	1,036	1,173
Total	19,887	7,662
Owners' equity	148,578	139,395
Debt-to-equity ratio (no. of times)	0.13	0.05

The Group's debt-to-equity ratio has increased to 0.13 times in FYE2025 from 0.05 times in FPE2024 mainly due to the commitment of additional term loan facilities and additional lease liabilities on new motor vehicles under hire purchase terms, nevertheless the exposure is in a healthy position.

PROSPECTS

Sunzen remains cautiously optimistic on its outlook for the financial year ending 30 June 2026. Despite a challenging microeconomic environment, Sunzen continues to execute its business transformation strategy, focusing on key growth verticals and operational improvements.

Malaysia's economy grew by 4.4% in the first quarter of 2025, a slowdown from the revised 4.9% in Q4 2024. Growth momentum was dampened by reduced oil and gas output and a normalisation in consumer activity, with the central bank warning of a weaker outlook due to global trade tensions. In response, Bank Negara Malaysia ("BNM") introduced several monetary easing measures, including a 25-basis point cut in the Overnight Policy Rate to 2.75% in July 2025 and lowered the Statutory Reserve Requirement to 1.00% in May 2025. These measures aim to support domestic consumption and improve liquidity in the financial system.

In the loan financing segment, Sunzen continues to see steady growth driven by increasing applications and approvals. Sunzen remains focused on serving underserved segments with fast, flexible, and tailored solutions, capitalising on the growing demand for alternative financing. According to Research and Markets, Malaysia's alternative lending market is expected to grow at a compound annual rate of 19% from 2024 to 2028, from approximately USD408 million to over USD1 billion, driven by the rise in SME activity and demand for short-term financing.

For the human health segment, market demand remains soft in the near term due to a slower order book. To mitigate this, the Group is expanding its distribution network into the fast-moving consumer goods ("FMCG") segment to drive sales. The Group is also enhancing brand awareness through increased digital marketing efforts and greater participation in local product fairs. The Group is strengthening its strategic shift by expanding from OEM manufacturing into an ODM model, working with customers to co-develop branded formulations and packaging, while continuing its OEM operation. In the bird's nest category, market conditions in China remain weak due to cautious consumer sentiment. Nonetheless, the segment continues to drive innovation with the introduction of a new Quantum Therapy equipment by Yanming Resources Sdn. Bhd., designed to enhance blood circulation and metabolism, complemented by a transdermal delivery system using herbal cream to support overall wellness.

The medical devices and services segment continues to be a bright spot. The ophthalmic devices market in Malaysia is projected to remain resilient, supported by growing demand for private eye care and improved health awareness. Eye Nation Medical Sdn. Bhd. anticipates increased sales in the upcoming quarter, aided by more secured equipment orders and the launch of a new Toric intraocular lens product.

Moving forward, Sunzen will continue to drive its transformation strategy by strengthening its position in high-growth segments such as loan financing and medical devices, expanding into ODM capabilities, and deepening local market penetration. These efforts are expected to improve the Group's earnings visibility and resilience amid ongoing macroeconomic uncertainty.

Despite macroeconomic uncertainties and sector-specific headwinds, the Group continues to adapt by investing in innovation, operational excellence, and market responsiveness. Backed by a solid financial position and proactive leadership, Sunzen is well-positioned to seize emerging opportunities, enhance stakeholder value, and chart a resilient path forward in the financial year ending 30 June 2026.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

This Sustainability Statement affirms Sunzen Group Berhad and its subsidiaries (“Sunzen” or “The Group”) commitment to transparent ESG reporting across our health products, medical devices and services, animal health products, and loan financing businesses. It provides an overview of our sustainability initiatives and performance for the financial year ended 30 June 2025. During the reporting year, we formalised our sustainability approach to define the Group’s strategic direction, introduced a policy to guide consistent decision-making, and established a governance structure to oversee execution across the organisation. We conducted our first materiality assessment to identify and prioritise key sustainability matters, ensuring alignment with stakeholder expectations and business objectives.

We have initiated the monitoring and disclosure of Scope 1, Scope 2, and selected Scope 3 greenhouse gas (“GHG”) emissions across our operations to establish a clear emissions profile and support regulatory alignment. As part of our carbon reduction efforts, our health product subsidiary, Ecolite, has commenced harnessing renewable energy through a solar photovoltaic (“PV”) panel system installed in May 2025. Additionally, in compliance with environmental regulations, Ecolite is installing an Industrial Effluent Treatment System (“IETS”), targeted for completion by December 2025, to ensure wastewater discharge meets statutory standards.

In FY2025, the Group introduced an Anti-Discrimination Policy to reinforce our commitment to an inclusive workplace and equal opportunities for all employees. We advanced employee development through structured training in technical, safety, and soft skills and provided internship programmes to equip young talent with practical experience and professional mentoring. Beyond the workplace, we continued to support community initiatives focused on well-being and improving quality of life.

We remain focused on embedding sustainability into our operations and decision-making, reinforcing our long-term commitment to responsible and resilient growth. The priorities and progress reflected throughout this Statement illustrate how we continue to align our business with sustainable value creation.

REPORTING SCOPE AND BOUNDARY

This statement discloses data for the financial year spanning 1st July 2024 to 30th June 2025 (“FY2025”) across the Group and our subsidiaries. Reporting for Sunzen Corporation Sdn Bhd and Sunzen Lifesciences Sdn Bhd is included only up to December 2024, following their divestment in February 2025. Data for Eye Nation Medical Sdn Bhd, a newly acquired subsidiary, is disclosed from October 2024, when operations commenced.



SUSTAINABILITY STATEMENT

cont'd

COMPLYING WITH GLOBAL FRAMEWORKS & STANDARDS

This sustainability statement has been prepared in compliance with Bursa Malaysia's Ace Market Listing Requirements ("AMLR") and aligned with the Sustainability Reporting Guide (3rd Edition). Our disclosures are guided by the Global Reporting Initiative ("GRI") Standards and the United Nations Sustainable Development Goals ("UN SDGs").

ENSURING DATA ACCURACY

The data and information presented in this statement have been internally sourced and reviewed by the respective data owners within the Group. Our disclosures reflect our ongoing sustainability practices and performance for the reporting year, providing an accurate account of our activities and initiatives.

FEEDBACK ON OUR REPORT

We welcome the insights and suggestions of our stakeholders to continuously improve our sustainability practices and reporting. To respond with any comments or feedback please reach out to us.



MEMBERSHIPS AND ASSOCIATIONS

We remain active in industry associations and memberships to stay informed of the latest developments and best practices across our sectors.



OUR CERTIFICATIONS

Our Health Products, Medical Products and Animal Health Products are certified to meet national and international regulatory standards, demonstrating our commitment to quality and compliance.

Good Manufacturing Practices

General Administration of Customs China ("GACC")

Hazard Analysis and Critical Control Point ("HACCP")

Medical Device Authority

Makanan Selamat Tanggungjawab Industri ("MeSTI")

Veterinary Health Mark ("VHM")

HALAL Certification

Good Veterinary Hygienic Practice ("GVHP")

Good Distribution Practices For Medical Device

FAMI-QS Code

SUSTAINABILITY STATEMENT

cont'd

ACHIEVEMENTS

Governance and Ethical Leadership

We uphold strong governance principles and ethical standards to ensure transparency, accountability, and regulatory compliance.



Zero substantiated cases of bribery or anti-corruption



Zero substantiated complaints related to breaches of customer privacy or data loss

Environmental Responsibility

We adopt responsible practices to manage resource consumption and minimise environmental impact across our operations.



39% reduction in total energy consumption



30 ML of water was consumed in FYE2025



6% of total waste generated was recycled or diverted from landfill

Social Equity and Impact

We foster a culture of care, growth, and inclusion by providing a safe and supportive work environment.



63% of our procurement budget was allocated to local suppliers



Zero fatalities recorded



Zero substantiated cases of human rights violation

OUR APPROACH TO SUSTAINABILITY

Our Vision and Mission guide our focus on sustainability, aligning it with material matters, stakeholder priorities, and the UN SDGs. This integration ensures that sustainability is embedded across our operations and decision-making, supporting long-term value creation for the Group and its stakeholders.

Vision

Strive to become a continuously growing corporation, thriving for a century and beyond

Mission

Continuously enhance corporate value to maximise returns for shareholders

Material Matters/ Key ESG Issues

Governance and Ethical Leadership

Corporate Ethics, Governance and Anti-Corruption

Data Governance and Information Management

Environmental Responsibility

Energy Management and Climate Change

Water Consumption

Waste Management

Materials

Social Equity and Impact

Occupational Health and Safety

Human Rights and Labour Practices

Diversity, Equity and Inclusion

Supply Chain Management

Product Safety and Quality

Customer Satisfaction and Trust

Community Engagement

UN SDGs



Stakeholder Groups



Shareholders



Government and regulatory authorities



Financiers



Supplier & Vendors



Consumers & Customers



Employees



Communities

SUSTAINABILITY STATEMENT

cont'd

OUR FOUNDATION FOR SUSTAINABLE PROGRESS

The Group's Sustainability Policy sets out clear principles to guide our ESG initiatives, supporting regulatory compliance, informed decision-making, and organisational accountability. It ensures a consistent and transparent approach to sustainability across all operations.

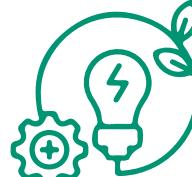
Governance and Ethical Leadership

- Uphold compliance with applicable laws, regulations, and industry standards, regularly evaluating and updating our compliance mechanisms to address evolving legal requirements
- Adhere to policies and procedures that promote ethical conduct
- Prohibit all forms of bribery and corruption across the Group
- Foster transparent and open communication with stakeholders, ensuring accurate disclosures on our sustainability practices, performance, and objectives



Environmental Responsibility

- Optimise energy usage and explore opportunities for reduction
- Adopt circular economy principles by prioritising waste reduction, reuse and recycling, particularly within production processes
- Ensure efficient water management across all operations
- Prevent environmental pollution by monitoring wastewater discharge from our manufacturing facilities, maintaining compliance with regulatory standards



Social Equity and Impact

- Prioritise employees' health, safety, and well-being by setting clear safety protocols and procedures
- Conduct regular health and safety training to maintain a secure and healthy work environment
- Uphold fundamental human rights, inclusivity and equal employment opportunities to foster an engaged workforce
- Support employees' professional growth by fostering a workplace culture that encourages development
- Ensure our products and services meet the highest standards of quality and safety, integrating customer feedback into continuous improvement efforts, and enforcing stringent quality controls
- Safeguard customer data privacy and security through robust protective measures
- Ensure that our raw materials, particularly for the manufacturing of Traditional Chinese Medicine ("TCM"), are sourced from sustainable and ethical suppliers

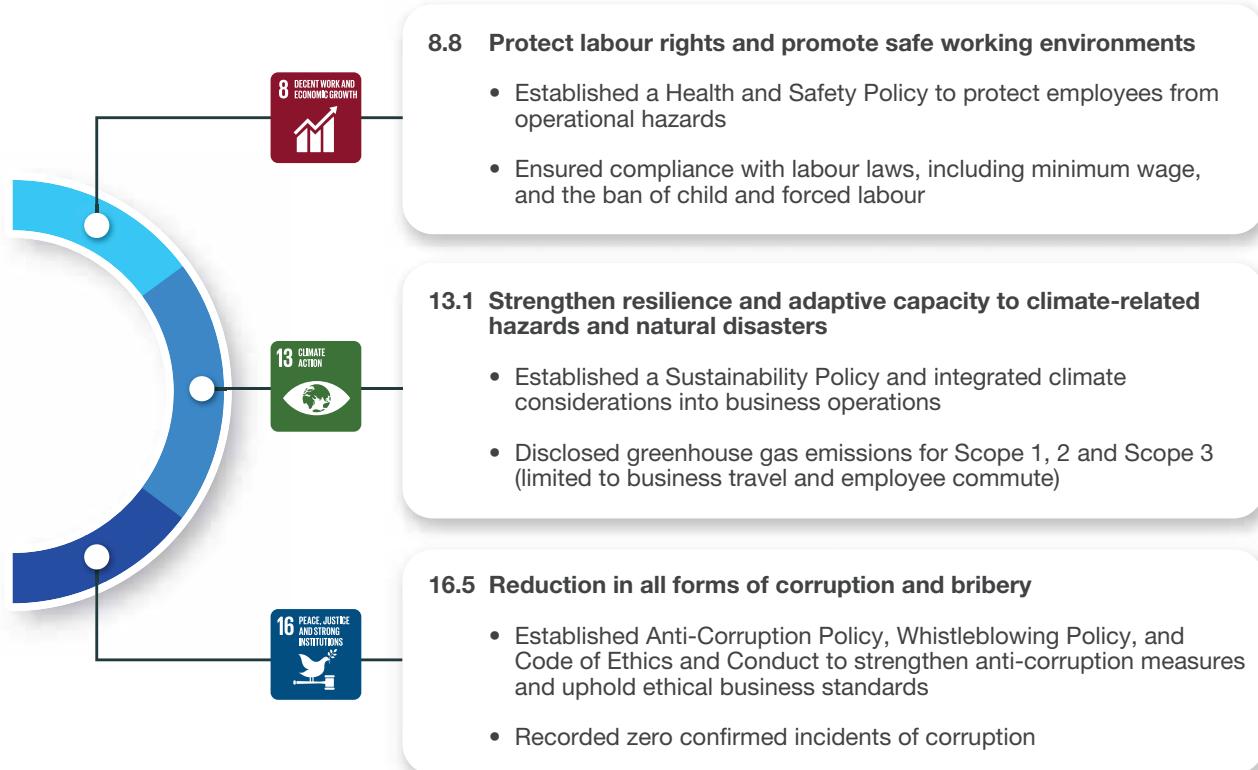


SUSTAINABILITY STATEMENT

cont'd

ALIGNING WITH GLOBAL OBJECTIVES

The UN SDGs set a global vision for sustainable development, addressing issues such as climate change, environmental impact, and labour rights. In FYE2025, we adopted three SDGs aligned with our operations to support these goals.



SUSTAINABILITY GOVERNANCE STRUCTURE

Our sustainability governance framework outlines roles and responsibilities across all organisational levels. The Board of Directors ("BoD") provides strategic oversight of the Group's sustainability agenda, supported by the Managing Director in driving its implementation across the organisation. The Sustainability Steering Committee ("SSC") advises on ESG initiatives, including the management of climate-related risks and opportunities. At the operational level, the Sustainability Working Group ("SWG") oversees the day-to-day execution of sustainability initiatives and reports progress to the SSC.



SUSTAINABILITY STATEMENT

cont'd

BUILDING STAKEHOLDER CONNECTIONS

The Group engages stakeholders through ongoing dialogue across multiple platforms to gather insights, respond to concerns, and strengthen collaborative relationships that create shared value.

Stakeholders	Key Areas of Concern	Our Response	Engagement Platform
 Shareholders	<ul style="list-style-type: none"> Financial Performance Regulatory Compliance Business Development 	<ul style="list-style-type: none"> Provide updates on the Group's business development and financial performance. Maintain strong governance practices across the Group. 	<ul style="list-style-type: none"> Quarterly Report Annual Report Annual General Meeting Bursa Announcement Investor Relation Briefing
 Government and Regulatory Authorities	<ul style="list-style-type: none"> Compliance with Laws, Regulations, Guidelines and National Policy Governance Compliance 	<ul style="list-style-type: none"> Comply with regulatory requirements by updating our legal register Establish Anti-corruption and Whistleblowing Policies Renew licenses promptly and meet financial regulations Maintain full compliance with food safety standards. 	<ul style="list-style-type: none"> Annual Report Agencies/Association Engagement Inspection/ Audit Meetings
 Financiers	<ul style="list-style-type: none"> Compliance with loan covenants and financial agreements Financial Performance Business Development 	<ul style="list-style-type: none"> Deliver updates on business development and financial performance Regularly reviewed and ensured compliance with all loan covenants. Communicate regularly on loan recovery issues and payment schedules 	<ul style="list-style-type: none"> General Meeting Analyst Meeting Corporate Website
 Suppliers and Vendors	<ul style="list-style-type: none"> Payment Schedule Fair and transparent procurement practices 	<ul style="list-style-type: none"> Set clear procurement guidelines and fair supplier contracts Define payment terms clearly and resolve disputes promptly Provide accurate sales forecasts 	<ul style="list-style-type: none"> Suppliers/Vendors Meeting Session Supplier Evaluation Physical, virtual and phone call
 Consumers and Customers	<ul style="list-style-type: none"> Customer Service Product Quality and Authenticity Business and Operation Sustainability 	<ul style="list-style-type: none"> Address customer feedback effectively Provide necessary documents, including Certificates of Analysis (COA) Conduct regular customer satisfaction evaluations Ensure compliance with Food Safety Certifications 	<ul style="list-style-type: none"> Site visits and inspection Annual Report Customer Satisfaction Survey Feedback Phone Call/Emails
 Employees	<ul style="list-style-type: none"> Job training and Development Employee Engagement Employee Satisfaction and Well-being Career Development 	<ul style="list-style-type: none"> Conduct training and employee engagement initiatives to strengthen skills, capabilities, and collaboration Maintain an employee feedback system and whistleblowing mechanism 	<ul style="list-style-type: none"> Performance Appraisals Employee Feedback Form Workshops and Trainings Management Meetings
 Communities	<ul style="list-style-type: none"> Community Engagement 	<ul style="list-style-type: none"> Engage in CSR programmes 	<ul style="list-style-type: none"> Corporate Social Responsibility Activities

Legends: • Annually • Quarterly • As needed

SUSTAINABILITY STATEMENT

cont'd

MATERIALITY ASSESSMENT

In FYE2025, we conducted a materiality assessment to evaluate 13 sustainability topics and determine those most relevant to our business. Through this process, we identified our key priorities as Corporate Ethics, Governance and Anti-Corruption, Product Safety and Quality, Customer Satisfaction and Trust, Data Governance and Information Management, and Human Rights and Labour Practices.



CLIMATE-RELATED DISCLOSURES

Sunzen acknowledges the impact of GHG emissions on climate change and has disclosed Scope 1 and Scope 2 emissions, along with limited Scope 3 emissions arising from business travel and employee commuting.

The Board, with support from the SSC, oversees climate-related risks and opportunities across our operations. During the reporting year, Board members participated in two targeted training programmes: the Mandatory Accreditation Programme (MAP) Part II: Leading for Impact, developed by the Securities Commission and Bursa Malaysia to strengthen board-level sustainability oversight; and Leveraging Cloud Technology for ESG Reporting and Strategic Planning, which focused on enhancing digital capabilities in ESG governance. Moving forward, the Group will continue to assess climate-related risks and opportunities and explore their integration into broader risk management strategies.

 GHG emissions have been disclosed using the operational control approach, as defined in the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2024).

SUSTAINABILITY STATEMENT

cont'd

GOVERNANCE AND ETHICAL LEADERSHIP



Sunzen maintains strong standards of transparency, accountability, and ethical decision-making across our operations to support long-term stability and improve operational effectiveness.

Corporate Ethics, Governance and Anti-Corruption

The Group upholds ethical practices, integrity, and accountability by ensuring compliance with laws, regulations and the Malaysian Code on Corporate Governance (“MCCG”) recommendations.

- Anti-Corruption Policy
- Whistleblowing Policy
- Health & Safety Policy
- Environmental Policy



Achieved **33%** female board representation



An average of **22%** employees participated in anti-corruption training



For more information, please visit
<https://www.sunzengroup.com/corporate>



58% of operations across the Group been assessed for corruption risk assessments

Zero substantiated cases of anti-corruption and whistleblowing recorded

Data Governance and Information Management

Data privacy is central to trust and stakeholder integrity, particularly in handling customer data. To mitigate risk and ensure compliance, we enforce strict data protection measures aligned with the Personal Data Protection (Amendment) Act (“PDPA”).

Zero complaints regarding breaches of data privacy or losses of customer data in FYE2025.



Restrict database access to authorised personnel only



Implement data back-ups using secure software and recovery systems



Protect networks and systems through antivirus and firewall solutions



Implement training and awareness programmes

ENVIRONMENTAL RESPONSIBILITY



The Group remains committed to environmental responsibility, integrating sustainability into key operational practices. We have initiated steps to transition to renewable energy, enhanced water and waste management, and utilised food-grade packaging to ensure food safety. These initiatives reflect our efforts to reduce environmental impact while supporting long-term business resilience.

Energy Management and Climate Change

To enhance energy efficiency, Sunzen Group has integrated LED lighting in our offices and utilised inverter air-conditioning systems at Yanming office. Employees are also encouraged to switch off unused electrical appliances.

SUSTAINABILITY STATEMENT

cont'd

In FYE2025, our total energy consumption was 8,703 GJ, a 39% decrease from the previous year, covering fuel usage from company-owned vehicles and natural gas for production forklifts. The decline was attributed to the cessation of animal health operations since January 2025.

Ecolite Biotech Manufacturing Sdn Bhd



The Group invested RM966,000 to install 672 solar panels, delivering a combined capacity of 420kWdc, with operations commencing in May 2025



Energy efficiency initiatives were implemented to reduce diesel and steam consumption, including operational adjustments to avoid boiler usage during single-line production runs.

In FYE2025, our GHG emissions disclosures encompassed Scope 1, Scope 2, and selected Scope 3 sources, specifically from employee commuting and business travel. Total reported emissions amounted to 1,494 tCO₂e, marking a 20% reduction compared to the previous year. Additionally, our rooftop solar installation generated 72.8 MWh of renewable energy, enabling us to avoid approximately 56 tCO₂e of emissions during the reporting year.

Energy and GHG Emission Intensities

Product Manufacturing

10 GJ/kg of total energy intensity
2 tCO₂e/kg of total GHG emissions intensity

Product Manufacturing: Corporate company, Health Product and Animal Health Sector

Offices Administration

0.01 GJ/sqft of total energy intensity
0.002 tCO₂e/kg of total GHG emissions intensity

Office: Loan Financing, Medical Devices and Services

	Units	FY2022	FP2024	FYE2025
Total energy consumption	GJ	10,362	14,270	8,703
Total GHG emissions	tCO ₂ e	1,200	1,861	1,494
Scope 1 GHG emissions	tCO ₂ e	508	589	341
Scope 2 GHG emissions	tCO ₂ e	692	1,272	847
Scope 2 GHG emissions avoided	tCO ₂ e	N/A	N/A	56
Scope 3 GHG emissions	tCO ₂ e	N/A	N/A	250

Note:

Data Coverage:

- Scope 1 GHG emissions excluded data for Sunzen Lifesciences, Sunzen Corporation and Finsource.
- FP2024 data covers 18 months.

GHG Calculation:

- Calculation methodology for GHG emissions is based on GHG Protocol Corporate Accounting and Reporting Standards.
- Scope 1 and 3 emission factors were sourced from UK Government's GHG Conversion Factor 2022, 2023 and 2025.
- Scope 2 emissions factor were sourced from the National Energy Commission: Grid Emissions Factor 2022

SUSTAINABILITY STATEMENT

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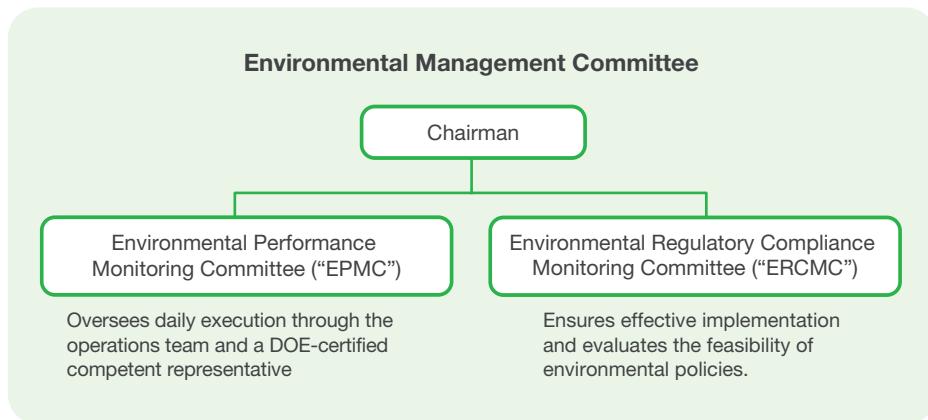
Water Consumption

Sunzen takes a proactive and responsible approach to water management across our food manufacturing operations. Key initiatives include conducting regular leak inspections at Yanming and Ecolite facilities, as well as the installation of water meters to track and optimise consumption.

In FYE2025, the Group recorded 30 ML of water usage, excluding Finsource, which operates from a leased office within a shared commercial facility where individual water consumption data was not made available.

Waste Management

The Group had implemented robust waste management practices across our operations to minimise environmental impact and ensure compliance with regulatory requirements. Compliance is overseen by two dedicated committees, EPMC and ERCMC.



Waste Management Initiatives

- Scheduled Waste:** Licensed contractors manage all scheduled waste in compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005
- Recycled Waste:** Sunzen, Yanming and Ecolite have installed recycling bins and promote waste segregation, with recyclables sent to registered recycling centres
- Effluent Waste:** Ecolite plan to install an IETS monitoring system, with project commencement scheduled for July 2025, to ensure proper treatment and regulatory compliance prior to discharge from manufacturing activities

In FYE2025, the Group generated 1 tonne of scheduled waste and 105.8 tonnes of non-scheduled waste. Of this, 47% was recycled, including paper, plastic, metal, scrap metal, glass, and plywood. The significant reduction in scheduled waste was attributed to the divestment of the animal health product division, which had previously been the major contributor

	Units	FY2022	FP2024	FYE2025
Total Scheduled Waste Generated	tonnes	59.3	18.2	1.1
Total Non-Scheduled Waste Generated	tonnes	96.5	130.3	105.8
Total Recycled Waste	tonnes	15.5	46.3	50.6

Note: FP2024 data covers 18 months

SUSTAINABILITY STATEMENT

cont'd

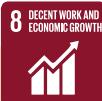
Materials Consumption

Ecolite and Yanming prioritise responsible material usage, particularly in packaging, to uphold product quality and safety while minimising environmental impact.

Initiatives include optimising packaging design, adopting recyclable materials, and exploring reusable and refillable systems to support waste reduction and circularity. The packaging materials used in production are as follows, along with the corresponding weight of recycled materials utilised



SOCIAL EQUITY AND IMPACT



Sunzen is committed to create a lasting, positive impact for our employees, customers, suppliers and the communities we serve. We focus on product excellence, operational efficiency and fair labour practices, reinforcing workplace engagement and driving meaningful, long-term social progress

Supplier Selection Process

- ✓ Evaluation of capabilities
- ✓ Certifications
- ✓ Adherence to industry standards

Supply Chain Management

Strict quality standards and timely supplier deliveries strengthen our supply chain, ensuring we consistently meet customer and dealer expectations. Effective supply chain management enhances efficiency, service quality, and overall performance.

Our Compliance Efforts

Regular assessments, audits, and performance reviews conducted

Wherever feasible, we prioritise local vendors and suppliers who meet our requirements in quality, competitive pricing, and prompt delivery.

To uphold anti-corruption standards, Yanming, Eye Nation, and Ecolite require their suppliers to complete a formal declaration affirming adherence to our Anti-Corruption Policy.

In FYE2025, 63% of our procurement budget was allocated to local suppliers, marking a 27% reduction from the previous year. This decline is primarily due to the acquisition of Eye Nation, whose raw materials are predominantly sourced from overseas, as they are not available locally.

Product Safety and Quality

Sunzen ensures our products meet the highest standards of food quality and safety through rigorous food safety management and quality control processes, enhancing brand reputation and customer trust.

We uphold strict product quality and safety measures, complying with GMP, HACCP, Halal certifications and food labelling regulations, and the Drug Registration Guidance Document ("DRGD") for traditional medicine. The following criteria were established to ensure compliance:



Awareness and in-house training are conducted in small groups



Regular internal and external audits are conducted to adhere to compliance standards



Monthly inspections ensure personnel cleanliness and workplace sanitation

SUSTAINABILITY STATEMENT

cont'd

High-purity water is essential in maintaining the quality of our bird's nest products. Yanming meets this requirement through the installation of a reverse osmosis water system, which protects water purity throughout cleaning and processing. Eye Nation, which manages medical equipment, adheres to Good Distribution Practice for Medical Devices standards to ensure compliant handling, storage, and distribution, preserving product integrity and safety.

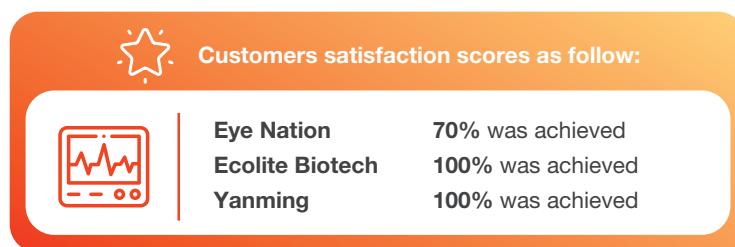
In FYE2025, Yanming received a regulatory inquiry from GACC following a Newcastle Disease outbreak in the poultry industry. While no product recalls or health concerns were reported, Yanming acted swiftly by aligning operations with newly introduced food safety standards for bird's nest products. The required process adjustments were promptly implemented and verified by relevant authorities, ensuring full resolution within one month, demonstrating Yanming's strong commitment to regulatory compliance and export integrity.

Zero product recalls or incidents related to labelling or market compliance.

Customer Satisfaction and Trust

Delivering high-quality products reinforces the brand reputation, cultivates customer trust, and contributes to sustained business growth of Sunzen. Staying attuned to evolving consumer expectations allows us to develop products that not only meet but exceed market demands, ensuring long-term customer satisfaction.

To deepen our understanding of customer perspectives, Eye Nation, Ecolite, and Yanming conducted annual customer satisfaction surveys to assess product quality, delivery performance, and sales service standards.



Occupational Health and Safety

The Group is committed to protect employee health, safety, and well-being by fostering a secure and supportive workplace. We continuously enhance working conditions by reinforcing and updating safety procedures and protocols.

The Occupational Health and Safety ("OSH") committee from Ecolite leads these initiatives, guided by our robust OSH policy that ensures compliance to industry standards and regulations. The Committee conducts regular inspections to identify potential hazards, including lost-time injuries, near-misses, fatalities, and non-compliance issues, and convenes quarterly to address critical safety and environmental concerns.

OSH Initiatives for Ecolite	
Hazard Identification, Risk Assessment, and Risk Control	
Conduct and regularly review Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") assessments to ensure safety measures remain effective.	
Workplace Inspection	Emergency Response Drills
Hold regular workplace inspections and meetings to resolve safety issues and implement effective preventive measures.	The Emergency Response Team undergoes regular training to assess and enhance its readiness and preparedness for emergencies.
OSH Health and Examination	Machineries Inspection
Conduct ongoing assessments, including audiometric testing, for individuals with identified health concerns to ensure ongoing monitoring and support.	Conduct inspections to verify that all on-site equipment and machinery are safe for use and that relevant certifications are valid and up to date

SUSTAINABILITY STATEMENT

cont'd

Looking ahead, we intend to appoint OSH Coordinator at Sunzen Group, Eye Nation, and Yanming to strengthen the implementation of safety protocols and provide consistent oversight, ensuring the health and safety of employees across the Group.

Safety Trainings

This year, a total of 45 training hours were recorded, involving 58 participants. The training covered safety induction, equipment operations, and emergency response, including fire safety and first aid. As a result of our health and safety initiatives, we are proud to report zero work-related fatalities and injuries across the Group, which also resulted in a zero Lost Time Injury Rate ("LTIR").

Human Rights and Labour Practices

Sunzen supports fundamental human rights, fair labour practices, and equal employment opportunities, ensuring all employees are treated with dignity and respect within a safe, ethical and inclusive workplace.

We ensure equal employment opportunities and fair treatment for all employees through a structured labour contract system, in compliance with the Employment Act (Amendment) 2022 and the Minimum Wage Act 2022. Foreign workers are provided with appropriate accommodation, ensuring their living conditions comply with the Workers' Minimum Standards of Housing and Amenities Act.

Zero substantiated complaints concerning human rights violations

The Group promotes open communication through grievance mechanisms such as our Employee Feedback Form, ensuring confidential submissions and fair resolution through thorough investigations.

Employee Engagement

We nurture a dynamic and inclusive workplace culture through a range of engagement initiatives, including annual company dinners, festive celebrations, birthday events and community runs. These activities foster a culture of support and belonging, where employees feel valued, connected, and empowered to thrive.

Key Employee Engagement Programmes



Sunzen Buka Puasa Dinner



Goodnite Night Run 2024 Sunzen



Christmas Lunch & Year End Party



Ecolite Annual Dinner



Sunzen CNY Celebration



Yanming Birthday Celebration

SUSTAINABILITY STATEMENT

cont'd

Employee Benefits

In FYE2025, a total of 168 employees across the Group were eligible for parental leave, with 16 employees utilising the benefit and achieving a 94% return-to-work rate. Additionally, 98% of employees received formal performance appraisals, supporting structured feedback and evaluation processes.

Benefits for Full-Time Employees

Paid Leave 

Annual Leave, Parental Leave, Sick Leave, Compassionate Leave and Marriage Leave

Medical Coverage 

Outpatient and hospitalisation benefits for employees and their families

Allowance 

Meal, relocation, subsistence and travel allowances for sales and technical service staff

Claims 

Phone bills, mileage, transport, entertainment and accommodation for sales and technical service staff

Insurance Coverage 

Personal Accident and Term Life Insurance for long-serving employees

Company Shares 

Employee Share Option Scheme for long-serving employees (excluded for Eye Nation)

Diversity, Equity and Inclusion

The Group fosters an inclusive workplace where individuals feel valued and respected, strengthening engagement, productivity and collaboration. Recruitment is open to all qualified candidates, regardless of race or background, and guided by our anti-discrimination policy to ensure fairness.

In FYE2025, the Group's workforce comprised 168 individuals, of whom 58% were women and 49% were aged between 30 to 50 years, reflecting a demographic profile typical of our industry. Permanent employees accounted for 98% of our total staff, underscoring the Group's emphasis on stable, long-term employment. During the year, we hired 34 new employees, representing a hiring rate of 20%, and recorded 73 employee departures, resulting in a turnover rate of 43%.

Zero incidents of discrimination recorded

Employee Training

To attract and retain talent, the Group provides equal access to diverse training programmes, covering taxation, competency development, compliance, and technical skills. Annual performance reviews identify opportunities for growth and reward achievements. Ecolite's internship programme nurtures young talent through hands-on experience, providing practical exposure to industry practices.



31 Training sessions were conducted, with an average of **5.31** training hours provided per employee



5,003 total training hours recorded for employee training and development programmes

Community Engagement

The Group values the communities we serve and regards them as key stakeholders in our long-term success. Through targeted CSR initiatives, we foster social inclusion, strengthen ties, and enhance overall well-being. In FYE2025, our efforts supported various organisations, schools and charitable foundations, reflecting our ongoing dedication to improving quality of life and creating shared value that goes beyond business operations.



RM42,171 invested in community initiatives, benefitting eight organisations

SUSTAINABILITY STATEMENT

cont'd

Type of Engagement Programme	Programme Title	Programme Description
Community Support	Charity Gala Dinner	Fundraising efforts for an elderly care home
	Charity Fundraising Events	Fundraising efforts for Leo Lions Club, Batu Pahat District
	Flood donation	Monetary contribution to Pusat Operasi Bencana Kedah
	Glaucoma Carnival Ipoh	Support in providing a scanning device for the programme
	World Glaucoma Day organised by PPUM	Support in providing a scanning device for the programme
	Blood Donation Event	Request for Sponsorship of 200 Gift Packs for Blood Donation Drive
	Blood Donation Event	Monetary contribution to Gerakan Pemuda Persatuan Kim Tong Har Johor support of a Blood Donation Event
	Nursing Home Donation	Monetary contribution to the Batu Pahat Chinese Druggist Association for the benefit of nursing homes
Education Support	Green garden at school	Financial assistance to help a school establish an educational garden
	School Science Building and Camp	Monetary donation to upgrade the science building equipment
	Charity Sale for School	Fundraising through charity sale for a Chinese high school
Organisation Support	Team Building Pejabat Kesihatan Daerah	Sponsored hampers to support team-building events

TOWARDS SUSTAINABLE EXCELLENCE

Advancing our sustainability journey, the Group remains dedicated to continuous progress, integrating ESG principles to foster responsible business practices, strengthen stakeholder trust, and build a more resilient future. Our commitment is anchored in product excellence and innovation while upholding responsible practices and providing for the well-being of the community and society at large. Expanding beyond our existing businesses, we are evolving into a dynamic, multi-faceted organisation, delivering greater value to our customers and stakeholders.

SUSTAINABILITY STATEMENT

cont'd

GRI INDEX

Statement of use	Sunzen Group Berhad has reported the information cited in this GRI content index for the period 1st July 2024 to 30th June 2025 ("FYE2025") with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	1-2
	2-2 Entities included in the organization's sustainability reporting	1-2
	2-3 Reporting period, frequency and contact point	1-2
	2-5 External assurance	2
	2-6 Activities, value chain and other business relationships	2
	2-7 Employees	16
	2-9 Governance structure and composition	6
	2-12 Role of the highest governance body in overseeing the management of impacts	6
	2-13 Delegation of responsibility for managing impacts	6
	2-14 Role of the highest governance body in sustainability reporting	6
	2-23 Policy commitments	5
	2-24 Embedding policy commitments	5
	2-26 Mechanisms for seeking advice and raising concerns	9
	2-27 Compliance with laws and regulations	9
	2-28 Membership associations	3
	2-29 Approach to stakeholder engagement	7
	3-1 Process to determine material topics	8
	3-2 List of material topics	8
	3-3 Management of material topics	Throughout
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	12
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	9
	205-2 Communication and training about anti-corruption policies and procedures	9
	205-3 Confirmed incidents of corruption and actions taken	9
GRI 301: Materials 2016	301-1 Materials used by weight or volume	12
	301-2 Recycled input materials used	12
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	10
	302-2 Energy consumption outside of the organisation	10
	302-3 Energy intensity	10
	302-4 Reduction of energy consumption	10
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	11
	303-5 Water consumption	11

SUSTAINABILITY STATEMENT

cont'd

GRI Standard	Disclosure	Location
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	10
	305-2 Energy indirect (Scope 2) GHG emissions	10
	305-3 Other indirect (Scope 3) GHG emissions	10
	305-4 GHG emissions intensity	10
	305-5 Reduction of GHG emissions	10
GRI 306: Waste 2020	306-3 Waste generated	11
	306-4 Waste diverted from disposal	11
	306-5 Waste directed to disposal	11
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	16
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	15
	401-3 Parental leave	15
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	14
	403-2 Hazard identification, risk assessment, and incident investigation	14
	403-5 Worker training on occupational health and safety	14
	403-9 Work-related injuries	14
	403-10 Work-related ill health	14
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	16
	404-2 Programs for upgrading employee skills and transition assistance programs	16
	404-3 Percentage of employees receiving regular performance and career development reviews	15
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	9
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	16
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	16
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	13
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	13
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	13
	417-2 Incidents of non-compliance concerning product and service information and labelling	13
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	9

AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report for the financial year ended 30 June 2025 in accordance with Rule 15.15 of the ACE Market Listing Requirements (“**AMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

COMPOSITION OF THE AUDIT COMMITTEE AND MEETING ATTENDANCE

The Audit Committee (“**AC**”) comprises the following members and the details of attendance of each member at the five (5) meetings held during the financial year ended 30 June 2025 were as follows:

Name	No. of Meetings Attended
<i>Chairman</i>	
Khoo Kien Hoe (Independent Non-Executive Director)	5/5
<i>Members</i>	
Aida Lim Binti Abdullah (Senior Independent Non-Executive Director)	5/5
Poo Long Yii (Independent Non-Executive Director)	4/5
Lee Yew Weng (Non-Independent Non-Executive Director)	5/5

The AC Chairman, Mr. Khoo Kien Hoe, is an Independent Non-Executive Director. He is a fellow member of the Association of Certified Chartered Accountants and a member of the Malaysian Institute of Accountants. In addition, the AC Chairman is not the Chairman of the Board of Directors of the Company, and no Alternate Director has been appointed to the AC.

Accordingly, the Company complies with the requirements set out in Rules 15.09 and 15.10 of the AMLR of Bursa Securities, as well as Practice 9.1 (Chairman of the AC is not the Chairman of the Board) of the Malaysian Code on Corporate Governance 2021.

The meetings were conducted with a quorum of two (2) AC members and the majority of the members present at the meetings were Independent Non-Executive Directors. The meetings were appropriately structured through the use of agendas, which were distributed together with the minutes of the previous meeting, the relevant papers and reports to the members at least 7 days before the meetings to allow the members sufficient time to review the information in order to discharge their duties and responsibilities diligently and effectively in compliance with the AMLR of Bursa Securities and its Terms of Reference.

The AC may inspect the minutes of the AC Meetings at the registered office. The AC has been given adequate resources to discharge its functions and has full and unrestricted access to and cooperation from Management. The AC also has full discretion to invite the Senior Management, the Chief Financial Officer, employees of the Group, External Auditors and Internal Auditors to attend and brief the members on specific issues during the AC Meeting.

In addition, the AC had meetings with the External Auditors without the presence of Management where they were given the opportunity to raise any concerns or professional opinions and thus, be able to exert their functions independently.

Annually, the AC and each of its members conduct a self-assessment of their performance and the summary of results will be tabled to the Nomination Committee for further review. The Nomination Committee will assess the performance and terms of office of the AC and report the same to the Board.

For the financial year ended 30 June 2025, the Board is satisfied that the AC has discharged its functions, duties and responsibilities in accordance with its Terms of Reference.

AUDIT COMMITTEE REPORT

cont'd

TERMS OF REFERENCE

The AC discharges its responsibilities in accordance with its Terms of Reference ("TOR") which sets out its authority, duties and functions. The TOR is accessible on the Company's website at <https://www.sunzengroup.com/corporate-governance/>.

SUMMARY OF WORK DONE DURING THE FINANCIAL YEAR ENDED 30 JUNE 2025

During the financial year ended 30 June 2025, the AC worked closely with the External Auditors, Internal Auditors and Management to carry out its duties and functions as set out in its TOR.

The summary of activities carried out by the AC during the financial year ended were as follows:-

Financial Reporting

1. Reviewed the unaudited quarterly interim reports of the Group and made recommendations to the Board for approval. The Group Managing Director and Chief Financial Officer were invited to present these interim financial results, responded to the AC, and provided their explanations for any material changes in the financial performance and compliance with accounting standards and treatments.
2. Reviewed the annual audited financial statements of the Company and the Group for the financial year ended 30 June 2024 and other significant accounting issues together with Management and the External Auditors and made recommendations to the Board for approval. The key considerations in the deliberation of these financial statements focused particularly on changes in and implementation of major accounting policies and practices for the Group, significant adjustments arising from the audit (if any), the going concern assumption, significant and unusual events, and compliance with accounting standards and other legal requirements.

External Audit

1. Reviewed the audit plan of the Group prepared by the External Auditors for the financial year ended 30 June 2025, including the scope of work, audit approach adopted by the External Auditors, areas of focus, audit materiality, audit timetable, and so forth prior to the commencement of the audit.
2. Reviewed the audit findings for the financial year ended 30 June 2024 highlighted by the External Auditors as well as deficiencies in the internal control systems of the Group that required improvements. The External Auditors also updated the AC on audit-related matters, including but not limited to, new financial reporting standards and key audit matters to be included in the auditors' report.
3. Reviewed and recommended to the Board for approval, the fees for audit and non-audit services for the financial year ended 30 June 2025.
4. Reviewed and assessed the performance, independence and objectivity of the External Auditors via External Audit Function Evaluation Form and recommended to the Board for approval and recommendation on the re-appointment of External Auditors. Grant Thornton Malaysia PLT for the financial year ended 30 June 2025.
5. Conducted a private session with the External Auditors without the presence of Executive Directors and Management to seek feedback from the External Auditors on any concerns or difficulties encountered in the course of auditing and critical issues, if any, that are being objectively brought to the attention of the AC.

Internal Audit

1. Reviewed with the Internal Auditors, the internal audit reports including follow-up review reports, which covers the audit findings and recommendations, Management's responses and/or actions taken in relation thereto and ensured that material findings were satisfactorily addressed by Management.

AUDIT COMMITTEE REPORT

cont'd

SUMMARY OF WORK DONE DURING THE FINANCIAL YEAR ENDED 30 JUNE 2025 cont'd

Internal Audit cont'd

2. Evaluated the internal audit function and ensured the adequacy of scope, competency, and resource sufficiency of the outsourced internal audit function.

Based on the annual assessment, the AC is satisfied with the adequacy and effectiveness of the internal audit function.

3. Reviewed the effectiveness and efficiency of the internal control system in place and the risk factors affecting the Company as well as the action plans taken by management to resolve the issues to ensure adequacy of the internal control system.

Related Party Transactions

Reviewed the related party transactions transacted by the Group on a quarterly basis to ensure that these transactions are fair, conducted at arm's length, reasonable and carried out on normal commercial terms that are not favourable to the related party than those generally available to the public and do not compromise the interests of minority shareholders.

There were no material related party transactions noted during the financial year under review.

Conflict of Interest

The AC has adopted a Conflict-of-Interest Policy, for the purpose of identifying, evaluating, disclosing/reporting, monitoring and managing of conflict of interest and potential conflict of interest situation.

There were no conflict of interest and potential conflict of interest situation has been reported to the AC during the financial year under review.

Risk Management

Assisted the Board in identifying the principal risks, reviewing and assessing the adequacy and effectiveness of the risk management framework and internal control system based on the recommendation from the outsourced risk management consultant.

Others

Reviewed and recommended to the Board for approval, the AC Report and Statement on Risk Management and Internal Control for inclusion in the 2024 Annual Report.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an external service provider firm, namely Augment GC Sdn. Bhd., to assist the AC in discharging its duties and responsibilities in respect of reviewing the adequacy and effectiveness of the risk management and internal control systems of the Group.

The Internal Auditors, who report directly to the AC, conduct the internal audit activities as prescribed in the internal audit plan approved by the AC. Its role is to independently assess the adequacy, efficiency and effectiveness of the Group's risk management and internal control systems established by the Group and make recommendations for improvement.

During the financial year under review, the Internal Auditors carried out risk assessments on the Group's operations and an internal audit review on Information Technology General Controls of the Company and its subsidiaries namely Ecolite Biotech Manufacturing Sdn. Bhd., Finsource Credit (M) Sdn. Bhd., Yanming Resources Sdn. Bhd. and Eye Nation Medical Sdn. Bhd.

AUDIT COMMITTEE REPORT

cont'd

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION *cont'd*

The Risk Management Report and Internal Audit Report were issued to the AC and tabled at the AC meeting for review and discussion. All audit findings were reported to the AC, and areas for improvement and audit recommendations identified were communicated to the Management for further action.

The cost incurred for the internal audit function in respect of the financial year ended 30 June 2025 was approximately RM31,242.

Further details of the Internal Audit Function are set out in the Statement on Risk Management and Internal Control on pages 54 to 55 of the Annual Report 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**” or “**Directors**”) of Sunzen Group Berhad (*formerly known as Sunzen Biotech Berhad*) (“**Sunzen**” or “**Company**”) is committed in cultivating a responsible organisation by instilling corporate conscience through excellence in corporate governance (“**CG**”) standards at all times, including accountability and transparency being observed throughout the Group as a fundamental part of building a sustainable business and discharging its responsibilities to protect and enhance shareholder value and financial performance of the Group.

This Statement provides an overview on the Company’s corporate governance practices as set out in the Malaysian Code on Corporate Governance 2021 (“**MCCG**”) and the extent of the Company has complied with the three (3) key principles and practices of the MCCG during the financial year under review, and this Statement is to be read together with the Corporate Governance Report 2025 of the Company which is available on the Company’s website at www.sunzengroup.com/corporate-governance/.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1.1 Strategic Aims, Values and Standards

The Board establishes the vision and strategic objectives of the Group and is entrusted with the responsibility of leading and directing the Group towards achieving its strategic goals and realising long-term shareholders value.

The Board is responsible for formulating and reviewing the strategic plans and key policies of the Company and charting the course of the Group’s business operations whilst providing effective oversight of Management’s performance, risk assessment and controls over business operations. The Board is also responsible for ensuring that the Group’s internal controls, risk management processes and reporting procedures are in place and that there is effective communication with stakeholders.

To promote accountability, the Board has established clear functions reserved for the Board and those delegated to Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands.

The following are the Board’s principal roles and responsibilities in discharging its leadership function and fiduciary duties towards meeting the goals and objectives of the Group:

- Reviewing and adopting a strategic plan;
- Overseeing and monitoring the conduct of business;
- Reviewing the adequacy and integrity of the management information and internal control systems and identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
- Succession planning; and
- Ensuring effective communication with stakeholders.

The Board delegated and conferred some of its authority and discretion on the Chairman, Executive Directors, and Management as well as on properly constituted Board Committees comprising exclusively Non-Executive Directors.

Board Committees have been established to assist the Board in its oversight function, with reference to specific responsibility areas. However, it should be noted that at all times, the Board retains collective oversight over the Board Committees. These Committees have been constituted with clear terms of reference, and they are actively engaged to ensure that the Group is in adherence with good corporate governance. The terms of reference for the Board Committees are published on the Company’s website.

Each Board Committee review the matters within their purview and report to the Board of the observations and recommendations in an objective and impartial manner. The decision and deliberations of the Board Committees are made unanimously and by consensus.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART I – BOARD RESPONSIBILITIES *cont'd*

1.1 Strategic Aims, Values and Standards *cont'd*

At each Board meeting, the Chairman of the respective Board Committees reports to the Board on key issues deliberated at the respective Board Committees' meetings and make recommendations to the Board for decision, where necessary. The Board will deliberate on the key issues and recommendations (if any) put forth by the Board Committees, and it is believed that with the diverse skills and competencies of the individual directors, especially the Independent Directors, who are appointed to form a competent and strong Board, a reasonable check and balance will be provided within the Board, which will sufficiently enable the Board to discharge its duties objectively.

1.2 Chairman

Mr. Ching Chee Pun, an Executive Director, is the Chairman of the Company throughout the financial year 2025.

The Chairman provides leadership at the Board level and represents the Board to the shareholders and other stakeholders, and is responsible for ensuring integrity and effectiveness of the Board and its committees. The Chairman is primarily responsible for matters pertaining to the Board and the overall conduct of the Group and is committed to leading the Board towards high-performing culture and the implementation of good governance practices.

The Chairman chairs the meetings of the Board and the shareholders thus ensuring effective communication with the shareholders as well as the relevant stakeholders.

The Chairman of the Board is not a member of the Board Committees to ensure there is check and balance as well as objective review by the Board.

1.3 Separation of the Positions of the Chairman and Group Managing Director

The positions of the Chairman and the Group Managing Director ("MD") are held by two different individuals. Mr. Ching Chee Pun is the Chairman of the Board whereas Mr. Teo Yek Ming is the MD of the Group.

The distinct and separate roles of the Chairman and the MD, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

The Group MD provides executive leadership and is responsible for the vision and strategic directions of the Group as well as initiating innovative ideas to create a competitive edge and the development of business and corporate strategies. He is assisted by the Key Senior Management in implementing the policies and decisions of the Board, but he would intervene when the need arises, and he is primarily accountable for overseeing the day-to-day operations to ensure the effective running of the Group.

1.4 Qualified and Competent Secretaries

In performing their duties, all Directors have unrestricted access to the advice and services of two suitably qualified Company Secretaries and are regularly updated by the Company Secretaries on the changes in the relevant statutory and regulatory requirements, particularly in areas relating to the duties and responsibilities and disclosure requirements of the Directors.

The Company Secretaries play an advisory role and ensure good information flow within the Board, Board Committees and Senior Management. The Company Secretaries attend all meetings of the Board and Board Committees and advise the Directors on issues relating to corporate governance matters, requirements encapsulated in the Company's Constitution, compliance with the Companies Act 2016, AMLR, and etc. The Company Secretaries shall continuously guide the Directors on the requirements to be observed arising from new and/or amendments to the regulations and guidelines issued by the authorities.

The Company Secretaries is entrusted to record the Board's deliberations, in terms of issues discussed, ensure that deliberations at Board and Board Committees meetings are properly minuted.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART I – BOARD RESPONSIBILITIES *cont'd*

1.5 Access to Information and Advice

In facilitating robust Board discussions, Management provides Directors with complete and timely information prior to the Board and Board Committees meetings and on an ongoing basis to enable them to make informed decisions.

To ensure the Board receives information in a timely manner, the Board papers are circulated to the Board at least 7 days before the meeting. This provides the Directors with sufficient time to go through the meeting papers and obtain further explanation, where necessary, in order to be fully informed of the matters to be discussed at the meetings.

The Board and Board Committees meetings are held separately to enable impartial and independent discussion amongst the members.

The Company Secretary organises and attends all Board and Board Committees meetings to ensure proper recording of the proceedings. All issues and decisions made during the Board and Board Committees meetings are properly recorded in the minutes and thereafter circulated to the Board and Board Committees for comments in a timely manner upon the conclusion of the meetings before the minutes of proceedings are finalised and tabled to the Board and Board Committees for confirmation.

The Board is committed to acting in the best interest of the Group and its shareholders by exercising due diligence and care in discharging its duties and responsibilities to ensure that high ethical standards are applied at all times.

The Directors, in exercising their duties, have full and unrestricted access to any information pertaining to the Company and direct access to senior management executives and professional advice and services from the Company Secretaries. Where necessary, the Board may engage external independent advisors at the Group's expense on specialised issues to enable them to discharge their duties proficiently.

1.6 Board Charter

In discharging its duties, the Board is constantly mindful of the need to safeguard the interests of the Group's stakeholders. In order to facilitate the effective discharge of its duties, the Board is guided by the Board Charter which set out the composition, roles and responsibilities and processes of the Board. The Board Charter was last reviewed by the Board on 26 August 2025 and is available on the Company's website.

The Board will continue to review the Board Charter to ensure that it is updated in accordance with the needs of the Company, the MCCG, AMLR and any new regulations that may have an impact on the discharge of the Board's responsibilities.

1.7 Code of Conduct and Ethics

The Group is committed to achieving and monitoring high standards of conduct at work.

The Board adhered strictly to the Code of Conduct and Ethics for Company Directors in discharging its oversight role effectively. The Codes of Conduct and Ethics require all Directors to observe high ethical business standards, to apply these values to all aspects of the Group's business and professional practice and to act in good faith in the best interests of the Group and its shareholders.

The Codes of Conduct and Ethics for the Company Directors are incorporated in the Board Charter which is available on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART I – BOARD RESPONSIBILITIES *cont'd*

1.8 Whistleblowing Policy

The Board has adopted a Whistleblowing Policy for the Group as a measure to promote the highest standard of corporate governance. The Whistleblowing Policy outlines the avenues for the Group's employees and stakeholders to raise concerns or disclose in good faith any malpractice or improper conduct within the Group and to enable prompt corrective action and measures to be taken to resolve them effectively.

Any party who reasonably believes that there is serious malpractice relating to any matter disclosed, may direct such a complaint and report it to the Chairman of the AC in writing. Management will ensure that any employee of the Company who raises a genuine complaint in good faith shall not be penalised for such disclosure, and the identity of such a complainant shall be kept confidential.

The Whistleblowing Policy is incorporated in the Board Charter which is available on the Company's website.

1.9 Anti-Corruption Policy

The Board has adopted the Anti-Corruption Policy to incorporate the policies and procedures on anti-corruption as guided by the "Guidelines on Adequate Procedures" issued by the Prime Minister's Department to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption, which came into force on 1 June 2020.

A copy of the Anti-Corruption Policy is made available on the Company's website.

1.10 Conflict of Interest ("COI") Policy

The Group has formalised and adopted the COI Policy for the Directors, Key Senior Management and Legal Representative of the Group.

The COI Policy serves as a guide to the AC and the Board in assessing and dealing of actual or potential conflict of interest situations as and when it arises and to protect the Group from serious damages (financial and non-financial) and consequences while assisting the Key Persons to discharge their duties with high integrity and ethical standards.

The COI Policy is incorporated in the Board Charter which is available on the Company's website.

1.11 Sustainability Leadership

The Board takes cognisance of the importance of improving the values affecting stakeholders, employees, society, and the environment towards sustainability of the Group's business. The Group has adopted a Sustainability Policy which sets out clear principles to guide the Group's ESG initiatives, supporting regulatory compliance, informed decision-making, and organisational accountability. It ensures a consistent and transparent approach to sustainability across all operations.

The Board provides strategic oversight of the Group's sustainability agenda, supported by the Managing Director in driving its implementation across the organisation. The Sustainability Steering Committee ("SSC") advises on ESG initiatives, including the management of climate-related risks and opportunities. At the operational level, the Sustainability Working Group ("SWG") oversees the day-to-day execution of sustainability initiatives and reports progress to the SSC.

The sustainability practices of the Group are disclosed in the Sustainability Statement, which is reviewed and approved by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART I – BOARD RESPONSIBILITIES *cont'd*

1.11 Sustainability Leadership *cont'd*

The Group remains committed to environmental responsibility, integrating sustainability into the key operational practices. The Group had initiated steps to transition to renewable energy, enhanced water and waste management, and utilised food-grade packaging to ensure food safety. These initiatives reflect our efforts to reduce environmental impact while supporting long-term business resilience.

The Company recognises the importance of stakeholder engagement and engages with stakeholders through communication avenues such as dialogues, media engagement, general meetings, survey, feedback, annual, quarterly reports and announcements, and designated email allowing stakeholders to communicate their views and concerns to the Board and Management.

Aside from environmental and social sustainability practices, the Group has adopted the Codes of Conduct and Ethics, the Whistleblowing Policy, and the Anti-Corruption Policy to uphold high standards of governance practice across the Group and exercises zero tolerance against all forms of bribery and corruption. The codes and policies are accessible to the Company's website at <https://www.sunzengroup.com>.

PART II – BOARD COMPOSITION

2.1 Board Composition

The Board comprises six (6) members, of whom three are INEDs, two are Executive Directors and one Non-Independent Non-Executive Director. The present Board composition fulfils the requirements as set out in Rule 15.02 of the AMLR and the MCCG as half of its members are Independent Directors.

The INEDs fulfilled the criteria for independence as defined in the AMLR. The INEDs do not participate in the day-to-day management of the Company and do not involve themselves in business transactions or relationships with the Company, in order not to compromise their objectivity. In staying clear of any potential conflict of interest, the INEDs remained in a position where they are able to fulfil their responsibility and act independently of Management to provide check and balance to the Board.

The INEDs are of the calibre to provide an independent judgment on the issues of strategy, performance, and resource allocation of the Group. They carry sufficient weight in Board decisions to ensure long-term interests of the shareholders, employees, customers, and other stakeholders are safeguarded.

The Company is helmed by an experienced Board comprising members of high calibre and integrity, who provide a wealth of knowledge, experience, and skills in the key areas of accountancy, business operations and development, finance, legal and risk management amongst others. The profile of each director is set out on pages 4 to 6 of this Annual Report 2025.

2.2 Tenure of Independent Director

The Board has adopted a policy which limits the tenure of its Independent Directors up to nine (9) years. An Independent Director should not exceed a cumulative term of nine (9) years and upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the re-designation of the director as a Non-Independent Director. If the Board intends to retain the Independent Director after nine (9) years, the Board will provide justification and seek shareholders' approval at the Annual General Meeting ("AGM") through a two-tier voting process in accordance with the MCCG.

The Nomination Committee carries out the evaluation of independence of each independent director annually. The independence of Directors is assessed based on the criteria prescribed under the AMLR, which required that an Independent Director must be independent and free from any business or other relationship that could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. In addition to complying with the criteria set out under the AMLR, the Independent Directors have also declared that they will continue to bring independent and objective judgement to the Board during the review of Directors' independence as part of the annual assessment carried out by the Nomination Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART II – BOARD COMPOSITION *cont'd*

2.2 Tenure of Independent Director *cont'd*

The Board, through the Nomination Committee, had assessed Mr. Khoo Kien Hoe, the Independent Non-Executive Director who had served the Company for a cumulative term of more than nine (9) years but not more than twelve (12) years and, concluded that he has fulfilled the criteria under the definition of Independent Director as stated in the AMLR, and thus, he would be able to function as check and balance and bring an element of objectivity to the Board. Accordingly, the Board agreed with the proposed re-appointment of Mr. Khoo Kien Hoe as Independent Director of the Company and will seek shareholders' approval at the forthcoming 20th AGM to retain him as Independent Director of the Company via two-tier voting process in accordance with the MCCG.

The Board has adopted a cooling off period of 3 years for a former INED to be appointed to the Board as an INED, subject to the independence assessment.

2.3 Nomination Committee ("NC")

The NC comprised exclusively of NEDs, a majority of whom is independent and the NC is chaired by an Independent Non-Executive Director. The Composition of the NC is as follows:-

Chairman : Khoo Kien Hoe – *Independent Non-Executive Director*

Members : Aida Lim Binti Abdullah – *Senior Independent Non-Executive Director*
Poo Long Yee – *Independent Non-Executive Director*
Lee Yew Weng – *Non-Independent Non-Executive Director*

The NC's duties and responsibilities are set out in its Terms of Reference which is available on the Company's website.

The NC is responsible for identifying and recommending suitable candidates for Board membership and Senior Management positions and for assessing the performance of the Board as a whole, the Board Committees and the contribution of each individual Director on an ongoing basis in terms of contribution, skills, experience and other qualities.

The Board will work with the NC to evaluate potential candidates, taking into account the challenges and opportunities faced by the Company and the skills and expertise, including age and gender diversity, needed on the Board.

In identifying suitable candidates, the NC will consider various source, including independent sources, to facilitate the search from a diverse pool of potential candidates meeting the skills, expertise, personal qualities and diversity requirements for the Board and Senior Management appointments.

Candidates for appointment to the Board will be provided the Prospective Directors Information Form, which is set out in the Directors' Fit and Proper Policy, for completion. The form gathers personal details, educational background, work experience, directorship, time commitment of the candidate, and declarations to be made by the candidate. With the completed Prospective Directors Information Form and the resume of the candidate, the NC evaluates and matches the criteria of the candidate based on the Directors' Fit and Proper Policy. The NC will consider diversity, including age and gender, where appropriate, for its recommendation to the Board for appointment. Consideration will be given to individuals possessing the identified skills, talents, and experiences.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART II – BOARD COMPOSITION *cont'd*

2.3 Nomination Committee (“NC”) *cont'd*

A summary of key activities undertaken by the NC in discharging its duties during the financial year under reviewed is set out below:

- Reviewed the performance of the Chief Financial Officer of the Company;
- Reviewed and assessed the independence of Independent Directors;
- Assessed the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director;
- Reviewed and assessed the term of office and performance of the AC and each of its members to determine whether the AC and its members have carried out their duties in accordance with their terms of reference;
- Review and assessed financial literacy of the AC members;
- Reviewed the re-election of Directors who are due for retirement by rotation based on the Director’s Fit and Proper Policy and recommended for shareholders’ approval at the AGM;
- Assessed the Directors’ training needs; and
- Reviewed the size and composition of the Board based on the required mix of skills, experience, knowledge and diversity.

2.4 Diverse Board and Senior Management Team

The Board acknowledges the importance of a diverse Board and Senior Management and takes cognizance of the recommendation of the MCCG to have at least 30% female directors, and the requirement of the AMLR to have at least one female representative on the Board of the Company.

As at the date of this statement, there are two (2) female Directors on the Board that comprises six (6) board members in total, and the board composition achieved more than 30% female directors.

The Board has established the Boardroom Diversity Policy as set out in the Board Charter of the Company, which is available on the Company’s website.

The Group adhered strictly to the practice of non-discrimination in any form, whether based on race, age, religion, or gender throughout the organisation, in the selection of Board members and Senior Management. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company.

In the event of a vacancy in the Board and/or Senior Management arises, the Board, through the NC, will consider an independent representation when suitable candidates are identified. However, the appointment of a new Board member and/or Senior Management will not be guided solely by their independence but will also take into account the skillset, experience, and knowledge of the candidate. The Company’s primary responsibility in making new appointments is to always select the best candidate available.

Hence, the fundamental selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remain a priority.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART II – BOARD COMPOSITION *cont'd*

2.5 Annual Assessment

The NC reviews and evaluates the performance of the Board, Board Committees, and individual Directors on an annual basis. The evaluation comprises a Board Assessment, Board Committees Assessment, an Individual Director Assessment, and an Assessment of Independence of Independent Directors.

The assessments of the Board and Board Committees are based on specific criteria, covering areas such as the Board structure, operations, roles and responsibilities. For Individual Director Assessment, the assessment criteria include areas of contribution and interaction with peers, quality of input, and understanding of role.

In addition, the NC also reviewed the terms of office and performance of the AC and its members to determine whether the AC and its members have carried out their duties in accordance with the terms of reference and financial literacy of the AC members.

The considerations for the assessment of the AC as a whole include quality and composition, skills and competencies, meeting administration and conduct, while the considerations for the assessment of individual AC members include skills, experience, understanding, calibre and personality, and participation and contribution. The assessment of the financial literacy of the AC members includes their ability to read, analyse and interpret financial statements, challenge the Management's assertions on financial matters, ability to ask probing questions about the Company's operations against internal control and risk factors, etc.

During the annual assessment, the NC members are given performance evaluation forms in respect of individual Directors, the Board and the Board Committees to complete. The AC evaluation form, AC members' self-evaluation form and the financial literacy questionnaire are furnished to the AC members for completion. Sufficient time is given to the NC and AC members to complete the forms, and upon completion, the forms are submitted to the Company Secretaries for compilation of the results of the assessment, the summary of which would then be presented to the NC.

Based on the annual assessment conducted, the NC was satisfied with the existing Board composition and concluded that each Director has the requisite competence to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the year and recommended to the Board the re-election of the retiring Directors at the Company's forthcoming AGM. All assessments and evaluations carried out by the NC in the discharge of its functions were properly documented.

In addition, the AC and each of its members have carried out their duties in accordance with their terms of reference, and the AC members shall continue in office for the next financial year.

The Board is of the view that its present size and composition are optimal based on the Group's operations and that it reflects a fair mix of financial, technical, and business experiences that are important to the stewardship of the Group.

2.6 Re-election of Retiring Director

In accordance with the Company's Constitution, one-third (1/3) of the Directors (with the exception of the Alternate Director) are subject to retirement by rotation annually and all Directors shall retire from office once at least every three years. The Directors to retire each year are those who have been longest in office since their last appointment on re-election. The Directors appointed during the financial year are subject to retirement at the next AGM held following their appointments in accordance with the Company's Constitution. All retiring Directors are eligible for re-election. The following Directors are subject to retirement by rotation at the forthcoming 20th AGM and they have expressed their willingness to seek for re-election at the 20th AGM:

Provision of Constitution	Name of Director
Clause 97	<ul style="list-style-type: none"> • Mr. Teo Yek Ming • Ms. Poo Long Yii

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART II – BOARD COMPOSITION *cont'd*

2.6 Re-election of Retiring Director *cont'd*

Based on the NC's recommendation following the assessment of the retiring directors through the Directors' Evaluation Form set out in the Directors' Fit and Proper Policy, the Board is satisfied that Mr. Teo Yek Ming and Ms. Poo Long Yii have the character, experience, integrity, competence, and time required to effectively discharge their duties as Directors of the Company and therefore seeks the approval of the shareholders for the re-election of the Directors at the forthcoming 20th AGM.

The profiles of the retiring Directors standing for re-election are set out in the Directors' Profile of this Annual Report 2025.

2.7 Board Meetings and Attendance

The Board undertakes to meet at least four (4) times a year, which are scheduled in advance to facilitate the Directors in planning their meeting schedule for the year.

Additional meetings may be convened as special Board meetings as and when necessary. In the intervals between Board meetings, any matters requiring urgent Board decisions or approvals will be sought via circular resolutions, which are supported with all the relevant information and explanations required for an informed decision to be made and the same applies to the Board Committees.

During the financial year, the Board convened a total of five (5) Board meetings for the purposes of deliberating on the Group's operations and performance, quarterly financial results and other strategic issues that may affect the Group's business. Relevant senior management members were invited to attend some of the Board Meetings to provide the Board with their views and clarifications on issues raised by the Directors.

The attendance record of the Directors at the Board meetings held during the financial year under review are as follows:

Name	Meeting Attendance
Ching Chee Pun	5/5
Teo Yek Ming	5/5
Khoo Kien Hoe	5/5
Lee Yew Weng	5/5
Poo Long Yii	4/5
Aida Lim Binti Abdullah	5/5

2.8 Board Commitment

To ensure the Directors have sufficient time to focus and fulfil their roles and responsibilities effectively, the Directors must not hold more than five (5) directorships in public listed companies and shall seek the approval of the Chairman before accepting any new directorships.

The Directors shall remain fully committed to carrying out their duties and responsibilities by:

- (1) ensuring the total number of directorships held are not more than five (5) in public listed companies; and
- (2) the time commitment in full attendance at Board Meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

PART II – BOARD COMPOSITION cont'd

2.9 Professional Development of Director

All Directors have completed the Mandatory Accreditation Programmes (Part I) and (Part II) as prescribed by Bursa Securities.

The Board acknowledges the importance of continuous education and training programmes for its members to enable effective discharge of its responsibilities and to be apprised of changes to regulatory requirements and the impact of such requirements on the Group.

The Company Secretaries have and will continue to circulate and brief the Directors on the relevant updates to statutory and regulatory requirements from time to time during Board Meetings.

During the financial year ended 30 June 2025, the Directors attended the following training, seminars, and conferences, which they considered vital in keeping abreast of changes in laws and the regulations, business environment, and corporate governance development:

Name of Director	Trainings/Seminars/Conference/Course	Date
Ching Chee Pun	Anti-Corruption Training	8 November 2024
Teo Yek Ming	The Art of Management – Learn to effectively manage your life by balancing family, career, and personal growth	19 – 22 October 2024
	Anti-Corruption Training	8 November 2024
	The Way of Kings – Improve leadership decision-making skills and take control of the core lifeline of corporate development	30 November 2024 – 13 December 2024
Khoo Kien Hoe	Enhancing Corporate Transparency, Building Resilience	27 & 28 August 2024
	Taklimat Permatuhan Korporat SSM Tahun 2024	25 October 2024
	ACCA Virtual Seminar – Post Budget 2025	6 November 2024
	Anti-Corruption Training	8 November 2024
	Malaysia E-Invoice SQL Software Implementation Online Course	8 January 2025
	Seminar on – Policy Clinic on Limited Liability Partnerships (Amendment) Act 2024 [Act A1728]	25 March 2025
	Seminar on National Climate Governance Summit	7 April 2025
Lee Yew Weng	Anti-Corruption Training	8 November 2024
Poo Long Yii	Anti-Corruption Training	8 November 2024
Aida Lim Binti Abdullah	Mandatory Accreditation Program (MAP) Part II – Leading for Impact (Institute of Corporate Director Malaysia – ICDM)	3 & 4 July 2024
	Malaysian Financial Planning Day 2024	12 October 2024
	Anti-Corruption Training	8 November 2024
	Transformational Leadership in Finance: How Management Accounts Can Drive Business Growth (CGMA as Trainer / Speaker)	27 February 2025
	2025 International Women Day Event: Women Leaders for Rights, Equality, and Empowerment (CGMA & AICPA as Trainer / Speaker)	8 March 2025
	Leveraging Cloud Technology for ESG Reporting & Planning (CGMA)	22 April 2025
	Artificial Intelligent (AI) Coaching Program (Level 1) AI Assistance	1 – 15 May 2025
	Malaysian Skills Certificate. SKM Induction Course (Ministry of Human Resource)	14 & 15 June 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

PART II – BOARD COMPOSITION cont'd

2.9 Professional Development of Director cont'd

The Board, via the NC will continue to identify and assess the training needs of the Directors from time to time to equip the Directors with the necessary knowledge including sustainability management to discharge their duties and responsibilities as Directors.

PART III – REMUNERATION

3.1 Remuneration Committee (“RC”)

The RC comprised exclusively of Non-Executive Directors, a majority of whom is independent, as follows:

Chairperson : Poo Long Yee – *Independent Non-Executive Director*

Members : Aida Lim Binti Abdullah – *Senior Independent Non-Executive Director*

Khoo Kien Hoe – *Independent Non-Executive Director*

Lee Yew Weng – *Non-Independent Non-Executive Director*

The Term of Reference of the RC which set out the RC's duties and functions is published on the Company's website.

The RC reviews annually the Directors' Remuneration (including Non-Executive Directors) for recommendation and approval by the Board. The Directors' remuneration payable to the Non-Executive Directors will be tabled at the AGM for approval by shareholders.

The RC reviews annually the performance of the Executive Directors and submits recommendations to the Board on specific adjustments in remuneration and/or reward payments that reflect their contributions for the year and which are dependent on the performance of the Group, achievement of the goals and/or quantified organisational targets as well as strategic initiatives set at the beginning of each year.

The RC held two (2) meetings during the financial year ended 30 June 2025 to review the proposed remuneration package of the Executive Directors and the Director fee payable to the Non-Executive Directors and recommended the remuneration packages and fees to the Board for approval. The RC also reviewed the remuneration package of the Key Senior Management and recommends adjustments in remuneration and/or reward payments that reflect their respective contributions for the year and achievement goals and/or quantified organisational targets established by the Company.

3.2 Remuneration Policy

The RC and the Board ensure that the Company's remuneration policy remains supportive of the Company's corporate objectives and is aligned with the interests of shareholders, and further, that the remuneration packages of Directors and key Senior Management Officers are sufficiently attractive to attract and retain persons of high calibre.

The Board has adopted policies and procedures to determine the remuneration of Directors and Senior Management in line with the business strategy and long-term objectives of the Group.

The remuneration policy which was incorporated into the Board Charter and is available on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART III – REMUNERATION *cont'd*

3.3 Remuneration of Directors

The remuneration package of the Executive Directors consists of a monthly salary, bonus and benefits-in-kind, such as the benefit of Directors and Officers Liability Insurance in respect of any liabilities arising from acts committed in their capacity as Directors and Officers of the Company. In the case of Non-Executive Directors, the level of remuneration reflects the contribution, experience and responsibilities undertaken by the particulars Non-Executive Directors.

The aggregate remuneration of Directors received from the Company and on Group basis for the financial year ended 30 June 2025 were as follows:-

Name of Director	Fee (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Other emoluments (RM)	Total (RM)
Company:						
<u>Executive Directors*</u>						
Ching Chee Pun	-	-	96,000	8,000	13,814	117,814
Teo Yek Ming	-	-	300,000	25,000	40,334	365,334
<u>Non-Executive Directors</u>						
Khoo Kien Hoe	36,638	800	-	-	-	37,438
Aida Lim Binti Abdullah	60,000	1,000	-	-	-	61,000
Poo Long Yii	28,392	800	-	-	-	29,192
Lee Yew Weng	78,000	1,000	-	-	-	79,000
Group:						
<u>Executive Directors*</u>						
Ching Chee Pun	-	-	285,000	53,000	43,228	381,228
Teo Yek Ming	-	-	489,000	70,000	69,748	628,748
<u>Non-Executive Directors</u>						
Khoo Kien Hoe	36,638	800	-	-	-	37,438
Aida Lim Binti Abdullah	60,000	1,000	-	-	-	61,000
Poo Long Yii	28,392	800	-	-	-	29,192
Lee Yew Weng	78,000	1,000	-	-	-	79,000

Note:-

* The remuneration paid to the Executive Directors was in respect of their employment with the Company/Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART III – REMUNERATION *cont'd*

3.4 Remuneration of Senior Management

The Group has two (2) senior management whose remuneration (comprising salary, bonus, benefits in-kind and other emoluments) for the financial year ended 30 June 2025 within the successive bands of RM50,000 are as follows:

Remuneration Band	Number of Senior Management
RM50,001 to RM100,000	-
RM100,001 to RM150,000	-
RM150,001 to RM200,000	-
RM200,001 to RM250,000	1
RM250,001 to RM300,000	1
RM300,001 to RM350,000	-

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT COMMITTEE (“AC”)

4.1 Audit Committee (“AC”)

The Audit Committee (“AC”) is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions and conflict of interest situations. The AC also undertakes to provide oversight on the risk management framework of the Group.

The AC is chaired by an Independent Non-Executive Director who is distinct from the Chairman of the Board and all members of the AC are financially literate. The composition of the AC, including its roles and responsibilities as well as a summary of its activities carried out during the financial year ended 30 June 2025, are set out in the AC Report on pages 29 to 32 of this Annual Report.

4.2 Cooling-off Period for Former Partner of External Audit Firm

In accordance with the MCCG, the AC's terms of reference require a former audit partner of the external audit firm to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.

Since none of the AC members were former audit partners and the Board has no intention to appoint any former audit partner as a member of the AC, a policy to that effect is not relevant at present.

4.3 Assessment of Suitability and Independent of External Auditors

The AC is responsible for reviewing audit and recurring audit-related and non-audit services provided by the External Auditors. These recurring audit-related and non-audit services comprise regulatory reviews and reporting, interim reviews, tax advisory services and compliance services.

The terms of engagement for services provided by the External Auditors are reviewed by the AC prior to submission to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

PART I – AUDIT COMMITTEE (“AC”) *cont'd*

4.3 Assessment of Suitability and Independence of External Auditors *cont'd*

The AC has reviewed the provision of non-audit services by the External Auditors during the financial year and concluded that the provision of these services did not compromise the external auditors' independence and objectivity as the amount of the fees paid for these services was not significant when compared to the total fees paid to the External Auditors. The External Auditors had provided a confirmation of their independence to the AC stating that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The AC had evaluated and assessed the suitability, objectivity, resources, competency, and independence of Messrs. Grant Thornton Malaysia PLT and being satisfied with their performance, the AC recommended the re-appointment of Messrs. Grant Thornton Malaysia PLT to the Board for consideration.

Based on the AC's annual assessment of the External Auditors, the Board is satisfied with the independence, quality of service and adequacy of resources provided by the external auditors in carrying out the annual audit for the financial year ended 30 June 2025. In view thereof, the Board has recommended the re-appointment of Messrs. Grant Thornton Malaysia PLT for the approval of shareholders at the forthcoming 20th AGM.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL

5.1 Effective Risk Management and Internal Control Framework

The Board has overall responsibility for maintaining a sound system of risk management and internal control of the Group that provides reasonable assurance of effective and efficient business operations, compliance with laws and regulations, as well as internal procedures and guidelines.

The AC oversees the risk management of the Group and advises the Board on areas of high risk faced by the Group and the adequacy of compliance and control throughout the organisation. The AC also reviews the action plan implemented and makes relevant recommendations to the Board to manage residual risks. The Group has established a formal risk management framework to oversee the risk management of the Company and engaged an external consultant to assist the Company in identifying, assessing, and managing the risks that are applicable to the Company's business, including corruption risk, and to ensure that the risk management processes are in place and functioning effectively.

The Company continues to maintain and review its internal control procedures to ensure the protection of its assets and its shareholders' investment.

The Statement on Risk Management and Internal Control as included on pages 54 and 55 in this Annual Report, provides an overview of the internal control framework adopted by the Company during the financial year ended 30 June 2025.

5.2 Internal Audit Function

The Company has outsourced its internal audit function to a professional service firm, namely Augment CG Sdn. Bhd. to assist the AC in discharging its duties and responsibilities in respect of reviewing the adequacy and effectiveness of the Group's risk management and internal control systems.

The outsourced Internal Auditors report directly to the AC and provide the Board with a reasonable assurance of the adequacy, functions, and resources of the internal audit functions. The engaging partner and team involved are free from any relationships or conflicts of interest with the Company, which could impair the Internal Auditors' objectivity and independence. All the internal audit personnel are guided by the International Professional Practices Framework issued by the Institute of Internal Auditors Malaysia in carrying out the internal audit function.

During the financial year under review, the Internal Auditors have conducted reviews of the Group in accordance with the Internal Audit Plans, which have been approved by the AC and the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

PART II – RISK MANAGEMENT AND INTERNAL CONTROL *cont'd*

5.2 Internal Audit Function *cont'd*

The Internal Auditors will perform periodic testing of the internal control systems to ensure that they are robust.

The activities of the internal auditors during the financial year are set out in the Statement on Risk Management and Internal Control in this Annual Report.

The AC had also conducted an assessment of the internal audit function. After having assessed the effectiveness and adequacy of resources of the outsourced Internal Auditors, the AC was satisfied that the internal audit function was effective and able to function independently.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH THE STAKEHOLDERS

PART I – ENGAGEMENT WITH STAKEHOLDERS

6.1 Effective, Transparent and Regular Communication with stakeholders

The Board recognises the importance of being transparent and accountable to the Company's stakeholders and acknowledges that continuous communication between the Company and its stakeholders would facilitate mutual understanding of each other's objectives and expectations. As such, the Board consistently ensures the supply of clear, comprehensive, and timely information to their stakeholders via various disclosures and announcements, including quarterly and annual financial results, which provide investors with up-to-date financial information of the Group. All these announcements and other information about the Company are available on the Company's website, <https://www.sunzengroup.com/>, which shareholders, investors and the public may access.

The Board has put in place a corporate disclosure policy with the objective of ensuring communication to the public is timely, factual, accurate, complete, broadly disseminated, and where necessary, filed with regulators in accordance with applicable laws.

In addition, the Directors engage with shareholders at least once a year during the AGM to understand their needs and seek their feedback.

PART II – CONDUCT OF GENERAL MEETINGS

6.2 General Meetings

The General Meetings are the principal forum for shareholder dialogue, allowing shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. In compliance with the MCGC, all the Directors of the Company will endeavour to attend all general meetings, and the Chairs of the Audit Committee, Nomination Committee and Remuneration Committee will provide meaningful responses to questions addressed to them.

All Directors were present at the Extraordinary General Meeting ("EGM") held on 20 September 2024. At the 19th AGM held on 19 December 2024, all the Directors (except for Mr. Khoo Kien Hoe) were present in person to engage directly and be accountable to the shareholders for their stewardship of the Company.

During the EGM and 19th AGM, the Chairman had invited shareholders and proxies to raise their questions on the Company's financial statement and other agenda items for adoption at the meetings, before putting a resolution to vote. The Chairman of the Board ensured that sufficient opportunities were given to shareholders and proxies to raise questions relating to the affairs of the Company and that adequate responses were given.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH THE STAKEHOLDERS *cont'd*

PART II – CONDUCT OF GENERAL MEETINGS *cont'd*

6.2 General Meetings *cont'd*

There were no questions raised by the shareholders on the resolutions proposed at the EGM and 19th AGM. The minutes of the EGM and 19th AGM are made available on the Company's website.

In line with Practice 13.1 of the MCCG, the notice of the forthcoming 20th AGM is issued at least 28 days before the date of the AGM. The Board ensures that shareholders are given sufficient notice and time to consider the resolutions that will be discussed and decided at the forthcoming AGM.

The Chairman/Senior Independent Non-Executive Director ensures that the Board is accessible to shareholders and that an open channel of communication is cultivated.

Pursuant to Rule 2.19b of AMLR and the Constitution of the Company, the Annual Report 2025 and Statement in Relation to the Proposed Renewal of Authority for Purchase of Own Shares by the Company are sent out to the shareholders by electronic means, a copy of which can be downloaded from the Company's website at <https://www.sunzengroup.com/investor-relations/>.

KEY FOCUS AREA AND PRIORITIES ON CORPORATE GOVERNANCE

Looking ahead to 2026, the priorities of the Board will be in the following areas:

- (1) Improving and implementing sustainability practices, policies and procedures to embrace the enhanced sustainability requirements and to be geared for the enhanced sustainability disclosures under the Enhanced Sustainability Reporting Framework issued by Bursa Securities and the amendments to the AMLR arising therefrom, which will be implemented in phases; and
- (2) Continue working towards achieving high standards of corporate governance and leverage technology to broaden its channel of dissemination of information and enhance the quality of engagement with the shareholders.

This Corporate Governance Overview Statement was approved by the Board on 23 October 2025.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company are required to prepare financial statements for each financial year which have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of the financial performance and cash flow of the Group and the Company for the financial year then ended.

In the preparation of the financial statements for the financial year ended 30 June 2025, the Directors of the Company have:

- adopted appropriate accounting policies and have applied them consistently;
- made judgements and estimates that are reasonable;
- ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors are responsible for ensuring that the Company and its subsidiaries maintain proper accounting records that disclose with reasonable accuracy the financial positions of the Group and of the Company, and which enable them to ensure that the financial statements comply with 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.

ADDITIONAL COMPLIANCE INFORMATION

1) AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid to the firm or corporation affiliated to the External Auditors by the Company and the Group for the financial year ended 30 June 2025 are as follows:

Details of Fee	Group (RM'000)	Company (RM'000)
Audit Fee	235	55
Non-Audit Fee	11.5	10

The provision of non-audit services by the External Auditors of the Group is both cost effective and efficient due to their knowledge and understanding of the operations of the Group and did not compromise their independence and objectivity.

2) MATERIAL CONTRACTS INVOLVING INTERESTS OF THE DIRECTORS, CHIEF EXECUTIVE WHO IS NOT A DIRECTOR OR MAJOR SHAREHOLDER

There were no material contracts entered into by the Company and its subsidiaries that involve the interests of the Directors, Chief Executive who is not a Director or Major Shareholder, either still subsisting at the end of the financial year, or which were entered into since the end of the previous financial year.

3) UTILISATION OF PROCEEDS

On 31 July 2025, the Company completed the disposal of 100% of the equity interest in its wholly-owned subsidiaries namely Sunzen Corporation Sdn. Bhd. [Registration No. 199801014339 (470468-W)] and Sunzen Lifesciences Sdn. Bhd. [Registration No. 200701000077 (758075-D)] ("Disposal of Shares"). The proceeds from the Disposal of Shares were utilised for general working capital requirements in respect of Sunzen Group's day-to-day operations to support its existing business operations.

The status of the utilisation of the proceeds at the latest practicable date before the printing of this Annual Report is set out below:

Proposed Utilisation	Proceeds (RM'000)	Utilised (RM'000)	Unutilised (RM'000)	Timeframe for Utilisation
Estimated expenses for the disposal of shares	600	600	-	Immediate
Working capital	16,700	16,700	-	Within 24 months from Completion
Total	17,300	17,300	-	

4) RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE

There was no shareholders' mandate obtained in respect of RRPT of a revenue or trading nature during the financial year ended 30 June 2025.

ADDITIONAL COMPLIANCE INFORMATION

cont'd

5) SHARE ISSUANCE SCHEME (“SIS”)

The Company implemented a SIS on 15 April 2016, which was approved by the shareholders on 24 November 2015. The SIS is in force for a period of five (5) years [i.e., from 15 April 2016 to 15 April 2021], subject to an extension at the discretion of the Board, without having to obtain the approval of its shareholders, for up to another five (5) years immediately from the expiry of the first five (5) years, and should not in aggregate exceed ten (10) years from the effective date of implementation of the SIS.

On 9 October 2020, the Company had extended the SIS for a further period of five (5) years from 16 April 2021 to 15 April 2026.

On 26 November 2020, the Company offered 133,070,000 options pursuant to the SIS (“SIS Options”), out of which 94,000,000 was offered to the Directors of the Company. For eligible employees, 20% of the SIS Options are vested on the offer date, while the balance of 80% will be vested upon achievement of certain performance criteria. The exercise price of the SIS Options is fixed at RM0.1395 each. No options were granted to any person during the financial year end 30 June 2025.

ADDITIONAL COMPLIANCE INFORMATION

cont'd

5) SHARE ISSUANCE SCHEME (“SIS”) cont’d

On 21 December 2021, the Company offered 8,990,000 options pursuant to the SIS to the eligible employees in accordance with the by-laws of the SIS. 20% of the SIS Options offered on 21 December 2021 were vested on 3 January 2022, while the balance of 80% will be vested upon achievement of certain performance criteria. The exercise price of the SIS Options is fixed at RM0.1772 each. No options were granted to any person during the financial year end 30 June 2025.

	SIS Offered '000	Number of SIS Options exercisable as at 1 July 2024 '000	Number of SIS Options vested			Number of SIS Options exercised			Number of SIS Options lapsed '000	Number of SIS Options exercisable as at 30 June 2025 '000
			In Number '000	%	Number of Participants	In Number '000	%	Number of Participants		
Directors/ Chief Executives	-	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-	-
Management	6,540	-	2,138	33%	8	1,814	28%	7	126	198
Executive	2,450	86	385	16%	8	153	6%	3	172	60
Non- Executive	-	-	-	-	-	-	-	-	-	-
TOTAL	8,990	86	2,523	28%	16	1,967	22%	10	298	258

ADDITIONAL COMPLIANCE INFORMATION

cont'd

5) SHARE ISSUANCE SCHEME ("SIS") *cont'd*

SIS Options granted to Directors and Senior Management

	During the financial year ended 30 June 2025	Since commencement of the SIS on 15 April 2016
Aggregate maximum allocation under the SIS	75.00%	80.00%
Actual SIS Options granted	72.00%	72.00%

There were no SIS Options offered to the Non-Executive Directors ("NED") during the financial year ended 30 June 2025. The balance of SIS Options held by the NEDs as at 30 June 2025 is as follows:

Name of NEDs	Balance of SIS Options as at 1 July 2024 ('000)	Number of SIS Options exercised ('000)	Balance of SIS Options as at 30 June 2025 ('000)
Khoo Kien Hoe	3,000	-	3,000
Lee Yew Weng	2,000	-	2,000
Poo Long Yii	-	-	-
Aida Lim Binti Abdullah	-	-	-

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) is pleased to present the Statement on Risk Management and Internal Control (“the Statement”) pursuant to the Rule 15.26(b), ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) with regard to the Group’s risk management and internal control practices aligned with the Malaysian Code on Corporate Governance 2021.

The Statement outlines the state, nature, process and scope of risk management and internal controls carried out during the current financial year. For the purpose of disclosure, this Statement has considered and, where pertinent, included the mandatory contents outlined in the “Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers”, a publication of Bursa Malaysia, which provides guidance to listed issuers in preparing the Statement.

RESPONSIBILITY

The Board acknowledges and assumes its overall responsibility for the Group’s system of risk management and internal control, which includes the establishment of an appropriate control environment and framework to ensure effective risk management policies are in place to safeguard the interests of shareholders and all major stakeholders, as well as the assets of the Group. The Board regularly appraises the Group’s system of risk management and internal control by reviewing the adequacy and integrity of the system in place and identifying, evaluating, monitoring, and managing significant risks that may affect the achievement of business objectives throughout the year.

In view of the limitations inherent in any system of risk management and internal control, the system is designed to reduce rather than eliminate the risk of not adhering to the Group’s policies, failure in achieving its business objectives, it can only provide reasonable but not absolute assurance against the occurrence of any material misstatement, loss or fraud.

RISK MANAGEMENT

The Board and Management practise consistent risks identification on significant matters on an ongoing basis, particularly when there are any major changes in the nature of activities and or operating environment, or venture into a new operating environment. The Group’s risk management framework is guided by the globally accepted standard for risk management i.e. ISO 31000 Risk Management. The Group also engaged a consulting firm, Augment GC Sdn. Bhd. to facilitate the Board and Management in identifying and assessing principal risks relating to the Group’s major operating entities. Results of the risk assessment were formally tabled to the Audit Committee on 27 May 2025, and Management was informed of the identified risks and mitigating controls, and endeavours to continuously monitor the effectiveness of controls and any residual risks.

Our risk management approach consists of the following:

- Risk Identification
- Risk Assessment
- Risk Responses
- Risk Performance and Review

Significant risks identified are assessed in terms of likelihood of the risks occurring and its impact should the risks occur. Risk responses are formulated to address threats arising from significant risks and to minimise the likelihood of such risks occurring or reducing the impact of such risks. The abovementioned risk management practices of the Group serve as the on-going process used to identify, evaluate and manage significant risks for the financial year under review and up to the date of approval of this Statement. Through these mechanisms, risks identified are managed and monitored on a continual basis, so that the impact of such risks crystallising may be mitigated to reduce potential loss or damage to the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

INTERNAL AUDIT

The Group has outsourced its internal audit function to an independent Internal Audit firm, to assist the Board and Audit Committee in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system and ensure operational compliance with standard operating procedures within the Group.

The Group's internal audit function adopts a risk-based approach in developing its audit plan that addresses the key risk areas. Scheduled internal audits are to be conducted and reported to the Audit Committee on areas for improvement and Internal Auditors will subsequently follow up to determine the extent of their recommendations that have been implemented by the Company and its subsidiaries. All Internal Audit reports issued are deliberated by the Audit Committee and reported to the Board for clarification. Subsequently, remedial actions thereon taken by the management are evaluated and monitored on an ongoing basis.

For the financial year ended 30 June 2025, internal audit reviews were carried out in accordance with the internal audit plan approved by the Audit Committee, which covered the aspects of information technology general controls of the Company and its subsidiaries namely Ecolite Biotech Manufacturing Sdn. Bhd., Finsource Credit (M) Sdn. Bhd., Yanming Resources Sdn. Bhd. and Eye Nation Medical Sdn. Bhd.

Various aspects of risks and risk consequences were identified, evaluated and findings were tabled and presented to the Audit Committee together with recommendations to the management for appropriate controls.

CONCLUSION

For the financial year under review and up to the date of approval of this statement for inclusion in the annual report, based on inquiry, information and assurance provided by the Group Managing Director and the Chief Financial Officer, the Board is of the view that the risk management and internal control system were generally satisfactory and sufficient to safeguard the Group's assets, as well as the shareholders' investments, and the interests of customers, regulators, employees and other stakeholders, other than certain corporate governance oversight and internal control weaknesses highlighted by the External Auditors and Internal Auditors. The Board and the Management will continue to take necessary measures and the ongoing commitment to strengthen and improve its internal control environment and processes.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of Bursa Securities AMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG3"): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosure required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers as set out, nor it factually inaccurate. AAPG 3 does not require the External Auditors to consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control system.

This statement is made in accordance with the resolution of the Board of Directors dated on 23 October 2025.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of biotechnology research and development, manufacturing and marketing of animal feed supplement products and investment holding.

On 3 April 2025, the principal activities of the Company has been altered to business management, office administration services and investment holding.

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

There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	2,688,187	<u>19,319,222</u>
Attributable to:-		
Owners of the Company	2,585,367	
Non-controlling interests	<u>102,820</u>	
	2,688,187	

In the opinion of the Directors, the financial results of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been proposed, declared or paid by the Company since the end of the previous financial period and the Directors do not recommend any final dividend for the current financial year.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT

cont'd

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued:-

- (a) 3,950,200 new ordinary shares at an issue price of RM0.1395 per ordinary share for a total cash consideration of RM551,053 pursuant to the exercise of share options A ("ESOS A") under the Share Issuance Scheme.
- (b) 643,200 new ordinary shares at an issue price of RM0.1772 per ordinary share for a total cash consideration of RM113,975 pursuant to the exercise of share options B ("ESOS B") under the Share Issuance Scheme.
- (c) 12,883,550 new ordinary shares at an issue price of RM0.20 per ordinary share for a total cash consideration of RM2,576,710 pursuant to the exercise of warrants.
- (d) 66,101,694 new ordinary shares, contractually issued at RM0.295 per share to the vendor, were fair-valued at RM0.34 per share as at the acquisition-completion date. This valuation treatment is based on the requirements of MFRS 3: Business Combinations and MFRS 13: Fair Value Measurement.

The new ordinary shares issued during the financial year rank pari passu in all respect with the existing ordinary shares of the Company.

There are no debentures issued during the financial year.

TREASURY SHARES

During the financial year ended 30 June 2025, the Company repurchased 23,900,000 of its own ordinary shares from the open market for total consideration paid, including transaction costs of RM7,463,132. The average price paid for the shares repurchased was approximately RM0.31 per share and was financed by internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirements of Section 127(6) of the Companies Act 2016.

As at 30 June 2025, the Company held 39,837,300 treasury shares out of the total 812,059,103 issued ordinary shares. Further relevant details are disclosed in Note 14 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Share Issuance Scheme ("SIS").

At an Extraordinary General Meeting held on 24 November 2015, the Company obtained its shareholders' approval for the establishment and implementation for SIS up to thirty percent (30%) of the total issued shares of the Company (excluding treasury shares) at any point of time for the eligible directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries). The SIS was implemented on 15 April 2016 and is in force for a period of five (5) years from the date of implementation in accordance with the terms of the By-Laws.

On 9 October 2020, the SIS was extended for a further period of five years from 16 April 2021 to 15 April 2026. The extension of SIS is not subject to shareholders' approval in accordance with the By-Law, where the Option Committee has the sole and absolute discretion to extend the duration of the SIS for up to another five (5) years immediately from the expiry of the initial five (5) years, provided that the SIS does not exceed a maximum of ten (10) years in its entirety.

Details of all the options to subscribe for the ordinary shares of the Company pursuant to the SIS are as follows:-

Offer date	Expiry date	Exercise price (RM)	Number of options
26 November 2020	15 April 2026	0.1395	126,940,000
21 December 2021	15 April 2026	0.1772	8,260,000

DIRECTORS' REPORT

cont'd

OPTIONS GRANTED OVER UNISSUED SHARES *cont'd*

Details of the share options vested, exercised and lapsed under the SIS are as follows:-

Date of offer	Exercise price	At 1.7.2024	Number of options			At 30.6.2025
			Vested	Exercised	Lapsed	
26 November 2020	RM0.1395	74,795,000	4,189,200	(3,950,200)	(150,000)	74,884,000
21 December 2021	RM0.1772	86,000	871,200	(643,200)	(56,000)	258,000

The salient terms of the share options are disclosed in Note 16.4 to the financial statements.

Details of options granted to Directors are disclosed in the section on Directors' Interests in this report.

WARRANTS 2022/2027

On 21 September 2022, the Company undertook a bonus issue of warrants on the basis of 1 new warrant for every 2 existing ordinary shares in the Company held by the entitled shareholders. 356,894,609 new warrants ("Warrants 2022/2027") were listed on the ACE Market of Bursa Malaysia Securities Berhad.

Each Warrant carries the right to subscribe for 1 new ordinary share each in the Company at any time up to the expiry date on 13 September 2027, at an exercise price of RM0.20 for each new share. Any Warrant not exercised by the expiry of the exercise period will lapse and cease to be valid for all purposes. The Warrants 2022/2027 are constituted by a Deed Poll dated 25 August 2022.

The movements in the Company's Warrants are as follows:-

	At 1.7.2024	Number of Warrants 2022/2027			At 30.6.2025
		Issued	Exercised	-	
Number of unexercised Warrants	349,710,809	-	(12,883,550)	336,827,259	

The salient terms of the Warrants 2022/2027 are disclosed in Note 15 to the financial statements.

DIRECTORS OF THE COMPANY

The Directors of the Company who held office during the financial year until the date of this report are:-

Teo Yek Ming*
 Ching Chee Pun*
 Khoo Kien Hoe
 Lee Yew Weng
 Poo Long Yii
 Aida Lim Binti Abdullah

* Directors of the Company and of certain subsidiaries

DIRECTORS' REPORT

cont'd

DIRECTORS OF THE COMPANY cont'd

The Directors of the Company's subsidiaries who held office during the financial year until the date of this report, excluding those who are already listed above are:-

Lim Wee Chun
 Lim Poh Chuw
 Lee Peng Hwa
 Ho Soo Kwan (resigned on 8 January 2025)
 Lay Lee Chin (resigned on 10 October 2024)

DIRECTORS' INTERESTS IN SHARES

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and options over ordinary shares (including warrants) of the Company and its related corporations during the financial year as recorded in register of directors' shareholdings kept by the Company under Section 59 of the Companies Act 2016, were as follows:-

	Number of ordinary shares			
	At 1.7.2024	Bought	Sold	At 30.6.2025
The Company				
Direct interests				
Teo Yek Ming	123,947,508	12,580,500	(18,147,100)	118,380,908
Ching Chee Pun	4,121,212	-	-	4,121,212
Poo Long Yii	83,000	-	-	83,000
Indirect interests				
Teo Yek Ming*	126,000	900,000	-	1,026,000

	SIS options (Exercise price of RM0.1395) Number of options			
	At 1.7.2024	Exercised	Lapsed	At 30.6.2025
The Company				
Direct interests				
Teo Yek Ming	60,670,000	-	-	60,670,000
Ching Chee Pun	8,000,000	-	-	8,000,000
Khoo Kien Hoe	3,000,000	-	-	3,000,000
Lee Yew Weng	2,000,000	-	-	2,000,000

DIRECTORS' REPORT

cont'd

DIRECTORS' INTERESTS IN SHARES cont'd

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and options over ordinary shares (including warrants) of the Company and its related corporations during the financial year as recorded in register of directors' shareholdings kept by the Company under Section 59 of the Companies Act 2016, were as follows:- *cont'd*

	Number of warrants			
	At 1.7.2024	Addition	Sold	At 30.6.2025
The Company				
Direct interests				
Teo Yek Ming	54,709,753	-	-	54,709,753
Ching Chee Pun	2,060,606	-	-	2,060,606
Indirect interests				
Teo Yek Ming*	63,000	350,000	-	413,000

* Deemed interest by virtue of shareholdings held by parent and spouse pursuant to Section 8 of the Companies Act 2016

By virtue of Teo Yek Ming's interests in the shares of the Company, he is also deemed to be interested in the shares of all the subsidiaries to the extent the Company has an interest under Section 8 of the Companies Act 2016.

None of the other Directors in office at the end of the financial year held any interest in the ordinary shares of the Company and its related corporations.

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:-

	Incurred by the Company	Incurred by the subsidiaries	Group
	RM	RM	RM
Directors' fees	203,030	-	203,030
Directors' remuneration	432,600	477,000	909,600
Defined contribution plan	51,480	56,160	107,640
Social security contribution	2,668	2,669	5,337
	689,778	535,829	1,225,607

During and at the end of the financial year, no arrangement subsisted to which the Company is a party whereby Director of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial period, 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 the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than those related party transactions disclosed in Note 31 to the financial statements.

DIRECTORS' REPORT

cont'd

OTHER STATUTORY INFORMATION

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

- (a) 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 had satisfied themselves that all known bad debts had been written off and adequate provision had been made for doubtful debts; and
- (b) to ensure that the current assets which were unlikely to realise their values 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:-

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the Group's and the Company's financial statements misleading.

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

- (a) any charge on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liabilities in respect of the Group and of the Company which have arisen since the end of the financial year other than those arising in the ordinary course of business.

In the opinion of the Directors:-

- (a) 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
- (b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to substantially affect the results of the operations of the Group and of the Company for the current financial year.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of indemnity coverage and insurance premium paid for the Directors and Officers of the Group and of the Company during the financial year amounted to RM3,000,000 and RM8,000 respectively.

DIRECTORS' REPORT

AUDITORS

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

The amount of audit and other fees paid or payable to the auditors by the Group and the Company for the financial year ended 30 June 2025 amounted to RM246,500 and RM65,000 respectively. Further details are disclosed in Note 24 to the financial statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the requirements of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 23 October 2025.

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 69 to 143 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 23 October 2025.

TEO YEK MING

CHING CHEE PUN

STATUTORY DECLARATION

I, Phang Tong Eng, being the Officer primarily responsible for the financial management of Sunzen Group Berhad (formerly known as Sunzen Biotech Berhad), do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 69 to 143 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
23 October 2025)

PHANG TONG ENG
(MIA NO. 12472)

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SUNZEN GROUP BERHAD

(formerly known as Sunzen Biotech Berhad)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Sunzen Group Berhad (formerly known as Sunzen Biotech Berhad), which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 69 to 143.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and of their financial performance and 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.

Independent and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group 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>(i) <u>Impairment of trade receivables</u></p> <p>Impairment of trade receivables is a key audit matter due to the involvement of significant management's judgement and estimates in the assessment of credit risk exposures and collectability of trade receivables.</p> <p>Management used judgement to estimate the quantum of impairment required which may vary due to changes in circumstances from year to year and this has impacted the carrying amount of trade receivables.</p> <p>Refer to Notes 10 and 33 to the financial statements.</p>	<p>Our procedures included, amongst others:-</p> <p>We evaluated management's assessment of Expected Credit Losses by taking into consideration if there is any indication of significant financial difficulty of these receivables and if there is any default or delinquency in the repayment by debtors or where legal action has been taken to recover such debts. We have also reviewed the ageing analysis of trade receivables and tested the reliability thereof and assessed the recoverability of the overdue trade receivables through examination of cash receipts subsequent to the financial year.</p>

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SUNZEN GROUP BERHAD
(formerly known as Sunzen Biotech Berhad)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS cont'd

Key Audit Matters cont'd

Key audit matters	How our audit addressed the key audit matters
<p>(ii) <u>Inventory valuation</u></p> <p>The Group holds inventories that amounted to RM9,507,446 as at the reporting date which is subject to a risk that the inventories become slow-moving or obsolete and rendering it not saleable or can only be sold at selling prices that are less than their carrying value. There are inherent subjectivity and estimation involved by the management in determining the accuracy of inventories obsolescence and in making an assessment of its adequacy due to risks of inventories not stated at the lower of cost and net realisable value.</p> <p>Refer to Note 12 to the financial statements.</p>	<p>Our procedures included, amongst others:-</p> <p>We tested the methodology for calculating the provisions, assessed the appropriateness and consistency of judgements and assumptions. In doing so, we obtained an understanding on the ageing profile of inventories, the process for identifying specific problem inventories, historical loss rates and the latest selling price of inventories.</p>
<p>(iii) <u>Goodwill on consolidation</u></p> <p>The Group is required to test the amount of the goodwill for impairment annually. This impairment testing relies on estimates of value-in-use based on the estimated future cash flows. The annual impairment test is significant to our audit because the assessment process used in preparing the estimated future cash flows is complex and highly judgemental and is based on assumption that are affected by expected future market or economic conditions.</p> <p>Refer to Note 6 to the financial statements.</p>	<p>Our procedures included, amongst others:-</p> <p>We evaluated the Directors' future cash flow projections, and the process of which they were drawn up, including testing the underlying calculations. We reviewed the Directors' key assumptions applied in the projections by comparing them to the historical results as well as economic and industry forecasts and the discount rate used by assessing the cost of capital for the Group.</p>

There is no key audit matter to be communicated in respect of the audit of the 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SUNZEN GROUP BERHAD

(formerly known as Sunzen Biotech Berhad)

cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SUNZEN GROUP BERHAD
(formerly known as Sunzen Biotech Berhad)
 cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Auditors' Responsibilities for the Audit of the Financial Statements *cont'd*

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not act as auditors, are disclosed in Note 7 to the financial statements.

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
 (201906003682 & LLP0022494-LCA)
 CHARTERED ACCOUNTANTS (AF 0737)

LUI LEE PING
 (NO: 03334/11/2025 (J))
 CHARTERED ACCOUNTANT

Kuala Lumpur
 23 October 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	Group		Company		
		30.6.2025	30.6.2024	30.6.2025	30.6.2024	
		RM	RM	RM	RM	
ASSETS						
Non-current assets						
Property, plant and equipment	3	38,910,682	54,145,829	14,435,959	99,086	
Right-of-use assets	4	1,038,140	1,237,413	-	1	
Investment property	5	500,000	500,000	-	-	
Intangible assets	6	6,233,888	2,853,230	-	-	
Investment in subsidiaries	7	-	-	43,477,861	30,112,500	
Investment in an associate	8	-	561,808	5,186,441	-	
Amount due from subsidiaries	9	-	-	75,400,875	56,300,000	
Trade receivables	10	70,546,794	53,897,570	-	-	
Other receivables	11	-	-	-	-	
Total non-current assets		117,229,504	113,195,850	138,501,136	86,511,587	
Current assets						
Inventories	12	9,507,446	9,466,282	-	165,694	
Trade receivables	10	17,048,604	14,785,696	-	-	
Other receivables	11	17,056,083	3,389,236	15,657,239	191,024	
Amount due from an associate	8	1,117,016	957,400	-	-	
Amount due from subsidiaries	9	-	-	555,710	15,511,881	
Tax recoverable		1,295,538	894,975	243,570	-	
Cash and bank balances, deposits and short-term placements	13	18,991,237	27,633,252	2,317,153	4,224,559	
Total current assets		65,015,924	57,126,841	18,773,672	20,093,158	
TOTAL ASSETS		182,245,428	170,322,691	157,274,808	106,604,745	
EQUITY AND LIABILITIES						
EQUITY						
Equity attributable to owners of the Company						
Share capital	14	138,008,012	111,844,068	138,008,012	111,844,068	
Treasury shares	14	(10,419,351)	(2,956,219)	(10,419,351)	(2,956,219)	
Reserves	16	20,989,408	30,506,915	16,446,252	(2,902,129)	
		148,578,069	139,394,764	144,034,913	105,985,720	
Non-controlling interests		1,542,053	10,440,428	-	-	
TOTAL EQUITY		150,120,122	149,835,192	144,034,913	105,985,720	

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

cont'd

	Note	Group		Company	
		30.6.2025	30.6.2024	30.6.2025	30.6.2024
		RM	RM	RM	RM
EQUITY AND LIABILITIES cont'd					
LIABILITIES					
Non-current liabilities					
Lease liabilities	17	726,510	797,718	-	-
Loans and borrowings	18	17,839,961	6,198,039	11,067,063	-
Deferred tax liabilities	19	2,835,008	5,456,025	-	-
Total non-current liabilities		21,401,479	12,451,782	11,067,063	-
Current liabilities					
Trade payables	20	4,178,645	3,944,775	-	74,895
Other payables	21	4,827,476	3,260,247	1,219,971	223,588
Lease liabilities	17	309,442	375,605	-	5,542
Loans and borrowings	18	1,011,397	291,364	579,277	-
Amount due to an associate	8	-	-	47,587	-
Amount due to subsidiaries	9	-	-	325,997	315,000
Tax payable		396,867	163,726	-	-
Total current liabilities		10,723,827	8,035,717	2,172,832	619,025
TOTAL LIABILITIES		32,125,306	20,487,499	13,239,895	619,025
TOTAL EQUITY AND LIABILITIES		182,245,428	170,322,691	157,274,808	106,604,745

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Group		Company	
		1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
		RM	RM	RM	RM
Revenue	22	80,581,718	142,678,267	239,652	770,637
Cost of sales		(55,583,796)	(104,350,250)	(338,210)	(966,954)
Gross profit/(loss)		24,997,922	38,328,017	(98,558)	(196,317)
Other income		1,041,616	3,604,198	20,148,155	1,385,733
Selling and distribution expenses		(5,384,669)	(7,443,825)	(250,058)	(391,269)
Administrative expenses		(7,891,933)	(12,080,769)	(2,090,619)	(2,414,418)
Net (impairment loss)/reversal on financial assets		(120,005)	(275,321)	2,040,234	(3,513,500)
Other expenses		(8,470,658)	(5,491,492)	(2,861,314)	(1,023,565)
Profit/(Loss) from operations		4,172,273	16,640,808	16,887,840	(6,153,336)
Finance income		66,061	64,010	2,605,163	2,564,501
Finance costs	23	(480,805)	(431,056)	(113,078)	(1,476)
Share of losses of an associate		(452,018)	(418,143)	-	-
Profit/(Loss) before tax	24	3,305,511	15,855,619	19,379,925	(3,590,311)
Tax expense	25	(617,324)	(5,274,453)	(60,703)	-
Profit/(Loss) for the financial year/period		2,688,187	10,581,166	19,319,222	(3,590,311)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

cont'd

	Note	Group		Company	
		1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
		RM	RM	RM	RM
Profit/(Loss) for the financial year/period		2,688,187	10,581,166	19,319,222	(3,590,311)
Other comprehensive income for the financial year/period, net of tax					
<u>Item that may be reclassified subsequently to profit of loss</u>					
- Foreign currency translation		43,377	106,806	-	-
<u>Item that will not be reclassified subsequently to profit of loss</u>					
- Revaluation of property, plant and equipment, net of tax		-	8,056,084	-	-
Other comprehensive income for the financial year/period, net of tax		43,377	8,162,890	-	-
Total comprehensive income/(loss) for the financial year/period		2,731,564	18,744,056	19,319,222	(3,590,311)
Profit attributable to:					
- Owners of the Company		2,585,367	9,039,378		
- Non-controlling interests		102,820	1,541,788		
		<u>2,688,187</u>	<u>10,581,166</u>		
Total comprehensive income attributable to:					
- Owners of the Company		2,628,744	16,245,748		
- Non-controlling interests		102,820	2,498,308		
		<u>2,731,564</u>	<u>18,744,056</u>		
Earnings per share attributable to owners of the Company (sen)					
- Basic	28	<u>0.34</u>	<u>1.28</u>		
- Diluted	28	<u>0.28</u>	<u>1.10</u>		

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Group	Attributable to equity holders of the Company									
	Share capital	Treasury shares	Revaluation reserve	Merger deficit	Currency translation reserve	Share option reserve	(Accumulated losses)	Total	Non-controlling interests	Total equity
Note	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 July 2024	111,844,068	(2,956,219)	22,711,626	(8,397,548)	(18,809)	7,011,227	9,200,419	139,394,764	10,440,428	149,835,192
Profit for the financial year	-	-	-	-	-	-	2,585,367	2,585,367	102,820	2,688,187
Other comprehensive income for the financial year, net of tax	-	-	-	-	43,377	-	-	43,377	-	43,377
- Foreign currency translation										
Total comprehensive income for the financial year	-	-	-	-	43,377	-	2,585,367	2,628,744	102,820	2,731,564
Transactions with owners:										
Share options granted under Share Issuance Scheme	-	-	-	-	-	497,613	-	497,613	-	497,613
Share options exercised under Share Issuance Scheme	1,112,658	-	-	-	-	(447,630)	-	665,028	-	665,028
Share options lapsed under Share Issuance Scheme	-	-	-	-	-	(20,824)	20,824	-	-	-
Purchase of treasury shares	-	(7,463,132)	-	-	-	-	-	(7,463,132)	-	(7,463,132)
Acquisition of a subsidiary	7	-	-	-	-	-	-	-	1,281,147	1,281,147
Acquisition of non-controlling interests	7	22,474,576	-	4,569,608	-	-	(16,765,842)	10,278,342	(10,282,342)	(4,000)
Issuance of ordinary shares upon exercise of warrants	2,576,710	-	-	-	-	-	-	2,576,710	-	2,576,710
Total transactions with owners	26,163,944	(7,463,132)	4,569,608	-	-	29,159	(16,745,018)	6,554,561	(9,001,195)	(2,446,634)
Disposal of subsidiaries	-	-	(10,709,924)	8,397,548	-	-	2,312,376	-	-	-
At 30 June 2025	138,008,012	(10,419,351)	16,571,310	-	24,568	7,040,386	(2,646,856)	148,578,069	1,542,053	150,120,122

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

cont'd

Group	Note	Share capital RM	Treasury shares RM	Revaluation reserve RM	Merger deficit RM	Currency translation reserve RM	Share option reserve RM	Retained earnings/ accumulated losses RM	Non-controlling interests RM		Total equity RM
									Total RM	Non-controlling interests RM	
At 1 January 2023		110,221,239	(2,956,219)	15,647,638	(8,397,548)	154,480	7,482,580	(270,974)	121,881,196	7,828,119	129,709,315
Profit for the financial period		-	-	-	-	-	-	9,039,378	9,039,378	1,541,788	10,581,166
Other comprehensive income for the financial period, net of tax		-	-	-	-	106,806	-	-	106,806	-	106,806
- Foreign currency translation		-	-	-	-	-	-	-	-	-	-
- Revaluation of property, plant and equipment		-	-	7,099,564	-	-	-	-	7,099,564	956,520	8,056,084
Total comprehensive income for the financial period		-	-	7,099,564	-	106,806	-	9,039,378	16,245,748	2,498,308	18,744,056
Transactions with owners:-											
Share options exercised under Share Issuance Scheme		186,069	-	-	-	-	(74,914)	-	111,155	-	111,155
Share options lapsed under Share Issuance Scheme		-	-	-	-	-	(396,439)	396,439	-	-	-
Issuance of ordinary shares upon exercise of warrants		1,436,760	-	-	-	-	-	-	1,436,760	-	1,436,760
Total transactions with owners		1,622,829	-	-	-	(471,353)	396,439	1,547,915	-	-	1,547,915
Disposal of a subsidiary		-	-	-	-	-	-	-	114,001	114,001	114,001
Deconsolidation of subsidiaries		-	-	-	-	(280,095)	-	-	(280,095)	-	(280,095)
Realisation of revaluation reserve		-	-	(35,576)	-	-	-	35,576	-	-	-
At 30 June 2024		111,844,068	(2,956,219)	22,711,626	(8,397,548)	(18,809)	7,011,227	9,200,419	139,394,764	10,440,428	149,835,192

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

cont'd

	Note	Attributable to equity holders of the Company			Non-distributable			Total equity RM
		Share capital RM	Treasury shares RM	Warrant reserve RM	Share option reserve RM	Share RM	Accumulated losses RM	
Company								
At 1 January 2023		110,221,239	(2,956,219)	-	-	7,482,580	(6,697,445)	108,050,155
Total comprehensive loss for the financial period		-	-	-	-	-	(3,590,311)	(3,590,311)
Transactions with owners:-								
Share options exercised under Share Issuance Scheme		186,069	-	-	(74,914)	-	-	111,155
Share options lapsed under Share Issuance Scheme		-	-	-	(396,439)	374,400	-	(22,039)
Issuance of ordinary shares upon exercise of warrants		1,436,760	-	-	-	-	-	1,436,760
Total transactions with owners	15	1,622,829	-	-	(471,353)	374,400	-	1,525,876
At 30 June 2024		111,844,068	(2,956,219)	-	-	7,011,227	(9,913,356)	105,985,720
Total comprehensive loss for the financial year		-	-	-	-	-	19,319,222	19,319,222
Transactions with owners:-								
Share options granted under Share Issuance Scheme		-	-	-	497,613	-	-	497,613
Share options exercised under Share Issuance Scheme		1,112,658	-	-	(447,630)	-	-	665,028
Share options lapsed under Share Issuance Scheme		-	-	-	(20,824)	-	-	(20,824)
Purchase of treasury shares		-	(7,463,132)	-	-	-	-	(7,463,132)
Issuance of ordinary shares upon acquisition of subsidiaries		22,474,576	-	-	-	-	-	22,474,576
Issuance of ordinary shares upon exercise of warrants		2,576,710	-	-	-	-	-	2,576,710
Total transactions with owners		26,163,944	(7,463,132)	-	29,159	-	-	18,729,971
At 30 June 2025		138,008,012	(10,419,351)	-	7,040,386	9,405,866	-	144,034,913

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Group		Company	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM	RM	RM
OPERATING ACTIVITIES				
Profit/(Loss) before tax	3,305,511	15,855,619	19,379,925	(3,590,311)
Adjustments for:-				
Bad debts written off	2,569,168	340,668	-	-
Depreciation of property, plant and equipment	1,856,357	2,958,800	81,558	74,511
Depreciation of right-of-use assets	464,913	586,846	-	40,214
Dividend income	(7,992)	(30,266)	(13,002,408)	(2,796)
Loss/(Gain) on:				
- deconsolidation of subsidiaries	34,821	(103,179)	-	-
- disposal of property, plant and equipment	(31,250)	(856,215)	750	(760,871)
- disposal of subsidiaries	4,658	(118,705)	(6,628,155)	(51)
- disposal of right-of-use assets	-	(276,864)	-	-
- early termination of lease	(1,566)	-	-	-
Net impairment loss/(reversal) on financial assets	120,005	275,321	(2,040,234)	3,513,500
Impairment loss on investment in an associate	109,790	-	-	-
Interest expenses	480,805	431,056	113,078	1,476
Interest income	(66,061)	(64,010)	(2,605,163)	(2,564,501)
Inventories written down	164,144	536,126	-	41,983
Reversal of inventories written down	(235,913)	(16,902)	(53,568)	-
Share of losses of an associate	452,018	418,143	-	-
Share Issuance Scheme - employee benefit expenses	497,613	-	97,718	-
Unrealised loss/(gain) on foreign exchange	253,779	(70,793)	24,288	(33,433)
Written off:				
- property, plant and equipment	22,832	31,475	649	20,758
- inventories	160,591	780,775	488	87,321
Operating profit/(loss) before working capital changes	10,154,223	20,677,895	(4,631,074)	(3,172,200)
Inventories	1,039,781	563,070	218,774	(4,423)
Receivables	(19,442,684)	1,355,646	103,785	(945,852)
Payables	2,142,924	(2,039,389)	921,488	183,196
Subsidiaries	-	-	1,105,499	(173,540)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

cont'd

	Note	Group		Company	
		1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
		RM	RM	RM	RM
Cash (used in)/generated from operations		(6,105,756)	20,557,222	(2,281,528)	(4,112,819)
Interest received		12,863	1,799	4,640	-
Income tax refunded		201,985	63,084	-	-
Income tax paid		(2,918,614)	(5,889,127)	(304,273)	-
Net cash (used in)/from operating activities		(8,809,522)	14,732,978	(2,581,161)	(4,112,819)
INVESTING ACTIVITIES					
Net cash (outflows)/inflows from disposal of subsidiaries	7	(253,863)	(35,469)	1,730,000	51
Net cash inflows from deconsolidation of a subsidiary	7	499,163	-	-	-
Net cash outflows from acquisition of a subsidiary	7	(4,226,502)	-	(6,370,000)	-
Acquisition of an associate		-	(979,951)	-	-
Dividend income received		7,992	30,266	13,002,408	2,796
(Advance to)/Repayment from subsidiaries		-	-	(3,209,969)	819,479
Interest received		53,198	62,211	2,600,523	2,564,501
Proceeds from disposal of property, plant and equipment		265,699	976,411	75,828	804,003
Proceeds from disposal of right-of-use assets		-	305,000	-	-
Advance to an associate		(159,616)	(957,400)	-	-
Purchase of right-of-use assets	A	(3,897)	(139,637)	-	-
Purchase of property, plant and equipment		(3,004,023)	(930,427)	(14,495,657)	(3,906)
Net cash (used in)/from investing activities		(6,821,849)	(1,668,996)	(6,666,867)	4,186,924
FINANCING ACTIVITIES					
Interest paid		(480,805)	(431,056)	(113,078)	(1,476)
Additional investment in a subsidiary acquired from non-controlling interests		(4,000)	-	-	-
Placement of pledged deposits with a licensed bank		(17,910)	(24,754)	(17,910)	(24,754)
Repayment of lease liabilities		(410,544)	(715,081)	(5,542)	(32,130)
Drawdown of term loans		12,937,050	2,163,029	12,000,000	-
Repayment of term loans		(685,095)	(294,939)	(353,660)	-
Net drawdown of bankers' acceptance		110,000	-	-	-
Proceeds from share options exercised		665,028	111,155	665,028	111,155
Proceeds from issuance of ordinary shares upon exercise of warrants		2,576,710	1,436,760	2,576,710	1,436,760
Purchase of treasury shares		(7,463,132)	-	(7,463,132)	-
(Repayment to)/Advance from an associate		-	(49)	47,587	-
Advance from/(Repayment to) subsidiaries		-	-	10,997	(5,000)
Net cash from financing activities		7,227,302	2,245,065	7,347,000	1,484,555

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

cont'd

Note	Group		Company	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM	RM	RM
CASH AND CASH EQUIVALENTS				
Net changes	(8,404,069)	15,309,047	(1,901,028)	1,558,660
Effect of foreign exchange rate changes	(255,856)	61,062	(24,288)	33,433
Brought forward	27,044,433	11,674,324	3,635,740	2,043,647
Carried forward	13	18,384,508	27,044,433	1,710,424
				3,635,740

NOTE TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF RIGHT-OF-USE ASSETS

	Group		Company	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM	RM	RM
Total purchase	189,270	1,505,234	-	-
Future lease payment included in lease liabilities	(185,373)	(1,365,597)	-	-
Cash payments	3,897	139,637	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

1. PRINCIPAL ACTIVITIES

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

The Company is principally engaged in the businesses of biotechnology research and development, manufacturing and marketing of animal feed supplement products and investment holding.

On 3 April 2025, the principal activity of the Company has been altered to business management, office administration services and investment holding.

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

There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

The registered office of the Company is located at Level 13, Menara 1 Sentrum, 201, Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur.

The principal place of business of the Company is located at No. 13, Jalan Anggerik Mokara 31/47, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan.

The financial statements of the Group and of the Company were authorised for issuance by the Board of Directors in accordance with a resolution of the Directors on 23 October 2025.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), 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, unless otherwise indicated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

2. BASIS OF PREPARATION cont'd

2.2 Basis of measurement cont'd

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.4 MFRSs

2.4.1 Adoption of new standards/amendments/improvements to MFRSs

At the beginning of current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2024.

The initial application of the new standards/amendments/improvements to the standards did not have a material impact on the financial statements of the Group and of the Company.

2.4.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability
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Amendments to MFRSs effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments
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Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures: Contracts Referencing Nature-dependent Electricity
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Annual Improvements to MFRS Accounting Standards - Volume 11:

Amendments to MFRS 1*, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	First-time Adoption of Malaysian Financial Reporting Standards, Financial Instruments: Disclosures, Financial Instruments, Consolidated Financial Statements and Statement of Cash Flows
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NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

2. BASIS OF PREPARATION *cont'd*

2.4 MFRSs *cont'd*

2.4.2 Standards issued but not yet effective *cont'd*

MFRSs effective for annual periods beginning on or after 1 January 2027

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

Amendments to MFRSs effective for a date yet to be confirmed

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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* *Not applicable to the Group's and the Company's operations*

The initial application of the above standards, amendments and interpretations are not expected to have material financial impact to the financial statements.

2.5 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2.5.1 Key sources of estimation uncertainty

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

The management estimates the useful lives of the depreciable assets to be within 2 to 50 years and reviews the useful lives of depreciable assets at each reporting period. The management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's and the Company's assets.

The management expects that the expected useful lives of the depreciable assets would not have material difference from the management's estimation hence it would not result in material variance in the Group's and the Company's profit for the financial year/period.

Valuation of property, plant and equipment and investment properties

The Group and the Company measure their land and buildings (under property, plant and equipment) and investment properties at revalued amounts with changes in fair value being recognised in other comprehensive income and in profit or loss respectively. The Group and the Company engaged independent valuation specialists to determine fair values with sufficient regularity to ensure that the carrying amount or closing balance does not differ materially from the fair value of the land and buildings and investment properties at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

2. BASIS OF PREPARATION *cont'd*

2.5 Significant accounting estimates and judgements *cont'd*

2.5.1 Key sources of estimation uncertainty *cont'd*

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Provision for expected credit losses ("ECLs") of receivables

The Group and the Company use a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns such as geography, customer type and rating.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. 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 rates, forecast economic conditions and ECLs are significant estimate. The amount of ECLs are sensitive to changes in circumstances and forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default rate in the future.

Income tax/Deferred tax liabilities

Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

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 asset 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 or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

2. BASIS OF PREPARATION *cont'd*

2.5 Significant accounting estimates and judgements *cont'd*

2.5.1 Key sources of estimation uncertainty *cont'd*

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unabsorbed business losses and unutilised capital allowances to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences, unabsorbed business losses and unutilised capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about the generation of future taxable profits depend on the management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about the application of income tax legislation. These judgements and assumptions are subject to risks and uncertainties, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised deductible temporary differences, unrecognised business losses and unrecognised capital allowances.

Share-based payments

Share-based payments are measured at grant date fair value. For share options granted to employees, in many cases market prices are not available and therefore the fair value of the options granted shall be estimated by applying an option pricing model. Option pricing models need input data such as expected volatility of the share price, expected dividends or the risk-free interest rate for the life of the option. The overall objective is to approximate the expectations that would be reflected in a current market or negotiated exchange price for the option. Such assumptions are subject to judgements and may turn out to be significantly different than expected.

Fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's and the Company's estimate of equity instruments that will eventually vest. The estimate of the number of equity instruments expected to vest is revised by the Group and the Company at the end of each reporting period through settlement. Revisions of the original estimates, if any, is recognised in profit or loss so that the cumulative expense includes the revised estimate, with the corresponding adjustment to the reserve for employee equity-settled benefits.

2.5.2 Significant management judgement

The following is significant management judgements in applying the accounting policies of the Group and of the Company that have the most significant effect on the financial statements:-

Determining the lease term of contracts with renewal options

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 reasonable 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 whether or not 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 or not to exercise the option to renew or to terminate.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

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3. PROPERTY, PLANT AND EQUIPMENT

Group 30.6.2025	At valuation				At cost				Total RM
	Freehold land RM	Factory buildings RM	Office equipment and renovation RM	Plant, machinery and motor vehicles RM	Building improvements RM	Capital work in progress RM			
Cost/Valuation									
At 1 July 2024	27,090,000	22,367,733	6,393,262	694,871	14,954,328	1,261,232	396,000	73,157,426	
Additions	404,497	199,503	813,034	2	1,519,987	-	67,000	3,004,023	
Transfer from right-of-use assets	-	-	-	441,598	-	-	-	441,598	
Effect on acquisition of a subsidiary	-	-	235,321	106,724	1,979,732	-	-	2,321,777	
Disposals	-	-	(627,483)	(313,064)	(814,322)	(881,655)	-	(2,636,524)	
Written off	-	-	(625,439)	-	(959,535)	-	-	(1,584,974)	
Disposal of subsidiaries	(11,260,000)	(5,294,029)	(1,267,565)	(106,157)	(1,163,014)	(379,577)	(396,000)	(19,366,342)	
At 30 June 2025	16,234,497	17,273,207	4,921,130	823,974	15,517,176	-	67,000	54,836,984	
Accumulated depreciation									
At 1 July 2024	-	87,169	4,909,356	694,761	11,633,599	1,109,004	-	18,433,889	
Charge for the financial year	-	668,085	339,898	16,010	832,364	-	-	1,856,357	
Transfer from right-of-use assets	-	-	-	441,597	-	-	-	441,597	
Effect on acquisition of a subsidiary	-	-	214,902	58,698	1,302,496	-	-	1,576,096	
Disposals	-	-	(472,630)	(313,060)	(740,973)	(875,412)	-	(2,402,075)	
Written off	-	-	(623,465)	-	(938,677)	-	-	(1,562,142)	
Disposal of subsidiaries	-	(285,830)	(969,288)	(106,053)	(822,657)	(233,592)	-	(2,417,420)	
At 30 June 2025	-	469,424	3,398,773	791,953	11,266,152	-	-	15,926,302	
Accumulated impairment loss									
At 1 July 2024	-	-	141,512	-	40,196	-	396,000	577,708	
Disposal of subsidiaries	-	-	(141,512)	-	(40,196)	-	(396,000)	(577,708)	
At 30 June 2025	-	-	-	-	-	-	-	-	
Net carrying amount									
At 30 June 2025	16,234,497	16,803,783	1,522,357	32,021	4,251,024	-	67,000	38,910,682	

3. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Group 30.6.2024	Freehold land		Factory buildings		Office equipment and renovation		Motor vehicles		Plant, machinery and equipment		Building improvements		Capital work in progress		Total RM		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
Cost/Valuation																	
At 1 January 2023	23,119,000	18,985,897	6,432,445	961,871	15,993,418	1,264,418	1,831,000	68,588,049									
Additions	-	-	236,068	-	681,359	13,000	(16,186)	-								930,427	
Reclassification	-	16,186	-	-	-	-	-	-								-	
Revaluation*	3,971,000	3,365,650	-	(44,769)	(267,000)	(129,510)	-	-								7,336,650	
Disposals	-	-	(226,197)	-	(1,590,939)	-	-	-								(1,876,279)	
Written off	-	-	(4,285)	-	-	-	-	-								(1,817,136)	
Disposal of a subsidiary	-	-	-	-	-	-	-	-								(4,285)	
At 30 June 2024	27,090,000	22,367,733	6,393,262	694,871	14,954,328	1,261,232	396,000	73,157,426									
Accumulated depreciation																	
At 1 January 2023	-	1,911,040	4,614,797	878,978	12,045,970	665,864	-	20,116,649									
Charge for the financial period	-	706,955	565,361	10,582	1,231,628	444,274	-	2,958,800									
Reclassification	-	1,134	-	-	-	(1,134)	-	-								-	
Revaluation*	-	(2,531,960)	-	(42,518)	(194,799)	(83,766)	-	-								(2,531,960)	
Disposals	-	-	(225,428)	-	(1,560,233)	-	-	-								(321,083)	
Written off	-	-	(2,856)	-	-	-	-	-								(1,785,661)	
Disposal of a subsidiary	-	-	-	-	-	-	-	-								(2,856)	
At 30 June 2024	-	87,169	4,909,356	694,761	11,633,599	1,109,004	-	18,433,889									
Accumulated impairment loss																	
At 1 January 2023	-	-	141,512	-	-	40,196	-	1,831,000								2,012,708	
Disposals	-	-	-	-	-	-	-	(1,435,000)								(1,435,000)	
At 30 June 2024	-	-	141,512	-	-	40,196	-	396,000								577,708	
Net carrying amount																	
At 30 June 2024	27,090,000	22,280,564	1,342,394	110	3,280,533	152,228	-	54,145,829									

* Revaluation surplus of RM9,868,610 (consists of the cost/valuation of RM7,336,650 and accumulated depreciation of RM2,531,960).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

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3. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Company	30.6.2025	Furniture, fittings and office equipment			Plant, machinery and equipment		Capital work in progress	Total			
		Freehold land	Factory buildings	RM	Motor vehicles	RM					
At valuation											
At cost											
Cost/Valuation											
At 1 July 2024		-	-	343,404	103,000	887,951	-	1,334,355			
Additions	9,540,740	4,705,614		174,185	2	8,116	67,000	14,495,657			
Transfer from right-of-use assets	-	-	-	201,079		-	-	201,079			
Disposal	-	-	(123,397)		-	(774,371)	-	(897,768)			
Written off	-	-	(35,431)		-	(113,580)	-	(149,011)			
At 30 June 2025	9,540,740	4,705,614		358,761	304,081	8,116	67,000	14,984,312			
Accumulated depreciation											
At 1 July 2024		-	-	321,050	102,998	811,221	-	1,235,269			
Charge for the financial year	-	37,551		29,191	-	14,816	-	81,558			
Transfer from right-of-use assets	-	-	-	201,078		-	-	201,078			
Disposal	-	-	(112,053)		-	(709,137)	-	(821,190)			
Written off	-	-	(34,791)		-	(113,571)	-	(148,362)			
At 30 June 2025	-	37,551		203,397	304,076	3,329	-	548,353			
Net carrying amount											
At 30 June 2025	9,540,740	4,668,063		155,364	5	4,787	67,000	14,435,959			

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

3. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Furniture, fittings and office equipment RM	Motor vehicles RM	Plant, machinery and equipment RM	Capital work in progress RM	Total RM
Company <i>cont'd</i>					
30.6.2024					
At cost					
Cost					
At 1 January 2023	340,348	103,000	1,045,101	1,435,000	2,923,449
Additions	3,906	-	-	-	3,906
Disposal	-	-	(113,010)	(1,435,000)	(1,548,010)
Written off	(850)	-	(44,140)	-	(44,990)
At 30 June 2024	343,404	103,000	887,951	-	1,334,355
Accumulated depreciation					
At 1 January 2023	287,853	102,998	864,017	-	1,254,868
Charge for the financial period	33,657	-	40,854	-	74,511
Disposal	-	-	(69,878)	-	(69,878)
Written off	(460)	-	(23,772)	-	(24,232)
At 30 June 2024	321,050	102,998	811,221	-	1,235,269
Accumulated impairment loss					
At 1 January 2023	-	-	-	1,435,000	1,435,000
Disposal	-	-	-	(1,435,000)	(1,435,000)
At 30 June 2024	-	-	-	-	-
Net carrying amount					
At 30 June 2024	22,354	2	76,730	-	99,086
Fair value of freehold land and factory buildings					

The fair value of the freehold land and factory buildings of the Group had been revalued on 8 May 2024 and 28 June 2024 by Messrs. Raine & Horne International Zaki + Partners Sdn. Bhd., an independent firm of professional valuers. The valuations were performed based on the market comparison method that reflects recent transaction price for similar properties in the vicinity. No separate revaluation is carried out as at 30 June 2025 as the carrying amount approximates the fair value.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

3. PROPERTY, PLANT AND EQUIPMENT cont'd

Fair value of freehold land and factory buildings cont'd

Details of the Group's land and buildings and information about the fair value hierarchy as at reporting date are as follows:-

Group	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
30.6.2025				
Freehold land	-	-	16,234,497	16,234,497
Factory buildings	-	-	16,803,783	16,803,783
	-	-	33,038,280	33,038,280
30.6.2024				
Freehold land	-	-	27,090,000	27,090,000
Factory buildings	-	-	22,280,564	22,280,564
	-	-	49,370,564	49,370,564
Company				
30.6.2025				
Freehold land	-	-	9,540,740	9,540,740
Factory buildings	-	-	4,668,063	4,668,063
	-	-	14,208,803	14,208,803

The following table shows the significant unobservable input used in the valuation model:-

Type	Significant unobservable inputs	Relationship of unobservable inputs and fair value measurement
Freehold land and factory buildings	Sale price of comparable land and buildings	The higher the sales price of comparable land and buildings, the higher the fair value

If the freehold land and factory buildings were measured using the cost model, the net carrying amount would be as follows:-

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Freehold land	5,332,307	6,314,512	9,540,740	-
Factory buildings	8,340,196	11,213,872	4,668,063	-

Impairment loss

(i) Computers, furniture and fittings, office equipment and renovation and plant, machinery and equipment ("plant and equipment")

The impairment recognised by the Group was mainly attributed to impairment of the Group's plant and equipment in Sunzen Corporation Sdn. Bhd. totalling RM181,708. The Group has impaired the plant and equipment as management were unable to determine the recoverable amount of those assets. The subsidiaries have been making operating losses since previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

3. PROPERTY, PLANT AND EQUIPMENT cont'd

Impairment loss cont'd

(ii) Capital work in progress ("CWIP")

Included in CWIP of the Group are certain CWIP carried at cost of RM396,000 as at reporting date. These CWIP are in relation to the installation of certain plant, machinery, and equipment brought forward from previous financial years and no further work has been carried out to complete these CWIP.

Assets pledged as securities

The net carrying amounts of properties of the Group and of the Company which have been pledged as securities for banking facilities granted to the Group and the Company are as follows:-

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Freehold land	14,254,497	25,110,000	9,540,740	-
Factory buildings	15,398,069	20,840,566	4,668,063	-

Material accounting policy information

(a) Recognition and measurement

All property, plant and equipment, except for land and buildings, are measured at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Land and buildings are measured at fair value less accumulated depreciation and any impairment losses after the date of the revaluation. Valuations are performed with sufficient regularity, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the reporting date.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land and buildings are recognised in other comprehensive income and credited to the 'revaluation reserve' in equity. To the extent that any revaluation decreases or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluation of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in revaluation reserve on disposal of the asset is transferred to retained earnings.

(b) Depreciation

Property, plant and equipment are depreciated on the straight-line method to write off the cost or revalued amount of each asset to its residual value over its estimated useful lives, at the following annual rates:

Factory buildings	2%
Computers, furniture and fittings, office equipment and renovation	10% - 33.3%
Motor vehicles	20%
Plant, machinery and equipment	7% - 20%
Building improvements	25%

Freehold land with an infinite life is not depreciated.

Capital work in progress are not depreciated until the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

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4. RIGHT-OF-USE ASSETS

As a lessee

The Group and the Company have lease contracts for premises and motor vehicles used in its operations that have lease terms of between 2 to 7 years. The lease contracts restrict the Group and the Company from assigning and subleasing the leased assets.

Group	Motor vehicles RM	Premises RM	Total RM
Cost			
At 1 January 2023	987,200	363,010	1,350,210
Additions	1,065,710	439,524	1,505,234
Disposal	(545,602)	-	(545,602)
Expiration of lease contracts	-	(296,279)	(296,279)
At 30 June 2024	1,507,308	506,255	2,013,563
Effect on acquisition of a subsidiary	165,403	-	165,403
Additions	62,480	126,790	189,270
Transfer to property, plant and equipment	(441,598)	-	(441,598)
Early termination of lease contracts	-	(93,424)	(93,424)
Expiration of lease contracts	-	(92,847)	(92,847)
At 30 June 2025	1,293,593	446,774	1,740,367
Accumulated depreciation			
At 1 January 2023	830,948	172,101	1,003,049
Charge for the financial period	257,181	329,665	586,846
Disposal	(517,466)	-	(517,466)
Expiration of lease contracts	-	(296,279)	(296,279)
At 30 June 2024	570,663	205,487	776,150
Effect on acquisition of a subsidiary	57,891	-	57,891
Charge for the financial year	248,366	216,547	464,913
Transfer to property, plant and equipment	(441,597)	-	(441,597)
Early termination of lease contracts	-	(62,283)	(62,283)
Expiration of lease contracts	-	(92,847)	(92,847)
At 30 June 2025	435,323	266,904	702,227
Net carrying amount			
At 30 June 2025	858,270	179,870	1,038,140
At 30 June 2024	936,645	300,768	1,237,413

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

4. RIGHT-OF-USE ASSETS *cont'd*

Company	Motor vehicles	RM
Cost		
At 1 January 2023/30 June 2024	201,079	
Transfer to property, plant and equipment	(201,079)	
At 30 June 2025	-	
Accumulated depreciation		
At 1 January 2023	160,864	
Charge for the financial period	40,214	
At 30 June 2024	201,078	
Transfer to property, plant and equipment	(201,078)	
At 30 June 2025	-	
Net carrying amount		
At 30 June 2025	-	
At 30 June 2024	1	

The Group's and the Company's motor vehicles are under finance lease arrangement and pledged as securities for the related finance leases.

Material accounting policy information

(a) Recognition and measurement

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

(b) Depreciation

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Premises	2 - 4 years
Motor vehicles	7 years

5. INVESTMENT PROPERTY

	Group	
	30.6.2025	30.6.2024
	RM	RM
Fair value		
Brought forward/Carried forward	500,000	500,000

The above investment property represents one unit of condominium.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

5. INVESTMENT PROPERTY cont'd

The following income/(expenses) are recognised in profit or loss in respect of investment property:-

	Group	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM
Rental income	19,500	25,000
Direct operating expenses		
- revenue generating investment property	(494)	(779)

The fair value of the investment property of the Group as at reporting date is based on a revaluation by MN Associates (Nilai) Sdn. Bhd., an independent firm of professional valuers. The valuation was performed based on the market comparison method that reflects recent transaction price for similar properties in the vicinity.

Fair value measurement of the investment property was categorised as Level 3 and the following table shows the significant unobservable input used in the valuation model:-

Type	Significant unobservable inputs	Relationship of unobservable inputs and fair value measurement
Condominium	Sales price of comparable condominium	The higher the sales price of comparable condominium, the higher the fair value

Material accounting policy information

Investment properties which are held to earn rentals or for capital appreciation or both, are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise.

6. INTANGIBLE ASSETS

Group	Goodwill on consolidation	Registered drug formula rights	Total
	RM	RM	RM
At cost			
At 1 January 2023/30 June 2024	2,853,230	300,000	3,153,230
Effect on acquisition of a subsidiary	3,380,658	-	3,380,658
At 30 June 2025	6,233,888	300,000	6,533,888
Accumulated amortisation			
At 1 January 2023/30 June 2024/30 June 2025	-	300,000	300,000
Net carrying amount			
At 30 June 2025	6,233,888	-	6,233,888
At 30 June 2024	2,853,230	-	2,853,230

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

6. INTANGIBLE ASSETS *cont'd*

Goodwill on consolidation

Goodwill has been allocated to the Group's cash generating unit ("CGU"). A segment-level summary of the goodwill allocation is presented below:-

	Group	
	30.6.2025 RM	30.6.2024 RM
Loan financing	2,853,230	2,853,230
Pharmaceutical and medical goods	3,380,658	-
	6,233,888	2,853,230

The Group undertakes an annual test for impairment evaluation. No impairment loss was required for the goodwill on consolidation as its recoverable value was in excess of its carrying values.

Impairment test for goodwill

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering three to five years (30.6.2024: three years) period.

The key assumptions represent management's assessment of future trends in the respective industries and are based on both external sources and internal sources (historical data). Key assumptions made in determining the value-in-use are as follows:-

CGU/Segment	Forecasted growth rate		Average discount rate	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	%	%	%	%
Loan financing	1.86	1.96	6.20	5.78
Pharmaceutical and medical goods	2.00	-	7.70	-

The following describes each key assumption on which the Directors have used in the cash flow projections for the purposes of impairment testing of goodwill:-

- (i) Forecasted growth rate : based on published industry research
- (ii) Average discount rate : based on the industry weighted average cost of capital. The discount rate applied is pre-tax and reflects management's estimate of the risk specific to the CGU at the date of assessment

Sensitivity to changes in assumptions

With regard to the assessment of the value-in-use of the CGU, management believes that any changes to the key assumptions above would not result in the carrying values of the CGU to materially exceed their recoverable amounts.

Registered drug formula rights

The registered drug formula rights were acquired by a subsidiary from a third party before the subsidiary became part of the Group.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

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6. INTANGIBLE ASSETS *cont'd*

Material accounting policy information

(a) Recognition and measurement

(i) Goodwill on consolidation

Goodwill on consolidation is measured at cost less any accumulated impairment losses.

(ii) Registered drug formula rights

Registered drug formula rights are measured at cost less any accumulated amortisation and impairment losses.

(b) Amortisation

(i) Goodwill on consolidation

Goodwill is not amortised but instead reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

(ii) Registered drug formula rights

Registered drug formula rights are amortised over the useful economic lives of 8 years.

7. INVESTMENT IN SUBSIDIARIES

	Company	
	30.6.2025	30.6.2024
	RM	RM
Unquoted shares, at cost	50,508,495	37,747,908
Share options granted to subsidiaries' employees pursuant to Share Issuance Scheme	969,366	986,456
Less: Accumulated impairment loss	(8,000,000)	(8,621,864)
	<u>43,477,861</u>	<u>30,112,500</u>

The movements of accumulated impairment loss during the financial year/period are as follow:-

	Company	
	30.6.2025	30.6.2024
	RM	RM
Brought forward	8,621,864	8,672,864
Disposal	(621,864)	(51,000)
Carried forward	<u>8,000,000</u>	<u>8,621,864</u>

The impairment loss was recognised to adjust the carrying amount of investment in subsidiaries as the recoverable amounts were lower than the carrying amount.

The recoverable amount of the investment in subsidiaries are assessed by reference to the fair value less cost to sell of the respective subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

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7. INVESTMENT IN SUBSIDIARIES cont'd

Details of the Level 3 fair value method used in obtaining the recoverable amounts are as follows:-

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Adjusted net asset method which derives the fair value of an investee's equity instruments by reference to the fair value of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

Details of the subsidiaries are as follows:

Name of company	Principal place of business	Effective equity interest		Principal activities
		30.6.2025	30.6.2024	
		%	%	
Sunzen Corporation Sdn. Bhd.	Malaysia	-	100	Biotechnology research and development, manufacture, import, export, marketing and trading of veterinary machines, pharmaceutical, chemical products, animal health products and equipment, laboratory services, crude palm oil and derivative products.
Sunzen Lifesciences Sdn. Bhd.	Malaysia	-	100	Biotechnology research and development and commercialisation of in-feed anti-bacterial products and supplements for animal health products.
Sunzen Feedtech Sdn. Bhd.	Malaysia	100	100	Biotechnology research and development, manufacturers, importers, exporters, and trading of veterinary, pharmaceutical, chemical, animal health, beauty & cosmetic products, investment holding and trading of crude palm oil and derivative products.
Finsource Credit (M) Sdn. Bhd. ("FCSB")	Malaysia	100	100	Financial consultancy services and licensed money lending activities.
PT Sunzen Indonesia ^#*	Indonesia	100	100	Wholesaling and trading of animal health products.
Sunzen Palma Sdn. Bhd.	Malaysia	100	100	Trading of animal health and nutrition products for livestock, animal beauty and cosmetic products and trading of crude palm oil and derivative products.
Ecolite Biotech Manufacturing Sdn. Bhd. ("Ecolite")	Malaysia	100	70	Manufacturing and sales of herbal drinks, food stuff and related health products.
Eye Nation Medical Sdn. Bhd. ("ENM")	Malaysia	70	-	Trading of diagnostic equipment and other related products.

NOTES TO THE FINANCIAL STATEMENTS

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7. INVESTMENT IN SUBSIDIARIES cont'd

Details of the subsidiaries are as follows: *cont'd*

Name of company	Principal place of business	Effective equity interest		Principal activities
		30.6.2025	30.6.2024	
		%	%	
Subsidiaries of Ecolite Biotech Manufacturing Sdn. Bhd.				
Ecolite Distribution Sdn. Bhd.	Malaysia	100	100	Retail, wholesale, distribution, and trading of health and herbal products.
Ecolite Pharma Sdn. Bhd.	Malaysia	-	100	Retailing in herbal drinks, foodstuffs and hampers and manufacturing and sales of birds nests and related activities.
Yanming Resources Sdn.Bhd. ("Yanming") ^^	Malaysia	70	70	Process and trading in bird nests and related activities.
Herbology Sdn. Bhd. (formerly known as The Yanwo Sdn. Bhd.)	Malaysia	100	60	Manufacturing, trading, marketing, e-commerce, sales of food and beverage nutrition.

^ Held 70% and 30% through the Company and Sunzen Feedtech Sdn. Bhd. respectively.

^^ Held 30% and 70% through the Company and Ecolite respectively.

Not audited by member firms of Grant Thornton Malaysia PLT.

* The subsidiary has ceased its business operation in year 2021 and since then, the subsidiary is not required to be audited in its incorporated country. The latest audited accounts were 31 December 2020 and the subsidiary is consolidated based on management accounts.

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30 JUNE 2025

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7. INVESTMENT IN SUBSIDIARIES cont'd

Acquisition of new subsidiary

During the financial year ended 30 June 2025, the Company had acquired 70,000 ordinary shares in ENM, representing 70% equity interest in ENM, for a total purchase consideration of RM6,370,000 by cash. Subsequent to the acquisition of equity interest, ENM becomes the subsidiary of the Company.

Consideration, assets recognised and liabilities assumed

	30.6.2025
	RM
Fair value of considerations	<u>6,370,000</u>
<u>Fair value of identifiable net assets:</u>	
Property, plant and equipment	745,681
Right-of-use assets	107,512
Inventories	2,093,691
Trade receivables	1,058,167
Other receivables	23,602
Tax recoverable	10,884
Cash and bank balances	2,143,498
Deferred tax liabilities	(78,113)
Lease liabilities	(120,507)
Trade payables	(38,448)
Other payables	<u>(1,675,478)</u>
Total identifiable net assets	<u>4,270,489</u>
<u>Goodwill arising from business combination</u>	
Fair value of considerations	6,370,000
Non-controlling interests	1,281,147
Fair value of identifiable net assets	<u>(4,270,489)</u>
Goodwill arising from acquisition of a subsidiary	<u>3,380,658</u>
<u>Net cash outflows from acquisition of a subsidiary:</u>	
Cash and cash equivalents acquired	2,143,498
Less: Fair value of considerations paid in cash	(6,370,000)
Net cash outflows from acquisition of a subsidiary	<u>(4,226,502)</u>

Impact of the acquisition on the Consolidated Statement of Profit or Loss and Other Comprehensive Income

From the date of acquisition up to the end of the current financial year, the acquired subsidiary had contributed RM6,963,062 and RM869,688 to the Group's revenue and profit for the year respectively. If the acquisition had taken place at the beginning of the current financial year, the Group's revenue and profit for the financial year would have been RM82,538,268 and RM2,947,312 respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

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7. INVESTMENT IN SUBSIDIARIES cont'd

Acquisition of additional equity in subsidiaries

During the financial year ended 30 June 2025, Ecolite completed acquisition of 40,000 shares (40%) in Herbology Sdn. Bhd (formerly known as The Yanwo Sdn. Bhd.) ("HSB") from its non-controlling interest for a cash consideration of RM4,000. As a result of this acquisition, Ecolite increased its ownership in HSB from 60% to 100%. The net cash outflow from the acquisition amounted to RM4,000.

During the financial year ended 30 June 2025, the Company completed acquisition of 2,250,000 shares (30%) in Ecolite and 150,000 shares in Yanming (a 70% owned subsidiary of Ecolite) from the non-controlling interest for total purchase consideration of RM17,288,135 and RM5,186,441 respectively.

These acquisitions were completed on 11 October 2024 and Ecolite and Yanming have become wholly owned by the Company.

The purchase consideration was fully settled through the issuance and allotment of 66,101,694 new ordinary shares of the Company, reported at a fair value of RM0.34 per share, being the quoted market price of the Company's shares on the completion date, based on the requirements of MFRS 3: Business Combinations and MFRS 13: Fair Value Measurement.

Disposal of subsidiaries

The Company disposed of all the interests in Sunzen Corporation Sdn. Bhd. and Sunzen Lifesciences Sdn. Bhd. (30.6.2024: Sunzen International Sdn. Bhd.) to third party. The effect of the disposal of a subsidiary on the financial position of the Group as at that date of disposal was as follows:-

	Group	
	30.6.2025	30.6.2024
	RM	RM
Property, plant and equipment	16,871,214	1,429
Inventories	923,924	-
Other receivables	302,301	-
Tax recoverable	202,292	-
Cash and bank balances	1,983,863	35,520
Deferred tax liabilities	(968,639)	-
Trade payables	(28,519)	-
Other payables	(1,981,778)	(269,604)
Net assets/(liabilities)	17,304,658	(232,655)
Less: non-controlling interests	-	114,001
(Loss)/Gain on disposal of subsidiaries	(4,658)	118,705
Cash consideration	17,300,000	51
Less: Consideration receivable	(15,570,000)	-
Less: Cash and cash equivalents	(1,983,863)	(35,520)
Net cash outflows	(253,863)	(35,469)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

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7. INVESTMENT IN SUBSIDIARIES cont'd

Deconsolidation of subsidiaries

During the financial year ended 30 June 2025, the subsidiary of Ecolite Biotech Manufacturing Sdn. Bhd. (Ecolite Pharma Sdn. Bhd.) was wound up. During the financial period ended 30 June 2024, the subsidiaries of Ecolite Biotech Manufacturing Sdn. Bhd. (Ecolite (Shanghai) Co., Limited, Ecolite China Co., Limited and Guangzhou Yukangyan Food Trade Co., Ltd) were striking off.

The effect of the winding up/striking off on the financial position of the Group as at that date of winding up/striking off was as follows:-

	Group	
	30.6.2025 RM	30.6.2024 RM
Other receivables	524,000	2,848,720
Tax recoverable	9,984	-
Cash and bank balances	837	-
Other payables	-	(2,671,804)
Net assets	534,821	176,916
Less: currency translation reserve	-	(280,095)
(Loss)/Gain on deconsolidation of subsidiaries	(34,821)	103,179
Capital repayment from a subsidiary	500,000	-
Less: Cash and cash equivalents	(837)	-
Net cash inflows	499,163	-

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:-

	Eye Nation Medical Sdn. Bhd.	Ecolite and its subsidiaries
	30.6.2025	30.6.2024
NCI percentage of ownership interest and voting interest	30%	30%
Carrying amount of NCI (RM)	1,542,053	10,440,428
Profit allocated to NCI (RM)	260,906	1,405,224
Total comprehensive income allocated to NCI (RM)	260,906	2,361,744

NOTES TO THE FINANCIAL STATEMENTS

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7. INVESTMENT IN SUBSIDIARIES cont'd

Non-controlling interests in subsidiaries cont'd

Summarised financial information before intra-group elimination are as follows:-

	Eye Nation Medical Sdn. Bhd.	30.6.2025	Ecolite and its subsidiaries	30.6.2024
		RM		RM
Non-current assets		865,654	21,807,805	
Current assets		6,194,839	27,655,530	
Non-current liabilities		(147,453)	(9,714,906)	
Current liabilities		(1,772,863)	(6,285,054)	
Net assets		5,140,177	33,463,375	
Revenue		12,871,737	114,796,907	
Profit for the year/period		947,201	3,963,843	
Total comprehensive income for the year/period		947,201	6,804,547	
Cash flows from operating activities		242,085	7,791,571	
Cash flows used in investing activities		(201,148)	(2,449,017)	
Cash flows (used in)/from financing activities		(974,817)	957,078	
Net (decrease)/increase in cash and cash equivalents		(933,880)	6,299,632	

Material accounting policy information

Investment in subsidiaries is measured in the Company's statement of financial position at cost less any impairment losses.

8. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Unquoted shares, at cost	980,000	980,000	5,186,441	-
Share of post-acquisition reserve	(870,210)	(418,192)	-	-
Less: Accumulated impairment losses				
Brought forward	-	-	-	-
Addition	(109,790)	-	-	-
Carried forward	(109,790)	-	-	-
	-	561,808	5,186,441	-

NOTES TO THE FINANCIAL STATEMENTS

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8. INVESTMENT IN AN ASSOCIATE *cont'd*

The impairment loss was recognised to adjust the carrying amount of investment in an associate as the recoverable amounts were lower than the carrying amount.

Impairment loss on investment in an associate is included in other expenses.

The recoverable amount of the investment in an associate is assessed by reference to the fair value less cost to sell of the associate.

Details of the Level 3 fair value method used in obtaining the recoverable amounts are as follows:-

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Adjusted net asset method which derives the fair value of an investee's equity instruments by reference to the fair value of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

Details of the Group's associate is as follow:

Name of company	Principal place of business	Effective equity interest		Principal activities
		30.6.2025	30.6.2024	
		%	%	
Xmegami Manufacturing Sdn. Bhd. ("XMSB") *	Malaysia	49	49	To carry on the business related to manufacturing local products.

Details of the Company's associate is as follow:

Name of company	Principal place of business	Effective equity interest		Principal activities
		30.6.2025	30.6.2024	
		%	%	
Yanming Resources Sdn. Bhd.	Malaysia	30	-	Process and trading in bird nests and related activities.

* Not audited by Grant Thornton Malaysia PLT.

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8. INVESTMENT IN AN ASSOCIATE *cont'd*

The summarised financial information of the associate not adjusted for the proportion of ownership interests held by the Group are as follows:-

	30.6.2025	30.6.2024
	RM	RM
Financial position		
Non-current assets	2,468,129	2,829,722
Current assets	170,329	636,832
Non-current liabilities	-	(35,819)
Current liabilities	(2,414,397)	(2,284,188)
Net assets	224,061	1,146,547
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM
Financial performance		
Revenue	808,880	268,623
Loss/Total comprehensive loss for the financial year/period	922,486	851,066
Reconciliation of net assets to carrying amount		
Group's share of net assets	109,790	561,808
Less: Accumulated impairment losses	(109,790)	-
Carrying amount in the statements of financial position	-	561,808
Group's share of results for the financial year/period		
Group's share of loss/total comprehensive loss	452,018	418,143

Contingent liabilities and capital commitments

The associate has no contingent liabilities and capital commitments as at the reporting date.

Related balance

The amount due from/to an associate is non-trade in nature, unsecured, interest-free and receivable/repayable on demand.

Material accounting policy information

Investment in an associate is measured in the Company's statement of financial position at cost less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

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9. AMOUNT DUE FROM/TO SUBSIDIARIES

	Company	
	30.6.2025	30.6.2024
	RM	RM
<u>Amount due from subsidiaries</u>		
Non-current asset		
Loan to subsidiaries	75,400,875	56,300,000
Current asset		
Amount due from subsidiaries		
- trade	-	1,105,499
- non-trade	7,241,050	24,825,263
	7,241,050	25,930,762
Loan to subsidiaries	553,540	-
Less: Accumulated impairment loss	(7,238,880)	(10,418,881)
	555,710	15,511,881
	<u>75,956,585</u>	<u>71,811,881</u>
<u>Amount due to subsidiaries</u>		
Current liability		
Amount due to subsidiaries		
- non-trade	325,997	315,000

The movements of the accumulated impairment loss of loan to subsidiaries are as follows:-

	Company	
	30.6.2025	30.6.2024
	RM	RM
<u>Brought forward</u>		
<u>Reversal during the financial period</u>		
<u>Written off</u>		
<u>Carried forward</u>		

The movements of the accumulated impairment loss of amount due from subsidiaries are as follows:-

	Company	
	30.6.2025	30.6.2024
	RM	RM
<u>Brought forward</u>		
<u>Recognised during the financial period</u>		
<u>Reversal during the financial year</u>		
<u>Written off</u>		
<u>Carried forward</u>		

NOTES TO THE FINANCIAL STATEMENTS

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9. AMOUNT DUE FROM/TO SUBSIDIARIES cont'd

The loan to subsidiaries is unsecured, subject to interest at 4% to 5% (30.6.2024: 3%) per annum and is receivable on demand except for an amount of RM11,954,415 (30.6.2024: Nil) is receivable by 180 (30.6.2024: Nil) monthly installments. The Directors have concluded that it is not likely that the amount will be received in the next 12 months and the Company will not demand for payment.

The trade balances are unsecured, interest-free and subject to normal trade term.

The non-trade balances are unsecured, interest-free and repayable on demand.

10. TRADE RECEIVABLES

The trade receivables are recognised at their original invoice amount which represent their fair values on initial recognition. The Group's and the Company's normal trade credit terms ranged from cash term to 90 days (30.6.2024: cash term to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Non-current asset				
Trade receivables	70,546,794	53,897,570	-	-
Current asset				
Trade receivables	17,902,576	15,498,242	-	-
Less: Accumulated individual and collective loss allowances	(853,972)	(712,546)	-	-
	17,048,604	14,785,696	-	-
	87,595,398	68,683,266	-	-

The movements of the allowance for impairment loss are as follows:

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Brought forward	712,546	996,702	-	-
Effect on acquisition of a subsidiary	28,670	-	-	-
Loss allowances recognised in profit or loss				
- Collective impairment losses	146,005	9,723	-	-
Reversal of allowances for impairment loss recognised				
- Individual impairment losses	(26,000)	(285,335)	-	-
Disposal of subsidiaries	(7,249)	(1,800)	-	-
Written off	-	(6,744)	-	-
Carried forward	853,972	712,546	-	-

NOTES TO THE FINANCIAL STATEMENTS

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10. TRADE RECEIVABLES cont'd

Included in trade receivables of the Group are loan receivables arising from the loan financing business amounting to RM80,492,092 (30.6.2024: RM63,060,436). Trade receivables of the Group amounting to RM80,492,092 (30.6.2024: RM63,060,436) are secured by collateral, bear interest rate at 12% (30.6.2024: 12%) per annum and are repayable over 12 to 120 monthly installments (30.6.2024: 12 to 120 monthly installments).

The carrying amount of the collateral represents an approximation of fair value of the assets as at the reporting date.

11. OTHER RECEIVABLES

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Non-current asset				
Non-trade receivables	-	192,000	-	192,000
Loss allowances recognised in profit or loss:				
- Individual impairment losses	-	(192,000)	-	(192,000)
	-	-	-	-
Current asset				
Non-trade receivables	16,531,691	1,008,918	16,377,228	591,000
Loss allowances recognised in profit or loss:				
- Individual impairment losses	(783,000)	(591,000)	(783,000)	(591,000)
	15,748,691	417,918	15,594,228	-
Deposits	202,809	555,722	14,918	131,540
Prepayments	330,733	1,539,637	48,093	59,484
Advances to suppliers	770,123	871,394	-	-
Sales tax recoverable	3,727	4,565	-	-
	17,056,083	3,389,236	15,657,239	191,024
	17,056,083	3,389,236	15,657,239	191,024

The movements of the individual impairment losses are as follows:-

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Brought forward				
	783,000	232,067	783,000	-
Loss allowances recognised in profit or loss	-	783,000	-	783,000
Reversal of allowances for impairment loss recognised	-	(232,067)	-	-
Carried forward	783,000	783,000	783,000	783,000

Included in non-trade receivables of the Group and of the Company is a balance of consideration receivable from the purchaser for disposed subsidiaries amounting to RM15,570,000 (30.6.2024: Nil).

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12. INVENTORIES

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Raw materials	488,248	944,053	-	123,133
Finished goods	5,164,192	6,392,675	-	3,574
Trading goods	1,609,411	-	-	-
Packing materials	2,245,595	2,129,554	-	38,987
	9,507,446	9,466,282	-	165,694

Recognised in profit or loss:

	Group		Company	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM	RM	RM
Inventories recognised in cost of sales	35,352,508	70,345,004	219,856	664,736
Reversal of inventories written down	(235,913)	(16,902)	(53,568)	-
Inventories written down	164,144	536,126	-	41,983
Inventories written off	160,591	780,775	488	87,321

The reversal of inventories written down was made during the financial year/period when the related inventories were sold above their carrying amounts.

Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

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30 JUNE 2025

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13. CASH AND BANK BALANCES, DEPOSITS AND SHORT-TERM PLACEMENTS

Cash and cash equivalents comprise the following:-

	Group		Company	
	30.6.2025 RM	30.6.2024 RM	30.6.2025 RM	30.6.2024 RM
At amortised cost:-				
Fixed deposits with licensed banks	909,084	918,156	606,729	588,819
Cash in hand and bank balances	10,319,927	21,509,666	1,372,146	3,324,267
	11,229,011	22,427,822	1,978,875	3,913,086
At fair value through profit or loss:-				
Money market fund investments	7,762,226	5,205,430	338,278	311,473
Cash and bank balances	18,991,237	27,633,252	2,317,153	4,224,559
Less:-				
Fixed deposits pledged for loans and borrowings	(606,729)	(588,819)	(606,729)	(588,819)
Cash and cash equivalents	18,384,508	27,044,433	1,710,424	3,635,740

Fixed deposits with licensed banks

Fixed deposits with licensed banks amounting to RM606,729 (30.6.2024: RM588,819) of the Group and of the Company have been pledged as collateral to a licensed bank to secure banking facilities granted to the Company and certain subsidiaries of the Group.

Effective interest rates per annum on the fixed deposits of the Group and of the Company are as follows:-

	Group		Company	
	30.6.2025 %	30.6.2024 %	30.6.2025 %	30.6.2024 %
Fixed deposits with licensed banks	1.85 - 3.00	1.60 - 3.08	3.00	2.82 - 3.08

The maturity period of the fixed deposits with licensed banks of the Group is 6 months (30.6.2024: 6 months).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

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13. CASH AND BANK BALANCES, DEPOSITS AND SHORT-TERM PLACEMENTS *cont'd*

Money market fund investments

Money market fund investments represent investment in deposits and money market investments which are highly liquid. These investments are convertible into cash in short-term period and has insignificant risk of changes in value.

Reconciliation of liabilities arising from financing activities of the Group and of the Company:-

	Brought forward RM	Additions RM	Early termination RM	Cash flows RM	Carried forward RM
Group					
30.6.2025					
Lease liabilities	1,173,323	305,880*	(32,707)	(410,544)	1,035,952
Bankers' acceptance	-	-	-	110,000	110,000
Term loans	6,489,403	-	-	12,251,955	18,741,358
Total	7,662,726	305,880	(32,707)	11,951,411	19,887,310
30.6.2024					
Lease liabilities	522,807	1,365,597	-	(715,081)	1,173,323
Term loans	4,621,313	-	-	1,868,090	6,489,403
Amount due to an associate	49	-	-	(49)	-
Total	5,144,169	1,365,597	-	1,152,960	7,662,726
Company					
30.6.2025					
Lease liabilities	5,542	-	-	(5,542)	-
Amount due to a subsidiary	315,000	-	-	10,997	325,997
Amount due to an associate	-	-	-	47,587	47,587
Term loans	-	-	-	11,646,340	11,646,340
Total	320,542	-	-	11,699,382	12,019,924
30.6.2024					
Lease liabilities	37,672	-	-	(32,130)	5,542
Amount due to a subsidiary	320,000	-	-	(5,000)	315,000
Total	357,672	-	-	(37,130)	320,542

The additions consist of the future lease payment of RM185,373 and effect on acquisition of a subsidiary of RM120,507.

NOTES TO THE FINANCIAL STATEMENTS

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14. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	Share capital	Treasury shares	Share capital	Treasury shares
	Number of shares		RM	RM
At 1 July 2024	728,480,459	(15,937,300)	111,844,068	(2,956,219)
Issued pursuant to:				
- Share options exercised under Share Issuance Scheme	4,593,400	-	1,112,658	-
- Exercise of warrants	12,883,550	-	2,576,710	-
- Acquisition of non-controlling interests	66,101,694	-	22,474,576	-
- Purchase of treasury shares	-	(23,900,000)	-	(7,463,132)
At 30 June 2025	812,059,103	(39,837,300)	138,008,012	(10,419,351)
At 1 January 2023	720,540,659	(15,937,300)	110,221,239	(2,956,219)
Issued pursuant to:				
- Share options exercised under Share Issuance Scheme	756,000	-	186,069	-
- Exercise of warrants	7,183,800	-	1,436,760	-
At 30 June 2024	728,480,459	(15,937,300)	111,844,068	(2,956,219)

(i) Share capital

The holders of the ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

(ii) Treasury shares

Treasury shares relate to the ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of proceeds received on their subsequent sale or issuance.

During the financial year ended 30 June 2025, the Company purchased 23,900,000 of its issued share capital from the open market at the average price paid of RM0.31 per share. The purchase transactions were financed by internal generated funds.

The shares purchased were retained as treasury shares. The Company has the right to re-issue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

As at the end of the reporting year, the Group held 39,837,300 (30.6.2024: 15,937,300) of the Company's shares and the number of outstanding shares in issue after setting treasury shares off against equity is 772,221,803 (30.6.2024: 712,543,159).

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15. WARRANTS

Warrants 2022/2027

On 21 September 2022, the Company undertook a bonus issue of warrants on the basis of 1 new warrant for every 2 existing ordinary shares in the Company held by the entitled shareholders. 356,894,609 new warrants ("Warrants 2022/2027") were listed on the ACE Market of Bursa Malaysia Securities Berhad. The Warrants 2022/2027 are constituted by a deed poll ("Deed Poll") dated 25 August 2022.

The salient terms of the Warrants 2022/2027 are as follows:

- (i) Each Warrant will entitle the registered holder to subscribe for 1 new ordinary share in the Company at an exercise price of RM0.20 each subject to adjustment in accordance with the conditions stipulated in the Deed Poll;
- (ii) The Warrants may be exercised any time within 5 years beginning on the date of issuance on 14 September 2022. Warrants not exercised within the exercise period will therefore lapse and cease to be valid;
- (iii) The exercise price is RM0.20 per Warrant. The exercise price and the number of outstanding Warrants shall be subject to adjustments that may be required during the exercise period by the Company, in consultation with the approved adviser and certified by auditors appointed by the Company, in accordance with the terms and provisions of the Deed Poll;
- (iv) The new shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respect with the existing ordinary shares of the Company in issue except that they will not be entitled to any dividend, rights, allotment or other distributions, the entitlement date of which is before the allotment and issuance of the new shares; and
- (v) The persons to whom the Warrants have been granted have no rights to participate in any distribution and/ on offer of further securities in the Company until/and unless Warrants holders exercise their Warrant for new shares.

As at the reporting date, the number of Warrants that remain unexercised was 336,827,259 (30.6.2024: 349,710,809).

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16. RESERVES

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Revaluation reserve	16,571,310	22,711,626	-	-
Merger deficit	-	(8,397,548)	-	-
Currency translation reserve	24,568	(18,809)	-	-
Share option reserve	7,040,386	7,011,227	7,040,386	7,011,227
(Accumulated losses)/Retained earnings	(2,646,856)	9,200,419	9,405,866	(9,913,356)
	20,989,408	30,506,915	16,446,252	(2,902,129)

16.1 Revaluation reserve

The asset revaluation reserve represents increases in the fair value of freehold land and factory buildings, net of tax, and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income and is not distributable by way of dividends.

16.2 Merger deficit

The merger deficit resulted from the difference between the carrying value of the investments in a subsidiary and the nominal value of the shares of the Company's subsidiary upon consolidation under the merger accounting principle.

16.3 Currency translation reserve

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currency is different from that of the Group's presentation currency.

16.4 Share option reserve

The Group operates an equity-settled share options pursuant to the Company's Share Issuance Scheme ("SIS"). The share option reserve represents the cumulative value of services received from Directors and employees recorded over the vesting period commencing from the grant date of the equity-settled share options, and is reduced by the expiry or exercise of the share options.

At an Extraordinary General Meeting held on 24 November 2015, the Company had obtained its shareholders' approval for the establishment and implementation of a SIS up to thirty percent (30%) of the total issued shares of the Company (excluding treasure shares) at any point of time for the eligible Directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries).

NOTES TO THE FINANCIAL STATEMENTS

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16. RESERVES cont'd

16.4 Share option reserve cont'd

The salient terms of the SIS are as follows:-

- (i) In accordance with the By-Laws, where an offer, allocation of options under the SIS and the related allotment of Shares is proposed to be made to any person who is a Director, major shareholder (who is also a Director an/or employee) or chief executive of the Company or persons connected to any of them, such allocation shall require prior approval from the shareholders of the Company in a general meeting provided always that the foregoing persons and persons connected to them shall not vote on the resolutions approving the said offer, allocation and allotment;
- (ii) Only eligible Directors and employees of the Company and its subsidiaries who meets the criteria of eligibility will be eligible for participation in the SIS, provided always that the selection of any Director or employee for participation in the SIS shall be at the discretion of the Option Committee and the decision of the Option Committee shall be final and binding;
- (iii) The aggregate number of SIS Shares that may be offered under the SIS Options to the eligible Directors and employees shall be determined at the sole and absolute discretion of the Option Committee after taking into consideration, amongst others, the position, ranking, performance, seniority and length of service of the eligible Directors and employees, and such other factors that Option Committee may in sole and absolute discretion deem fit, subject to the following:
 - (a) the Directors and senior management of the Company and its subsidiaries (excluding dormant subsidiaries) do not participate in the deliberation or discussion of their own allocation of SIS Options;
 - (b) the number of SIS Shares allocated, in aggregate, to the Directors and senior management of the Company and its subsidiaries (excluding dormant subsidiaries) shall not exceed eighty percent (80%) of the total number of SIS Shares to be issued at any one time during the duration of the Proposed SIS;
 - (c) not more than ten percent (10%) of the total number of SIS Options shall be allocated to any eligible Directors and employees, who, either singly or collectively through persons connected with the eligible Directors, holds twenty percent (20%) or more of the issued and paid-up share capital of the Company (excluding treasury shares);
- (iv) The actual number of SIS shares which may be offered to any eligible Directors and employees shall be at the discretion of the Option Committee and the number of SIS Shares so offered shall not be less than one hundred (100) shares nor more than the maximum allowable allocation of such eligible Directors and employees and shall be in multiples of one hundred (100) shares;
- (v) The price payable upon exercise of an option granted under the SIS shall be subject to any adjustments in accordance with the By-Laws, the option price of each share comprised in any option shall be based on the 5-day weighted average market price of the Company's shares as quoted on the ACE Market of Bursa Malaysia Securities Berhad immediately preceding the date of offer of the options, and at the Option Committee's discretion with a discount of not more than ten percent (10%);
- (vi) The SIS shares shall, upon issuance and allotment, rank pari passu in all respects with the then existing ordinary shares of the Company, save and except that the SIS shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution, the entitlement date of which is prior to the date of allotment and issuance of such SIS shares; and
- (vii) The SIS shall be in force for a duration of ten (10) years from the effective date of implementation of the SIS on 15 April 2016.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

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16. RESERVES cont'd

16.4 Share option reserve cont'd

Movement of share options during the financial year/period

The terms and conditions related to the offer of the share options scheme are as follows:

Offer date/employee entitled	Number of options	Contractual life of options
ESOS A Option offer to eligible Directors on 26 November 2020	94,000,000	Up to 15 April 2026
ESOS A Option offer to eligible employee on 26 November 2020	32,940,000	Up to 15 April 2026
ESOS B Option offer to eligible employee on 21 December 2021	8,260,000	Up to 15 April 2026
Total share options offered and accepted		<u>135,200,000</u>

All options are to be settled by physical delivery of shares.

Vesting conditions

- (i) For eligible Directors, all the Directors must not sell, transfer or assign shares obtained through the exercise of options offered to them within one (1) year from the date of offer of such options; and
- (ii) For eligible employees, 20% of the options are vested on the date of offer. The balance number of options to be vested shall be subject to the achievement of certain performance criteria over the next five (5) years and shall be vested upon achievement of the performance criteria.

The number of share options are as follows:-

	ESOS A 30.6.2025 Unit	ESOS B 30.6.2025 Unit	ESOS A 30.6.2024 Unit	ESOS B 30.6.2024 Unit
Outstanding at 1 July/1 January	88,968,200	3,974,000	96,241,200	5,859,000
Exercised during the year/period	(3,950,200)	(643,200)	(605,000)	(151,000)
Forfeited during the year/period	(2,670,800)	(752,000)	(2,668,000)	(1,552,000)
Lapsed during the year/period	(150,000)	(56,000)	(4,000,000)	(182,000)
Outstanding at 30 June	<u>82,197,200</u>	<u>2,522,800</u>	<u>88,968,200</u>	<u>3,974,000</u>
Exercisable at 30 June	<u>74,884,000</u>	<u>258,000</u>	<u>74,795,000</u>	<u>86,000</u>

The ESOS A and ESOS B have an exercise price at RM0.1395 and RM0.1772 respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

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16. RESERVES cont'd

16.4 Share option reserve cont'd

Fair value of share options granted

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using Binomial option pricing model, with the following inputs:-

	ESOS A RM	ESOS B RM
Fair value of share options and assumptions		
Fair value at grant date (RM)	0.0936	0.1211
Share price at grant date (RM)	0.1550	0.2050
Exercise price (RM)	0.1395	0.1772
Expected volatility (weighted average volatility) (%)	67.12%	66.33%
Options life (expected weighted average life) (years)	5	4.32
Expected dividends	Nil	Nil
Risk-free interest rate (based on Malaysian government bonds) (%)	2.11%	3.06%

Value of employee services received for issue of share options

	Group 1.7.2024 to 30.6.2025	Company 1.7.2024 to 30.6.2025
	RM	RM
Share options granted in 2025:		
- Company's employees	97,718	97,718
- Subsidiaries' employees	399,895	-
Total expenses recognised as share-based payments	497,613	97,718

17. LEASE LIABILITIES

17.1 Lease liabilities

	Group 30.6.2025 RM	Company 30.6.2024 RM	Group 30.6.2025 RM	Company 30.6.2024 RM
Non-current liability				
- between 2 to 5 years	696,926	699,018	-	-
- more than 5 years	29,584	98,700	-	-
	726,510	797,718	-	-
Current liability				
- within 1 year	309,442	375,605	-	5,542
	1,035,952	1,173,323	-	5,542

NOTES TO THE FINANCIAL STATEMENTS

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17. LEASE LIABILITIES cont'd

17.2 Cash outflows for leases as a lessee

	Group		Company	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024	1.1.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM	RM	RM
Payment relating to short-term leases	138,632	181,974	-	-
Payment relating to leases of low value assets	8,321	18,541	3,274	3,960
Payment of lease liabilities	410,544	715,081	5,542	32,130
Interest paid in relation to lease liabilities	56,340	60,517	39	1,476
Total cash outflows for leases	613,837	976,113	8,855	37,566

The lease liabilities of the Group and the Company bear interest rates ranging from 2.26% to 6.00% (30.6.2024: 3.00% to 6.00%) and Nil (30.6.2024: 4.55%) respectively per annum.

Material accounting policy information

Recognition exemption

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

18. LOANS AND BORROWINGS

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Current liability:				
- Term loan	901,397	291,364	579,277	-
- Bankers' acceptance	110,000	-	-	-
	1,011,397	291,364	579,277	-
Non-current liability:				
Term loan				
- between 1 to 5 years	-	896,104	2,610,856	-
- more than 5 years	17,839,961	5,301,935	8,456,207	-
	17,839,961	6,198,039	11,067,063	-
	18,851,358	6,489,403	11,646,340	-

The term loan of the Group and of the Company bear interest rates ranging from 4.35% to 4.75% (30.6.2024: at 4.35% to 4.65%) per annum and 4.75% (30.6.2024: Nil) per annum respectively.

NOTES TO THE FINANCIAL STATEMENTS

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18. LOANS AND BORROWINGS cont'd

The bankers' acceptance bears interest rate at 5.18% (30.6.2024: Nil) per annum.

The loans and borrowings are secured by the following:-

- (a) legal charge over the freehold land and factory buildings belonging to the Group and the Company as disclosed in Note 3 to the financial statements;
- (b) corporate guarantee by the Company and a subsidiary;
- (c) personal guarantee by a director of the subsidiary; and
- (d) absolute assignment of life policy of a Director of the Company.

19. DEFERRED TAX LIABILITIES

	Group	
	30.6.2025	30.6.2024
	RM	RM
Brought forward	5,456,025	3,568,653
Effect on acquisition of a subsidiary	78,113	-
Disposal of subsidiaries	(968,639)	-
Recognised in other comprehensive income	-	1,812,526
Recognised in profit or loss	(1,730,491)	74,846
Carried forward	<u>2,835,008</u>	<u>5,456,025</u>

The deferred tax liabilities comprise the tax effects of:-

	Group	
	30.6.2025	30.6.2024
	RM	RM
Property, plant and equipment	1,246,066	1,214,100
Right-of-use assets	34,000	30,238
Lease liabilities	(29,000)	(24,256)
Loss allowances for receivables	(2,837)	(1,538)
Loss allowances for inventories	(60,903)	(83,595)
Revaluation reserve	1,647,682	4,321,076
	<u>2,835,008</u>	<u>5,456,025</u>

20. TRADE PAYABLES

The trade payables are interest-free and the normal credit terms granted to the Group and the Company ranged from 30 days and 90 days (30.6.2024: 30 to 90 days and 30 to 60 days) respectively.

NOTES TO THE FINANCIAL STATEMENTS

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21. OTHER PAYABLES

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Non-trade payables	2,922,681	784,203	1,056,727	107,108
Accruals	1,655,190	2,053,752	163,244	112,880
Deposits	4,150	31,750	-	3,600
Trade deposits	2,640	131,644	-	-
Refund liabilities	242,815	258,898	-	-
	4,827,476	3,260,247	1,219,971	223,588

- (a) The trade deposits represent advance payments received based on trade arrangement with the customers to secure sales of the Group.
- (b) In prior financial period, included in non-trade payables of the Group is an amount of RM57,200 due to a non-controlling interest of a subsidiary. The said amount is unsecured, interest-free and is repayable on demand.
- (c) Included in non-trade payables of the Group and of the Company is an amount of RM12,038 (30.6.2024: RM7,113) and RM12,038 (30.6.2024: RM6,480) respectively due to a company in which a Director has interest, unsecured, interest-free and repayable on demand.
- (d) In prior financial period, included in deposits of the Group and of the Company is an amount of RM27,600 and RM3,600 respectively paid by a company in which a Director has interest, unsecured and interest-free.

22. REVENUE

	Group		Company	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM	RM	RM
<u>Revenue from contracts with customers:</u>				
Manufacturing and trading of:				
- Animal health products	2,806,104	8,236,826	239,652	770,637
- Traditional chinese medicines and herbal health foods and beverages	57,074,078	114,784,427	-	-
- Pharmaceutical and medical goods	6,963,062	-	-	-
	66,843,244	123,021,253	239,652	770,637
<u>Revenue from other sources:</u>				
Loan financing:				
- Interest income	13,738,474	19,657,014	-	-
	80,581,718	142,678,267	239,652	770,637
<u>Timing of revenue from contracts with customers:</u>				
- At a point in time	66,843,244	123,021,253	239,652	770,637

NOTES TO THE FINANCIAL STATEMENTS

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22. REVENUE cont'd

Disaggregation of revenue

	Group		Company	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM	RM	RM
Primary geographical markets:-				
Malaysia	19,513,064	23,916,033	239,652	567,688
China	35,144,910	75,961,021	-	172,370
Singapore	11,903,236	20,093,536	-	-
Others [#]	282,034	3,050,663	-	30,579
	66,843,244	123,021,253	239,652	770,637

less than 10% for each individual country

- (a) Revenue from manufacturing and trading are recognised at a point in time upon the acceptance of those products by the customers.
- (b) The payment terms for billings arising from revenue are disclosed in Note 10 to the financial statements.
- (c) The revenue of the Group and the Company contain no elements of variable consideration and obligations for warranties.

23. FINANCE COST

	Group		Company	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM	RM	RM
Interest expense:				
- lease liabilities	56,340	60,517	39	1,476
- term loans	417,423	367,719	113,039	-
- bankers' acceptance	7,042	2,820	-	-
	480,805	431,056	113,078	1,476

NOTES TO THE FINANCIAL STATEMENTS

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24. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is arrived at after charging/(crediting), amongst others, the following items:-

	Group		Company	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM	RM	RM
Auditors' remuneration:				
- Grant Thornton Malaysia PLT	235,000	231,000	55,000	50,000
Non-audit fees				
- Grant Thornton Malaysia PLT	11,500	10,000	10,000	10,000
Bad debts recovered	(6,500)	(458,343)	-	-
Expenses relating to short-term leases	138,632	181,974	-	-
Expenses relating to leases of low-value assets	8,321	18,541	3,274	3,960
Fair value gain on money market fund investments	(192,063)	(127,104)	-	(12,756)
Interest income				
- licensed banks	(12,863)	(1,799)	(4,640)	-
- fixed deposits	(39,610)	(41,281)	(17,910)	(24,754)
- loan to subsidiaries	-	-	(2,582,613)	(2,539,747)
- late interest	(13,588)	(20,930)	-	-
Rental income	(396,959)	(490,526)	(136,000)	(18,000)
Realised (gain)/loss on foreign exchange	(65,859)	(134,928)	-	6,031

25. TAX EXPENSE

	Group		Company	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM	RM	RM
Recognised in profit or loss				
Income tax expense:				
- for current financial year/period	2,299,167	5,232,541	-	-
- under/(over) provision in the previous financial period/year	48,648	(32,934)	60,703	-
	2,347,815	5,199,607	60,703	-
Deferred tax:				
- for current financial year/period	(15,437)	92,710	-	-
- over recognised in the previous financial period	(1,715,054)	-	-	-
- realisation of revaluation reserve	-	(17,864)	-	-
	(1,730,491)	74,846	-	-
	617,324	5,274,453	60,703	-

NOTES TO THE FINANCIAL STATEMENTS

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25. TAX EXPENSE cont'd

A reconciliation of tax expense applicable to the profit/(loss) before tax with the applicable statutory income tax rate is as follows:-

	Group		Company	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM	RM	RM
Profit/(Loss) before tax	3,305,511	15,855,619	19,379,925	(3,590,311)
Tax at the statutory tax rate of 24% (30.6.2024: 24%)	793,323	3,805,349	4,651,182	(861,675)
Tax effects of:				
Non-deductible expenses	1,289,746	1,188,548	545,729	1,004,724
Non-taxable income	(34,893)	(485,482)	(5,200,991)	(203,289)
Movement of deferred tax assets not recognised	280,554	816,836	4,080	60,240
Change in tax rate for the first tranche of chargeable income	(45,000)	-	-	-
Realisation of revaluation reserve	-	(17,864)	-	-
Over recognised of deferred tax expense in the previous financial period	(1,715,054)	-	-	-
Under/(Over) provision of tax expense in the previous financial period/year	48,648	(32,934)	60,703	-
	617,324	5,274,453	60,703	-
Recognised in other comprehensive income				
Deferred tax related to surplus on revaluation of property, plant and equipment	-	1,812,526	-	-

As at reporting date, the Group and the Company have the following deferred tax assets (stated at gross) which are not recognised in the financial statements because it is not probable that future taxable income will be available to allow the deferred tax assets to be utilised:-

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Unutilised capital allowances	5,427,669	5,370,334	530,000	485,000
Loss allowance for receivables	840,000	699,000	-	-
Unabsorbed business losses	13,628,243	12,632,602	6,956,000	6,930,000
Inventories written down	-	54,000	-	54,000
Provisions	498,000	469,000	-	-
	20,393,912	19,224,936	7,486,000	7,469,000

The unutilised capital allowances do not expire under current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

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25. TAX EXPENSE *cont'd*

Unabsorbed business losses for which no deferred tax assets were recognised are expired as follows:-

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
YA 2028	1,756,000	1,756,000	1,357,000	1,357,000
YA 2029	3,106,000	3,106,000	1,498,000	1,498,000
YA 2030	3,541,000	3,541,000	2,090,000	2,090,000
YA 2031	2,931,000	2,931,000	1,538,000	1,538,000
YA 2032	1,108,938	1,108,938	381,000	381,000
YA 2034	189,664	189,664	66,000	66,000
YA 2035	995,641	-	26,000	-
	13,628,243	12,632,602	6,956,000	6,930,000

Any amounts not utilised upon expiry period of the year of assessment ("YA") will be disregarded.

26. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM	RM	RM
Directors' fees	203,030	253,422	203,030	253,422
Salaries and other emoluments	9,538,734	16,268,529	1,510,051	1,874,128
Defined contribution plan	1,025,630	1,569,054	201,744	246,175
Social security contribution	133,480	192,708	15,516	19,579
Share Issuance Scheme - employee benefit expenses	497,613	-	97,718	-
	11,398,487	18,283,713	2,028,059	2,393,304

The employee benefits expense of the Group and of the Company included Directors' emoluments as disclosed in Note 27 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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27. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by the Directors of the Group and of the Company during the financial year/period were as follows:-

Group	No. of Directors	Salaries and bonuses	EPF, SOCSO and EIS	Fee	Allowances	Total	
		RM	RM	RM	RM	RM	
1.7.2024 to 30.6.2025							
Executive							
- Between RM600,001 and RM650,000	1	563,500	69,749	-	-	633,249	
- Between RM350,001 and RM400,000	1	342,500	43,228	-	-	385,728	
Non-executive							
- Less than or equal to RM50,000	2	-	-	65,030	1,600	66,630	
- Between RM50,001 and RM100,000	2	-	-	138,000	2,000	140,000	
	6	906,000	112,977	203,030	3,600	1,225,607	
1.1.2023 to 30.6.2024							
Executive							
- Between RM350,001 and RM400,000	2	971,852	125,252	-	-	1,097,104	
Non-executive							
- Less than or equal to RM50,000	5	-	-	158,022	3,200	161,222	
- Between RM50,001 and RM100,000	1	-	-	95,400	1,400	96,800	
	8	971,852	125,252	253,422	4,600	1,355,126	

NOTES TO THE FINANCIAL STATEMENTS

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27. DIRECTORS' REMUNERATION cont'd

The aggregate amount of emoluments received and receivable by the Directors of the Group and of the Company during the financial year/period were as follows (cont'd):-

Company	No. of Directors	Salaries and bonuses	EPF, SOCSO and EIS	Fee	Allowances	Total	
		RM	RM	RM	RM	RM	
1.7.2024 to 30.6.2025							
Executive							
- Between RM350,001 and RM400,000	1	325,000	40,334	-	-	365,334	
- Between RM100,001 and RM150,000	1	104,000	13,814	-	-	117,814	
Non-executive							
- Less than or equal to RM50,000	2	-	-	65,030	1,600	66,630	
- Between RM50,001 and RM100,000	2	-	-	138,000	2,000	140,000	
	6	429,000	54,148	203,030	3,600	689,778	
1.1.2023 to 30.6.2024							
Executive							
- Between RM200,001 and RM250,000	2	395,852	50,977	-	-	446,829	
Non-executive							
- Less than or equal to RM50,000	5	-	-	158,022	3,200	161,222	
- Between RM50,001 and RM100,000	1	-	-	95,400	1,400	96,800	
	8	395,852	50,977	253,422	4,600	704,851	

As at reporting date, the Board comprises six (6) members, of whom two (2) are Executive Directors, three (3) are Independent Non-Executive Directors and one (1) is Non-Independent Non-Executive Director.

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28. EARNINGS PER SHARE

28.1 Basic

The basic earnings per ordinary share is calculated based on consolidated net profit for the financial year/period attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the financial year/period.

	Group	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM
Profit for the year/period attributable to equity holders of the Company	2,585,367	9,039,378
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July/January	728,480,459	720,540,659
Effect of treasury shares held	(15,937,300)	(15,937,300)
Effect of warrants exercised	7,305,561	319,585
Effect of share options exercised under SIS	3,274,074	332,839
Effect of share issuance	47,629,440	-
Effect of purchase of treasury shares	(12,337,501)	-
Weighted average number of ordinary shares at 30 June	758,414,733	705,255,783
	30.6.2025	30.6.2024
	RM	RM
Basic earnings per ordinary share (sen)	0.34	1.28

28.2 Diluted

The diluted earnings per ordinary share is calculated based on consolidated net profit for the financial year/period attributable to equity holders of the Company over the weighted average number of ordinary shares outstanding after adjusting for the effects of all dilutive potential ordinary shares as follows:-

	Group	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM
Profit for the year/period attributable to equity holders of the Company	2,585,367	9,039,378

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28. EARNINGS PER SHARE *cont'd*

28.2 Diluted *cont'd*

The diluted earnings per ordinary share is calculated based on consolidated net profit for the financial year/period attributable to equity holders of the Company over the weighted average number of ordinary shares outstanding after adjusting for the effects of all dilutive potential ordinary shares as follows (cont'd):-

	Group	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	Number of shares	Number of shares
Weighted average number of ordinary shares as above	758,414,733	705,255,783
Effect of outstanding ESOS and Warrants	164,331,474	119,052,678
Weighted average number of ordinary shares assumed to be in issue at 30 June	922,746,207	824,308,461
	30.6.2025	30.6.2024
	RM	RM
Diluted earnings per ordinary share (sen)	0.28	1.10

29. COMMITMENTS

29.1 Capital commitment

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Approved and contracted for:				
- Acquisition of property, plant and equipment	67,600	1,078,164	12,000	-

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30. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital is to maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with regulatory requirements and debt covenants.

The Group and the Company manage their capital based on debt-to-equity ratio. The Group's and the Company's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as debt divided by owners' equity.

	Group		Company	
	30.6.2025 RM	30.6.2024 RM	30.6.2025 RM	30.6.2024 RM
Loans and borrowings	18,851,358	6,489,403	11,646,340	-
Lease liabilities	1,035,952	1,173,323	-	5,542
	19,887,310	7,662,726	11,646,340	5,542
Owners' equity	148,578,069	139,394,764	144,034,913	105,985,720
Debt-to-equity ratio (times)	0.13	0.05	0.08	*

* The ratio is less than 0.01

There was no change in the Group's and the Company's approach to capital management during the financial year/period.

NOTES TO THE FINANCIAL STATEMENTS

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31. RELATED PARTY DISCLOSURES

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and of the Company, other than those disclosed elsewhere in the financial statements, are as follows:

	Group		Company	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM	RM	RM
Companies in which a Director has interest				
- Sales	-	48,990	-	-
- Rental income received	91,400	218,624	30,400	18,000
- Advertising and marketing expenses charged by	346,075	162,913	-	57,480
Subsidiaries				
- Sales	-	-	239,652	567,689
- Purchases	-	-	-	183,049
- Dividend income	-	-	13,000,000	-
- Rental income	-	-	33,600	-
- Interest charged to	-	-	2,582,613	2,539,747
- Management fee charged to	-	-	252,000	270,000
- Staff refreshment expense charged by	-	-	-	922
- Purchase of property, plant and equipment	-	-	13,793,979	-
- Disposal of property, plant and equipment	-	-	75,828	-
Associate				
- Sales	19,894	-	-	-
- Purchases	152,185	-	-	-
- Management fee charged to	30,000	285,000	30,000	285,000
- Sundry income charged to	98,502	-	-	-
- Rental income received	144,000	216,000	72,000	-

The outstanding related party balances are disclosed in Notes 8, 9 and 21 to the financial statements.

Key management personnel

Key management personnel are those personnel having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly that provides key management services to the Group and the Company.

The Group and the Company have no other member of key management personnel apart from the Board of Directors. The Directors' remuneration is disclosed in the Note 27 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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32. OPERATING SEGMENTS

The reportable segments, as described below, are the Group's strategic business units. For each of the strategic business units, the Group's Chief Executive Officer who is the Group's Chief Operating Decision Maker ("CODM") reviews internal management reports on at least a quarterly basis. The following summary describes the operation in each of the Group's reportable segments:

- (i) Manufacturing and trading of animal health products.
- (ii) Traditional Chinese medicines and herbal health foods and beverages.
- (iii) Loan financing.
- (iv) Pharmaceutical and medical goods.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss for the financial year/period, in certain respects as set out below, is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets and liabilities

The total of segment assets and liabilities are measured based on all assets and liabilities of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total assets is used to measure the return of assets of each segment.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year/period to acquire property, plant and equipment and right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

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32. OPERATING SEGMENTS *cont'd*

Group	RM	RM	RM	RM	RM	Consolidated				
						Traditional Chinese medicines and herbal health foods and beverages	Loan financing	Pharmaceutical and medical goods	Eliminations	RM
1.7.2024 to 30.6.2025										
Revenue										
External sales	2,806,104	57,074,078	13,738,474	6,963,062	-	80,581,718				
Inter-segment sales (a)	1,461,651	-	-	-	(1,461,651)	-				
Total revenue	4,267,755	57,074,078	13,738,474	6,963,062	(1,461,651)	80,581,718				
Results										
Finance costs	(113,078)	(357,684)	(2,588,833)	(3,823)	2,582,613	(480,805)				
Finance income	2,612,107	13,588	-	22,979	(2,582,613)	66,061				
Depreciation of property, plant and equipment	(466,532)	(1,193,761)	(49,618)	(146,446)	-	(1,856,357)				
Depreciation of right-of-use assets	-	(296,862)	(143,240)	(24,811)	-	(464,913)				
Share of losses of an associate	-	(452,018)	-	-	-	(452,018)				
Impairment loss of an associate	-	(109,790)	-	-	-	(109,790)				
Other non-cash (expense)/income (b)	(45,759)	(734,567)	(2,634,949)	(143,607)	-	(3,558,882)				
Tax expense	1,644,052	(279,128)	(1,706,701)	(275,547)	-	(617,324)				
Segment profit/(loss)	19,193,272	(2,044,357)	5,553,870	869,688	(20,884,286)	2,688,187				
Assets										
Additions to non-current assets (c)	929,660	2,066,494	13,421	183,718	-	3,193,293				
Segment assets (d)	157,379,951	47,401,022	85,211,109	7,009,843	(122,285,923)	174,716,002				
Liabilities										
Segment liabilities (e)	8,846,863	5,888,408	76,096,810	1,743,091	(83,569,051)	9,006,121				

NOTES TO THE FINANCIAL STATEMENTS

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32. OPERATING SEGMENTS *cont'd*

Group	RM	RM	RM	RM	Traditional Chinese medicines and herbal health foods and beverages	Loan financing	Eliminations	Consolidated				
					Manufacturing and trading of animal health products							
1.1.2023 to 30.6.2024												
Revenue												
External sales	8,236,826	114,784,427	19,657,014	-	-	142,678,267						
Inter-segment sales (a)	2,870,843	12,480	-	(2,883,323)		-						
Total revenue	11,107,669	114,796,907	19,657,014	(2,883,323)	142,678,267							
Results												
Finance costs	(1,476)	(420,321)	(2,560,172)	2,550,913		(431,056)						
Finance income	2,581,597	33,326	-	(2,550,913)		64,010						
Depreciation of property, plant and equipment	(1,061,870)	(1,819,287)	(77,643)	-		(2,958,800)						
Depreciation of right-of-use assets	(40,214)	(346,815)	(199,817)	-		(586,846)						
Share of losses of an associate	-	(418,143)	-	-		(418,143)						
Other non-cash income/(expense) (b)	506,374	(417,913)	(340,668)	(269,500)		(521,707)						
Tax expense	-	(1,535,257)	(3,739,196)	-		(5,274,453)						
Segment (loss)/profit	(7,495,572)	3,963,843	11,557,584	2,555,311	10,581,166							
Assets												
Investment in an associate	-	561,808	-	-		561,808						
Additions to non-current assets (c)	68,380	2,077,350	289,931	-		2,435,661						
Segment assets (d)	147,872,425	48,917,509	72,823,904	(103,039,352)	166,574,486							
Liabilities												
Segment liabilities (e)	29,144,754	5,767,407	56,418,617	(84,125,756)	7,205,022							

NOTES TO THE FINANCIAL STATEMENTS

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32. OPERATING SEGMENTS *cont'd*

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

- (a) Inter-segment revenue are eliminated on consolidation.
- (b) Other non-cash income/(expenses) consist of the following items as presented in the respective notes to the financial statements:-

	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM
(Loss)/Gain on:		
- deconsolidation of subsidiaries	(34,821)	103,179
- disposal of property, plant and equipment	31,250	856,215
- disposal of subsidiaries	(4,658)	118,705
- disposal of right-of-use assets	-	276,864
- early termination of lease	1,566	-
Reversal of inventories written down	235,913	16,902
Written off of property, plant and equipment	(22,832)	(31,475)
Net allowance of impairment loss on receivables	(120,005)	(275,321)
Bad debts written off	(2,569,168)	(340,668)
Inventories written off	(160,591)	(780,775)
Inventories written down	(164,144)	(536,126)
Share Issuance Scheme - employee benefit expenses	(497,613)	-
Unrealised (loss)/gain on foreign exchange	(253,779)	70,793
	<hr/>	<hr/>
	(3,558,882)	(521,707)

- (c) Additions to non-current assets other than financial instruments consist of:-

	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM
Property, plant and equipment	3,004,023	930,427
Right-of-use assets	189,270	1,505,234
	<hr/>	<hr/>
	3,193,293	2,435,661

NOTES TO THE FINANCIAL STATEMENTS

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32. OPERATING SEGMENTS *cont'd*

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):-

(d) The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:-

	30.6.2025	30.6.2024
	RM	RM
Segments assets	174,716,002	166,574,486
Goodwill on consolidation	6,233,888	2,853,230
Tax recoverable	1,295,538	894,975
Total assets	182,245,428	170,322,691

(e) The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:-

	30.6.2025	30.6.2024
	RM	RM
Segments liabilities	9,006,121	7,205,022
Lease liabilities	1,035,952	1,173,323
Loans and borrowings	18,851,358	6,489,403
Deferred tax liabilities	2,835,008	5,456,025
Tax payable	396,867	163,726
Total liabilities	32,125,306	20,487,499

Geographical information

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

	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM
Malaysia	33,251,538	43,573,047
China	35,144,910	75,961,021
Singapore	11,903,236	20,093,536
Others [#]	282,034	3,050,663
Total	80,581,718	142,678,267

[#] Less than 10% for each individual country.

All non-current assets are held in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

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32. OPERATING SEGMENTS *cont'd*

Information about major customers

The following are major customers with revenue equal or more than 10 percent of Group's total revenue, arising from traditional Chinese medicines and herbal health foods and beverages segment:-

	Revenue	
	1.7.2024 to 30.6.2025	1.1.2023 to 30.6.2024
	RM	RM
Customer A	11,699,496	19,934,649
Customer B	-	15,755,403
	<u>11,699,496</u>	<u>35,690,052</u>

33. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

	Group		Company	
	30.6.2025 RM	30.6.2024 RM	30.6.2025 RM	30.6.2024 RM
Financial assets at amortised cost				
Trade receivables	87,595,398	68,683,266	-	-
Other receivables	15,951,500	973,640	15,609,146	131,540
Amount due from an associate	1,117,016	957,400	-	-
Amount due from subsidiaries	-	-	75,956,585	71,811,881
Cash and bank balances, deposits and short-term placements	11,229,011	22,427,822	1,978,875	3,913,086
	<u>115,892,925</u>	<u>93,042,128</u>	<u>93,544,606</u>	<u>75,856,507</u>
Financial assets at fair value through profit or loss				
Cash and bank balances - money market fund investments	7,762,226	5,205,430	338,278	311,473
Financial liabilities at amortised cost				
Trade payables	4,178,645	3,944,775	-	74,895
Other payables	4,824,836	3,128,603	1,219,971	223,588
Loans and borrowings	18,851,358	6,489,403	11,646,340	-
Amount due to an associate	-	-	47,587	-
Amount due to subsidiaries	-	-	325,997	315,000
	<u>27,854,839</u>	<u>13,562,781</u>	<u>13,239,895</u>	<u>613,483</u>

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33. FINANCIAL INSTRUMENTS cont'd

Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and the Company's business whilst managing their credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process. The Group and the Company have not active engage in the trading of financial assets for speculative purposes nor does it write options. The Group and the Company do not apply hedge accounting.

The main areas of financial risks faced by the Group and the Company and the policies of the Group and the Company in respect of the major areas of treasury activity are set out as follows:-

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its receivables, loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

(a) Receivables

The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. Based on the credit evaluation, the customers are rated into three risk categories, namely low risk, medium risk and high risk.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group and the Company.

When an account is more than 90 days past due, the credit risk is considered to have increased significantly since the initial recognition. The Group and the Company identify as a default account if it is more than 365 days past due and the customer is having significant financial difficulties (analysed by financial measures of reported losses, negative cash flows, and qualitative evaluation of the customer's characteristics). The Group and the Company classify an impaired receivable when a customer is in default, in liquidation or other financial reorganisation.

For each significant receivable that is credit-impaired, individual lifetime ECL is recognised using the probability of default technique. The inputs used are: (i) the percent chance of default, and (ii) the expected cash shortfalls. The lifetime ECL is measured at the probability-weighted expected cash shortfalls by reference to the Group's and the Company's past experience, current conditions and forecast of future economic benefits.

For significant receivables that are not individually credit-impaired and all other receivables, the Group and the Company use a provision matrix that categorise the different risk classes (low risk, medium risk and high risk) and the ageing profiles. The collective lifetime ECLs are measured based on the Group's past lost rate experiences, current conditions and forecast of future economic conditions. The past lost rates are adjusted upward in the measurement in worsening current conditions and forecasts of future macroeconomic conditions.

Collateral is considered as integral part of trade receivables and considered on the calculation of impairment. No expected credit losses are required for the trade receivables that are covered by collateral.

A receivable is written off only if there is no reasonable expectation of recovery. This is when the customer is experiencing significant financial difficulties, undertaking financial reorganisation or has gone bankrupt.

NOTES TO THE FINANCIAL STATEMENTS

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33. FINANCIAL INSTRUMENTS cont'd

Financial risk management cont'd

The main areas of financial risks faced by the Group and the Company and the policies of the Group and the Company in respect of the major areas of treasury activity are set out as follows (cont'd):-

(i) Credit risk cont'd

(a) Receivables cont'd

Concentration of credit risk

The Group and the Company assess concentrations of credit risk by exposure to single-large customers, industry sectors and overseas jurisdictions.

The Group and the Company have no significant concentration credit risk with any single counterparty or any group of counterparties having similar characteristic.

Exposure to credit risk

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

The exposure of credit risk for trade receivables by geographical region is as follows:-

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Malaysia	84,632,755	66,295,706	-	-
China	3,198,401	2,215,857	-	-
Singapore	618,214	100,836	-	-
Vietnam	-	385,571	-	-
Taiwan	-	397,842	-	-
	88,449,370	69,395,812	-	-
Impairment loss	(853,972)	(712,546)	-	-
	87,595,398	68,683,266	-	-

The Group's exposure of credit risk for trade receivables by business segment is as follows:-

	Group	
	30.6.2025	30.6.2024
	RM	RM
Manufacturing and trading of animal health products	-	1,202,841
Traditional Chinese medicines and herbal health foods and beverages	5,274,015	4,419,989
Loan financing	80,492,092	63,060,436
Pharmaceutical and medical goods	1,829,291	-
	87,595,398	68,683,266

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

33. FINANCIAL INSTRUMENTS cont'd

Financial risk management cont'd

The main areas of financial risks faced by the Group and the Company and the policies of the Group and the Company in respect of the major areas of treasury activity are set out as follows (cont'd):-

(i) Credit risk cont'd

(a) Receivables cont'd

Exposure to credit risk cont'd

The aging analysis of trade receivables as at the end of the reporting year/period was:-

	Group			
	Gross amount	Individual impairment	Collective impairment	Net amount
	RM	RM	RM	RM
30.6.2025				
Within term	82,210,450	-	(34,615)	82,175,835
Past due 1-30 days	1,936,952	-	(29,683)	1,907,269
Past due 31-60 days	1,302,360	-	(14,063)	1,288,297
Past due 61-90 days	924,003	-	(74,347)	849,656
Past due 91-120 days	1,196,777	-	(23,473)	1,173,304
Past due 121-365 days	250,052	-	(49,015)	201,037
Past due more than 365 days	628,776	(628,776)	-	-
Total past due	6,238,920	(628,776)	(190,581)	5,419,563
	88,449,370	(628,776)	(225,196)	87,595,398
30.6.2024				
Within term	66,000,615	-	(52,291)	65,948,324
Past due 1-30 days	1,167,579	-	(10,847)	1,156,732
Past due 31-60 days	612,165	-	(5,057)	607,108
Past due 61-90 days	150,791	-	(4,455)	146,336
Past due 91-120 days	602,803	-	(9,074)	593,729
Past due 121-365 days	233,083	-	(2,046)	231,037
Past due more than 365 days	628,776	(628,776)	-	-
Total past due	3,395,197	(628,776)	(31,479)	2,734,942
	69,395,812	(628,776)	(83,770)	68,683,266

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

33. FINANCIAL INSTRUMENTS cont'd

Financial risk management cont'd

The main areas of financial risks faced by the Group and the Company and the policies of the Group and the Company in respect of the major areas of treasury activity are set out as follows (cont'd):-

(i) Credit risk cont'd

(b) Other receivables

The maximum exposure to credit risk is represented by the carrying amount in the statements of financial position.

(c) Financial guarantees

The Company provides unsecured financial guarantees to the banks in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis on the results of the subsidiary and repayments made by the subsidiary.

The maximum exposure to credit risk amounts to RM7,205,018 (30.6.2024: RM6,489,403) for the Company representing the outstanding banking facilities of the subsidiary as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(d) Inter-company balances

The Company has trade transactions and provides unsecured loan and advances to subsidiaries and an associate. The Company monitors the results of the subsidiaries and an associate regularly.

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

As at the end of the reporting period, there was no indication that the carrying amounts due from subsidiaries and an associate are not recoverable, other than disclosed in Note 9 to the financial statements.

(e) Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risks.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

33. FINANCIAL INSTRUMENTS cont'd

Financial risk management cont'd

The main areas of financial risks faced by the Group and the Company and the policies of the Group and the Company in respect of the major areas of treasury activity are set out as follows (cont'd):-

(ii) Liquidity risk cont'd

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on undiscounted contractual payments:-

Group	Carrying amount	Contractual undiscounted cash flows		Under 1 year	1 - 5 years	More than 5 years
		RM	RM			
30.6.2025						
Trade payables	4,178,645	4,178,645	4,178,645	-	-	-
Other payables	4,824,836	4,824,836	4,824,836	-	-	-
Term loans	18,741,358	26,572,309	1,755,898	7,244,399	17,572,012	-
Bankers' acceptance	110,000	110,000	110,000	-	-	-
Lease liabilities	1,035,952	1,133,368	350,736	752,714	29,918	-
	28,890,791	36,819,158	11,220,115	7,997,113	17,601,930	
30.6.2024						
Trade payables	3,944,775	3,944,775	3,944,775	-	-	-
Other payables	3,128,603	3,128,603	3,128,603	-	-	-
Loans and borrowings	6,489,403	9,846,052	578,553	1,943,664	7,323,835	-
Lease liabilities	1,173,323	1,300,181	423,523	774,572	102,086	-
	14,736,104	18,219,611	8,075,454	2,718,236	7,425,921	

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

33. FINANCIAL INSTRUMENTS cont'd

Financial risk management cont'd

The main areas of financial risks faced by the Group and the Company and the policies of the Group and the Company in respect of the major areas of treasury activity are set out as follows (cont'd):-

(ii) Liquidity risk cont'd

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on undiscounted contractual payments (cont'd):-

Company	Carrying amount RM	Contractual undiscounted cash flows RM	Under 1 year RM	1 - 5 years RM	More than 5 years RM
				1 - 5 years RM	More than 5 years RM
30.6.2025					
Other payables	1,219,971	1,219,971	1,219,971	-	-
Term loans	11,646,340	16,334,467	1,120,078	4,480,311	10,734,078
Amount due to an associate	47,587	47,587	47,587	-	-
Amount due to subsidiaries	325,997	325,997	325,997	-	-
Financial guarantees*	-	7,205,018	7,205,018	-	-
	13,239,895	25,133,040	9,918,651	4,480,311	10,734,078
30.6.2024					
Trade payables	74,895	74,895	74,895	-	-
Other payables	223,588	223,588	223,588	-	-
Amount due to a subsidiary	315,000	315,000	315,000	-	-
Lease liabilities	5,542	5,581	5,581	-	-
Financial guarantees*	-	6,489,403	6,489,403	-	-
	619,025	7,108,467	7,108,467	-	-

* This exposure of liquidity risk is included for illustration purpose only as the related financial guarantees have not crystallised.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

33. FINANCIAL INSTRUMENTS cont'd

Financial risk management cont'd

The main areas of financial risks faced by the Group and the Company and the policies of the Group and the Company in respect of the major areas of treasury activity are set out as follows (cont'd):-

(iii) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Chinese Yuan ("CNY") and Singapore Dollar ("SGD").

The Group and the Company do not hedge the exposure of foreign currencies. The management monitors the foreign currency exposure on an ongoing basis.

Exposure to foreign currency risk

Group	USD RM	CNY RM	SGD RM
30.6.2025			
Trade receivables	-	3,387,336	618,214
Cash and bank balances	57,581	145	745,047
Money market fund investment	-	-	3,703,466
Trade payables	(563,604)	-	-
Net currency exposure	(506,023)	3,387,481	5,066,727
30.6.2024			
Trade receivables	783,413	2,215,857	100,836
Cash and bank balances	1,717,677	489	3,632,128
Money market fund investment	-	-	1,734,234
Trade payables	(309,169)	-	(38,729)
Net currency exposure	2,191,921	2,216,346	5,428,469
Company			
30.6.2025			
Cash and bank balances		4,481	
30.6.2024			
Cash and bank balances		200,339	

A 5% (30.6.2024: 5%) strengthening of the RM against the above foreign currencies at the end of the reporting period would have decreased post-tax profit by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

33. FINANCIAL INSTRUMENTS cont'd

Financial risk management cont'd

The main areas of financial risks faced by the Group and the Company and the policies of the Group and the Company in respect of the major areas of treasury activity are set out as follows (cont'd):-

(iii) Foreign currency risk cont'd

The analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Effects on profit or loss				
USD	(19,229)	83,293	170	7,613
CNY	128,724	84,221	-	-
SGD	192,536	206,282	-	-

A 5% (30.6.2024: 5%) weakening of RM against the above currencies at the end of the reporting year/ period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

(iv) Interest rate risk

The Group's and the Company's investments in fixed rate securities and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Fixed rate instruments				
<i>Financial assets</i>				
Trade receivables	80,492,092	63,060,436	-	-
Amount due from subsidiaries	-	-	75,954,415	56,300,000
Fixed deposits with licensed banks	909,084	918,156	606,729	588,819
	81,401,176	63,978,592	76,561,144	56,888,819
Lease liabilities	(1,035,952)	(1,173,323)	-	(5,542)
Bankers' acceptance	(110,000)	-	-	-
	(1,145,952)	(1,173,323)	-	(5,542)
Net financial assets	80,255,224	62,805,269	76,561,144	56,883,277

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

33. FINANCIAL INSTRUMENTS cont'd

Financial risk management cont'd

The main areas of financial risks faced by the Group and the Company and the policies of the Group and the Company in respect of the major areas of treasury activity are set out as follows (cont'd):-

(iv) Interest rate risk cont'd

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was (cont'd):

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM	RM	RM	RM
Floating rate instrument				
<i>Financial liability</i>				
Term loans	18,741,358	6,489,403	11,646,340	-

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities 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

At the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit/loss after tax would have been RM142,434 (30.6.2024: RM49,319) and RM88,512 (30.6.2024: Nil) lower/higher, arising mainly as a result of lower/higher interest expenses on floating interest rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Fair value of financial instruments

The carrying amounts of financial assets and liabilities of the Group and of the Company at the reporting date 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 reporting date or insignificant impact of discounting.

Fair value hierarchy of financial instruments

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable:-

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

cont'd

33. FINANCIAL INSTRUMENTS *cont'd*

Fair value hierarchy of financial instruments *cont'd*

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
30.6.2025				
Financial asset at FVTPL:				
Cash and bank balances - money market fund investments	7,762,226	-	-	7,762,226
30.6.2024				
Financial asset at FVTPL:				
Cash and bank balances - money market fund investments	5,205,430	-	-	5,205,430
Company				
30.6.2025				
Financial asset at FVTPL:				
Cash and bank balances - money market fund investments	338,278	-	-	338,278
30.6.2024				
Financial asset at FVTPL:				
Cash and bank balances - money market fund investments	311,473	-	-	311,473

Policy on transfer between levels

The fair value of the financial instruments to be transferred between levels are determined as of the date of the event or change in circumstances that caused the transfer.

There is no transfer between Level 1, 2 and 3 during the reporting year/period.

34. COMPARATIVE INFORMATION

In prior financial year, the financial year end of the Group and of the Company had been changed from 31 December to 30 June to facilitate efficiency in financial reporting. As a result, the comparative information is presented for period from 1 January 2023 to 30 June 2024, while current financial year is presented from 1 July 2024 to 30 June 2025. Consequently, the comparative figure in the statements of profit or loss and other comprehensive income, statements of cash flows, statements of changes in equity and related notes are not comparable due to the change in prior financial year end.

LIST OF PROPERTIES

Location	Description	Date of Acquisition (A)/ Revaluation (R)	Gross Land Area (L)/ Build-Up Area (B)	Tenure	Age of Building (No. of year)	Net Carrying Amount As At 30.06.2025 (RM)
Sunzen Group Berhad No. 13, Jalan Anggerik Mokara 31/47, Kota Kemuning, 40460 Shah Alam, Selangor	3 storey factory building held under H.S.(D) 54898 P.T No. 56301, Mukim & Daerah Klang, Negeri Selangor	03.04.2006 (A) 08.05.2024 (R)	46,000 sq ft (L) 32,294 sq ft (B)	Freehold	14.50 years	16,947,352
Ecolite Biotech Manufacturing Sdn. Bhd. Lot 9284 & 9285, Jalan Yong Peng, 83400, Sri Medan, Batu Pahat, Johor	2 storey office cum factory building held under GM 1100, Lot 9284 & GM 3342, Lot 9285 Mukim Sri Medan, Daerah Batu Pahat, Negeri Johor	15.01.2004 (A) 28.06.2024 (R)	177,077 sq ft (L) 86,522 sq ft (B)	Freehold	17.50 years	12,705,214
Yanming Resources Sdn. Bhd. No. 17, Jalan BPU 8, Bandar Puchong Utama, 47100 Puchong, Selangor	3 storey end terrace shop office held under HSD 124646, PT 33809, Mukim & Daerah Petaling Negeri Selangor	24.11.2017 (A) 08.05.2024 (R)	1,754 sq ft (L) 5,280 sq ft (B)	Freehold	24.50 years	1,731,905
Yanming Resources Sdn. Bhd. No. 23, Jalan BPU 8, Bandar Puchong Utama, 47100 Puchong, Selangor	3 storey intermediate terrace shop office held under HSD 124649, PT 33812, Mukim & Daerah Petaling Negeri Selangor	29.11.2016 (A) 08.05.2024 (R)	1,754 sq ft (L) 5,280 sq ft (B)	Freehold	24.50 years	1,653,809
Finsource Credit (M) Sdn. Bhd. Unit A-11-6, Pelangi Utama Condo, PJU6A, Jalan Masjid, 47400 Petaling Jaya, Selangor.	Condominium held under PN 39267/ M1-A/12/130, Lot No. 42562, Pekan Kayu Ara & Daerah Petaling, Negeri Selangor	29.12.2019 (A) 30.06.2025 (R)	1,000 sq ft (L) 1,000 sq ft (B)	Leasehold Expired on 12/5/2101	23.50 years	500,000

ANALYSIS OF SHAREHOLDINGS

As at 30 September 2025

Class of shares	:	Ordinary Shares
Total No. of Issued Shares	:	767,598,303 Ordinary Shares (Excluding treasury shares of 45,766,800)
Voting Rights	:	One (1) vote per ordinary share

Size of shareholdings	No. of Holders	%	No. of Shares	%
1 - 99	117	5.22	3,809	0.00
100 - 1,000	788	35.15	232,951	0.03
1,001 - 10,000	471	21.00	2,711,359	0.35
10,001 - 100,000	601	26.81	24,467,247	3.19
100,001 - 38,379,915 ⁽¹⁾	262	11.69	589,410,729	76.79
38,379,916 and above ⁽²⁾	3	0.13	150,772,208	19.64
TOTAL	2,242	100.00	767,598,303⁽³⁾	100.00

Note:

(1) Less than 5% of issued shares
 (2) 5% and above of issued shares
 (3) excluding treasury shares of 45,766,800

LIST OF SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2025

No.	Name	Direct		Indirect	
		No. of Shares Held	%	No. of Shares Held	%
1.	Teo Yek Ming	118,380,908	15.42	1,426,000 ⁽¹⁾	0.19

LIST OF DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2025

No.	Name	Direct		Indirect	
		No. of Shares Held	%	No. of Shares Held	%
1.	Teo Yek Ming	118,380,908	15.42	1,426,000 ⁽¹⁾	0.19
2.	Ching Chee Pun	4,121,212	0.54	-	-
3.	Aida Lim Binti Abdullah	-	-	-	-
4.	Khoo Kien Hoe	-	-	-	-
5.	Poo Long Yii	83,000	0.01	-	-
6.	Lee Yew Weng	-	-	-	-

⁽¹⁾ Deemed interest pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

As at 30 September 2025

cont'd

LIST OF DIRECTORS' OPTION HOLDINGS AS PER THE REGISTER OF DIRECTORS' OPTION HOLDINGS AS AT 30 SEPTEMBER 2025

No.	Name	No. of Options Held
1.	Teo Yek Ming	60,670,000
2.	Ching Chee Pun	8,000,000
3.	Aida Lim Binti Abdullah	-
4.	Khoo Kien Hoe	3,000,000
5.	Poo Long Yii	-
6.	Lee Yew Weng	2,000,000

TOP THIRTY (30) SECURITIES ACCOUNTS HOLDERS AS AT 30 SEPTEMBER 2025

(Without aggregating the securities from different securities account belonging to the same Depositor)

No.	Name	No. of Shares Held	%
1.	RHB Capital Nominees (Tempatan) Sdn Bhd David Lai & Tan Services Sdn. Bhd.	60,000,000	7.82
2.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Yek Ming (0129944)	50,772,208	6.61
3.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Teo Yek Ming (MY4629)	40,000,000	5.21
4.	Chum Mun Cuan	37,930,915	4.94
5.	Chen Kim Lian	32,700,950	4.26
6.	Kenanga Investment Bank Berhad IVT Naga 8	32,172,900	4.19
7.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chen Khai Voon	32,000,000	4.17
8.	UOBM Nominees (Tempatan) Sdn Bhd UOBM for Kuan Ah Hock (PBM)	27,636,000	3.60
9.	JAG Capital Equity Sdn. Bhd.	27,041,600	3.52
10.	Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teow Wooi Huat (STA2)	25,972,772	3.38
11.	Global Mines Services Sdn Bhd	25,029,639	3.26
12.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koo Weng Seng (7003217)	15,442,500	2.01
13.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Yek Ming	15,000,000	1.95
14.	Teoh Shy Ming	13,488,900	1.76
15.	Teow Chee Chow	13,047,700	1.70
16.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Teo Yek Ming (PB)	12,580,500	1.64
17.	Lee Chee Hua	11,000,000	1.43
18.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wu Wai Kong	10,000,000	1.30

ANALYSIS OF SHAREHOLDINGS

As at 30 September 2025

cont'd

TOP THIRTY (30) SECURITIES ACCOUNTS HOLDERS AS AT 30 SEPTEMBER 2025 cont'd

(Without aggregating the securities from different securities account belonging to the same Depositor)

No.	Name	No. of Shares Held	%
19.	CGS International Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Seng Lee (MY4422)	10,000,000	1.30
20.	Kejaya Kaya Sdn. Bhd. Pledged Securities Account for Goh Kok Foong	10,000,000	1.30
21.	Chien Su Lang	8,601,200	1.12
22.	Jaring Metal Industries Sdn. Bhd.	7,000,000	0.91
23.	Tan Wei Kent	6,801,000	0.89
24.	Huam Hong Ping	6,109,300	0.80
25.	Wong Pei Fern	6,000,000	0.78
26.	Koh Ah Tiam	5,632,950	0.73
27.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Go Yoong Chang	5,623,000	0.73
28.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Min Lin	5,452,400	0.71
29.	Lim Wei Foon	5,377,500	0.70
30.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Choong Kian Sun (E-IMO)	5,296,600	0.69

ANALYSIS OF WARRANT 2022/2027 HOLDINGS

As at 30 September 2025

Class of shares	:	Warrants 2022/2027
Date of Expiry	:	13 September 2027
Exercise Rights	:	Each warrant carries the entitlement to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.20
Voting Rights	:	The holder of warrants is not entitled to any voting rights

Size of Warrant Holdings	No. of Holders	%	No. of Warrants	%
1 - 99	551	27.18	32,217	0.01
100 -1,000	486	23.98	150,694	0.05
1,001 - 10,000	400	19.73	2,205,192	0.66
10,001 - 100,000	382	18.85	15,082,789	4.49
100,001 - 16,779,862 ⁽¹⁾	204	10.06	196,408,177	58.52
16,779,863 and above ⁽²⁾	4	0.20	121,718,190	36.27
TOTAL	2,027	100.00	335,597,259	100.00

Note:

(1) Less than 5% of issued warrants

(2) 5% and above of issued warrants

LIST OF DIRECTORS' WARRANT 2022/2027 HOLDINGS AS PER THE REGISTER OF DIRECTORS' WARRANT HOLDINGS AS AT 30 SEPTEMBER 2025

No.	Name	Direct		Indirect	
		No. of Warrants Held	%	No. of Warrants Held	%
1.	Teo Yek Ming	54,709,753	16.30	413,000 ⁽¹⁾	0.12
2.	Ching Chee Pun	2,060,606	0.61	-	-
3.	Aida Lim Binti Abdullah	-	-	-	-
4.	Khoo Kien Hoe	-	-	-	-
5.	Poo Long Yii	-	-	-	-
6.	Lee Yew Weng	-	-	-	-

⁽¹⁾ Deemed interest pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF WARRANT 2022/2027 HOLDINGS

As at 30 September 2025

cont'd

TOP THIRTY (30) SECURITIES ACCOUNTS HOLDERS AS AT 30 SEPTEMBER 2025

(Without aggregating the securities from different securities account belonging to the same Depositor)

No.	Name	No. of Warrants Held	%
1.	Teo Yek Ming	49,241,108	14.67
2.	Chen Kim Lian	33,350,475	9.94
3.	Global Mines Services Sdn. Bhd.	20,161,150	6.01
4.	Chum Mun Cuan	18,965,457	5.65
5.	UOBM Nominees (Tempatan) Sdn Bhd UOBM for Kuan Ah Hock (PBM)	13,818,000	4.12
6.	Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teow Wooi Huat (STA2)	12,986,386	3.87
7.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koo Weng Seng (7003217)	8,890,000	2.65
8.	Teow Chee Chow	6,268,850	1.87
9.	JAG Capital Equity Sdn Bhd	6,169,050	1.84
10.	Chang Tiam Hock	5,540,250	1.65
11.	Lee Chee Hua	5,500,000	1.64
12.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Yek Ming (0129944)	5,454,545	1.63
13.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wu Wai Kong	5,000,000	1.49
14.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Seng Lee (MY4422)	5,000,000	1.49
15.	Goh Kok Foong	5,000,000	1.49
16.	Moomoo Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Boo Choon Yong	4,035,600	1.20
17.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Khek Keng (E-TAI)	4,012,600	1.20
18.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Ah Beng (E-BBB)	3,304,200	0.99
19.	Lim Wei Foon	2,688,750	0.80
20.	Lam Wee Teck	2,510,500	0.75
21.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Khek Chong (E-TAI)	2,064,300	0.62
22.	Lee Ching Yong	2,060,606	0.61
23.	Chew Kean Huat	2,029,500	0.61
24.	Tey Say Ek	2,003,900	0.60
25.	Lim Yau Chong	1,988,800	0.59
26.	Teoh Shy Ming	1,953,050	0.58
27.	Teo Ai Khen	1,877,700	0.56
28.	Chien Su Lang	1,860,000	0.55
29.	Chew Woei Choon	1,700,000	0.51
30.	See Kim Chiau	1,700,000	0.51

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting ("20th AGM") of Sunzen Group Berhad (*formerly known as Sunzen Biotech Berhad*) will be held at Kota Permai Golf & Country Club, Permai 2, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia on Tuesday, 2 December 2025 at 10:30 a.m. for the purpose of considering the following businesses:

A G E N D A

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2025 and the Reports of the Directors and Auditors thereon. *Please refer to Explanatory Note 1*
2. To approve the payment of Directors' fee and benefits payable to the Directors of the Company amounting to RM230,000 for the financial year ending 30 June 2026. **Ordinary Resolution 1**
3. To re-elect Mr. Teo Yek Ming as Director, who is retiring by rotation in accordance with Clause 97 of the Company's Constitution. **Ordinary Resolution 2**
4. To re-elect Ms. Poo Long Yee as Director, who is retiring by rotation in accordance with Clause 97 of the Company's Constitution. **Ordinary Resolution 3**
5. To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

SPECIAL BUSINESS

6. To consider and if thought fit, pass the following Ordinary Resolution, with or without modification: **Ordinary Resolution 5**

AUTHORITY TO ISSUE AND ALLOT SHARES

"THAT subject always to the Companies Act 2016, Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 of the Companies Act 2016 to issue and allot not more than ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company pursuant to Section 76 of the Companies Act 2016.

THAT the Directors be further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof.

THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016, to be read together with Clause 54 of the Constitution of the Company, approval be hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this mandate.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

cont'd

7. To consider and if thought fit, pass the following Ordinary Resolution, with or without **Ordinary Resolution 6** modification:

PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY THE COMPANY

“THAT, subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall be backed by an equivalent amount of retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s).

(“Proposed Renewal of Share-Buy-back Authority”)

THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the shares purchased until all the purchased shares have been dealt with by the Directors in the following manner as may be permitted by the Act, ACE Market Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- (i) To cancel all or part of the shares so purchased;
- (ii) To retain all or part of the shares so purchased in treasury;
- (iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (iv) To resell all or part of the treasury shares;
- (v) To transfer the shares or any of shares for the purposes of or under an employees' share scheme established by the Company; or
- (vi) To transfer all or part of the treasury shares as purchase consideration; or
- (vii) To deal with the treasury shares in the manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (“AGM”) at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

cont'd

AND THAT authority be and are hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the Proposed Renewal of Share-Buy-back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities."

8. To consider and if thought fit, pass the following Ordinary Resolution, with or without **Ordinary Resolution 7** modification

CONTINUANCE IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – KHOO KIEN HOE

"THAT authority be hereby given to Khoo Kien Hoe who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."

9. To transact any other ordinary business of which due notice shall have been given.

BY ORDER OF THE BOARD

TEO MEE HUI (MAICSA 7050642) (SSM Practicing Certificate No. 202008001081)

GOH XIN YEE (MAICSA 7077870) (SSM Practicing Certificate No. 202008000375)

Company Secretaries

Kuala Lumpur

Dated this 30th day of October, 2025

NOTES:

1. A member is entitled to appoint not more than two (2) proxies to attend, participate, speak, and vote in his/her stead at the meeting. A proxy may, but need not, be a member of the Company and there shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, he shall specify the proportions of his/her holdings to be represented by each proxy, failing which the appointment shall be invalid.
2. The instrument appointing a proxy shall be in writing, under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority shall be deposited at the Registered Office of the Company at Level 13, Menara 1 Sentrum, 201, Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur, Malaysia or via electronic means at info@sunzengroup.com not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
6. For the purpose of determining who shall be entitled to attend the 20th AGM, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 62 of the Constitution of the Company, a Record of Depositors as at 25 November 2025 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend the 20th AGM.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

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EXPLANATORY NOTE

1. **Item 1 of the Agenda - Audited Financial Statements for the financial year ended 30 June 2025 and the Reports of the Directors and Auditors**

The Audited Financial Statements under this agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence this item is not put forward for voting.

2. **Ordinary Resolution 1 – Payment of Directors' fee and benefits**

The Board of Directors has reviewed the payment of Directors' fees and benefits for the financial year ending 30 June 2026 after taking into consideration the market trends for similar positions, time commitment and responsibilities of the respective Directors.

The estimated total amount of Directors' fee and benefits payable (comprising meeting allowance) to the Directors of the Company was determined based on the number of scheduled meetings for the Board and Board Committees as well as the extent of involvement of the respective Directors.

The Directors' fee and benefits will be made to the Directors by the Company on monthly basis and/or as and when incurred if the proposed Ordinary Resolution 1 is passed at the 20th AGM.

3. **Ordinary Resolutions 2 and 3 – Re-election of Directors**

Mr. Teo Yek Ming and Ms. Poo Long Yii are retiring by rotation in accordance with Clause 97 of the Constitution of the Company.

The profiles of the retiring Directors are set out in the Annual Report 2025.

The Nomination Committee has taken into account the Board Evaluation Assessment including the results of the assessment for the retiring Directors and concurred that they have met the Board's expectations in terms of experience, expertise, integrity, competency, commitment and individual contribution by continuously performing their duties diligently as Directors of the Company. Accordingly, the Board has recommended them to be re-elected as Directors of the Company.

4. **Ordinary Resolution 5 - Authority to Issue and Allot Shares**

The proposed Ordinary Resolution 5, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted 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 ("10% General Mandate").

This authorisation will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting ("AGM") or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

The purpose of the 10% General Mandate is to give flexibility to the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowing, acquisitions and etc. as they consider would be in the best interest of the Company to raise funds quickly and efficiently to ensure the long-term sustainability of the Company without having to convene separate general meetings.

The previous mandate obtained at the 19th AGM of the Company was not utilised and accordingly, no proceeds were raised.

This is also to approve the disapplication of statutory pre-emption rights under Section 85 of the Companies Act 2016, to allot new shares (or to grant rights over shares) without first offering them to existing shareholders in proportion to their holdings pursuant to the general mandate.

5. **Ordinary Resolution 6 - Proposed Renewal of Authority for Purchase of Own Shares by the Company**

The proposed resolution, if passed, will allow the Company to purchase its own shares up to 10% of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company.

For further information, please refer to the Share Buy-Back Statement dated 30 October 2025.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

cont'd

6. Ordinary Resolution 7 - Continuing in Office as Independent Non-Executive Director

The Board has assessed the independence of Mr. Khoo Kien Hoe, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended he continues in office as Independent Non-Executive Director of the Company based on the following justifications:

- (a) he has fulfilled the criteria under the definition of Independent Director as provided in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to bring the element of objectivity to the Board;
- (b) he has been with the Company for more than 9 years and are familiar with the Company's business operations;
- (c) he has vast and diverse experiences and therefore would be able to provide constructive opinion, independent judgment and to act in the best interest of the Company and shareholders;
- (d) he has devoted sufficient time and attention to their professional obligations for informed and balanced decision making; and
- (e) he has continued to exercise his due care during his tenure as Independent Non-Executive Director of the Company and has carried out his professional duties in the interest of the Company and shareholders.



SUNZEN GROUP BERHAD
(FORMERLY KNOWN AS SUNZEN BIOTECH BERHAD)
Registration No. 200501003843 (680889-W)
(Incorporated in Malaysia)

FORM OF PROXY

Number of Shares Held	
CDS Account No.	

*I/We *NRIC/ Passport/ Company No

of

Tel No. Email Address:

being a member(s) of **SUNZEN GROUP BERHAD (FORMERLY KNOWN AS SUNZEN BIOTECH BERHAD)** [Registration No. **200501003843 (680889-W)**] hereby appoints

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)
*and/or (delete as appropriate)			

or failing *him/her, THE CHAIRMAN OF THE MEETING, as *my/our *proxy/proxies, to vote for *me/us on *my/our behalf at the Twentieth Annual General Meeting ("20th AGM") of the Company to be held at Kota Permai Golf & Country Club, Permai 2, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia on Tuesday, 2 December 2025 at 10:30 a.m. and at any adjournment thereof.

If you wish to appoint other person/persons to be your proxy/ proxies, kindly delete the words "or failing him/ her, #THE CHAIRMAN OF THE MEETING" and insert the name/ names of the person/ persons desired.

Mark either box if you wish to direct the proxy how to vote. If no mark is made, the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two (2) proxies and wish them to vote differently this should be specified.

*My/our *proxy/proxies *is/are to vote as indicated below:

No.	Resolutions	For	Against
1.	To approve the payment of Directors' fee and benefits payable to the Directors of the Company amounting to RM230,000 for the financial year ending 30 June 2026	Ordinary Resolution 1	
2.	To re-elect Mr. Teo Yek Ming as Director, who is retiring by rotation in accordance with Clause 97 of the Company's Constitution	Ordinary Resolution 2	
3.	To re-elect Ms. Poo Long Yee as Director, who is retiring by rotation in accordance with Clause 97 of the Company's Constitution	Ordinary Resolution 3	
4.	To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company	Ordinary Resolution 4	
5.	To approve the Authority to Issue and Allot Shares	Ordinary Resolution 5	
6.	To approve the Proposed Renewal of Authority for Purchase of Own Shares by the Company	Ordinary Resolution 6	
7.	To approve the Continuance in office As Independent Non-Executive Director – Khoo Kien Hoe	Ordinary Resolution 7	

* Delete if not applicable.

.....
Signature/Common Seal of Shareholder

Signed this day of 2025

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NOTES:

1. A member is entitled to appoint not more than two (2) proxies to attend, participate, speak, and vote in his/her stead at the meeting. A proxy may, but need not, be a member of the Company and there shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, he shall specify the proportions of his/her holdings to be represented by each proxy, failing which the appointment shall be invalid.
2. The instrument appointing a proxy shall be in writing, under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority shall be deposited at the Registered Office of the Company at Level 13, Menara 1 Sentrum, 201, Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur, Malaysia or via electronic means at info@sunzengroup.com not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
6. For the purpose of determining who shall be entitled to attend the 20th AGM, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 62 of the Constitution of the Company, a Record of Depositors as at 25 November 2025 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend the 20th AGM.

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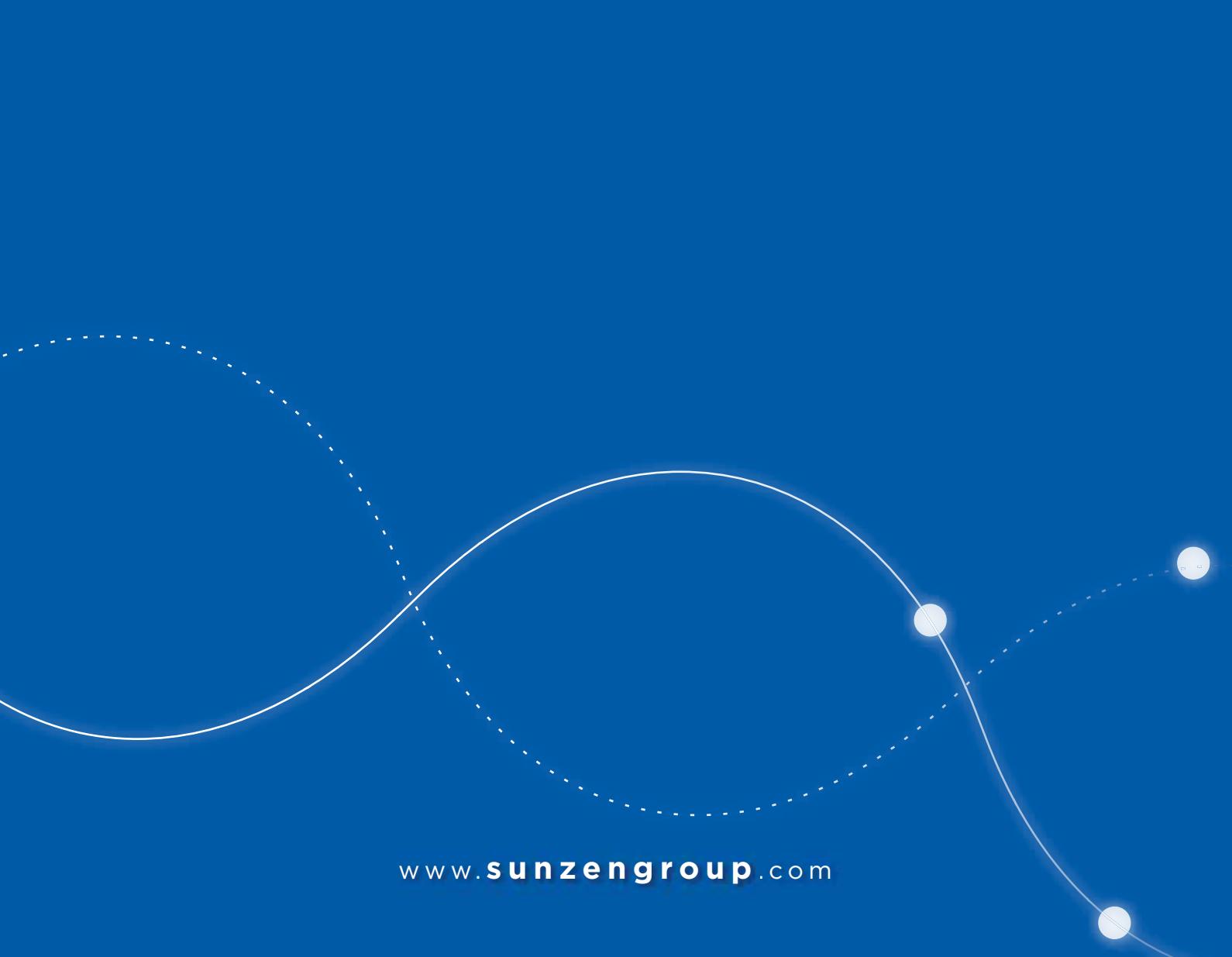
The Company Secretaries

Sunzen Group Berhad

(Formerly known as Sunzen Biotech Berhad)

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201, Jalan Tun Sambanthan, Brickfields
50470 Kuala Lumpur
W.P. Kuala Lumpur

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www.sunzengroup.com

宏誠集團
SunZen GROUP

SUNZEN GROUP BERHAD

Registration No. 200501003843 (680889-W)
(Formerly known as Sunzen Biotech Berhad)

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