



**CAPE EMS BERHAD**

(Registration No. I99901026859 (501759-M))

# ANNUAL REPORT 2026



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# OUR VISION, MISSION AND CORE VALUES

## OUR CORE VALUES



### Governance

We engage in conduct that enhances our reputation and are devoted to making a difference.

### Integrity

We respect the rights and dignity of all individuals and do not tolerate behaviours that can harm our organization.

### Accountability

We act in the highest ethical manner and deal fairly with our business associates.

### Transparency

We are transparent in our business dealings and take ownership of our actions.

## OUR VISION



Global Thinking Organization.

Committed to creating value for our customers.

## OUR MISSION



We constantly deliver quality products and services through the offering of efficient, flexible, and innovative manufacturing solutions at reasonable and competitive prices to maximize returns for all our stakeholders.

# CORPORATE OVERVIEW

Building upon its established foundations as a leading electronics manufacturing services (“EMS”) provider, Cape EMS Berhad (“CEB” or “the Company”) and its subsidiaries (collectively, the “Group”) have accelerated its strategic transition into advanced engineering, sustainable manufacturing and high-growth technology ecosystems in 2026. Driven by our CEB 2.0 transformation is powered by four core pillars, which are EMS, Intelligent Manufacturing Network, Renewable Energy and Internet of Things allowing us to pivot into high-value engineering, clean energy and digital infrastructure verticals. The Group is positioning the four core pillars to capitalise on emerging opportunities in advanced technology sectors, artificial intelligence (AI), clean energy and digital infrastructure.



Driven by this strategy, the Group achieved a financial turnaround this fiscal year. The recovery gained continuous operational momentum, opening with RM91.5 million of revenue in Q1 FYE 2026 and culminating in a standout Q4 revenue performance of RM136.9 million. For the full 12 months of FYE 2026, the Group generated RM425.6 million in revenue and a net profit of RM14.7 million. Importantly, management utilised the fourth quarter to execute a prudent, one-off balance sheet impairment of RM9.9 million on legacy receivables. This proactive clean-up ensures our balance sheet is unencumbered and optimally positioned to capture the growth forecasted for FYE 2027.

A major focus for the financial year 2026 has been advancing our sustainable footprint and clean energy initiatives. Through our wholly-owned subsidiary, Cape Renewables Sdn. Bhd., the Group successfully secured and implemented key commercial and industrial clean energy projects. These initial deployments actively contributed to top-line growth and established our renewable energy pillar as a recurring driver of our financial turnaround.

To fortify our position in advanced engineering, CEB forged multiple strategic alliances. In December 2025, we partnered with Engytech International Pte. Ltd. through acquisition of 20% of EngDC Sdn. Bhd. to build robust digital infrastructure services. This investment has opened new recurring revenue streams, enhanced our technological capabilities in data centre infrastructure and high-value engineering solutions as well as began contributing positively to the Group.

Expanding our global ecosystem, our United States-based wholly-owned subsidiary, iConn Inc (“iConn”) formed a strategic agreement to integrate engineering, precision machining and sub-assembly manufacturing into our global intelligent network. This collaboration enhances our asset light, platform-based model, delivering scalable, end-to-end production solutions for multinational OEM customers. iConn serves as a vital growth engine for the Group, translating strong market traction directly into robust revenue generation and expanding profitability. Furthermore, CEB marked another significant milestone by acquiring 30% equity in GrandCape (M) Sdn. Bhd. (formerly known as New Grand (M) Sdn. Bhd.) (“GrandCape”), a joint venture with New Grand Tech (HK) Limited. Operating from the Group's Senai facility in Johor, GrandCape positions Malaysia as a competitive hub for advanced interconnect manufacturing within the Asia-Pacific region. Equipped with

advance production capability of Flexible Flat Cable, the venture produces critical interconnect solutions, including automotive airbag cables and wire harnesses, to serve fast-growing sectors like Electric Vehicles, Battery Energy Storage Systems, and industrial automation. Integrating this advanced capability allows CEB to upgrade the overall product mix by substituting legacy wiring with higher-value alternatives. This strategic enhancement to our portfolio has already begun generating new revenue streams and contributing positively to profitability.

Building on these initiatives, the Group aims to strengthen its presence in the advanced technology manufacturing ecosystem. As global demand grows for artificial intelligence (AI), high-performance computing (HPC), data centres, semiconductors and next-generation digital technologies, CEB seeks to leverage its existing manufacturing infrastructure, engineering expertise and strategic collaborations to pursue opportunities in high-value electronics, advanced connectivity and related infrastructure solutions. This direction supports the Group's broader participation in the evolving global technology supply chain.

Embedding environmental stewardship into our core business strategy aligns with our commitment to reach zero emissions by 2040. Our operational assets, such as our 1,108.96 kWp solar PV system, continue to deliver measurable carbon reductions alongside group-wide efficiency measures. This ongoing sustainability focus has earned us Malaysia's highest national recognition for environmental excellence—the Prime Minister's Hibiscus Award—as well as the MAESCO Silver Award, which recognised an estimated 64.7% improvement in energy efficiency and a reduction in annual CO2 emissions by approximately 2,800 tonnes. Furthermore, our dedication is reflected in our inclusion in the FTSE4Good Bursa Malaysia Index and an upgraded EcoVadis Sustainability Rating. Ultimately, these highlights demonstrate the Group's steadfast commitment to sustainable manufacturing and operational excellence.

As we look forward, CEB will continue to capitalise on high-growth market opportunities in advanced technology, renewable energy and data centre infrastructure. We extend our sincere gratitude to all stakeholders for their continued partnership and shared commitment as we advance in our CEB 2.0 growth transformation.

## AWARDS

### Awards to the Company

| AWARD NAME                               | AWARD TYPE                    |
|------------------------------------------|-------------------------------|
| FTSE4Good Bursa Malaysia Index 2026      | ESG Recognition               |
| EcoVadis Sustainability Rating 2026      | Sustainability Assessment     |
| Prime Minister's Hibiscus Award 2024/25  | Exceptional Achievement Award |
| MAESCO Silver Award 2025                 | Energy Efficiency Category    |
| Top Employer Award 2025                  |                               |
| Asia Best Employer Brand Awards 2024     |                               |
| Malaysia Best Employer Brand Awards 2024 |                               |
| Next Conservation Award 2024             |                               |

### Awards to the Managing Director/Group Chief Executive Officer

| AWARD NAME                                         | AWARD TYPE                                                           |
|----------------------------------------------------|----------------------------------------------------------------------|
| 2024 Pink Biz Outstanding Elite Award              | Outstanding Female Elite Award – Top Honoree                         |
| 2024 Pink Biz Outstanding Elite Award              | Outstanding Female Elite Award                                       |
| Johor Bahru Chinese Chamber of Commerce & Industry | Honory Life President Award 2024                                     |
| World Women Economic & Business Summit             | World Outstanding Women Entrepreneur Lifetime Achievement Award 2023 |
| Global Chinese Economic & Technology Summit        | World Chinese Outstanding Woman Business Leader Award 2022           |
| World Women Economic & Business Summit             | Distinguished Women Entrepreneur Lifetime Achievement Award 2022     |
| Star Outstanding Business Award (SOBA) 2021        | Outstanding Female Entrepreneur of The Year 2021                     |

# KEY EVENTS AND MILESTONES

2013

- Commencement of Cape EMS with the acquisition of Toyoplas EMS Manufacturing (M) Sdn. Bhd.
- Renamed to Cape EMS Manufacturing (M) Sdn. Bhd.
- Manufactured wireless communication equipment for Ruckus Wireless

2017 – 2018

- 2017 - Divestment of EMS for Ruckus Wireless Business Unit to Kaifa Technology Malaysia Sdn. Bhd.
- 2018 - Acquisition of Senai 227 factory

2019

- Engaged our first EMS key customer Mimosa Networks and qualified to be an EMS provider for Mimosa Networks
- Expansion of customer portfolio and ventured into consumer electronics (Cordless Vacuum Cleaner for K&Q)

2020

- Acquisition of Cape Manufacturing and Cape Holdings Singapore
- Expansion of customer portfolio:
- **Industrial:** POS terminals, digital vending machines, portable printer power desk
- **Consumer:** E-cigarettes

2021

- Purchased Temenggong 22 and Kempas 6 factories and extension of Senai 227 factory
- Acquired 2 pieces of land - PLO226B and PLO227B
- Purchased 11 automated lines, 6 die-casting machines, 6 melting and holding furnaces

2022

- Purchased Tebrau 6 factory
- Purchased 3 automated lines and 2 die-casting machines

2023

- Listed on the Main market of Bursa Malaysia Securities Berhad
- Entered Memorandum of Understanding for the acquisition of iConn Inc.
- Entered a Joint Venture Agreement with Vectrix Technology Pte. Ltd. on 6 October 2023; and subsequently entered a Supplementary Agreement on 1 April 2024, where Vectrix Technology Pte. Ltd. has been substituted by Vectrix Advance Technology Pte. Ltd.
- Relocation of die casting facilities from Temenggong 22 to Tebrau 6 in December 2023

2024

- Completed acquisition of iConn Inc. on 26 January 2024
- Achieved ISO 45001:2018 certification on 28 May 2024
- Achieved ISO 13485:2016 certification on 21 August 2024
- Signing of Memorandum of Understanding between LigoWave, represented by iConn and PT INTI on 13 June 2024
- Solar panel installation completed on 10 March 2024, and operational since 26 June 2024
- iConn DongGuan relocated to their new office in July 2024

2025

- Announced as a certified Top Employer 2025 on 16 January 2025
- Entered a strategic partnership with Aerospace Industrial Development Corporation (AIDC) on 25 March 2025 to collaborate in renewable energy, aviation, and sub-micron precision engineering for life science and medical industries
- Acquired Cape Renewables Sdn. Bhd. on 26 August 2025 to spearhead Battery Energy Storage Systems (BESS) and renewable energy projects
- Incorporated wholly-owned subsidiary, Ligowave Wireless Sdn. Bhd. on 5 August 2025 to localise proprietary design and distribute to Asean and Central Asia markets.
- Acquired 20% of EngDC Sdn. Bhd. to establish Digital Infrastructure Services and Support platform in Malaysia

2026

- Acquired 70% of Cape Wibawa (Sarawak) Sdn. Bhd. through Cape Renewables Sdn. Bhd., as part of our strategic initiative to strengthen our foothold and drive business growth in the energy sector in East Malaysia
- Strategic Expansion into Advanced Interconnect Manufacturing, CEB acquired 30% of GrandCape (M) Sdn. Bhd. (formerly known as New Grand (M) Sdn. Bhd.) through a joint venture with New Grand Tech (HK) Limited, strengthening its capabilities in advanced interconnect solutions

## CERTIFICATION

### CAPE EMS BERHAD

|                                                      |                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ISO 9001:2015                                        | Quality Management System for assembly of electronic printed circuit boards and box build solutions for telecommunication, home appliances, electronics, automotive, medical, energy management, and smart metering solutions industries, vehicle control units, sub-system and finished goods assembly, and assembly of rechargeable electrical energy storage systems.              |
| ISO 14001:2015                                       | Environmental Management System for assembly of electronic printed circuit boards and box build solutions for telecommunication, home appliances, electronics, automotive, medical, energy management, and smart metering solutions industries, vehicle control units, sub-system and finished goods assembly, and assembly of rechargeable electrical energy storage systems.        |
| ISO 27001:2022                                       | Information Security Management System for assembly of electronic printed circuit boards and box build solutions for telecommunication, home appliances, electronics, automotive, medical, energy management, and smart metering solutions industries, vehicle control units, sub-system and finished goods assembly, and assembly of rechargeable electrical energy storage systems. |
| ISO 37001:2016                                       | Anti-Bribery Management System for assembly of electronic printed circuit boards and box build solutions for telecommunication, home appliances, electronics, automotive, medical, energy management, and smart metering solutions industries, vehicle control units, sub-system and finished goods assembly, and assembly of rechargeable electrical energy storage systems.         |
| ISO 13485:2016                                       | Quality Management System for Medical Devices assembly of electronic printed circuit board and box build solutions for the medical industry.                                                                                                                                                                                                                                          |
| ISO 45001:2018                                       | Occupational Health & Safety Management System for assembly of electronic printed circuit boards and box build solutions for telecommunication, home appliances, electronics, automotive, medical, energy management, and smart metering solutions industries; vehicle control units, sub-system and finished goods assembly.                                                         |
| Customs-Trade Partnership Against Terrorism (C-TPAT) | C-TPAT Management System for manufacturing of electronic products (surface mount technology, printed circuit board assemblies, and box build solutions) for the electrical, electronics, home appliances, automotive, and medical industries.                                                                                                                                         |

### CAPE MANUFACTURING (M) SDN. BHD.

|                |                                                                                                                                                                             |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ISO 9001:2015  | Quality Management System for the provision of die-casting, precision machining, secondary processes, sub-assembly processes, and tooling fabrication.                      |
| ISO 14001:2015 | Environmental Management System for the provision of die-casting, precision machining, secondary processes, sub-assembly processes, and tooling fabrication.                |
| ISO 45001:2018 | Occupational Health & Safety Management System for the provision of die-casting, precision machining, secondary processes, sub-assembly processes, and tooling fabrication. |

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Datuk Mohd Rabin Bin Basir**  
Independent Non-Executive  
Chairman

**Tee Kim Chin**  
Non-Independent Managing  
Director/Group Chief Executive  
Officer

**Tee Kim Yok**  
Non-Independent Executive  
Director

**Alex Miranda Juntado**  
Non-Independent Executive  
Director

**Yau Yin Wee**  
Independent Non-Executive  
Director

**Koh Beng San**  
Independent Non-Executive  
Director

**Chen Kok Seng**  
Independent Non-Executive  
Director

**Dato' S.Sivasuriyamoorthy  
A/L Sundara Raja**  
(Appointed on 1 January 2026)  
Independent Non-Executive  
Director

### Board Committees

#### Audit Committee

**Koh Beng San** - *Chairman*  
Independent Non-Executive Director

**Yau Yin Wee** - *Member*  
Independent Non-Executive Director

**Chen Kok Seng** - *Member*  
Independent Non-Executive Director

#### Nominating Committee

**Yau Yin Wee** - *Chairman*  
Independent Non-Executive Director

**Koh Beng San** - *Member*  
Independent Non-Executive Director

**Chen Kok Seng** - *Member*  
Independent Non-Executive Director

#### Remuneration Committee

**Yau Yin Wee** - *Chairman*  
Independent Non-Executive Director

**Koh Beng San** - *Member*  
Independent Non-Executive Director

**Chen Kok Seng** - *Member*  
Independent Non-Executive Director

#### Sustainability and Risk Management Committee

**Chen Kok Seng** - *Chairman*  
Independent Non-Executive Director

**Tee Kim Chin** - *Member*  
Non-Independent Managing Director/  
Group Chief Executive Officer

**Koh Beng San** - *Member*  
Independent Non-Executive Director

#### Share Issuance Scheme Committee

**Chen Kok Seng** - *Chairman*  
Independent Non-Executive Director

**Koh Beng San** - *Member*  
Independent Non-Executive Director

**Yau Yin Wee** - *Member*  
Independent Non-Executive Director

**Tee Kim Chin** - *Member*  
Non-Independent Managing Director/  
Group Chief Executive Officer

### Company Secretaries

**Yeow Sze Min**  
(MAICSA 7065735)  
(SSM Practicing Certificate No.  
201908003120)

**Tan Ley Theng**  
(MAICSA 7030358)  
(SSM Practicing Certificate No.  
201908001685)

### Registered office

Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur,  
Malaysia.  
**Tel. No.** : +603 2084 9000  
**Email address** : info@sshsb.com.my

### Head office

PLO 227A, Jalan Cyber 1A,  
Kawasan Perindustrian Senai III,  
81400 Senai,  
Johor Darul Ta'zim, Malaysia.  
**Tel. No.** : +607 213 3333  
**Email address** :  
admin@cape-group.com.my  
**Website** :  
www.cape-group.com.my

### Share Registrar

#### Securities Services (Holdings) Sdn. Bhd.

Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur,  
Malaysia.  
**Tel. No.** : +603 2084 9000  
**Email address** : info@sshsb.com.my

### External Auditor

**UHY Malaysia PLT**  
(202406000040 & LLP0041391-LCA) &  
AF1411  
Suite 11.05, Level 11,  
The Gardens South Tower,  
Mid Valley City, Lingkaran Syed Putra,  
59200 Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur,  
Malaysia.  
**Tel. No.** : +603 2279 3088  
**Fax No.** : +603 2279 3099

### Principal Bankers

Hong Leong Bank Berhad  
Malayan Banking Berhad  
Standard Chartered Bank Malaysia  
Berhad

### Stock Exchange Listing

**Name of Stock Exchange:** Main Market  
**Stock Name:** CEB  
**Stock Code:** 5311  
**Sector:** Industrial Products & Services

## FIVE YEARS GROUP FINANCIAL HIGHLIGHTS

| Financial Period Ended<br>("FPE")/ Financial Year Ended<br>("FYE") | FYE 2026<br>RM<br>Group | FPE 2025<br>RM<br>Group | FYE 2023<br>RM<br>Group | FYE 2022<br>RM<br>Group | FYE 2021<br>RM<br>Group |
|--------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>FINANCIAL RESULTS</b>                                           |                         |                         |                         |                         |                         |
| Revenue                                                            | 425,623,085             | 690,422,921             | 548,644,355             | 437,954,093             | 344,334,423             |
| Profit/(Loss) Before Taxation<br>("PBT"/"LBT")                     | 10,759,794              | (34,587,493)            | 57,700,499              | 40,843,536              | 25,354,932              |
| Profit/(Loss) After Taxation<br>("PAT"/"LAT")                      | 14,749,562              | (38,063,761)            | 44,342,256              | 33,540,053              | 26,264,202              |
| Net Profit/(Loss) attributable to<br>the Owners of the Company     | 15,164,201              | (37,977,706)            | 44,376,612              | 33,540,053              | 26,264,202              |
| <b>FINANCIAL POSITION</b>                                          |                         |                         |                         |                         |                         |
| Total Assets                                                       | 786,402,731             | 721,053,689             | 773,672,940             | 484,339,102             | 402,139,888             |
| Total Borrowings                                                   | 229,042,821             | 188,926,056             | 178,547,266             | 191,894,320             | 156,327,044             |
| Total Equity                                                       | 447,204,798             | 435,575,437             | 455,156,190             | 195,025,007             | 169,561,887             |
| <b>FINANCIAL RATIOS</b>                                            |                         |                         |                         |                         |                         |
| PAT/LAT Margin (%)                                                 | 3.5                     | (5.5)                   | 8.1                     | 7.7                     | 7.6                     |
| Basic Earnings/ (Losses) Per<br>Share <sup>(1)</sup> (sen)         | 1.53                    | (3.83)                  | 4.47                    | 3.63                    | 2.85                    |
| Gearing Ratio (times)                                              | 0.5                     | 0.4                     | 0.4                     | 1.0                     | 0.9                     |
| Net Assets Per Share <sup>(2)</sup> (sen)                          | 45.08                   | 43.91                   | 45.88                   | 21.13                   | 18.37                   |

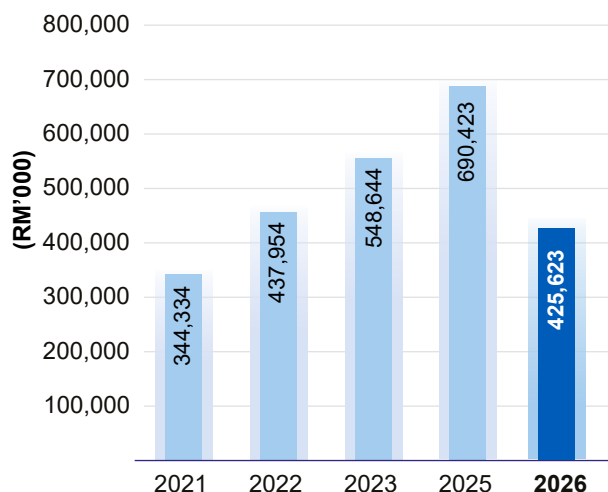
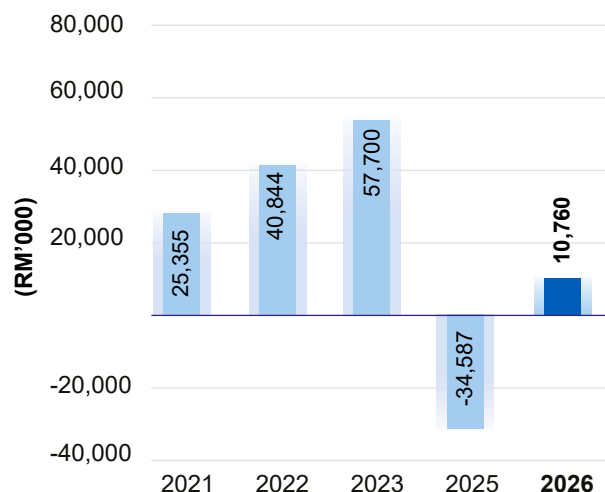
### Notes

- (1) Calculated based on PAT over the issued share capital of 992,000,000 shares after considering the private placement of 69,000,000 new ordinary shares on 12 December 2023. The number of ordinary shares used in calculating the comparative figures have been restated to reflect the enlarged number of shares of 923,000,000 after the listing of Company on 10 March 2023.
- (2) Calculated based on Total Equity over the issued share capital of 992,000,000 shares after considering the private placement of 69,000,000 new ordinary shares on 12 December 2023. The number of ordinary shares used in calculating the comparative figures have been restated to reflect the enlarged number of shares after the Company listed on 10 March 2023.

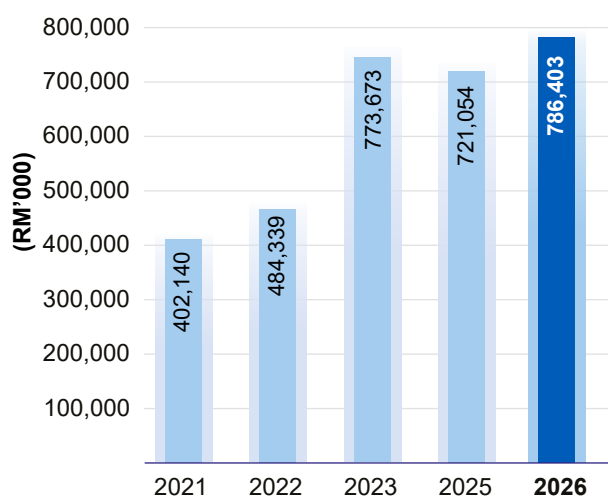
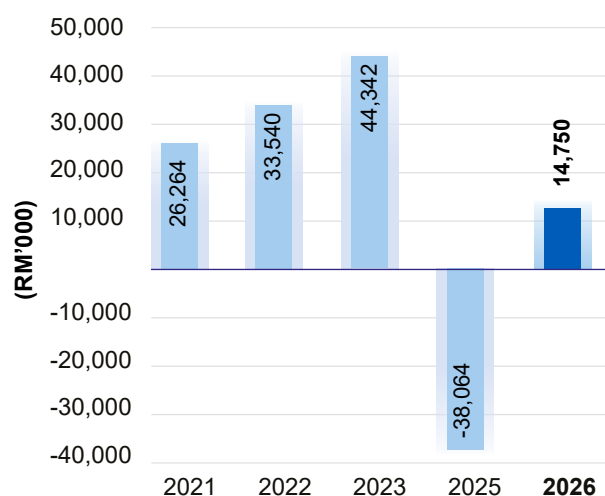
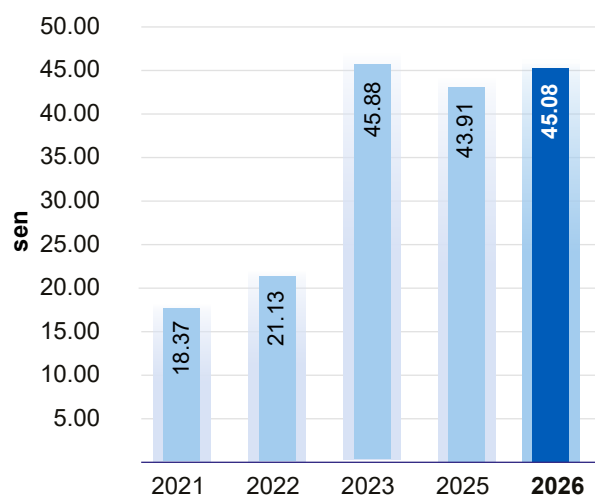
# FIVE YEARS GROUP FINANCIAL HIGHLIGHTS

## (CONT'D)

Revenue

Profit/(Loss) Before Taxation  
("PBT" / "LBT")

Total Assets

Profit/(Loss) After Taxation  
("PAT" / "LAT")Net Assets Per Share <sup>(2)</sup>

# MANAGEMENT DISCUSSION AND ANALYSIS



## Overview of Business

Cape EMS Berhad (“**CEB**”) is principally an investment holding company and is involved in Electronic Manufacturing Services (“**EMS**”). For financial reporting, the businesses of CEB and its subsidiaries (the “**Group**”) are categorised into 4 segments, namely the EMS, Intelligent Manufacturing Network (“**IMN**”), Renewable Energy (“**RE**”) and Internet of Things (“**IoT**”).

On 26 August 2025, the Group acquired Cape Renewables Sdn. Bhd. (“**CRE**”) to spearhead the renewable energy sector. CRE provides solar and battery energy storage system (“**BESS**”) solutions for commercial, industrial and utility customers, covering design, supply, installation and long-term operations and maintenance (“**O&M**”). The investment also provides a platform to explore infrastructure opportunities associated with increasing demand for artificial intelligence (“**AI**”), high-performance computing (HPC) and other data-intensive applications.

The Group acquired a 20% equity interest in EngDC Sdn. Bhd. in December 2025 to venture into higher value-added engineering and solution-based services, as well as the supply of data centre related products and services especially the O&M.

On 6 April 2026, the Group acquired a 70% equity interest in Cape Wibawa (Sarawak) Sdn. Bhd. to focus on the business opportunities in the large-scale solar energy generation facilities, including the power transmission infrastructure.

On 6 August 2026, the Group acquired a 30% equity interest in GrandCape (M) Sdn. Bhd. (formerly known as New Grand (M) Sdn. Bhd.) that specialises in advanced interconnect solutions, leveraging specialised Flexible Flat Cable that allows CEB to upgrade its overall product mix by substituting legacy wiring with higher-value alternatives.

## Financial Review

### Basis of comparison

As announced on 28 April 2025, CEB changed its financial year end from 31 December to 30 June. As a result, its previous audited financial period covered 18 months, from 1 January 2024 to 30 June 2025 (“**FPE 2025**”). FYE 2026 is the Group's first 12-month financial year under the new year end. No results were prepared or announced for the 12 months ended 30 June 2025, so there is no comparable prior-year period. FPE 2025 figures are shown in this report for reference only and are not directly comparable with FYE 2026.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (CONT'D)

### Key financial figures

| RM million                                         | FYE 2026<br>(12 months to<br>30 June 2026) | FPE 2025<br>(18 months to<br>30 June 2025) |
|----------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Revenue                                            | 425.6                                      | 690.4                                      |
| EBITDA                                             | 52.8                                       | 22.1                                       |
| Profit/(loss) before tax                           | 10.8                                       | (34.6)                                     |
| Profit/(loss) after tax                            | 14.7                                       | (38.1)                                     |
| Profit/(loss) attributable to owners of CEB        | 15.2                                       | (38.0)                                     |
| Earnings/(loss) per share (sen)                    | 1.53                                       | (3.83)                                     |
| Operating cash flow before working capital changes | 57.6                                       | 22.5                                       |
| As at 30 June                                      | FYE 2026                                   | FPE 2025                                   |
| Total assets                                       | 786.4                                      | 721.1                                      |
| Property, plant and equipment                      | 351.4                                      | 319.1                                      |
| Total borrowings                                   | 229.0                                      | 188.9                                      |
| Equity attributable to owners of CEB               | 447.3                                      | 435.3                                      |
| Net assets per share (RM)                          | 0.45                                       | 0.44                                       |
| Gross gearing (times)                              | 0.51                                       | 0.43                                       |

FYE 2026 and FPE 2025 cover periods of different length and are not directly comparable.

### Revenue

The Group recorded revenue of RM425.6 million in FYE 2026, compared with RM690.4 million for the 18 months of FPE 2025. While on an annualised pro-forma basis, revenue experienced a slight contraction of 7.5% compared to the prior 18-month period (annualised FPE 2025: RM460.3 million). This moderate adjustment was a deliberate strategic outcome driven by our refined product mix optimisation, specifically scaling back on high-value, lower-margin product lines to prioritise overall profitability and healthier margin. Revenue built continuous operational momentum throughout the fiscal year. The Group opened Q1 FYE 2026 with RM91.5 million and maintained steady baseline revenue of RM89.6 million in Q2. Revenue continued to grow in Q3, rising to RM107.6 million and Q4 revenue of RM136.9 million. This quarterly top-line expansion underscores the commercial traction of our higher-value product mix and strategic growth across our IMN and RE business lines.

### Profitability

The FYE 2026 profit before tax was RM10.8 million, compared with a loss before tax of RM34.6 million in FPE 2025. The FYE 2026 profit was after a one-off impairment of RM9.9 million on other receivables, recognised in the fourth quarter. Excluding the impairment, profit before tax would have been RM20.7 million.

Profit after tax was RM14.7 million as net tax credit of RM4.0 million, arising mainly from the reversal of tax over-provided in a prior year and the recognition of deferred tax assets. Profit attributable to owners of CEB was RM15.2 million, compared with a loss attributable to owners of RM38.0 million in FPE 2025. Earnings per share of 1.53 sen was recorded for FYE 2026.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (CONT'D)

### Financial position

The Group recorded total assets of RM786.4 million as at 30 June 2026, up from RM721.1 million as at the end of the previous financial period. Non-current assets increased from RM407.0 million to RM443.7 million, while current assets increased from RM314.1 million to RM342.7 million over the same period.

Total liabilities of the Group reached RM339.2 million as at 30 June 2026, comprising RM125.4 million in non-current liabilities and RM213.8 million in current liabilities compared to RM81.6 million and RM203.9 million as at 30 June 2025.

Equity attributable to owners of CEB as at 30 June 2026 was RM447.3 million, compared to RM435.3 million recorded on 30 June 2025, and net assets per share rose to RM0.45 from RM0.44. The Group's gross gearing ratio as at 30 June 2026 was 0.5 times (30 June 2025: 0.4 times), reflecting the increase in financing to support working capital and capital expenditure. The Group maintained a positive working capital position, with net current assets of RM128.9 million (30 June 2025: RM110.2 million).

The Group's asset base and earnings support its borrowings. Property, plant and equipment of RM351.4 million includes land and factory buildings carried at revalued amounts, and equity attributable to owners of CEB of RM447.3 million represented 56.9% of total assets.

### Business and Operating Activities Overview

The EMS Segment remained the key business segment of the Group, representing more than 90% of the Group's revenue in FYE 2026 and FPE 2025. Segment revenue was driven by EMS, complemented by the scaling of our iConn's IMN. Positioned as our asset-light virtual manufacturing arm, iConn broadens our operational footprint and drives ongoing product mix optimisation across global markets. The Group also seeks to leverage its manufacturing expertise and strategic collaborations to pursue higher-value electronics opportunities linked to AI infrastructure, advanced connectivity and evolving high-speed data transmission requirements.

The Group's new pillars made their first contributions in FYE 2026. CRE concluded its solar and battery energy storage solution for commercial and industrial ("C&I") customers, iConn added customers in the medical and life science sectors, and the Group acquired a 20% stake in EngDC Sdn. Bhd. under the IoT pillar.

### Key Risks

The Group manages risk through a structured approach covering strategic, operational, financial, sustainability and reputational risks, and focuses its resources on the risks with the greatest potential impact on the business. The main risks and the Group's responses are set out below.

Top customer concentration remained stable in FYE 2026, with major key accounts contributing RM198.8 million, or 46.7% of total revenue (FPE 2025: 47.0%). Most major customers are served under master supply agreements and assess the Group's performance regularly. To reduce this concentration, the Group is growing the IMN customer base and building revenue from the RE and IoT pillars.

The Group has established strong customer relationship processes supported by well-trained and experienced teams to develop robust customer relationships guided by the principles of openness, transparency, integrity, and trustworthiness. We keep our customers updated on the production and delivery schedule, as well as ensuring an effective communication and feedback mechanism between the customer and our production team is maintained to address any issues arising pertaining to product quality, delivery, and logistics. We also identify new business opportunities and new markets on an ongoing basis.

The Group works with reliable and responsible suppliers and ensures it is not dependent on sole suppliers. The Group undertakes stringent supplier assessment which considers the suppliers' integrity, quality of products and services, compliance including environmental and social compliance, timeliness of delivery, as well as pricing. The Group maintains close engagement with suppliers so it can revise production schedules and inform customers early if shortages or logistics problems arise.

The RE and IoT pillars are at an early stage. They need capital, skills and partners, and may take time to make a meaningful contribution. The Group manages this by entering new areas with experienced partners, building each business in stages and applying the same credit and project controls used in its EMS business.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (CONT'D)

### Growth Plans and Financial Year 2027 Outlook

The international business environment remains challenging amid slower global trade, geopolitical uncertainties, evolving trade policies and tariffs, and continued volatility in the global economy. These challenges may affect customer demand, supply chains and operating costs. The Group will continue to monitor developments closely and adjust its business plans as needed.

For financial year 2027, the Group's primary focus is driving the expansion of its iConn IMN to capture new customer accounts, scale capacity, and transition into higher-value interconnect solutions. In tandem, the Group aims to establish the RE business into a new source of earnings, alongside selective opportunities within traditional EMS. In addition, the Group will explore opportunities arising from increasing global investment in AI, high-performance computing, data centres and other advanced technology applications, particularly where these align with its existing engineering and manufacturing capabilities.

### Electronics Manufacturing Services

The Group will build on its vertically integrated EMS factories, technical expertise and established supply chain management capabilities to provide customers with integrated, end-to-end EMS solutions, from precision engineering and component manufacturing to assembly and testing.

In financial year 2027, the Group is collaborating with strategic customers on high-end technology products to drive sustainable revenue and profit growth through EMS pillar. The Group will continue to expand its precision engineering work in sub-micron CNC machining to supply components for higher-value industries such as industrial automation and semiconductors. Together with the new collaborations with business partners, these steps are intended to widen the Group's EMS customer base and reduce its reliance on a few products and markets. The Group also intends to pursue opportunities in next-generation electronic systems and advanced connectivity solutions to support the increasing complexity of AI-related and data-intensive applications.

### Renewable Energy

Malaysia's energy transition is creating a large, long-term market for solar power and energy storage. Under the National Energy Transition Roadmap ("NETR"), the Government aims to raise renewable energy to 40% of installed generation capacity by 2035 and 70% by 2050, from a target of 31% in 2025. The NETR estimates that the transition could create investment opportunities of RM1.2 trillion to RM1.3 trillion by 2050.

Energy storage is becoming a central part of this build-out. As more solar capacity connects to the grid, storage is needed to shift daytime output to evening peaks and to keep the grid stable. The Energy Commission's standalone battery storage programme, MyBeST, will add 400MW/1,600MWh of storage from 2027. In 2026, there is the sixth round of the Large Scale Solar programme includes 1.25GW of battery storage to be built alongside new solar farms.

Demand from C&I users is also growing. The electricity tariff structure that took effect on 1 July 2025 gives clearer price signals that reward on-site generation and better energy management, which strengthens the case for rooftop solar and storage. The Self-Consumption scheme, the Solar ATAP programme and the Corporate Renewable Energy Supply Scheme give businesses more ways to generate, use and buy renewable energy, while growth in data centre and advanced manufacturing is raising electricity demand.

Against this backdrop, CRE is building its business across three areas such as solar and storage systems for C&I customers, assembly and supply of BESS in Malaysia, for local customers and for export, and engineering, procurement, construction and commissioning and O&M services for utility-scale and industrial projects, which add recurring O&M income as the installed base grows.

Export markets add further scale. On 17 August 2026, the Group signed a Distribution and Strategic Collaboration Agreement with HELIOS PV (Asia Pacific) Pte. Ltd. ("HELIOS"). Under the agreement, HELIOS will import, market and distribute Malaysian-assembled residential BESS, starting with Germany, and the two parties will work together on product localisation, regulatory readiness and market development. The appointment is non-exclusive, and sales will be made under individual purchase orders. Germany is one of the world's largest markets for home battery storage: about 526,000 battery systems were installed there in 2025, taking the total to about 2.2 million, according to the Federal Network Agency. The Group sees RE as its main growth opportunity beyond EMS. The aim is for RE to become a significant part of Group revenue and to provide a growing base of recurring income from O&M and energy storage services. The Group intends to grow the business in stages, selecting projects with sound returns and creditworthy customers, while maintaining disciplined execution and financial management.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (CONT'D)

### Intelligent Manufacturing Network

The Group's IMN business, through its wholly-owned subsidiary iConn, operates a virtual manufacturing model that connects customers with qualified manufacturing partners across different geographical markets through a single platform built on Oracle NetSuite. The asset-light model provides customers with access to a broader range of manufacturing resources without the need to maintain a corresponding physical manufacturing footprint and allows production to be moved between locations as trade conditions change.

iConn added higher-value products and customers, particularly in the medical and life science sectors, and continued to contribute positively to the Group's performance as of FYE 2026. As an asset-light business, iConn can grow revenue without significant capital expenditure. In financial year 2027, the Group will continue to develop iConn with the aim of progressively increasing its contribution to the Group's revenue and profitability. The Group will also seek to broaden the IMN network's access to advanced manufacturing opportunities, including electronic components and connectivity solutions serving digital infrastructure applications.

### Internet of Things

The IoT pillar extends the Group's experience in manufacturing wireless communication equipment into product development and distribution. In August 2025, the Group set up Ligowave Wireless Sdn. Bhd. to market and distribute Wi-Fi transmission products under the Ligowave brand in Indonesia, Malaysia and Central Asia.

In December 2025, the Group acquired a 20% stake in EngDC Sdn. Bhd., which gives the Group a platform for higher value-added engineering and solution-based services and the supply of data centre related products and O&M services. The strong growth of investment in data centre creates demand for the specialised components, systems and services that the Group can supply. As computing requirements continue to evolve, the Group intends to explore opportunities associated with AI infrastructure, high-speed data transmission and the supporting engineering services required by increasingly sophisticated data centres.

FYE 2026 showed the first results of CEB 2.0: a return to profit, a wider spread of markets and the start of a new RE and IoT business. In financial year 2027, the Group will continue to build on this progress while improving cash flow. With a larger asset base, stronger earnings and clear expansion plans in each pillar, the Group is in a better position to fund its next stage of growth.

Barring any unforeseen circumstances, the Board is optimistic about the Group's prospects and expects CEB 2.0 to contribute positively to the Group's financial performance.



# CORPORATE STRUCTURE



**Cape EMS Berhad**

(Registration No.: 199901026859  
(501759-M))



# OUR GLOBAL FOOTPRINT

## Connecting Business Across Key Markets Worldwide



## Connecting Global Capabilities, Market and Manufacturing

### MALAYSIA

#### Product Development & EMS

- Cape EMS Berhad
- Cape Manufacturing (M) Sdn. Bhd.
- Cape Renewables Sdn. Bhd.
- Ligowave Wireless Sdn. Bhd.
- EngDC Sdn. Bhd.
- Cape Wibawa (Sarawak) Sdn. Bhd.
- GrandCape (M) Sdn. Bhd.  
(formerly known as New Grand (M) Sdn. Bhd.)

### SINGAPORE

#### International Procurement Centre & Trading

- Cape Holdings (S) Pte. Ltd.
- Vectrix Mobility Pte. Ltd.

### UNITED STATES OF AMERICA

#### Collaborative Design & Engineering and Intelligent Manufacturing Network

- iConn Inc.

### CHINA

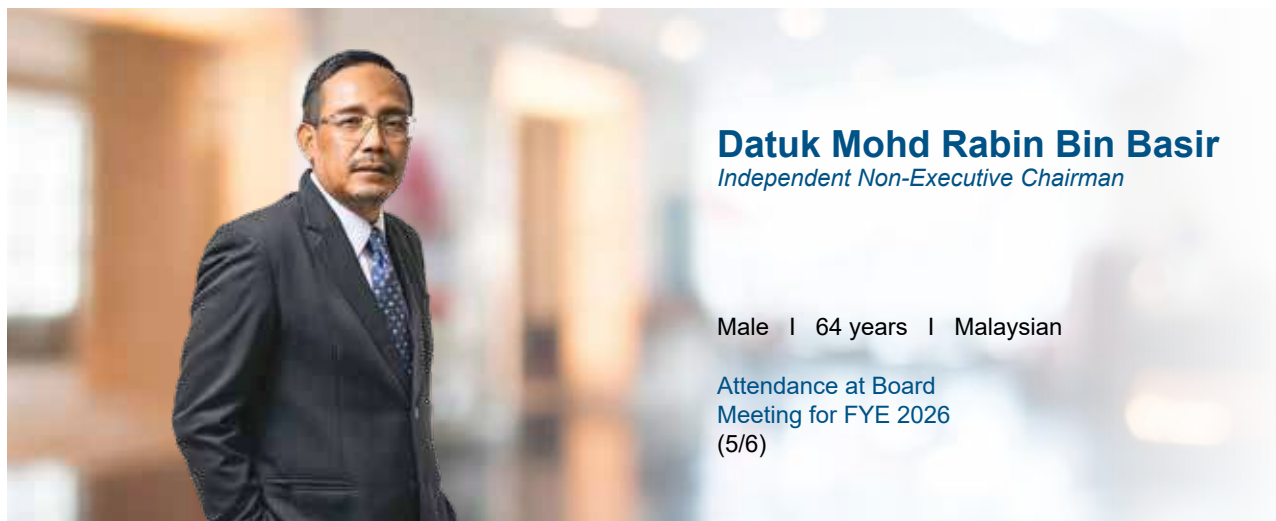
#### Engineering and Procurement

- DongGuan iConn Technologies

- Electronic Manufacturing Services
- Renewable Energy

- Intelligent Manufacturing Network
- Internet of Things

## BOARD OF DIRECTORS



Datuk Mohd Rabin Bin Basir ("**Datuk Rabin**") was appointed as the Independent Non-Executive Chairman of the Company on 5 May 2022. He obtained his Master of Arts (Defence Studies) (Honours) at the Universiti Kebangsaan Malaysia in 2006.

He began his career in 1985 till 1986 at Asia Commercial Finance (M) Berhad in the Statistic Department.

He joined the Research Division of the Prime Minister's Department ("**PMD**") in 1988 as Assistant Director. From 1991 to 1993, he was posted to the Embassy of Malaysia in Phnom Penh, Cambodia as the Second Secretary. He returned to Malaysia and assumed his original designation as Assistant Director of the Research Division, PMD from 1993 to 1997.

In 1997, he was posted to Embassy of Malaysia in Yangon, Myanmar as the First Secretary. He returned to Malaysia in 2003 and was promoted to Deputy Director of the Research Division, PMD. In 2004, he was posted to Sydney, Australia as a Special Officer to the Embassy of Malaysia in Sydney.

After completing his Master's degree in 2006, Datuk Rabin was posted to the High Commission of Malaysia in New Delhi, India as the Consular. He returned to Malaysia in 2011 and was promoted to Principal Assistant Director of the Research Division, PMD. He was promoted to Director of the Research Division, PMD in 2012.

In 2017, he was appointed as the Director of Strategic Communication Department under the Malaysia National Security Council, PMD. Subsequently, he was promoted to Deputy Director General of the Malaysian National Security Council, PMD in 2018 and to Director General of the Malaysian National Security Council, PMD in 2019.

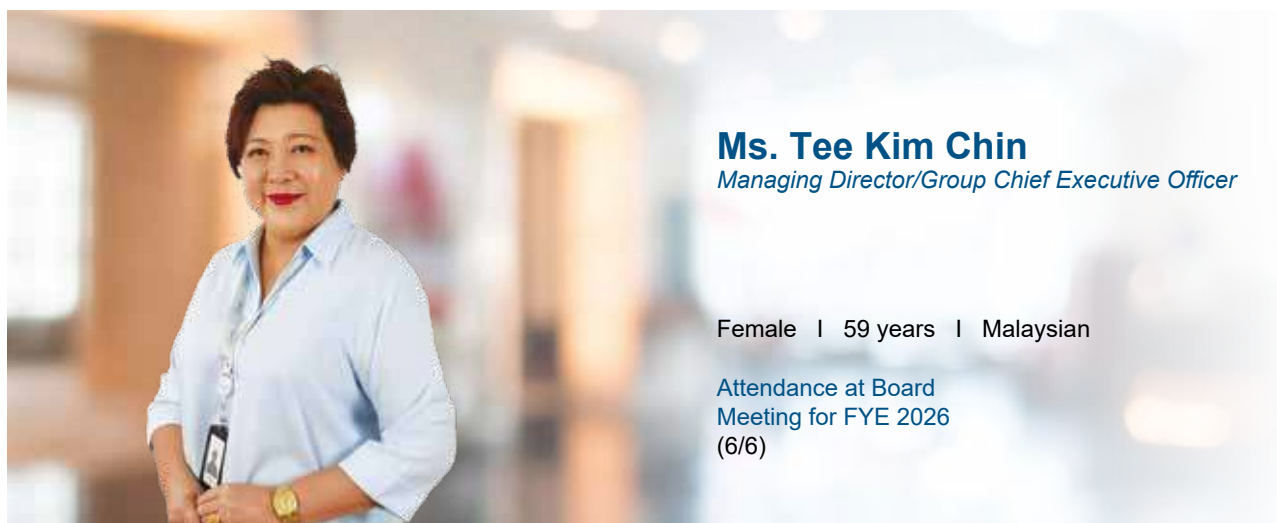
In 2021, he joined the Legal Affairs Department, PMD as the Director General. He retired from his position in April 2022 after over thirty-four (34) years of governmental service.

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

He does not have any family relationship with any Directors and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past five (5) years (other than traffic offences, if any) and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

## BOARD OF DIRECTORS (CONT'D)



**Ms. Tee Kim Chin**

*Managing Director/Group Chief Executive Officer*

Female | 59 years | Malaysian

Attendance at Board  
Meeting for FYE 2026  
(6/6)

Ms. Tee Kim Chin ("**Ms. Christina Tee**") has been a member of the Board since 31 May 2013 and currently serves as the Managing Director/Group Chief Executive Officer ("**MD/GCEO**"). Her primary responsibilities include overseeing the overall strategy and corporate direction of the Company and its subsidiaries ("**Group**"). She is also a member of the Sustainability and Risk Management Committee and was then appointed as a member of the Share Issuance Scheme Committee on 7 August 2025. She attended the Research and Advanced Study on Leadership at the School of Continuing Education, Tsinghua University, China in 2014.

Ms. Christina Tee started her career as a management trainee at A&W (M) Sdn. Bhd. in 1988 and worked her way up to various roles till her position as Ipoh Outlet Assistant Manager before joining Jangta Electronics (M) Sdn. Bhd. in 1992 as a storekeeper. She rose in ranks and eventually became the General Manager in 1999, overseeing various aspects of the company, including production planning and business development.

In 2002, she became the General Manager at Crestar Printer (M) Sdn. Bhd., responsible for operations and reporting to the Board of Directors. She later held positions at P.T Ultrakindo Crestec Indonesia and Toyoplas Holdings Pte. Ltd., where she oversaw factory management and operations. In 2013, Ms. Christina Tee acquired equity interest in Toyoplas EMS Manufacturing (M) Sdn. Bhd., which was later renamed Cape EMS Berhad and assumed the role of Chief Executive Officer of the Company. In 2021, she became the MD/GCEO.

She is currently the President of the Malaysian International Chamber of Commerce and Industry ("**MICCI**") and has won several awards for her achievements, such as the Star Outstanding Business Award (SOBA) in 2021, the World Chinese Outstanding Woman Business Leader Award in 2022, the World Outstanding Women Entrepreneur Lifetime Achievement Award in 2023, and the Honorary Life President Award in 2024.

She is also the Promoter and substantial shareholder of the Company. She is the elder sister of Ms. Tee Kim Yok, who is a Non-Independent Executive Director of the Company.

She is a Director of Christee Vacation Club Berhad and MICCI, a public company limited by guarantee. Save as disclosed, she does not hold any directorships in other public companies and listed issuers.

She does not have any conflict of interest or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries.

She has not been convicted of any offences within the past five (5) years (other than traffic offences, if any) and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

## BOARD OF DIRECTORS

### (CONT'D)



**Ms. Tee Kim Yok**

*Non-Independent Executive Director*

Female | 49 years | Malaysian

Attendance at Board  
Meeting for FYE 2026  
(6/6)

Ms. Tee Kim Yok ("**Ms. Ivy Tee**") joined the Company on 23 November 2020 and is primarily responsible for business development, corporate social responsibility ("**CSR**"), and overseeing environmental, social, and governance ("**ESG**") matters within the Group. She obtained a Malaysian Certificate of Education (SPM) in 1995.

Ms. Ivy Tee began her career in 1995 at Langkah Bersatu (M) Sdn. Bhd., where she worked as an Administrative and Sales Coordinator. She then joined Ornapaper Industry (Perak) Sdn. Bhd. in 2000 as a Sales Executive, focusing on sales and marketing and expanding the company's customer base. In 2003, Ms. Ivy Tee left Ornapaper Industry (Perak) Sdn. Bhd. and joined Astin Resources Sdn. Bhd. as an Assistant Manager, where she led the sales team and handled sales and marketing activities. She took a career break in 2008 for personal reasons.

In 2010, she worked as a Sales Representative at Digital Innovation Technologies (M) Sdn. Bhd., primarily responsible for sales and marketing. In 2012, she ventured into entrepreneurship by establishing her own business, Eyetech Solutions, selling office equipment. She closed her sole proprietorship business in 2021. Ms. Ivy Tee also entered the kindergarten business under Good Hope Edu Sdn. Bhd. in 2016, which she later sold in 2022.

In 2019, she joined Diamond Star Biotechnology Sdn. Bhd. as a Finance/Human Resource Manager, with responsibilities related to salary and payroll management. In the same year, she left Diamond Star Biotechnology Sdn. Bhd. and joined the Company as the Accounts Payable Manager. In 2020, she was appointed as our Director.

She is the younger sister of Ms. Christina Tee, who is a Promoter, MD/GCEO and also a substantial shareholder of the Company.

She is a Director of Christee Vacation Club Berhad. Save as disclosed, she does not hold any directorships in other public companies and listed issuers.

She does not have any conflict of interest or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries.

She has not been convicted of any offences within the past five (5) years (other than traffic offences, if any) and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

## BOARD OF DIRECTORS (CONT'D)



**Mr. Alex Miranda Juntado**  
*Non-Independent Executive Director*

Male | 63 years | Malaysian

Attendance at Board  
Meeting for FYE 2026  
(4/6)

Mr. Alex Miranda Juntado (“**Mr. Alex**”) joined the Company’s Board on 31 May 2013, primarily responsible for the business development of the Group. He obtained a High School Equivalency Certificate in 1992.

Mr. Alex began his career in 1985 at Seagate Technology Plc. United States of America (“**USA**”) as a Quality Inspector, where he was responsible for ensuring workmanship and product quality. He progressed through various roles, including Quality Leader, Production Supervisor, and Purchasing Officer.

In 1995, he was promoted to Production Manager, overseeing manufacturing management. He later became the Program Manager in 1997, responsible for managing product development and production schedules.

In 1999, Mr. Alex left Seagate Technology Plc. USA and joined GSS Array Technology Inc. USA as a Program Manager, focusing on manufacturing management and customer service. He resigned from GSS Array Technology Inc. USA in the same year and joined Flex Ltd. USA as a Program Manager with similar responsibilities.

In 2001, he moved to 2Wire Inc. USA as a Purchasing Officer, specialising in supply chain management. In 2009, Mr. Alex established 2COZ Technology, offering support to Toyoplas Manufacturing (M) Sdn. Bhd. and its USA customers. In 2010, he ceased his venture with 2COZ Technology and was appointed as the Director of Cape Manufacturing (M) Sdn. Bhd. In 2013, he was appointed as our Director.

Mr. Alex will retire from the Board of the Company at the conclusion of the 2026 Annual General Meeting to be held on 16 November 2026.

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

He is not a shareholder of the Company. He does not have any family relationship with any Director and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past five (5) years (other than traffic offences, if any) and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

## BOARD OF DIRECTORS (CONT'D)



**Mr. Yau Yin Wee**

*Independent Non-Executive Director*

Male | 69 years | Malaysian

Attendance at Board  
Meeting for FYE 2026  
(6/6)

Mr. Yau Yin Wee ("**Mr. Calvin Yau**") was appointed as an Independent Non-Executive Director of the Company on 5 May 2022. He currently serves as the Chairman of our Remuneration Committee and as a member of our Audit Committee. He was redesignated as the Chairman of the Nominating Committee on 30 May 2025 and subsequently appointed as a member of the Share Issuance Scheme Committee on 7 August 2025. He graduated with a Bachelor of Science from the University of South Alabama, College of Business and Management Studies, USA in 1983.

His career began when he joined Hong Leong Finance Berhad as a Marketing and Credit Executive in 1983. He was promoted to Branch Manager in 1987. He was redesignated as Hire Purchase Centre Manager in 1991 and was promoted to Corporate and Commercial Manager (Senior Manager) in 1996.

In 2005, he served as Senior Manager at AmBank (M) Berhad before being transferred to the Corporate and Institutional Banking Department of AmInvestment Bank Berhad as an Associate Director. He was then transferred to AmBank (M) Berhad as Vice President of Corporate Banking in 2014.

He rejoined Hong Leong Bank Berhad in 2015 as the General Manager of Retail Community Business. In the same year, he was appointed as Senior Regional Head (Southern Region) until his retirement in 2021.

Mr. Calvin Yau has more than thirty (30) years of experience in the banking industry. He was a committee member of the Institute Bank-Bank Malaysia ("**IBBM**") (Perak and Johor chapter) from 1992 to 2014. For some of these years, he also served as the Chairman. In 2021, he was appointed as a general committee member for MICCI.

Mr. Calvin Yau is an Independent Non-Executive Director of IREIT Managers Sdn. Bhd., a wholly-owned subsidiary of AME Elite Consortium Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. In 2023, he was appointed as an Independent Non-Executive Chairman of Smart Asia Chemical Berhad. Save as disclosed, he does not hold any directorships in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past five (5) years (other than traffic offences, if any) and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

## BOARD OF DIRECTORS (CONT'D)



**Mr. Chen Kok Seng**  
*Independent Non-Executive Director*

Male | 72 years | Malaysian

Attendance at Board  
Meeting for FYE 2026  
(6/6)

Mr. Chen Kok Seng ("**Mr. Callum Chen**") was appointed as an Independent Non-Executive Director of the Company on 5 May 2022. He currently serves as the Chairman of our Sustainability and Risk Management Committee and as a member of our Audit Committee and Remuneration Committee. He was appointed as a member of the Nominating Committee and the Chairman of the Share Issuance Scheme Committee on 30 May 2025 and 7 August 2025 respectively.

He completed his secondary education and began his career in 1971 as an apprentice in his family's business, Syarikat Lee Huat Plastics Industries. He rose from an operator to a Director by March 1981. The family business was transitioned into Lee Huat Plastics Industries Sdn. Bhd., later renamed as LH Plus Sdn. Bhd. in 2011.

Since 1998, Mr. Callum Chen has held the role of Chief Executive Officer at Lee Huat Plastics Industries Sdn. Bhd. He has been an active contributor to the plastics industry, having served as President of the Malaysian Plastics Manufacturer Association ("**MPMA**") from 1998 to 2004, and as its Honorary President since 2004. He also holds the position of Chairman at the Malaysian Plastics Design Centre ("**MPDC**") since 1998 and was a Council Member/Director of the Human Resource Development Corporation from 1998 to 2006.

From 2000 to the present, he has been the Secretary General of the Asia Plastics Forum ("**APF**"), comprising twelve (12) member countries, aimed at sharing information related to the plastics industry, including economic and industry-specific issues. APF's current focus includes carbon footprint, sustainability, the 3Rs concept (reduce, reuse, and recycle), circular economy, and ESG matters. He represents APF in the Global Plastics Alliance, engaging with organisations such as the American Chemistry Council and Plastics Europe. Mr. Callum Chen also held the position of Secretary General of the ASEAN Federation of Plastics Industries from 1992 to 1994.

Mr. Callum Chen served as the President of the Malaysian Consortium of Mid-Tier Companies ("**MCMT**") from 2017 until June 2024 and has since held the position of Honorary President starting July 2024. During his presidency, he represented MCMT in dealings with external parties, including ministries, agencies, media and other associations and chambers of commerce. He provided leadership by mobilising the expertise and experience of members to foster strategic alliances for sustainable growth, with the objective of transforming Mid-Tier Companies into regional and global champions.

He is a Director of Malaysian Plastic Design Centre, a public company limited by guarantee. Save as disclosed, he does not hold any directorships in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past five (5) years (other than traffic offences, if any) and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

## BOARD OF DIRECTORS (CONT'D)



**Mr. Koh Beng San**  
*Independent Non-Executive Director*

Male | 52 years | Malaysian

Attendance at Board  
Meeting for FYE 2026  
(6/6)

Mr. Koh Beng San ("**Mr. Dennis Koh**") was appointed as an Independent Non-Executive Director of the Company on 5 May 2022. He currently serves as the Chairman of our Audit Committee and as a member of our Sustainability and Risk Management Committee, Nominating Committee and Remuneration Committee. He was appointed as a member of the Share Issuance Scheme Committee on 7 August 2025.

Mr. Dennis Koh's professional journey is marked by significant milestones. He became an Association of Chartered Certified Accountants (ACCA) Member in 2001 and a Fellow Member in 2006. In 2002, he was admitted as a member of the Malaysian Institute of Accountants ("**MIA**"), and in 2021, he became an ASEAN Chartered Public Accountant (ASEAN CPA). He became an associate member of the Chartered Tax Institute of Malaysia ("**CTIM**") since May 2024.

His career commenced in 1998 as a Trainee Audit Assistant at JPL Wong & Co, Singapore. In 1999, he joined BDO Binder as an Audit Assistant. In 2002, he joined Tru-Tech Engineering (M) Sdn. Bhd. as an Accountant, overseeing finance and accounting.

In 2003, he joined Southern Industrial Gas Sdn. Bhd., initially as Finance Manager and was redesignated in 2004 as Manager (Finance, Accounts, Strategies Management & Audits), where his role in the company encompassed treasury, accounting, and finance functions. In 2015, he was promoted to Finance Director, with additional responsibilities for human resources, administration, procurement, and information technology. He also served on the Board of Southern Nitrous Oxide Sdn. Bhd., a related company of Southern Industrial Gas Sdn. Bhd. He resigned from this position as a Director of the company in 2019 and left Southern Industrial Gas Sdn. Bhd. in 2020.

In 2018, Mr. Dennis Koh founded Koh BS & Co., a firm registered with MIA providing company secretarial and accounting services. In 2021, he established Elitnity Sdn. Bhd., offering business advisory and consultancy services.

Mr. Dennis Koh is currently the Non-Executive Independent Director, the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees of Renaissance United Limited, a company listed on the Main Market of Singapore Stock Exchange. He is also an Independent Non-Executive Director, the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committees of YB Ventures Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad. Save as disclosed, he does not hold any directorships in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past five (5) years (other than traffic offences, if any) and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

## BOARD OF DIRECTORS

### (CONT'D)



**Dato' S. Sivasuriyamoorthy A/L Sundara Raja**

*Independent Non-Executive Director*

Male | 60 years | Malaysian

Attendance at Board  
Meeting for FYE 2026  
(3/3)

Dato' S. Sivasuriyamoorthy A/L Sundara Raja ("**Dato' Siva**") was appointed as an Independent Non-Executive Director of the Company on 1 January 2026. He holds a Bachelor's Degree in Economics (Business Administration) from the University of Malaya, completed in 1988.

Dato' Siva brings over thirty-six (36) years of extensive experience in investment promotion, policy formulation and industrial development, having served with distinction at the Malaysian Investment Development Authority ("**MIDA**") from December 1989 until his retirement in November 2025.

Throughout his tenure at MIDA, he held several key leadership positions, including Director of Strategic Planning and Policy Advocacy from 2013 to 2018, Executive Director for Investment Promotion from 2018 to 2021 and ultimately Deputy Chief Executive Officer (Investment Promotion and Facilitation) from May 2021 to November 2025. His international career highlights include two (2) significant overseas postings in Germany, where he led MIDA's Cologne office from 2006 to 2009 and the Frankfurt office from 2013 to 2017. In these roles, he successfully spearheaded investment promotion strategies to attract high-value Foreign Direct Investment (FDI) from Germany and the Benelux region (Belgium, the Netherlands and Luxembourg) into Malaysia.

Dato' Siva has been a critical contributor to Malaysia's industrial transformation, playing a key role in the formulation and implementation of the 2nd and 3rd Industrial Master Plans (IMP), the 8th and 10th Malaysia Plans, equity liberalisation of the manufacturing sector and the establishment of the Incentive Coordination and Collaboration Office (ICCO). Following his retirement from public service, he was appointed as an Adjunct Professor at the University of Malaya in January 2026 and continues to engage in strategic corporate mentorship and academic advisory roles. In recognition of his distinguished contributions and achievements, he was subsequently honoured internationally as a 2026 recipient of the Icons of Change International Award.

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

He is not a shareholder of the Company. He does not have any family relationship with any Director and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past five (5) years (other than traffic offences, if any) and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

## KEY SENIOR MANAGEMENT PROFILE



**Mr. Leong Lup Yan**

*Group Chief Financial Officer*

Male | 57 years | Malaysian

Mr. Leong Lup Yan (“**Mr. Leong**”) was appointed as the Chief Financial Officer of the Group on 20 November 2024. He is a member of the MIA and the Malaysian Institute of Certified Public Accountants (MICPA).

Mr. Leong is responsible for leading the Company’s financial and strategic direction. He oversees financial planning, analysis, budgeting, and forecasting, while ensuring compliance with reporting standards and regulations. He also manages risk assessment, investor relations, and treasury operations to optimise cash flow. In collaboration with the Chief Executive Officer and other executives, he supports strategic decision-making, mentors the finance team, and drives technological initiatives to enhance financial efficiency, fostering the Company’s growth and success.

Mr. Leong started his career as an Audit Assistant in Klynveld Peat Marwick Goerdeler (“**KPMG**”) and later promoted as a Supervisor of KPMG Tax Services. In 1996, he joined AIC Corporation Berhad as Head of Internal Audit. He was appointed the Chief Financial Officer of Jotech Holdings Berhad in August 2000 and Globaltec Formation Berhad (“**GFB**”) in 2013. In June 2015, he was redesignated as the Group Chief Operating Officer of the Precision Stamping Division of GFB, and later that year, he assumed the role of Chief Executive Officer of Guangdong Jotech Kong Yue Precision Industries Ltd.

In March 2018, Mr. Leong was appointed to the Board of Directors of Jotech Metal Fabrication Industries Sdn. Bhd. as an Executive Director. He is also an Executive Director of Fast Energy Holdings Berhad since 13 September 2023, and an Independent Non-Executive Director of Sersol Berhad since August 2021. Thereafter, he founded IV Greentech Sdn. Bhd. (“**IVG**”) and Innovative Vehicle Solutions Sdn. Bhd. in January and October 2024 respectively. Save as disclosed, he does not hold any directorships in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder of the Company.

Mr. Leong is a Director and a major shareholder of IVG by virtue of his 30% equity interest in IVG. The Company has entered into a tenancy agreement with IVG to rent a portion of Lots PLO 2 and 3, Jalan Perindustrian Kawasan Perindustrian Senai 1, 81400 Senai, Johor Darul Ta’zim together with an integrated building measuring approximately 50,000 sqft out of 152,237 sqft for a period of three (3) years. Save as disclosed, he has no conflict of interest or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past five (5) years (other than traffic offences, if any) and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

## KEY SENIOR MANAGEMENT PROFILE

### (CONT'D)



**Mr. Shane Long**  
*Chief Technology Officer*

Male | 52 years | American

Mr. Shane Long (“**Mr. Shane**”) was appointed as the Chief Technology Officer of the Company on 1 February 2026, also serving as a Senior Director of Global Operations at iConn Inc., bringing over three (3) decades of hands-on technical mastery, operational transformation and executive leadership in advanced manufacturing. He obtained high school diploma in June 1992 from North Montgomery High School in Crawfordsville Indiana.

He began his career on the shop floor in 1993, operating a Numerical Control band saw and self-teaching Computer Numerical Control programming. Mr. Shane has built an extraordinary trajectory across the aerospace, life sciences, semiconductor and heavy industrial sectors.

Before joining the Company and iConn Inc., Mr. Shane held various engineering and operational leadership roles with leading global organisations, including General Electric (“**GE**”) Oil & Gas / Baker Hughes GE (“**BHGE**”), GE Renewable Energy, Mitsubishi Hitachi Power Systems and LPI Corporation (HEICO).

With extensive experience in engineering, manufacturing and operations, he has been involved in driving operational excellence, advanced manufacturing initiatives and industrial digitalisation across large-scale manufacturing environments. During his tenure at BHGE, he contributed to the implementation of Brilliant Factory and Industrial Internet of Things (IIoT) initiatives, as well as the development of manufacturing capabilities and workforce programs.

Since joining the Company, Mr. Shane has led the Group’s technology roadmap, capital expenditure strategy and Industry 4.0 integration. He is responsible for establishing global Centers of Excellence, accelerating advanced automation and optimising Continuous Improvement (CI), New Product Introduction (NPI) and Design for Manufacturing (DFM) capabilities to ensure that the Group remains a formidable global leader in high-complexity, high-value manufacturing solutions.

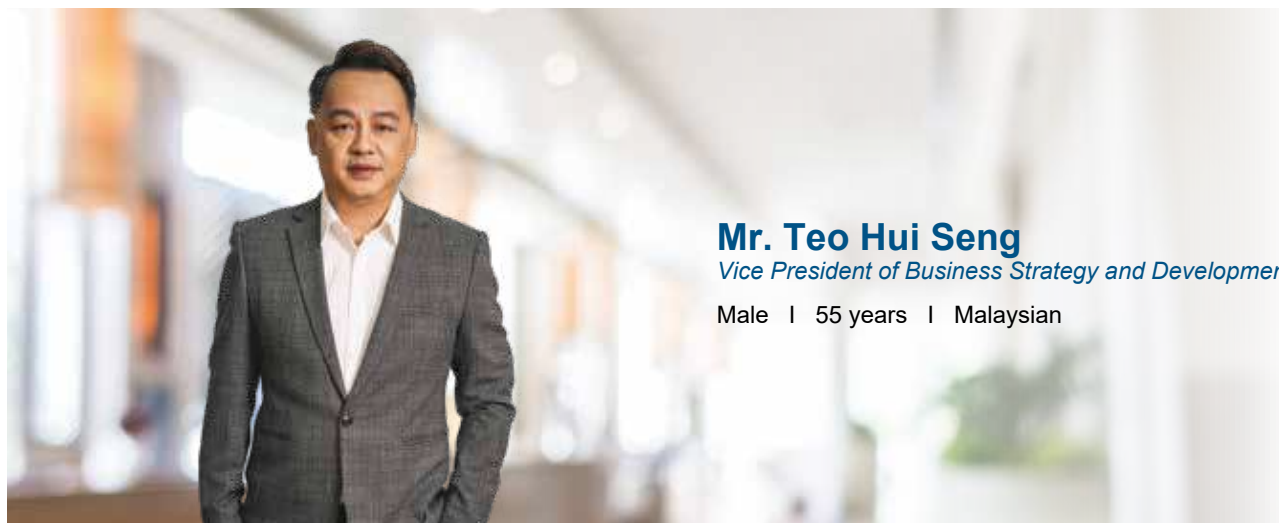
He does not hold any directorships in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past five (5) years (other than traffic offences, if any) and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

## KEY SENIOR MANAGEMENT PROFILE

### (CONT'D)



**Mr. Teo Hui Seng**

*Vice President of Business Strategy and Development*

Male | 55 years | Malaysian

Mr. Teo Hui Seng (“**Mr. Cliff Teo**”) joined the Group in 2013 and currently serves as Vice President of Business Strategy and Development, supporting the Company’s growth and expansion into new market opportunities. He obtained a Diploma in Management from the Malaysian Institute of Management in 2007.

Mr. Cliff Teo began his career in 1993 at Matsushita Audio Video (M) Sdn. Bhd., where he started as a Purchasing Assistant and eventually progressed to the position of Supervisor and Junior Officer. During his tenure, he was involved in sourcing, project development, and strategic planning for annual procurement.

From 2001 to 2005, Mr. Cliff Teo joined Winsheng Plastic Industry Sdn. Bhd. and served as an Assistant Engineer. He was subsequently promoted to Assistant Manager and Senior Manager in the Material Control Department, responsible for project management contracts, production planning, material control, purchasing, shipping, and sales support.

From 2005 to 2008, he joined DTP Manufacturing (HK) Co. Ltd. as the Deputy General Manager, where he oversees operations in three (3) factories.

From 2008 to 2013, he became the Senior Manager of Program Management at Toyoplas Manufacturing (Malaysia) Sdn. Bhd., where he was responsible for sales, business development, and project management.

In 2013, Mr. Cliff Teo joined Cape Manufacturing (M) Sdn. Bhd. as General Manager and was promoted to Vice President of Management and Business Development in 2019. In 2021, he took on the role of Vice President of Operations, where he was responsible for overseeing the operational functions of the Group. In 2024, he was redesignated as Vice President of Business Strategy and Development.

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

He does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past five (5) years (other than traffic offences, if any) and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

## KEY SENIOR MANAGEMENT PROFILE

### (CONT'D)



**Mr. Turker Hidirlar**

*Chief Executive Officer - iConn Inc.*

Male | 53 years | American

Mr. Turker Hidirlar ("**Mr. Turker**") brings more than twenty-seven (27) years of executive leadership, international business development and engineered manufacturing experience across North America, China, Southeast Asia and Europe. Following the acquisition of iConn Inc., Mr. Turker joined the Group's management team on 26 January 2024. As Chief Executive Officer of iConn Inc., he leads the company's strategic direction, global growth and delivery of engineered manufacturing services and solutions, combining engineering, supply chain management and manufacturing execution through an asset-light global production network.

Under his leadership, iConn teams have supported Fortune 500 and other global Original Equipment Manufacturer (OEM) and Electronic Manufacturing Services (EMS) customers in medical and life sciences, safety and security, instrumentation, exercise and lifestyle, consumer and industrial markets. The company develops and industrialises complex electromechanical components and subassemblies, cable and interconnect solutions, molded and metal components, and turnkey assemblies used in technically demanding and regulated products, including high-volume programmes incorporated into finished products sold in the millions. Mr. Turker has also championed the digital integration of iConn's global manufacturing network through Oracle NetSuite to improve visibility, coordination and cross-border execution. Prior to iConn Inc., he served as Chief Executive Officer of Rapid Conn Inc. from 2001 to 2008 in California, USA, Director of Global Sales and Marketing at NS-Tech Inc., and founded GoBiz, a B2B wholesale e-commerce marketplace. He was previously named a finalist for OctaneOC's Best Small Technology CEO.

Mr. Turker holds a Bachelor of Arts with First Class Honors in Marketing from Staffordshire University (UK), a University Higher Diploma in Business Studies from TMC Educational Group (Singapore), and studied Business Administration (BWL) with an emphasis on International Marketing at Johannes Gutenberg-Universitat Mainz (Germany). Fluent in English, German and Turkish, his multi-regional experience in engineering, manufacturing and commercial leadership continues to support the Group's operational scalability and global growth.

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

He does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest or potential conflict of interest, including any interest in a competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past five (5) years (other than traffic offences, if any) and has not been subject to any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

## KEY SENIOR MANAGEMENT PROFILE

### (CONT'D)



**Mr. Jonathon Harrison**

*Chief Financial Officer - iConn Inc.*

Male | 63 years | American

Mr. Jonathon Harrison (“**Mr. Jon**”) is a Certified Public Accountant (“**CPA**”) with over a decade of executive financial leadership, risk management and strategic corporate accounting experience across the technology and software manufacturing sectors. Following the acquisition of iConn Inc., Mr. Jon joined Group’s management team on 26 January 2024. As the Chief Financial Officer and Board Member of iConn Inc., Mr. Jon has been overseeing the company’s global financial strategy, capital management, and fiscal compliance.

Bringing extensive experience across all core accounting and finance operations, Mr. Jon possesses deep expertise in revenue recognition, Securities and Exchange Commission (SEC) reporting, and acquisition integration. Having successfully led major Enterprise Resource Planning (ERP) system implementations and possessing specialised knowledge of the tech and software sectors, his background in Financial Planning and Analysis (FP&A) and audit compliance underpins strong financial governance, optimised cash flow, and scalable financial structures that support the Company’s expanding global operations.

He holds a Bachelor of Science in Accounting from Loyola Marymount University and is licensed as a CPA by the California Department of Consumer Affairs - Board of Accountancy. Prior to his leadership roles at iConn Technologies and GoBizUSA, Mr. Jon served as President of Mission Accounting & Financial Services, Inc., providing strategic financial advisory to growing businesses. His extensive background also includes executive financial stewardship as Vice President and Controller at Veritone, Inc., an artificial intelligence software developer, and as Controller at MIND Research Institute, where he managed day-to-day accounting operations for software-based e-learning technologies.

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

He does not have any family relationship with any Director and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past five (5) years (other than traffic offences, if any) and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

## KEY SENIOR MANAGEMENT PROFILE

### (CONT'D)



#### **Mr. Lim Tiong Soon**

*Managing Director - Cape Renewables Sdn. Bhd.*

Male | 66 years | Malaysian

Mr. Lim Tiong Soon ("**Mr. Barry Lim**") serves as a Group Renewable Pillar Leader and was appointed as the Managing Director of Cape Renewables Sdn. Bhd. on 2 May 2025. Leading the Group's strategic initiatives in battery solutions, clean technology and green energy operations, Mr. Barry Lim brings over forty (40) years of distinguished executive leadership and technical expertise across multinational electronics, semiconductor manufacturing and renewable energy solutions.

Prior to his leadership role within the Group, Mr. Barry Lim served for fifteen (15) years in the Asian top management of a New York Stock Exchange (NYSE) listed company, driving market share expansion and manufacturing footprints across China, Malaysia and Australia in the retail security and labelling sector as Asia Pacific Vice President of Checkpoint Systems Inc. His extensive executive background also includes serving as Managing Director of Meto (M) Sdn. Bhd., spending eleven (11) years in the semiconductor industry across Singapore and Malaysia, and playing an integral role in the growth and successful listing of several local manufacturing enterprises on Bursa Malaysia Securities Berhad within the automobile parts and petroleum sectors.

Mr. Barry Lim holds a Bachelor of Engineering (Mechanical Engineering) from the National University of Singapore (NUS) and a Master of Business Administration (MBA) from the United Kingdom. His deep industry networking, strategic business management and multi-decade manufacturing experience play a critical role in expanding the Company's technological footprint in renewable energy and battery solution markets.

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

He does not have any family relationship with any Director and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past five (5) years (other than traffic offences, if any) and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

# SUSTAINABILITY STATEMENT

## 1.0 Introduction

At Cape EMS Berhad (“**CEB**” or “**the Company**”) and its subsidiaries (collectively, the “**Group**”), sustainability is fundamental to how we operate and grow. We believe that long-term success is achieved by balancing the needs of the planet, people and profit. As a leading player in the Electronic Manufacturing Services (“**EMS**”) sector, we recognise that our long-term viability and the well-being of our stakeholders and communities are closely linked to responsible environmental stewardship, social progress and sound economic performance.

This Sustainability Statement reaffirms our commitment to the core values of **Governance, Integrity, Accountability and Transparency** (“**GIAT**”), which guide our approach to responsible business practices and sustainable growth. We remain committed to managing our environmental footprint under **Planet**, supporting the well-being and development of our employees, customers and communities under **People**, and creating sustainable business value through responsible and ethical business practices under **Profit**.

By aligning our operations and sustainability initiatives with these three pillars, we aim to strengthen the Group’s resilience, create long-term value for our stakeholders and contribute towards a more sustainable future.

### Reporting Framework

CEB is pleased to present its Sustainability Statement (“**Statement**”), which outlines the framework, scope and boundary for reporting the Group’s sustainability performance. The Statement provides a structured basis for communicating the Group’s sustainability-related impacts, objectives, performance and initiatives in a consistent and transparent manner.

The Statement is presented based on the following internationally recognised guidelines and standards, such as:

1. Global Reporting Initiative (**GRI**) Standards: For a comprehensive understanding of economic, environmental, and social impacts.
2. Bursa Malaysia Sustainability Reporting Guide: To provide industry-specific disclosures.
3. United Nations Sustainable Development Goals (**SDGs**): To align corporate actions with global sustainability objectives.

The Statement will also integrate the organisation’s internal sustainability objectives, performance metrics, and strategies.

### Scope of the Statement

The scope of this Statement covers the sustainability matters, objectives, performance indicators and initiatives that are relevant to the Group’s operations and stakeholders.

### Environmental Impact

The Group’s environmental disclosures cover areas including energy consumption, water management, greenhouse gas emissions, carbon reduction, waste management and resource efficiency.

### Social Impact

The Group’s social disclosures cover areas including employee well-being, health and safety, community engagement, human rights and labour practices, diversity and inclusion, and workplace practices.

### Governance and Economic Impact

The Group’s governance and economic disclosures cover areas including corporate governance, ethical business practices, compliance with applicable laws and regulations, risk management, data privacy and security, financial performance, value creation and long-term business sustainability.



# SUSTAINABILITY STATEMENT

## (CONT'D)

### 1.0 INTRODUCTION (CONT'D)

#### Boundary of the Statement

The boundary of this Statement establishes the organisational, operational and geographical scope within which the Group's sustainability performance is reported.

#### Organisational Boundary

The Statement covers the parent company and subsidiaries under the Group's direct control. Joint ventures, partnerships or affiliates over which the Group has insignificant influence are excluded from the reporting boundary.

#### Operational Boundary

The Statement covers sustainability matters arising from the Group's direct operations, as well as relevant indirect activities including selected aspects of its supply chain, suppliers, service providers and other business relationships, where applicable.

#### Geographical Boundary

The Statement covers the Group's operations in the locations where it operates, with emphasis on locations and facilities where sustainability impacts and risks are considered most relevant.

#### Limitations and Exclusions

**Data Availability:** Certain data may be incomplete or unavailable for certain subsidiaries or geographic locations, especially if operations are recently acquired or data systems are still being aligned with sustainability reporting standards.

**Materiality Determination:** Some minor activities or impacts may be excluded from the report if they are not deemed material according to the materiality assessment conducted before the reporting cycle.

**Third-Party Data:** In cases where third-party data (such as supplier emissions or environmental footprint) is utilised, the accuracy of the data may vary depending on the reporting practices of these third parties.

#### Assurance and Verification

This statement has not undergone an assurance process. The data presented herein has been sourced and verified internally by the relevant business units or data owners. The Group is committed to continually enhancing its data collection and analysis procedures to improve the quality and accuracy of its data.

#### Sustainability Governance

The Board of Directors ("**the Board**") holds ultimate authority over the Group's sustainability strategy and governance, responsible for reviewing and approving all sustainability-related policies and initiatives. The Sustainability and Risk Management Committee ("**SRMC**") supports the Board by overseeing the Group's management of key sustainability issues and providing regular updates on sustainability performance, progress, and challenges. In fulfilling its oversight role regarding business risks, the SRMC also incorporates sustainability considerations, including health and safety, data governance and privacy, and climate-related risks.

The Group Chief Executive Officer leads the implementation of sustainability strategies approved by the Board, working closely with the Group Sustainability Oversight Committee ("**GSOC**"). The GSOC, entrusted by the SRMC, is responsible for executing the Group's sustainability strategies and initiatives, addressing both economic factors and the three pillars of sustainability: environmental, social, and governance. Additionally, the GSOC plays a key role in embedding sustainable practices throughout the Group.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 2. MATERIALITY ASSESSMENT

The Group undertakes an annual materiality assessment to identify and evaluate sustainability matters that are significant to its operations, stakeholders and long-term value creation. The assessment considers the Group's economic, environmental, social and governance ("EESG") impacts, as well as the needs and expectations of its stakeholders.

The materiality assessment process involved stakeholder engagement, identification and assessment of sustainability matters, categorisation and prioritisation, followed by review and validation. The outcome of the assessment provides a basis for the Group to prioritise its sustainability efforts and determine the risks, opportunities and strategies relevant to its material sustainability matters.

For FYE 2026, we have endeavoured a similar 4-step materiality assessment approach adopted in the past in line with the guidance prescribed by the GRI and Bursa Securities' Sustainability Reporting Guide 3rd Edition for the assessment on the Group's material matters – stakeholders identification and engagement, sustainability matters identification assessment, categorisation and prioritisation and review and validation.

#### Engaging With Our Stakeholders

The Group recognises stakeholder engagement as an important component of its sustainability approach, enabling the Group to understand the concerns, expectations and priorities of stakeholders who affect, or are affected by, their business and activities.

For FYE 2026, the Group engaged relevant internal and external stakeholders through an ESG Materiality Assessment Survey to obtain their views on the significance and priority of identified sustainability matters. The feedback received provides valuable input in determining the Group's material sustainability matters and supports the continuous improvement of its sustainability strategies and reporting.

| Key Stakeholders    | Methods and Frequency of Engagement                                                                                                                                                                                                                                       | Areas of Interest or Concerns                                                                                                                               | Our Response                                                                                                                                                                 |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Shareholders</b> | <b>As needed</b> <ul style="list-style-type: none"> <li>Press releases</li> </ul> <b>Quarterly</b> <ul style="list-style-type: none"> <li>Financial reports and announcements</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>Annual Reports</li> </ul> | <ul style="list-style-type: none"> <li>Group's overall performance</li> <li>Business strategies and plan</li> <li>Dividend payout</li> </ul>                | <ul style="list-style-type: none"> <li>Timely updates on business, financial, and strategic performance</li> </ul>                                                           |
| <b>Financiers</b>   | <b>As needed</b> <ul style="list-style-type: none"> <li>One-on-one and group meetings</li> </ul> <b>Quarterly</b> <ul style="list-style-type: none"> <li>Investor briefings</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>General Meetings</li> </ul> | <ul style="list-style-type: none"> <li>Mitigation and adaptation to climate change</li> <li>Good management and corporate governance</li> </ul>             | <ul style="list-style-type: none"> <li>Monitor sustainability performance and targets</li> <li>Uphold good governance practices across the Group and supply chain</li> </ul> |
| <b>Customers</b>    | <b>Ongoing</b> <ul style="list-style-type: none"> <li>Customer support channels (i.e. website)</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>Public engagement events (i.e. roadshows)</li> <li>Customer Satisfaction Survey</li> </ul>               | <ul style="list-style-type: none"> <li>High-quality products and services</li> <li>Customer experience (i.e. speed of customer service response)</li> </ul> | <ul style="list-style-type: none"> <li>Adhere to quality standards (i.e. ISO 9001)</li> </ul>                                                                                |

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 2. MATERIALITY ASSESSMENT (CONT'D)

#### ENGAGING WITH OUR STAKEHOLDERS (CONT'D)

| Key Stakeholders                       | Methods and Frequency of Engagement                                                                                                                                                                                                                           | Areas of Interest or Concerns                                                                                                                                            | Our Response                                                                                                                    |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <b>Suppliers and Service Providers</b> | <b>Ongoing</b> <ul style="list-style-type: none"> <li>Supplier audits on key material suppliers</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>Supplier assessment</li> </ul>                                                              | <ul style="list-style-type: none"> <li>Supply chain management</li> <li>Business development</li> <li>Pricing</li> </ul>                                                 | <ul style="list-style-type: none"> <li>Ensure transparent and ethical procurement practices</li> </ul>                          |
| <b>Employees</b>                       | <b>Ongoing</b> <ul style="list-style-type: none"> <li>Internal communications</li> <li>Staff benefits</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>Employee feedback surveys</li> <li>Employee appraisals</li> <li>Town halls</li> </ul> | <ul style="list-style-type: none"> <li>Work-life balance</li> <li>Health and Safety at the workplace</li> <li>Career development and upskilling opportunities</li> </ul> | <ul style="list-style-type: none"> <li>On-the-job training</li> <li>Promote transparent communication with employees</li> </ul> |
| <b>Authorities and Regulators</b>      | <b>Ongoing</b> <ul style="list-style-type: none"> <li>Participation in government and regulatory events</li> </ul> <b>As needed</b> <ul style="list-style-type: none"> <li>Scheduled/ad-hoc meetings</li> </ul>                                               | <ul style="list-style-type: none"> <li>Regulatory compliance including environmental and social compliance</li> <li>Corporate governance practices</li> </ul>            | <ul style="list-style-type: none"> <li>Adoption of practices outlined in the Malaysian Code on Corporate Governance</li> </ul>  |
| <b>Industry Peers</b>                  | <b>As needed</b> <ul style="list-style-type: none"> <li>Strategic and ad-hoc meetings/ visits</li> </ul>                                                                                                                                                      | <ul style="list-style-type: none"> <li>Topics, trends, challenges, and opportunities that are relevant</li> </ul>                                                        | <ul style="list-style-type: none"> <li>Adhere to Governance Sustainability Policy – Fair Business Practices</li> </ul>          |
| <b>Surrounding Community</b>           | <b>Annually</b> <ul style="list-style-type: none"> <li>Community impact programmes</li> </ul>                                                                                                                                                                 | <ul style="list-style-type: none"> <li>Healthy and sustainable built environment</li> </ul>                                                                              | <ul style="list-style-type: none"> <li>Investment in welfare to improve community well-being</li> </ul>                         |



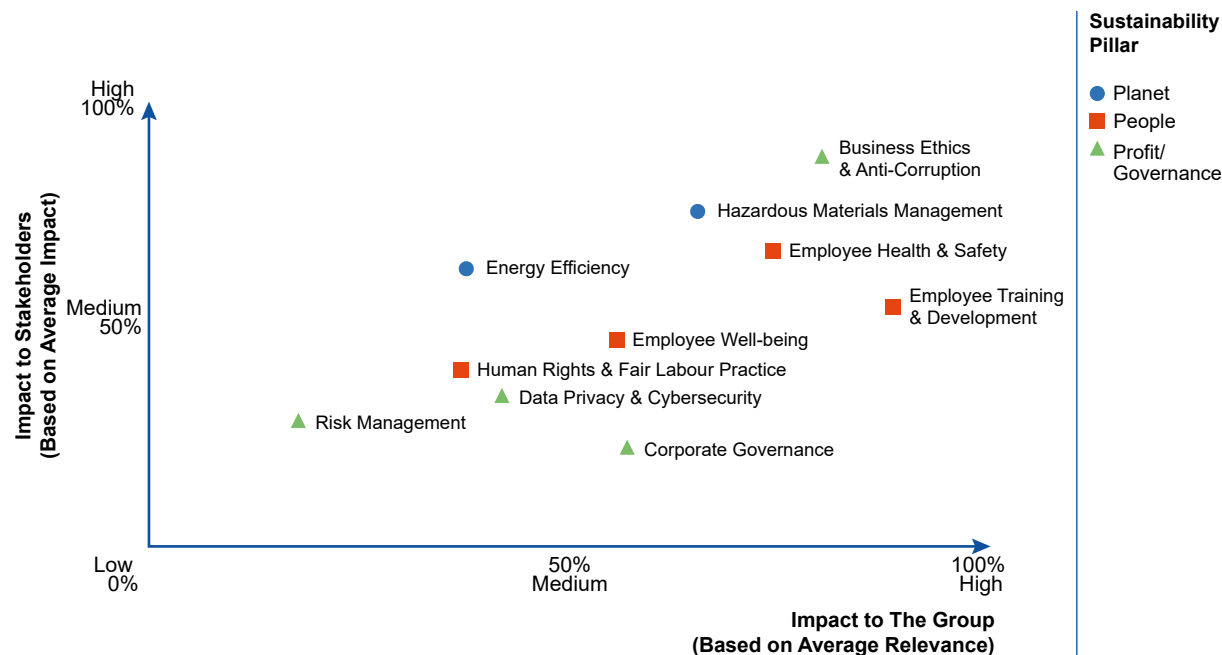
# SUSTAINABILITY STATEMENT

## (CONT'D)

### 2. MATERIALITY ASSESSMENT (CONT'D)

#### MANAGING MATERIAL SUSTAINABILITY MATTERS

The Group's materiality matrix is illustrated below.



In FYE 2026, the Group conducted a materiality assessment to identify and prioritise the sustainability matters most relevant to its business and stakeholders. Each matter was evaluated on two dimensions: its impact on the Group, based on average relevance, and its impact on stakeholders, based on average impact. A total of fourteen (14) sustainability matters were assessed across the Group's three (3) sustainability pillars of Planet, People and Profit/Governance, as presented in the materiality matrix above.

Five (5) matters were identified as highly material, ranking above the midpoint on both dimensions: Business Ethics & Anti-Corruption, Hazardous Materials Management, Employee Health & Safety, Employee Training & Development, and Employee Well-being. Business Ethics & Anti-Corruption recorded the highest impact to stakeholders, reflecting the importance stakeholders place on integrity and responsible business conduct. Employee Training & Development was assessed as the most significant matter to the Group, underscoring the role of a skilled workforce in sustaining its manufacturing capabilities and supporting its expansion into new business areas. Hazardous Materials Management emerged as the most material environmental matter. This is consistent with the nature of the Group's manufacturing activities and the chemical waste streams generated from certain customer projects.

Energy Efficiency was rated highly by stakeholders but moderately in terms of its impact on the Group. This indicates growing stakeholders' expectations on energy and climate performance, which the Group will continue to address as it prepares for the adoption of the National Sustainability Reporting Framework.

The Group will continue to manage and monitor all identified sustainability matters, regardless of their position in the matrix. Common sustainability matters and climate-related disclosures prescribed under the Bursa Malaysia Main Market Listing Requirements are reported in this Statement irrespective of their materiality rating. The assessment findings will guide the Group in prioritising its sustainability strategies, initiatives and resource allocation, and will be reviewed periodically to reflect changes in the business environment and stakeholder expectations.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 2. MATERIALITY ASSESSMENT (CONT'D)

#### Sustainability Strategies and UN SDG Mapping

The Group has identified and mapped relevant UN SDGs across its three sustainability pillars of Planet, People and Profit. These SDGs reflect the areas where the Group's sustainability initiatives can contribute towards sustainable development. The Group has formulated corresponding sustainability strategies to build readiness and resilience through the identification and management of potential risks and opportunities encountered by our organisation.

|        | Material Topics                                                                     | Risks                                                                                                                                     | Opportunities                                                                                                                                             | Sustainability Strategies                                                                                                                                              |
|--------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Planet | <b>Climate Change &amp; Greenhouse Gas Emission</b>                                 | Climate change may increase operational and transition risks as the Group adapts to a lower-carbon economy.                               | Transitioning towards renewable energy and improving energy efficiency can reduce emissions and support the Group's transition to a lower-carbon economy. | Track Scope 1 and 2 emissions, reduce energy use in key processes, expand renewable energy use and improve equipment efficiency.                                       |
|        | <b>Waste Management &amp; Recycling</b>                                             | Improper management of production waste, particularly hazardous waste, may result in environmental and regulatory risks.                  | Waste segregation, recycling and recovery can reduce waste directed to disposal and support resource recovery.                                            | Segregate waste at source, apply proper handling procedures, train employees, assess scheduled waste vendors, and prioritise recycling and recovery.                   |
|        | <b>Pollution Prevention</b>                                                         | Manufacturing activities may generate environmental impacts if emissions, waste and other pollutants are not properly managed.            | Preventive environmental practices can minimise environmental impacts and strengthen operational responsibility.                                          | Monitor emissions, waste handling and chemical storage, conduct regular inspections, prevent spills, and train employees on pollution controls.                        |
|        | <b>Hazardous Material Management</b>                                                | Improper handling, storage or disposal of hazardous materials and scheduled waste may lead to environmental, safety and compliance risks. | Effective hazardous waste management can prevent improper waste dumping, reduce environmental impacts on water resources, and improve resource recovery.  | Monitor hazardous materials monthly, ensure proper labelling, storage and disposal, use DOE-approved contractors, keep disposal records, and train relevant employees. |
|        | In alignment to:                                                                    |                                                                                                                                           |                                                                                                                                                           |                                                                                                                                                                        |
|        |  |                                                        |                                                                        |                                                                                                                                                                        |

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 2. MATERIALITY ASSESSMENT (CONT'D)

#### Sustainability Strategies and UN SDG Mapping (Cont'd)

|        | Material Topics                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Risks                                                                                                                                                          | Opportunities                                                                                                                                       | Sustainability Strategies                                                                                                                                   |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| People | <b>Employee Health &amp; Safety</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Workplace hazards and inadequate safety practices may result in injuries, health risks, operational disruptions and employee concerns.                         | A safe and healthy working environment can strengthen employee well-being, productivity and confidence in the workplace.                            | Conduct hazard assessments, provide safety training, communicate safe work procedures, monitor incidents and near misses, and implement corrective actions. |
|        | <b>Employee Training &amp; Development</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Insufficient training and development opportunities may limit employees' ability to perform current roles effectively and prepare for future responsibilities. | Continuous learning and skills development can strengthen employee capabilities, support career progression and enhance organisational performance. | Identify skills gaps, provide role-based training, support cross-functional learning, and track training participation and effectiveness.                   |
|        | <b>Employee Well-being</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | High work demands and insufficient support may affect employees' physical and mental well-being, engagement and workplace relationships.                       | A supportive and inclusive workplace can enhance employee morale, teamwork, communication and productivity.                                         | Promote wellness initiatives, strengthen employee communication, provide workplace support facilities, and review feedback for improvement actions.         |
|        | <b>Human Rights &amp; Fair Labour Practices</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Inadequate management of human rights and labour standards may lead to employee grievances, regulatory concerns and reputational risks.                        | Strong human rights practices and fair treatment can support a healthy working culture, productivity and stakeholder trust.                         | Maintain fair employment practices, monitor labour compliance, review working conditions, address grievances promptly, and reinforce policy awareness.      |
|        | <b>Data Privacy &amp; Cybersecurity</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Cyberattacks, data breaches or unauthorised access may compromise sensitive information and affect stakeholder trust and business operations.                  | Strong data protection and cybersecurity practices can strengthen customer and stakeholder confidence while supporting business continuity.         | Strengthen access controls, encryption and firewalls, conduct audits and risk assessments, train employees, and maintain incident response plans.           |
|        | In alignment to: <div>       </div> |                                                                                                                                                                |                                                                                                                                                     |                                                                                                                                                             |

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 2. MATERIALITY ASSESSMENT (CONT'D)

#### Sustainability Strategies and UN SDG Mapping (Cont'd)

|                                                                                                                                                                                                                                                             | Material Topics                     | Risks                                                                                                                                                                       | Opportunities                                                                                                                               | Sustainability Strategies                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Profit                                                                                                                                                                                                                                                      | <b>Product Quality &amp; Safety</b> | Inadequate quality control may result in product defects, inconsistent quality, safety issues, customer dissatisfaction, and reputational impact.                           | Consistently delivering high-quality and safe products can strengthen customer confidence, loyalty and repeat business.                     | Strengthen QA/QC checks, monitor product performance, review customer feedback, apply root cause analysis, and implement corrective actions.                                  |
|                                                                                                                                                                                                                                                             | <b>Customer Satisfaction</b>        | Delayed responses, unresolved complaints or gaps in product and service delivery may affect customer relationships and business opportunities.                              | Strong customer relationships and responsive service can improve customer trust, retention, and opportunities for business growth.          | Maintain customer feedback channels, provide timely updates, escalate complaints, resolve issues promptly, and use feedback to improve service delivery.                      |
|                                                                                                                                                                                                                                                             | <b>Regulatory Compliance</b>        | Failure to comply with applicable laws, regulations and standards may result in penalties, operational disruption, and reputational damage.                                 | Strong compliance practices can improve operational resilience, stakeholder confidence and readiness for regulatory changes.                | Monitor regulatory changes, maintain controls, assign compliance owners, conduct training and reviews, and close identified gaps promptly.                                    |
|                                                                                                                                                                                                                                                             | <b>Risk Management</b>              | Unidentified or inadequately managed strategic, operational, financial, sustainability and other business risks may adversely affect the Group's objectives and continuity. | Proactive risk management enables the Group to identify emerging threats early, strengthen resilience and support informed decision-making. | Identify key and emerging risks, assign mitigation owners, monitor risk exposure, conduct periodic reviews, and implement action plans.                                       |
|                                                                                                                                                                                                                                                             | <b>Supply Chain Management</b>      | Supply disruptions, raw material price volatility, logistics challenges and supplier-related ESG risks may affect costs, continuity and operational performance.            | Strong supplier relationships and a resilient supply chain can support continuity of supply, cost efficiency, innovation and reputation.    | Assess and audit suppliers, maintain safety stock, develop alternative sources, increase local sourcing, monitor supplier performance, and engage suppliers on ESG practices. |
| In alignment to:                                                                                                                                                                                                                                            |                                     |                                                                                                                                                                             |                                                                                                                                             |                                                                                                                                                                               |
|    |                                     |                                                                                                                                                                             |                                                                                                                                             |                                                                                                                                                                               |

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE

#### 3.1 PLANET

##### 3.1.1 Energy and Resource Management

###### *Energy Consumption*

The use of electricity is essential in our manufacturing process. For the financial year ended 30 June 2026 ("FYE 2026"), the total energy consumption recorded was 27,984.41 GJ.

| Indicator                 | Unit       | FYE 2023  | FPE 2025  | FYE 2026  |
|---------------------------|------------|-----------|-----------|-----------|
| <b>Energy Consumption</b> |            |           |           |           |
| Total energy consumption  | Gigajoules | 43,126.89 | 48,287.60 | 27,984.41 |

As part of our efforts to support clean energy generation and achieve a zero-emission goal by 2040, we successfully installed a 1,108 kWp solar photovoltaic ("PV") system at our PLO 227A operational facility to reduce our dependency on electricity consumption from the power grid. The planned solar PV is expected to reduce 864 tonnes of carbon dioxide equivalent in the first year. The system was activated on 26 June 2024 and the electricity generated from the solar system is tabulated below.



| Indicator                                  | 2025 |         |         |        |         |         |        |
|--------------------------------------------|------|---------|---------|--------|---------|---------|--------|
|                                            | Unit | Jul     | Aug     | Sep    | Oct     | Nov     | Dec    |
| <b>Solar System Electricity Generation</b> |      |         |         |        |         |         |        |
| Generated Electricity                      | kWh  | 103,640 | 110,550 | 76,080 | 105,970 | 103,090 | 89,580 |

| Indicator                                  | 2026 |        |         |         |         |         |         |
|--------------------------------------------|------|--------|---------|---------|---------|---------|---------|
|                                            | Unit | Jan    | Feb     | Mar     | Apr     | May     | Jun     |
| <b>Solar System Electricity Generation</b> |      |        |         |         |         |         |         |
| Generated Electricity                      | kWh  | 99,310 | 108,550 | 131,070 | 117,080 | 107,600 | 101,720 |

The Group had completed the HVAC efficiency system project which includes CHWP, CWP & CT optimisation, AHU optimisation, and new chiller installation for our Senai 227 Factory in line with its cost-saving efforts and potential "green" contribution towards the environment. The optimisation project has improved overall power consumption by approximately 2,770,000 kWh/year, which is equivalent to a reduction of 2,428 tonnes of carbon dioxide annually.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.1 PLANET (CONT'D)

##### 3.1.1 Energy and Resource Management (Cont'd)

###### *Water Management*

The issue of water scarcity is becoming increasingly alarming due to several factors, such as climate change, poor water management, and contamination. Although none of the Group's operations are in water-stressed areas, CEB adopts a practical approach to water management to improve water efficiency and promote water conservation.

We have embarked on a rainwater catchment project to reduce the dependency on district water supplied by Syarikat Air Johor ("SAJ") for cleaning and watering the plant purposes at our rooftop office area.

The Group consumed approximately 90,817 m<sup>3</sup> (equivalent to 90.817 megalitres) of water across operations for the financial year ended 30 June 2026 ("FYE 2026").

| Indicator                  | Unit       | FYE 2023 | FPE 2025 | FYE 2026 |
|----------------------------|------------|----------|----------|----------|
| <b>Water Consumption</b>   |            |          |          |          |
| Total volume of water used | Megalitres | 62.521   | 80.983   | 90.817   |



# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.1 PLANET (CONT'D)

##### 3.1.1 Energy and Resource Management (Cont'd)

###### *Waste Management*

The types of waste generated in the Group's production operations include hazardous waste. The majority of the hazardous waste generated is:

| Code  | Details                                                                        |
|-------|--------------------------------------------------------------------------------|
| SW103 | Waste of batteries containing lithium                                          |
| SW104 | Aluminium dross                                                                |
| SW109 | Fluorescent light                                                              |
| SW110 | e-waste                                                                        |
| SW206 | Spent organic acid                                                             |
| SW305 | Spent lubricating oil                                                          |
| SW307 | Coolant oil                                                                    |
| SW409 | Empty container contaminated with chemicals                                    |
| SW410 | Contaminated rag/gloves with chemical/scheduled wastes                         |
| SW422 | Aluminium oil/chip, and a mixture of scheduled wastes and non-scheduled wastes |
| SW429 | Discarded/Out-of-specification chemical                                        |
| SW430 | Obsolete chemical                                                              |

All hazardous waste is handled by regulated procedures and managed by licensed contractors approved by the Department of Environment ("DOE"). Most hazardous waste is incinerated through regulated processes and recovery processes i.e.: SW104, SW109, SW110, SW305, SW307, SW409, and SW422.

| Hazardous Waste                    | Unit          | FYE 2023 | FPE 2025 | FYE 2026 |
|------------------------------------|---------------|----------|----------|----------|
| Total waste generated              | Metric tonnes | 94.69    | 150.35   | 80.54    |
| Total waste diverted from disposal | Metric tonnes | 74.52    | 126.04   | 1.27     |
| Total waste directed to disposal   | Metric tonnes | 13.22    | 6.07     | 79.27    |

The Group's hazardous waste profile is closely influenced by the nature of customer projects undertaken during each reporting period.

In FYE 2023 and FPE 2025, the majority of hazardous waste generated was attributable to manufacturing activities for a former customer. A significant proportion of the waste generated from this project was recoverable and suitable for recycling or recovery processes. As a result, the Group achieved hazardous waste diversion rates of approximately 79% in FYE 2023 and 84% in FPE 2025. Following the cessation of this customer engagement, the associated waste streams were no longer generated.

In FYE 2026, total hazardous waste generated decreased by 46% to 80.54 metric tonnes from 150.35 metric tonnes in FPE 2025. The hazardous waste generated during the year arose mainly from a new project. Due to the chemical nature of these waste streams, recovery and recycling options were not commercially or technically feasible. Consequently, the waste was directed to disposal through Department of Environment ("DOE") licensed scheduled waste contractors in accordance with applicable regulatory requirements. As a result, the hazardous waste diversion rate declined to 1.6% for the year.

The lower diversion rate does not reflect a deterioration in the Group's waste management practices, but rather a change in the composition of hazardous waste generated arising from the Group's evolving project and customer mix. The Group remains committed to the environmentally responsible management of hazardous waste and will continue to work with licensed waste management service providers to explore feasible recovery, treatment and disposal solutions, while implementing measures to minimise waste generation at source wherever practicable.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.1 PLANET (CONT'D)

##### 3.1.1 Energy and Resource Management (Cont'd)

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

The Group will continue to monitor its hazardous waste generation and management performance as its operational activities and customer portfolio evolve.

CEB practices waste segregation when handling non-hazardous waste (i.e.: recyclable materials) generated from production. During the financial year, recyclable materials such as cartons/boxes, metal parts, and plastic parts, were sold to service providers who process and recycle them. The Group also practices segregation and recycling in the office operations where recycling bins for metals, paper, and plastics are provided at the premises.

| Non-Hazardous Waste                | Unit          | FYE 2023 | FPE 2025 | FYE 2026 |
|------------------------------------|---------------|----------|----------|----------|
| Total waste generated              | Metric tonnes | 37.88    | 6.10     | 5.09     |
| Total waste diverted from disposal | Metric tonnes | 37.88    | 6.10     | 5.09     |
| Total waste directed to disposal   | Metric tonnes | Zero     | Zero     | Zero     |

The total waste generated, waste diverted from disposal, and waste directed to disposal of CEB (including both hazardous and non-hazardous) are summarised below:

| Indicator                          | Unit          | FYE 2023 | FPE 2025 | FYE 2026 |
|------------------------------------|---------------|----------|----------|----------|
| Total waste generated              | Metric tonnes | 132.57   | 156.44   | 85.63    |
| Total waste diverted from disposal | Metric tonnes | 112.40   | 132.14   | 6.36     |
| Total waste directed to disposal   | Metric tonnes | 13.22    | 6.07     | 79.27    |

As a Group we strive to have a positive impact on the environment and are committed to reduce our waste output, we have conducted several initiatives to improve our waste management practices:

- Create awareness of environmental sustainability through internal training and the Safety, Health & Environmental (“**SHE**”) Bulletin.
- Onsite vendor assessment for Scheduled Wastes to ensure the appointed vendor complies with Scheduled Wastes Regulation.
- Engaging Scheduled Waste’s vendor that implements cradle-to-cradle concept (emphasise more on recycling and recovery process instead of incineration).

##### 3.1.2 Carbon Reduction

CEB acknowledged that energy consumption and Greenhouse Gas (“**GHG**”) emissions contribute to climate change impacts. The Group recognises that as a corporate citizen, CEB is responsible for reducing its carbon footprint while also embracing opportunities that unfold while making the transition to a low-carbon economy.

Under the Sustainable Energy Development Authority (“**SEDA**”) initiative to support the country in achieving its target, the company purchased 3000 Renewable Energy Certificates (“**RECs**”) generated from the Murum Hydroelectric Plant in Sarawak by participating in the Bursa Carbon Exchange auction program. A REC represents the environmental attribute of the generation of a one megawatt-hour (“**MWh**”) of energy produced by renewable energy (“**RE**”). Used to promote and track the production and consumption of RE, RECs play a crucial role in the global effort to transition from fossil fuels to renewable energy, which are more sustainable energy sources. Essentially RECs can be used to reduce our GHG emissions from electricity consumption (Scope 2).

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.1 PLANET (CONT'D)

##### 3.1.2 Carbon Reduction (Cont'd)

The Group's operations utilise energy in the forms of electricity from the power grid, diesel used in generator sets, and petrol and diesel used in vehicles owned. The breakdown of the Group's energy consumption during financial year 2026 is as follows:

| Utility Categories        | Energy Consumption (kJ)  |
|---------------------------|--------------------------|
| Electricity               | 27,984,409,200.00        |
| Diesel in facilities      | 20,265.00                |
| Diesel (company vehicles) | 1,620.33                 |
| Petrol (company vehicles) | 13,662.88                |
| <b>Total</b>              | <b>27,984,444,748.21</b> |

The measurement of the Group's carbon emissions is currently focusing on Scope 1 (Direct) and Scope 2 (Indirect) emissions. The emission of each utility is calculated based on the emission factors as per the table below:

| Scope   | Details                                                        | Emission Factor                                                                                                                          |
|---------|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Scope 1 | Emissions from diesel and petrol consumption of owned vehicles | <ul style="list-style-type: none"> <li>3.14 kgCO<sub>2</sub>e/LT (for diesel)</li> <li>2.75 kgCO<sub>2</sub>e/LT (for petrol)</li> </ul> |
| Scope 2 | Purchased electricity                                          | 0.88 kgCO <sub>2</sub> e/kWh                                                                                                             |

The total emissions generated as of FYE 2026 are summarised below:

| Utilities                 | Usage         | Total emission KgCO <sub>2</sub> e | Reference                                                                       |
|---------------------------|---------------|------------------------------------|---------------------------------------------------------------------------------|
| Electricity               | 7,773,447 kWh | 6,840,633.36                       | ISCC 205                                                                        |
| Diesel in facilities      | 200 L         | 628.00                             | ISCC 205                                                                        |
| Diesel (company vehicles) | 15,991.37 L   | 50,212.90                          | ISCC 205                                                                        |
| Petrol (company vehicles) | 134,842.13 L  | 370,815.86                         | JRC Scientific and Technical Report (WTT Appendix 1) by JRC European Commission |

The total emissions by Scope 1 and Scope 2 as of FYE 2026 are summarised below:

| Indicator                                        | Unit                | FYE 2023  | FPE 2025  | FYE 2026 |
|--------------------------------------------------|---------------------|-----------|-----------|----------|
| <b>Carbon Emission</b>                           |                     |           |           |          |
| Scope 1 emissions in tonnes of CO <sub>2</sub> e | tCO <sub>2</sub> -e | 117.58    | 322.80    | 421.03   |
| Scope 2 emissions in tonnes of CO <sub>2</sub> e | tCO <sub>2</sub> -e | 10,542.13 | 11,803.64 | 6,840.63 |

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.2 PEOPLE

##### 3.2.1 Conducive Workplace

CEB is committed to providing a conducive working environment for employees by ensuring a safe and healthy workplace by mitigating and managing possible occupational health and safety risks.

##### *Workplace Safety and Health*

All operations of CEB comply with the applicable safety and health laws and regulations. Management systems are in place to facilitate the identification and assessment of occupational health and safety risks, and this includes identifying personnel and activities that are potentially exposed to any risks.



Office Pantry



Nursing room

Health and safety committees are established to monitor and oversee all facilities' health and safety practices under the Group. The committees comprised representatives of management personnel and working-level employees to ensure the practicality of the initiative's controls, and decisions undertaken by the committees. In addition, members of the committees also include a certified safety and health officer whose role is to advise and provide dedicated focus to monitoring the compliance of safety and health-related matters in day-to-day operations.

##### *Work-related injuries*

Occupational Health and Safety reports are submitted monthly to the Senior Vice President and Executive Director. Any incidents/accidents will be investigated to identify any potential weaknesses in the Group's operation and procedures. Remedial actions will be developed and implemented to avoid the recurrence and/or occurrence of the incidents/accidents.

The Group's safety and health performance during the period under review is summarised as follows.

| Indicator                         | Unit   | FYE 2023  | FPE 2025  | FYE 2026  |
|-----------------------------------|--------|-----------|-----------|-----------|
| Number of work-related fatalities | Number | Zero      | Zero      | Zero      |
| Lost Time Incident Rate ("LTIR")  | Rate   | 0.58      | 0.78      | Zero      |
| Total hours worked                | Hours  | 2,078,400 | 3,582,536 | 1,171,840 |
| Number of lost-time injuries      | Number | 2         | 14        | Zero      |

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.2 PEOPLE (CONT'D)

##### 3.2.1 Conducive Workplace (Cont'd)

###### *Health and safety training*

During the financial year, health and safety training was provided to employees, especially employees who are exposed to work-related risks. The Group also briefs employees on the procedures to remove themselves from hazards or potential hazards, prioritising their safety and health and that of others. Policies and procedures addressing safety and health are also communicated to employees regularly.

As of FYE 2026, the number of employees who have received training on safety and health, which ranges from a briefing on the Group's safety measures and procedures to specific safety and health training programs, is summarised as follows.

| Indicator                                                  | Unit   | FYE 2023 | FPE 2025 | FYE 2026 |
|------------------------------------------------------------|--------|----------|----------|----------|
| Number of employees trained on health and safety standards | Number | 615      | 744      | 876      |

##### 3.2.2 Human Rights and Labour Practices

The Group believes that strong human rights practices coupled with fair and ethical treatment improve productivity and promote a healthy working culture, as such we have taken steps to identify and address any human rights and labour standards infringements and shall continually evaluate how best to strengthen our approach to addressing human rights and labour standards by conducting ongoing human rights and labour standards due diligence assessment to mitigate potential human rights and labour standards infringements. CEB is committed to acting on the due diligence findings, monitoring, and tracking our actions. If needed, we shall intensify our efforts to manage human rights to retain the achievement of zero substantiated complaints regarding human rights violations.

With our continuous effort to mitigate potential human rights and labour standards infringements, we are pleased to report that no substantiated complaints regarding human rights violations were received from FYE 2023 to FYE 2026.

| Indicator                                                             | Unit   | FYE 2023 | FPE 2025 | FYE 2026 |
|-----------------------------------------------------------------------|--------|----------|----------|----------|
| Number of substantiated complaints concerning human rights violations | Number | Zero     | Zero     | Zero     |

###### *Worker's Accommodations*

We are committed to providing safe and comfortable accommodations for our workers, fully compliant with the regulations set by the Department of Labor of Peninsular Malaysia (JTKSM).

Regular accommodation inspections are conducted to monitor cleanliness, hygiene, ventilation, sanitation, fire safety, water facilities, pest control, and general living conditions. Monthly unit inspections and routine maintenance help identify and address potential health, safety, and welfare concerns in a timely manner. Water filtration systems are also regularly serviced to support access to clean and safe drinking water.

Fire safety remains an important aspect of our accommodation management. In May 2026, fire drills were conducted during both daytime and nighttime sessions to strengthen workers' awareness of emergency evacuation procedures and the proper use of fire extinguishers.

In June 2026, pest control, larvicide treatment, and fogging activities were carried out at hostels to control pests, reduce mosquito breeding, and mitigate the risk of mosquito-borne diseases.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.2 PEOPLE (CONT'D)

##### 3.2.2 Human Rights and Labour Practices (Cont'd)

###### *Worker's Accommodations (Cont'd)*

We also conduct “*gotong-royong*” and dengue prevention activities to encourage workers to maintain clean surroundings and take preventive measures against Aedes mosquito breeding.

These initiatives reflect our ongoing commitment to worker welfare, health and safety, and continuous improvement of accommodation standards. Through regular monitoring, preventive measures, and worker engagement, we aim to provide a living environment that is safe, hygienic, and supportive of workers' well-being.

The following table presents the total number of foreign workers as of June 2026, by nationality, supporting transparent workforce reporting and responsible workforce management.

Total Foreign Workers as of June 2026:

| Nationality  | Number of Workers |
|--------------|-------------------|
| Indonesia    | 249               |
| Myanmar      | 105               |
| Bangladesh   | 31                |
| Pakistan     | 3                 |
| India        | 2                 |
| Nepal        | 63                |
| <b>Total</b> | <b>453</b>        |

###### *Diversity and Inclusion*

Our Group supports and promotes workplace equal opportunity, fair treatment, and gender and cultural diversity for local and foreign employees. We have a systematic appraisal process where employees are assessed based on their skill sets and capabilities. Additionally, our headquarters facilities include a designated women's parking space for the safety of our employees and nursing rooms to promote physical and mental wellness for our nursing mothers.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.2 PEOPLE (CONT'D)

##### 3.2.2 Human Rights and Labour Practices (Cont'd)

###### *Diversity and Inclusion (Cont'd)*

As of 30 June 2026, we have a total of seven hundred and ten (710) employees, coming from diverse backgrounds in terms of genders, age groups, nationalities, and ethnicities, as presented as follows:

| 2026               |       |        |                             |      |           |     |               |     |             |     |
|--------------------|-------|--------|-----------------------------|------|-----------|-----|---------------|-----|-------------|-----|
| Employee Category  |       |        |                             |      |           |     |               |     |             |     |
|                    | Board |        | Top Mgmt.<br>(Senior Mgmt.) |      | Executive |     | Non-Executive |     | Grand Total |     |
| <b>Total</b>       | 8     |        | 5                           |      | 194       |     | 503           |     | 710         |     |
| <b>Gender</b>      |       |        |                             |      |           |     |               |     |             |     |
| Male               | 6     | 75%    | 4                           | 80%  | 105       | 54% | 230           | 46% | 345         | 49% |
| Female             | 2     | 25%    | 1                           | 20%  | 89        | 46% | 273           | 54% | 365         | 51% |
| <b>Age Group</b>   |       |        |                             |      |           |     |               |     |             |     |
| > 50 years         | 7     | 87.50% | 3                           | 60%  | 36        | 19% | 11            | 2%  | 57          | 8%  |
| 30-50 years        | 1     | 12.50% | 1                           | 20%  | 78        | 40% | 136           | 27% | 216         | 30% |
| < 30 years         | 0     | 0      | 1                           | 20%  | 80        | 41% | 356           | 71% | 437         | 62% |
| <b>Nationality</b> |       |        |                             |      |           |     |               |     |             |     |
| Local              | 7     | 88%    | 5                           | 100% | 190       | 98% | 50            | 10% | 252         | 35% |
| Foreign            | 1     | 12%    | 0                           | 0    | 4         | 2%  | 453           | 90% | 458         | 65% |
| <b>Ethnicity</b>   |       |        |                             |      |           |     |               |     |             |     |
| Malay              | 1     | 12%    | 1                           | 20%  | 114       | 59% | 45            | 9%  | 161         | 23% |
| Chinese            | 6     | 76%    | 4                           | 80%  | 55        | 28% | 3             | 1%  | 68          | 10% |
| Indian             | 1     | 12%    | 0                           | 0%   | 21        | 11% | 1             | 0%  | 23          | 3%  |
| Others             | 0     | 0%     | 0                           | 0%   | 4         | 2%  | 454           | 90% | 458         | 64% |
| <b>Disability</b>  |       |        |                             |      |           |     |               |     |             |     |
| Malay              | 0     | 0%     | 0                           | 0%   | 0         | 0%  | 0             | 0%  | 0           | 0%  |
| Chinese            | 0     | 0%     | 0                           | 0%   | 0         | 0%  | 0             | 0%  | 0           | 0%  |
| Indian             | 0     | 0%     | 0                           | 0%   | 1         | 1%  | 0             | 0%  | 1           | 1%  |
| Others             | 0     | 0%     | 0                           | 0%   | 0         | 0%  | 0             | 0%  | 0           | 0%  |

###### *Employee Attrition Rate*

For the financial year ended 30 June 2026 ("FYE 2026"), the employee attrition rate is 10.10%.

###### *Child Labour*

The Group does not use or tolerate the hiring of child labour under any circumstances. The Company abides and strictly complies with international child labour conventions and child labour laws and regulations establishing a minimum age for employment in the countries in which it operates.

###### *Forced or Involuntary Labour*

All employment with the Group is voluntary. The Group does not tolerate any form of forced or involuntary labour in any of our operations. These include bonded labour, slave labour, indentured labour, and human trafficking.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.2 PEOPLE (CONT'D)

##### 3.2.3 Employee Well-Being

###### *Training and Development*

Training and development are crucial components of organisational success, contributing to both individual and collective growth. This ensures that individuals are better equipped to handle their current roles and can also prepare them for future responsibilities.

As of the reporting period, a total of 50 training sessions and seminars have been conducted, contributing to a total of 3,669 training man-hours. This equates to an average of 5.17 training hours per employee. The total expenditure for these training activities amounted to RM177,730.

We are committed to encouraging our employees to upgrade themselves by attending the training, not only to enhance their capabilities but also to contribute to future development.

###### *In-House Training: -*

1. Basic First Aid, CPR, and AED Training
2. Emergency Response Team ("ERT")
3. Introduction of OSHA and Hazard at Workplace
4. Mental Health Awareness
5. Diabetes, Hypertension and High Cholesterol Training
6. *Amalan Pemakanan Sihat*
7. Lean Manufacturing Training: Empowering Teams Through Continuous Improvement
8. Developing Effective Leadership and Supervisory Skills
9. Effective Time Management
10. SolidEdge Basic CAD
11. Geometric Dimensioning and Tolerancing ("GD&T")
12. Forklift Habitual Safety
13. Total Productive Maintenance ("TPM") For Die Casting

###### LEAN Manufacturing In-House Training



Cape EMS Berhad conducted a two-day Lean Manufacturing in-house training for 24 employees to strengthen operational excellence and promote a culture of continuous improvement. The program introduced participants to Lean principles and practical tools for identifying and eliminating non value-added activities to improve manufacturing efficiency.

Through interactive learning, case studies, and hands-on workshops, participants gained practical knowledge in key Lean methodologies, including Value Stream Mapping, 5S, Kaizen, Kanban, SMED, and Total Productive Maintenance ("TPM"). The training focused on improving material flow, enhancing product quality, increasing productivity, reducing manufacturing cycle time, and encouraging greater employee collaboration.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.2 PEOPLE (CONT'D)

##### 3.2.3 Employee Well-Being (Cont'd)

##### LEAN Manufacturing In-House Training (Cont'd)

By equipping employees with practical Lean tools and techniques, CEB continues to foster a culture of continuous improvement, empowering its workforce to enhance operational efficiency, deliver greater customer value, and support sustainable business growth.

##### Public Training: -

1. Occupational Noise Related Hearing Disorders (“**ONRHD**”) and Noise Control Part 1
2. Malaysia Industrial Conference on Occupational Safety and Health (“**MiCOSH 2025**”)
3. CSI Solution: GHG Emissions Workshop
4. CHRA: Interpretation and Post Activities
5. Virtual Seminar “*Sihat Mental, Sejahtera Tempat Kerja 2025*”
6. Health Webinar: Mental Health at Workplace – Cultivating Resilience at Work
7. Certified Environmental Professional in Scheduled Waste Management (“**CePSWaM**”)
8. Basic ERT Course
9. Basic First Aid and CPR at Workplace
10. Seminar Keselamatan dan Kesihatan Pekerjaan 2026
11. NX CAM – NX Mill Foundation Manufacturing
12. Seminar: Classification & Valuation HS Code
13. *Seminar Pematuhan Pengurusan Buangan Terjadual* dan Hands-On ESWIS Version 2.0
14. MFRS 18 Presentation and Disclosure in Financial Statements and Other MFRS Updates
15. NX CAD Essential Training
16. Radiation Protection Course for Officers (Industry, Level 3)
17. Solid Edge Basic CAD
18. Certified Environmental Professional in Scheduled Waste Management (“**CePSWaM**”)
19. Course for certified environmental professional in the operation of industrial effluent treatment systems - Physical Chemical Processes (“**CePIETSO PCP**”)
20. Course for certified environmental professional in the operation of industrial effluent treatment systems - Biological Process (“**CePIETSO BP**”)
21. Seminar Keselamatan Dan Kesihatan Pekerjaan 2026 anjuran PKS JKKP Cawangan Johor

##### NX CAD Essential and Mill Foundation Manufacturing Training

As part of its commitment to continuous talent development and technical excellence, Cape EMS Berhad (“**CEB**”) sponsored engineers to participate in both the **NX CAD Essential Training and NX Mill Foundation Manufacturing Training**, strengthening capabilities in product design, engineering development, and advanced manufacturing.

The **NX CAD Essential Training** equipped participants with practical knowledge and hands-on experience in **Siemens NX**, enabling them to create and manage 3D models, assemblies, and engineering drawings more efficiently. Through instructor-led sessions and project-based learning, participants enhanced their competencies in parametric modelling, assembly design, drafting, and engineering documentation.

In addition, participants attended the **NX Mill Foundation Manufacturing Training**, a technical programme focused on strengthening competencies in Computer Numerical Control (“**CNC**”) programming and machining processes using Siemens NX. Through a combination of classroom instruction and practical exercises, participants gained valuable experience in manufacturing setup, cavity and planar milling, hole making, engraving, toolpath verification, and NC programme generation. The training further enhanced their understanding of 2½-axis and 3-axis milling operations, manufacturing process optimisation, and post-processing techniques to improve machining accuracy, productivity, and overall manufacturing efficiency.

By investing in specialised technical training programmes, CEB continues to strengthen the expertise of its engineering workforce, supporting innovation, operational excellence, product development excellence, and advanced manufacturing capabilities while remaining competitive in a rapidly evolving technological landscape.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.2 PEOPLE (CONT'D)

##### 3.2.3 Employee Well-Being (Cont'd)

##### NX CAD Essential and Mill Foundation Manufacturing Training (Cont'd)

##### *Internal Training: -*

1. Fishbone Diagram
2. ISO 37001 Anti-Bribery Management System
3. ISO 27001 Awareness
4. 3R Awareness
5. Scheduled Wastes Awareness
6. Safe Chemical Handling and Storage
7. Chemical Spill Kit and Spillage
8. Back to Basic (Safety)
9. Fire Safety Awareness
10. Implementation of HIRARC at the Workplace
11. Understanding of SDS and Chemical Labelling
12. PPE Awareness
13. Security Protocol Refresher
14. PTW System Implementation
15. Psychosocial Risk Assessment
16. Introduction to Ergonomic

##### Introduction to Ergonomic and Manual Handling Training



CEB conducted an Introduction to Ergonomic and Manual Handling internal HSE training for 79 employees to reinforce workplace safety awareness and strengthen its Health, Safety, Security and Environment (“**HSSE**”) culture. The training focused on ergonomic principles and proper manual handling techniques to promote safer working practices.

Participants gained practical knowledge on fitting the workplace to the worker, as well as the correct methods for lifting, pushing, pulling, and carrying materials to minimise the risk of work-related musculoskeletal disorders (“**MSDs**”). The session also highlighted the importance of ergonomics in improving employee health, comfort, productivity, and overall workplace efficiency.

Through continuous HSE awareness and competency development initiatives, CEB remains committed to fostering a safe and healthy work environment while supporting employee well-being and operational excellence.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.2 PEOPLE (CONT'D)

##### 3.2.4 Community Engagement

As a responsible business, the Group is always supportive of the development and progress of the community and society. Contributions made towards the community in FYE 2026 are as below:

| Indicator                                                                                               | Unit   | FYE 2023 | FYE 2025 | FYE 2026 |
|---------------------------------------------------------------------------------------------------------|--------|----------|----------|----------|
| Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR    | 305,940  | 291,215  | 98,042   |
| Total number of beneficiaries of the investment in communities                                          | Number | 9        | 10       | 6        |

The Group believes that adopting a continuous CSR towards the community will create value and enhance the development of local society and community. We conducted multiple community engagements, namely:

##### Deepavali Festive Celebration and Kolam Competition



CEB organised a company-wide Deepavali celebration featuring a complimentary banana leaf-style lunch across its facilities. The festivities were held on 28 October 2025 at Kempas, 29 October 2025 at Tebrau, and 30 October 2025 at Senai, bringing employees together to celebrate the festive season.

As part of the celebration, the ESG Initiatives Committee organised a Kolam Competition on 29 October 2025, adding cultural vibrancy to the workplace. Three teams participated by creating Kolam designs at three designated locations: Level 1, Level 2, and the rooftop area. Each Kolam reflected cultural appreciation, unity, and the shared festive spirit within the organisation.

The Deepavali celebration and Kolam Competition reflected CEB's commitment to fostering cultural inclusivity, employee engagement, and workplace unity, while reinforcing a strong sense of togetherness across the organisation.

##### EM Bokashi Mudball Making and Tossing Activity



# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.2 PEOPLE (CONT'D)

##### 3.2.4 Community Engagement (Cont'd)

##### EM Bokashi Mudball Making and Tossing Activity (Cont'd)



The EM Bokashi Mudball initiative was conducted at SJKC Kulai 1, involving 154 Primary 6 students alongside employee volunteers from CEB. The programme reflects the Company's ongoing commitment to environmental sustainability and community engagement through hands-on conservation activities that promote environmental stewardship.

Originating in Japan, EM (Effective Microorganisms) Bokashi Mudballs are clay and soil spheres packed with beneficial fermenting microbes. When thrown into polluted ponds, lakes, or rivers, they naturally eliminate foul odours, break down sludge, and restore water health. Participants were introduced to the concept and participated in its creation and dissemination during the activity. The session provided practical exposure to sustainability initiatives while reinforcing the importance of collective responsibility in protecting natural ecosystems. A total of 10,290 mudballs were produced, exceeding the initial target of 10,000.

The initiative concluded with a mudball tossing session at the Skudai River, where the mudballs were deployed to support local river restoration efforts. This extension of the programme translated environmental awareness into tangible action, enabling participants to contribute directly to local environmental rehabilitation.

The initiative demonstrates CEB's commitment to embedding sustainability into employee engagement and community outreach, while fostering environmental awareness and a shared sense of responsibility among employees and students.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.2 PEOPLE (CONT'D)

##### 3.2.4 Community Engagement (Cont'd)

##### Safety, Health and Environment ("SHE") Week 2025



Cape EMS Berhad organised its annual SHE Week 2025 to further strengthen awareness of health practices, workplace safety standards, and environmental responsibilities across the organisation.

The programme featured a series of health-focused and employee engagement initiatives designed to promote preventive care and encourage a proactive approach towards well-being. Activities included blood donation drives, health screenings, and awareness sessions aimed at supporting employee health while contributing to broader community healthcare needs. Additional engagement programmes were conducted to reinforce the importance of safe work practices, risk prevention, and environmental stewardship in daily operations.

Overall, the SHE Week initiative reinforced the Group's culture of shared responsibility and continuous improvement, underscoring its commitment to safeguarding employee well-being and integrating sustainability considerations into its operational practices. It reflects the Company's ongoing efforts to foster a safe, healthy, and environmentally responsible workplace for all employees.

During the financial year, we have also contributed to several other organisations as listed below:

| Beneficiary                                                     | Amount (RM)      |
|-----------------------------------------------------------------|------------------|
| Malaysia International Chamber of Commerce and Industry (Johor) | 38,888.00        |
| Green Earth Society                                             | 5,000.00         |
| Malaysia Aerospace Industry Association (MAIA)                  | 5,000.00         |
| Persatuan Guru-Guru Sekolah Cina Johor Selatan                  | 6,530.00         |
| Malaysian International Chamber of Commerce and Industry        | 20,000.00        |
| Cash Donation for Typhoon Ineng Victims                         | 22,623.67        |
| <b>TOTAL</b>                                                    | <b>98,041.67</b> |

During the financial year, employees participated in community programs. i.e., Blood Donation Drive and EM Bokashi Mudball Activity.

| Indicator                                             | Unit   | FYE 2023 | FPE 2025 | FYE 2026 |
|-------------------------------------------------------|--------|----------|----------|----------|
| Employees participated in community impact programmes | Number | 91       | 139      | 163      |
| Total hours spent on community impact programs        | Hours  | 9        | 16       | 12       |

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.2 PEOPLE (CONT'D)

##### 3.2.5 Data Privacy and Security

Protecting data and maintaining information security are integral to our responsible business practices. We uphold stringent data protection standards, invest in cybersecurity safeguards, and promote a culture of security awareness across the organisation. Our ongoing efforts are aimed at ensuring regulatory compliance, mitigating cyber risks, and preserving stakeholder confidence in an increasingly digital environment.

As of 30 June 2026, CEB has not received any complaints concerning data privacy breaches, and the Group has not been alerted to any identified leaks, thefts, or losses of customer data.

| Indicator                                                                                              | Unit   | FYE 2023 | FPE 2025 | FYE 2026 |
|--------------------------------------------------------------------------------------------------------|--------|----------|----------|----------|
| Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | Zero     | Zero     | Zero     |

#### 3.3 PROFIT

##### 3.3.1 Ethical Business Practice

Ethical conduct remains the cornerstone of CEB's corporate culture and business operations. We are committed to upholding the highest standards of integrity, transparency, and accountability through strong governance, effective policies, and robust compliance practices. By embedding ethical principles into our operations, we strengthen stakeholder confidence, safeguard our reputation, and support sustainable long-term value creation.

##### Anti-Bribery Management System ("ABMS")

CEB successfully renewed its ISO 37001:2016 Anti-Bribery Management System ("ABMS") certification in July 2026, demonstrating the Group's continued commitment to preventing bribery and corruption across all aspects of its business.

During the financial year, we continued to strengthen our anti-bribery framework through ongoing due diligence processes, risk assessments, internal controls, and employee awareness programmes. On 13 January 2026, the Group conducted an ABMS Refresher Training to reinforce employees' understanding of the requirements of the ISO 37001:2016 Anti-Bribery Management System, the Group's Anti-Bribery and Corruption ("ABC") Policy, and their individual responsibilities in preventing bribery and corruption.

These initiatives support compliance with applicable regulatory requirements while fostering a culture of integrity among employees, suppliers, contractors, and business partners. Our commitment to maintaining an effective ABMS reinforces stakeholder confidence and reflects our dedication to ethical, transparent, and responsible business practices.

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

CEB maintains its Anti-Bribery and Corruption ("ABC") Policy as a key component of the Group's governance framework, ensuring continued compliance with applicable laws, regulatory requirements, and industry best practices.

The policy reinforces the Group's zero-tolerance approach towards bribery and corruption and applies to the Board of Directors, Management, employees, suppliers, contractors, consultants, and all business associates acting on behalf of the Group.

To support effective implementation, the ABC Policy is made accessible through the Group's internal communication platforms and is reinforced through periodic awareness programmes and engagement with Heads of Department ("HODs"). These ongoing efforts promote ethical conduct, strengthen governance practices, and foster a culture of integrity across the organisation.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.3 PROFIT (CONT'D)

##### 3.3.1 Ethical Business Practice (Cont'd)

###### Code of Conduct and Ethics ("CoCE")

During FYE 2026, CEB maintained a strong culture of integrity through its Code of Conduct and Ethics ("**CoCE**"), which sets out the expected standards of ethical and professional conduct for all employees and business representatives.

The CoCE outlines the principles of ethical behaviour, compliance with applicable laws and regulations, confidentiality, conflict of interest management, and responsible business practices. The Group continues to reinforce these principles through periodic awareness programmes and by requiring employees to acknowledge and adhere to the Code. Confidentiality obligations are further supported through the execution of Non-Disclosure Agreements ("**NDAs**"), where applicable.

By upholding these ethical standards, CEB fosters a workplace culture founded on integrity, accountability, transparency, professionalism, and mutual respect, while strengthening stakeholder confidence in the way we conduct our business.

###### Whistleblowing Policy

CEB maintains its Whistleblowing Policy as an integral part of the Group's corporate governance framework, reinforcing our commitment to the highest standards of integrity, transparency, and ethical business conduct.

The Whistleblowing Policy provides employees, business associates, suppliers, and other stakeholders with a secure and confidential channel to report any actual or suspected misconduct, unethical behaviour, fraud, bribery, corruption, or violations of applicable laws and the Group's policies without fear of retaliation.

The Group continues to promote awareness of the Whistleblowing Policy through internal communication and employee awareness initiatives, encouraging the timely reporting of concerns while ensuring that all reports are handled fairly, independently, and confidentially.

During the financial year, no substantiated cases of bribery or corruption were reported through the Group's whistleblowing channels. CEB remains committed to fostering a culture of openness, accountability, and ethical conduct by maintaining an effective whistleblowing mechanism and continuously strengthening employee awareness of ethical responsibilities and regulatory compliance.

| Indicator                         | Metric          | FYE 2023 | FYE 2025 | FYE 2026 |
|-----------------------------------|-----------------|----------|----------|----------|
| Confirmed incidents of corruption | Number of cases | Zero     | Zero     | Zero     |

###### Corruption Risk Assessment and Training

The Group continues to strengthen its anti-bribery and anti-corruption framework by promoting awareness and understanding of ethical business practices across the Group. Anti-Bribery Management System ("**ABMS**") awareness is incorporated into employee training programmes to reinforce compliance with the Group's policies and applicable regulatory requirements.

During the financial year, anti-bribery and corruption training was conducted for employees to reinforce awareness of the Group's Anti-Bribery and Corruption ("**ABC**") Policy, Code of Conduct and Ethics ("**CoCE**"), Whistleblowing Policy, and the requirements of the ISO 37001:2016 Anti-Bribery Management System ("**ABMS**"). The training aimed to strengthen employees' understanding of their ethical responsibilities and their role in preventing bribery and corruption.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.3 PROFIT (CONT'D)

##### 3.3.1 Ethical Business Practice (Cont'd)

###### Corruption Risk Assessment and Training (Cont'd)

| Indicator                                                      | Metric | FYE 2023 | FPE 2025 | FYE 2026 |
|----------------------------------------------------------------|--------|----------|----------|----------|
| Percentage of operations assessed for corruption-related risks | %      | 100%     | 100%     | 100%     |

Additionally, the Corporate Governance and Compliance Team conducted an ABMS Refresher Training on 13 January 2026 for employees across all levels of the organisation. The training reinforced employees' understanding of the Group's anti-bribery and corruption requirements and their responsibilities in upholding ethical business practices.

| Indicator                       | Metrics | FYE 2023 | FPE 2025 | FYE 2026 |
|---------------------------------|---------|----------|----------|----------|
| Management                      | %       | 82%      | 88%      | 90%      |
| Executive                       | %       | 24%      | 28%      | 32%      |
| Non-Executive / Technical Staff | %       | 8%       | 15%      | 20%      |

###### Due Diligence

CEB maintains a comprehensive due diligence framework to support ethical business practices and effective risk management across the Group. The framework applies to employees, suppliers, customers, business associates, and other relevant stakeholders, ensuring that business relationships are established and maintained in accordance with the Group's ethical standards and applicable regulatory requirements.

Due diligence assessments are conducted where appropriate as part of the onboarding and engagement process, while periodic reviews are performed to support ongoing compliance with the Group's Anti-Bribery and Corruption ("ABC") Policy and Anti-Bribery Management System ("ABMS"). These measures reinforce the Group's commitment to integrity, transparency, and responsible business conduct.

##### 3.3.2 Critical Incident Risk Management

CEB maintains a structured Incident and Emergency Response Management Procedure to identify, assess, respond to, and manage critical incidents that may affect the Group's operations, employees, assets, or stakeholders.

The Incident and Emergency Response Management Procedure (Revision 04), which became effective on 19 December 2025, continues to provide a comprehensive framework for incident reporting, escalation, response, and recovery. The Group regularly reviews its procedures to ensure they remain aligned with operational requirements, regulatory expectations, and industry best practices.

Through established reporting, escalation, and response processes, CEB remains committed to strengthening operational resilience, minimising business risks, and safeguarding the well-being of employees, customers, and other stakeholders.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.3 PROFIT (CONT'D)

##### 3.3.3 Product Quality

Quality management is integral to our sustainability strategy. The Group ensures products and services meet the highest standards while contributing to environmental and social sustainability. This is achieved through stringent processes, continuous employee training, regular supplier audits, and robust customer feedback mechanisms.

##### Quality Objectives

Customer Satisfaction: Achieve 90% customer satisfaction rate through continuous quality improvement

Defect Rate: Maintain defect rate below 1% in products and services

Waste Reduction: Maintain quality control waste at 1% or below

##### Quality Management Practices

Quality Assurance: Implement stringent quality assurance processes to meet established standards

Employee Training: Invest in regular training on quality control and sustainable practices

Supplier Audits: Conduct regular audits to ensure suppliers meet quality and sustainability standards

Customer Feedback: Establish robust mechanisms to gather customer insights for continuous improvement

##### Customer Satisfaction Management

The Group minimises customer complaints through systematic approaches to identify root causes, enhance communication, and focus on quality. Key strategies include:

Complaint Analysis: Regularly review and categorise complaints to identify patterns and improvement areas.

Clear Communication: Ensure transparent communication on product information, pricing, delivery times, and return policies.

Quality Testing: Implement rigorous testing and reviews before product/service launch.

Customer Service Training: Equip representatives with skills to handle enquiries and complaints effectively.

Proactive Problem Solving: Anticipate potential issues and follow up with customers after resolution.

##### Quality Assurance and Control Structure

The Group maintains dedicated departments to oversee quality across operations:

##### Quality Assurance (QA) Department

- QA Manager: Oversees quality assurance operations and process compliance.
- QA Engineers/Specialists: Conduct testing, audits, and develop QA procedures.

##### Quality Control (QC) Department

- QC Manager: Monitors product quality throughout production and shipping.
- QC Inspectors: Perform inspections and tests to ensure products meet specifications.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.3 PROFIT (CONT'D)

##### 3.3.3 Product Quality (Cont'd)

###### **Commitment to Continuous Improvement**

The Group is committed to enhancing customer satisfaction and operational excellence through the following actions:

- **Enhanced Communication**  
Establish clear communication channels to keep customers informed of enquiries and complaints.
- **Quality Control Review**  
Strengthen quality assurance processes to minimise product-related complaints.
- **Staff Training**  
Invest in regular training to equip employees with effective complaint handling skills.
- **Continuous Monitoring**  
Evaluate performance regularly to remain responsive to customer needs and emerging issues.

Customer feedback is viewed as an opportunity for improvement, driving enhanced service delivery, increased customer loyalty, and operational excellence.

##### 3.3.4 Supply Chain Management

An effective and resilient supply chain plays an important role in supporting business continuity and sustainability. Sustainable supply chain practices can help reduce environmental impacts, strengthen supply security, promote responsible sourcing and support the development of local suppliers.

###### **Enhancing Transportation and Logistics Efficiency**

Efficient procurement and delivery planning can help minimise unnecessary transportation activities and associated environmental impacts. Where practicable, orders are consolidated and planned according to material requirements to reduce delivery frequency and improve logistics efficiency.

For critical materials, appropriate safety stock and buffer inventory levels are maintained to support supply continuity and minimise potential disruptions arising from shipment delays, unexpected demand fluctuations or other supply interruptions.

###### **Promoting Reuse and Recycling**

The use of recycled and reusable materials supports resource efficiency and contributes to the principles of the circular economy. Collaboration with suppliers, particularly local suppliers, encourages the reuse and recycling of suitable materials and packaging throughout the supply chain.

Greater attention is also given to reducing unnecessary packaging and identifying opportunities for the continued reuse or recycling of packaging materials.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 3. SUSTAINABILITY INITIATIVES AND PERFORMANCE (CONT'D)

#### 3.3 PROFIT (CONT'D)

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

###### *Responsible and Local Procurement*

Local procurement is encouraged where commercially and operationally feasible to support the development of the local supply chain and economy. However, certain components and parts are sourced directly from customers based on specific customer requirements and product arrangements. For FYE 2026, 60% of the total procurement expenditure was sourced locally, reflecting the continued contribution of local suppliers to the Company's supply chain.

Suppliers are evaluated against established criteria covering areas such as quality, delivery performance, compliance and other relevant requirements. Suppliers achieving a minimum assessment score of 65% are recommended for management consideration and approval.

###### *Supplier Quality and Compliance*

Regular supplier assessments and audits are conducted, where applicable, to evaluate supplier processes, practices and supporting documentation. These assessments help ensure compliance with applicable requirements and support the consistent quality of materials and components.

Effective supplier quality management also helps minimise material rejection and reduce the risk of production disruptions resulting from non-conforming materials.

###### *Strengthening Supply Chain Resilience*

Alternative sourcing arrangements, including dual- or multi-sourcing, may be considered for critical materials and components where appropriate. Maintaining alternative sources can reduce dependency on a single supplier and provide greater flexibility in managing potential supply disruptions.

| Indicator                                 | Unit       | FYE 2023 | FPE 2025 | FYE 2026 |
|-------------------------------------------|------------|----------|----------|----------|
| Proportion of spending on local suppliers | Percentage | 62%      | 63%      | 60%      |
| Number of local suppliers                 | Number     | 306      | 428      | 518      |
| Number of non-local suppliers             | Number     | 110      | 241      | 352      |

##### 3.3.5 Material Sourcing and Efficiency

The Group recognises that sustainable material sourcing and efficient resource utilisation are important drivers of long-term business resilience, operational efficiency, and environmental stewardship. As demand for responsible business practices continues to grow, the Group remains committed to strengthening its procurement processes and supply chain management practices to ensure the responsible use of resources while supporting sustainable growth.

Effective material sourcing enables the Group to optimise resource consumption, minimise unnecessary waste, and enhance productivity across its operations. By ensuring that materials are procured efficiently and utilised effectively, the Group aims to reduce operational costs, improve production planning, and maintain consistent product quality and delivery performance for customers.

To support these objectives, the Group seeks to build long-term strategic partnerships with key suppliers. Collaborative relationships with reliable suppliers help to ensure stable material availability, competitive pricing, consistent quality standards, and greater visibility across the supply chain. The Group also evaluates opportunities to diversify its supplier base and identify alternative sourcing channels to strengthen supply chain resilience and mitigate potential disruptions arising from market volatility, geopolitical developments, or logistical challenges.

In addition, the Group is committed to continuously enhancing the competencies of its workforce through training programmes relating to procurement, material sourcing, inventory management, and supply chain best practices. By equipping employees with the necessary knowledge and skills, the Group aims to improve decision-making, strengthen cost management, and drive continuous improvements in material efficiency and operational performance.

Looking ahead, the Group will continue to review and enhance its sourcing strategies and resource management practices to support sustainable operations, improve supply chain resilience, and create long-term value for stakeholders.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### 4. Performance Table

The performance data below has been generated from Bursa Malaysia's Centralised Sustainability Intelligence ("CSI") Platform in accordance with the prescribed format under the Main Market Listing Requirements.

#### CAPE EMS BERHAD

##### BMLR Transition Period

Date & Time: 2026-10-15\_13:30:09  
Main Market | Group 2 | FYE 30/06/2026

| Sustainability Matter | Metric                             | Measurement Unit | 2025      | 2026      | Target                     | Assurance | Remarks                                                                                                                                                                                           |
|-----------------------|------------------------------------|------------------|-----------|-----------|----------------------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Energy Management     | Total energy consumption           | Gigajoules       | 48,28760  | 27,984.41 | Zero emission goal by 2040 | Internal  | Completed the HVAC efficiency system project which includes CHWP, CWP & CT optimization, AHU optimization and New chiller installation for our Senai 227 plant                                    |
| Energy Management     | Generated Electricity              | kWh              | 2,100,000 | 2,770,000 | Zero emission goal by 2040 | Internal  |                                                                                                                                                                                                   |
| Water Waste           | Total volume of water used         | Megaliters       | 80.983    | 90.817    | -                          | Internal  | Embarked on a rainwater catchment project to reduce the dependency on district water supplied by Syarikat Air Johor (SAJ) for cleaning and watering the plant purposes at our rooftop office area |
| Waste Management      | Total waste generated              | Metric tonnes    | 156.44    | 85.6345   | -                          | Internal  | Internal documentation                                                                                                                                                                            |
| Waste Management      | Total waste diverted from disposal | Metric tonnes    | 132.14    | 63.625    | -                          | Internal  | Internal documentation                                                                                                                                                                            |
| Waste Management      | Total waste directed to disposal   | Metric tonnes    | 6.07      | 79.272    | -                          | Internal  | Internal documentation                                                                                                                                                                            |
| Hazardous Waste       | Total waste generated              | Metric tonnes    | 150.35    | 80.543    | -                          | Internal  | All hazardous waste is handled by regulated procedures and managed by licensed contractors approved by the Department of Environment ("DOE")                                                      |
| Hazardous Waste       | Total waste diverted from disposal | Metric tonnes    | 126.04    | 1.271     | -                          | Internal  | Internal documentation                                                                                                                                                                            |
| Hazardous Waste       | Total waste directed to disposal   | Metric tonnes    | 6.07      | 79.272    | -                          | Internal  | Most hazardous waste is incinerated through regulated processes and recovery processes.                                                                                                           |

# SUSTAINABILITY STATEMENT (CONT'D)

## 4. Performance Table (Cont'd)

### CAPE EMS BERHAD BMLR Transition Period

Date & Time: 2026-10-15 13:30:09  
Main Market | Group 2 | FYE 30/06/2026

| Sustainability Matter   | Metric                             | Measurement Unit | 2025      | 2026         | Target | Assurance  | Remarks                                                                                                                                                  |
|-------------------------|------------------------------------|------------------|-----------|--------------|--------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| None-Hazardous Waste    | Total waste generated              | Metric tonnes    | 6,097     | 5,0915       | -      | * Internal | Cape practices waste segregation when handling non-hazardous waste (i.e.: recyclable materials) generated from production                                |
| Footnote Assurance      |                                    |                  |           |              |        |            |                                                                                                                                                          |
| Correction of assurance |                                    |                  |           |              |        |            |                                                                                                                                                          |
| None-Hazardous Waste    | Total waste diverted from disposal | Metric tonnes    | 6,097     | 5,0915       | -      | Internal   | * During FYE2026, recyclable materials such as cartons/boxes, metal parts and plastic parts, were sold to service providers who process and recycle them |
| Footnote Remarks        |                                    |                  |           |              |        |            |                                                                                                                                                          |
| Correction of FYE       |                                    |                  |           |              |        |            |                                                                                                                                                          |
| None-Hazardous Waste    | Total waste directed to disposal   | Metric tonnes    | Zero      | Zero         | -      | Internal   | The Group practices segregation and recycling in the office operations where recycling bins for metals, paper, and plastics are provided at the premises |
| Carbon Reduction        | Electricity                        | KgCO2e           | 11803,635 | 6,840,633.36 | -      | Internal   | The Group operations utilize energy in the forms of electricity from the power grid                                                                      |
| Carbon Reduction        | Diesel in facilities               | KgCO2e           | 219       | 628          | -      | Internal   | * Diesel used in generator sets testing increase to monthly testing.                                                                                     |
| Footnote Remarks        |                                    |                  |           |              |        |            |                                                                                                                                                          |
| Elaborate on remarks    |                                    |                  |           |              |        |            |                                                                                                                                                          |
| Carbon Reduction        | Diesel (company vehicles)          | KgCO2e           | 62,657    | 50,212.90    | -      | Internal   | Diesel used in vehicles owned                                                                                                                            |

# SUSTAINABILITY STATEMENT (CONT'D)

## 4. Performance Table (Cont'd)

### CAPE EMS BERHAD BMLR Transition Period

Date & Time: 2026-10-15\_13:30:09  
Main Market | Group 2 | FYE 30/06/2026

| Sustainability Matter           | Metric                                                 | Measurement Unit | 2025      | 2026       | Target | Assurance | Remarks                                                                                                                                                                           |
|---------------------------------|--------------------------------------------------------|------------------|-----------|------------|--------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Carbon Reduction                | Petrol (company vehicles)                              | KgCO2e           | 259,923   | 370,815.86 | -      | Internal  | Petrol used in vehicles owned                                                                                                                                                     |
| Carbon Reduction                | Scope 1                                                | TCO2 -e          | 322.80    | 421.03     | -      | Internal  |                                                                                                                                                                                   |
| Carbon Reduction                | Scope 2                                                | TCO2 -e          | 11,803.64 | 6,840.63   | -      | Internal  |                                                                                                                                                                                   |
| Health & Safety                 | Number of work-related fatalities                      | Number           | Zero      | Zero       | -      | Internal  |                                                                                                                                                                                   |
| Health & Safety                 | LTI/FR (lost-time injury frequency)                    | Rate             | 0.78      | Zero       | -      | Internal  |                                                                                                                                                                                   |
| Health & Safety                 | Number of lost time injuries                           | Number           | 14        | Zero       | -      | Internal  |                                                                                                                                                                                   |
| Health & Safety                 | Total hours worked                                     | Hours            | 3,582,536 | 1,171,840  | -      | Internal  | Internal documentation                                                                                                                                                            |
| Health & Safety                 | Employees trained on health and safety standards       | Number           | 744       | 876        | -      | Internal  | We are committed to encouraging our employees to upgrade themselves by attending the training not only to enhance their capabilities but also to contribute to future development |
| Human Rights and Labor Practice | Sustained complaints concerning human right violations | Number           | Zero      | Zero       | -      | Internal  |                                                                                                                                                                                   |
| Labor Diversity                 | Workforce by gender (Male)                             | Percentage       | 48        | 48.59      | -      | Internal  |                                                                                                                                                                                   |
| Labor Diversity                 | Workforce by gender (Female)                           | Percentage       | 52        | 51.41      | -      | Internal  |                                                                                                                                                                                   |
| Labor Diversity                 | Workforce by nationality (Local)                       | Percentage       | 32        | 35.49      | -      | Internal  |                                                                                                                                                                                   |
| Labor Diversity                 | Workforce by nationality (Foreign)                     | Percentage       | 68        | 64.51      | -      | Internal  |                                                                                                                                                                                   |

SUSTAINABILITY STATEMENT  
(CONT'D)

4. Performance Table (Cont'd)

CAPE EMS BERHAD  
BMLR Transition Period

Date & Time: 2026-10-15\_13:30:09  
Main Market | Group 2 | FYE 30/06/2026

| Sustainability Matter     | Metric                                                                                           | Measurement Unit | 2025    | 2026      | Target | Assurance | Remarks                                                       |
|---------------------------|--------------------------------------------------------------------------------------------------|------------------|---------|-----------|--------|-----------|---------------------------------------------------------------|
| Labor Diversity           | Workforce by age (> 51 years)                                                                    | Percentage       | 6       | * 8       | -      | Internal  |                                                               |
| Footnote 2026             |                                                                                                  |                  |         |           |        |           |                                                               |
| Data Entry error          |                                                                                                  |                  |         |           |        |           |                                                               |
| Labor Diversity           | Workforce by age (31-50 years)                                                                   | Percentage       | 29      | 30.42     | -      | Internal  |                                                               |
| Labor Diversity           | Workforce by age (< 30 years)                                                                    | Percentage       | 65      | * 62      | -      | Internal  | Internal documentation                                        |
| Footnote 2026             |                                                                                                  |                  |         |           |        |           |                                                               |
| Data Entry Error          |                                                                                                  |                  |         |           |        |           |                                                               |
| Community Engagement      | Total invested in the community where the target beneficiaries are external to the listed issuer | MYR              | 291,215 | 98,041.67 | -      | Internal  | 2025 data is based on FPE 2025 of 18 months reporting period. |
| Community Engagement      | Total beneficiaries of the investment in communities                                             | Number           | 10      | 6         | -      | Internal  | Internal documentation                                        |
| Community Engagement      | Employees participated in community impact programs                                              | Number           | 139     | 163       | -      | Internal  |                                                               |
| Community Engagement      | Total hours spent on community impact programs                                                   | Hour             | 16      | 12        | -      | Internal  |                                                               |
| Data Privacy and Security | Substantiated complaints concerning breaches of customer privacy of customers data               | Number           | Zero    | Zero      | -      | Internal  |                                                               |
| Anti-Corruption           | Total cases of confirmed incidents of corruption                                                 | Number           | Zero    | Zero      | -      | Internal  |                                                               |
| Anti-Corruption           | Operations assessed for corruption-related risks                                                 | Percentage       | 100     | 100       | -      | Internal  |                                                               |

SUSTAINABILITY STATEMENT  
(CONT'D)

4. Performance Table (Cont'd)

CAPE EMS BERHAD

BMLR Transition Period

Date & Time: 2026-10-15\_13:30:09

Main Market | Group 2 | FYE 30/06/2026

| Sustainability Matter   | Metric                                    | Measurement Unit | 2025 | 2026 | Target | Assurance | Remarks |
|-------------------------|-------------------------------------------|------------------|------|------|--------|-----------|---------|
| Supply Chain Management | Proportion of spending on local suppliers | Percentage       | 63   | 59.5 | -      | Internal  |         |
| Supply Chain Management | Local supplier                            | Number           | 428  | 518  | -      | Internal  |         |
| Supply Chain Management | Non-local supplier                        | Number           | 241  | 352  | -      | Internal  |         |

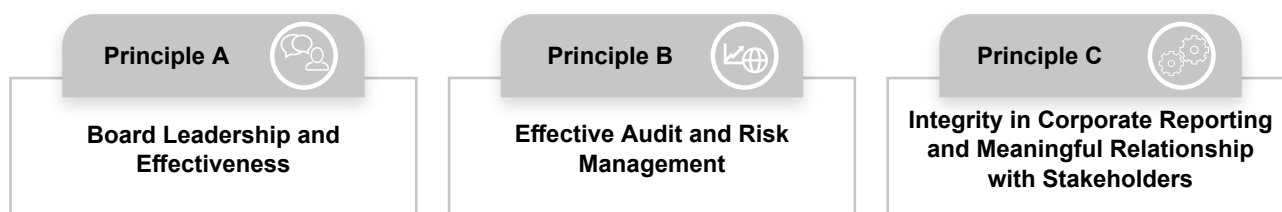
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# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") of Cape EMS Berhad ("**Company**") recognises the importance of maintaining high standards of corporate governance ("**CG**") and is committed to apply the principles, practices and guidance set out in the Malaysian Code on Corporate Governance ("**MCCG**") throughout the Company and its subsidiaries ("**Group**") as appropriate. By upholding sound CG, the Board is provided with the impetus to continuously enhance shareholder value and safeguard stakeholders' interests with a view to create a sustainable business in the long term.

This CG Overview Statement ("**Statement**") is prepared pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and guided by Practice Note 9 of the MMLR, providing an overview of the application of the three (3) principles set out in the MCCG, as follows:-



This Statement should also be read in conjunction with the CG Report and other statements in this Annual Report, e.g. Sustainability Statement, Statement on Risk Management and Internal Control and Audit Committee Report, which is available on the Group's website at [www.cape-group.com.my](http://www.cape-group.com.my) and via an announcement on Bursa Securities' website.

## SUMMARY OF CG PRACTICES

For the financial year ended 30 June 2026 ("**FYE 2026**"), the Company adopted all MCCG practices except for:-

- (i) Practice 5.9: The Board comprises at least 30% women directors;
- (ii) Practice 8.2: The Board discloses on a named basis the top five (5) senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000;
- (iii) Practice 13.1: Notice for an Annual General Meeting ("**AGM**") should be given to the shareholders at least twenty-eight (28) days prior to the meeting; and
- (iv) Practice 13.3: Listed companies should leverage technology to facilitate voting including voting in absentia, and remote shareholders' participation at general meetings. Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

The CG Report provides detailed application of the MCCG practices, including disclosures and explanation of any departures as well as alternative practices adopted by the Company to achieve the intended outcome of the departed practices.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. Board Responsibilities

#### 1. Board's Leadership

The Board is committed in leading and steering the Group towards achieving its strategic objectives and goals while upholding its core values. In discharging its fiduciary duties and leadership functions, the Board's overall responsibilities include overseeing the Group's businesses, financial performance, risk management, and internal control systems and ensuring effective implementation of strategies, policies, processes, and systems.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

#### 1. Board's Leadership (Cont'd)

The Board is guided by its Board Charter, a main reference for Board members pertaining to their roles and responsibilities. The Board has established and delegated certain specific responsibilities to the following five (5) Board Committees:-

- Audit Committee ("AC")
- Nominating Committee ("NC")
- Remuneration Committee ("RC")
- Sustainability and Risk Management Committee ("SRMC")
- Share Issuance Scheme Committee ("SISC")

Each Board Committee operates in accordance with its respective Terms of Reference as approved by our Board. The Board Committees evaluate matters within their purview and provide recommendations to the Board for approval or notation, as the case may be. While the Board Committees perform their specific functions and delegated roles, the ultimate responsibility and decisions on all matters reported by the Board Committee remain with the Board.

The Board Charter and the Terms of Reference of each Committee are available on the Group's website at [www.cape-group.com.my](http://www.cape-group.com.my).

#### Chairman and Managing Director

The roles of the Chairman and Managing Director are separately held by different individuals and their responsibilities are demarcated, with each having distinct and clear defined authority and responsibilities as prescribed in the Board Charter. This ensures a balanced distribution of power and authority, thereby preventing any single individual from exercising unfettered powers of decision.

The Board is chaired by Datuk Mohd Rabin Bin Basir, the Independent Non-Executive Chairman, who is responsible for upholding sound governance practices, ensuring the Board's effectiveness and leading the Board in its collective oversight of Management. Ms. Tee Kim Chin, the Managing Director/Group Chief Executive Officer ("MD/GCEO"), oversees the Group's day-to-day operations and implements strategies, policies and decisions approved by the Board. Her role is supported by her fellow Executive Directors and a Senior Management team, who collectively bring specialised expertise to ensure the Group's smooth functioning.

The Board comprises a majority of Non-Executive Directors, who are qualified individuals, bringing with them diverse and extensive skills, calibre and experience in relation to their roles in the Board. The Independent Non-Executive Directors play a crucial role in the Board by providing the element of objectivity and impartial judgement. This enables sufficient checks and balances, preventing any individual or group from exerting undue influence over the Board and the decision-making process.

The Board is supported by two (2) suitably qualified and competent Company Secretaries. Both Company Secretaries have the requisite credentials and experience, while qualified to act as Company Secretaries pursuant to Section 235(2)(a) of the Companies Act 2016. All Directors have access to the professional advice and support of the Company Secretaries in ensuring the effective functioning of the Board and Board Committees. Company Secretaries provide administrative and advisory services to the Board and are responsible to ensure all Board procedures and Board management matters align with and comply with applicable rules and regulations.

At each Board and Board Committee meeting, a Company Secretary or her assistant is present to provide support, ensuring that meetings are duly convened with meeting procedures adhered to. Records of the proceedings and resolutions passed are documented and retained at the Company's registered office.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

#### 1. Board's Leadership (Cont'd)

##### Access to Information and Advice

The Company Secretaries prepare an annual calendar in advance for all Board and Board Committee meetings as well as the AGM to facilitate Directors' planning and to enable informed participation by all Board members. The Board meets every quarter, with additional meetings convened when necessary.

Prior to each meeting, a formal notice confirming the venue, time, date and a structured agenda, together with the Board and Board Committee papers, are circulated electronically to all Directors at least five (5) business days in advance. This enables Directors to have sufficient time to peruse the reading materials for effective discussion and decision-making during meetings. The minutes of meetings, as prepared by the Company Secretary, constitute a record of all salient matters discussed, decisions made and conclusions reached during the meetings.

While Directors have full and unrestricted access to all information within the Group, they may also seek independent professional advice on specific issues, whenever deemed necessary with the cost borne by the Company, to make independent and informed decisions.

#### 2. Demarcation of Responsibilities

The Board has formalised and adopted a Board Charter, which establishes and delineates the roles, responsibilities, duties and functions of the Board, its Committees and individual Directors. It also sets out a schedule of matters reserved for the Board's decisions for better oversight of the Group's business.

The Board Charter is subject to periodic review by the Board when the need arises and in tandem with any changes to the MCGG, MMLR or other rules and regulations impacting Directors' responsibilities. The Board Charter is available on the Group's website at [www.cape-group.com.my](http://www.cape-group.com.my).

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

##### Code of Conduct and Ethics Policy and SOP

The Group's Code of Conduct and Ethics Policy and Standard Operating Procedures ("SOP") ("Code") prescribe the standards of ethical business conduct expected of our employees and Directors. The Code requires them to comply with all applicable laws and regulations and uphold ethical standards in all business activities of the Group.

##### Anti-Bribery and Corruption Policy and SOP

In compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board has adopted an Anti-Bribery and Corruption Policy and SOP ("ABC Policy") to prevent corruption and unethical practices. The Group's contractors, sub-contractors, agents, and representatives must comply with the Code and ABC Policy when performing work for the Group.

##### Anti-Money Laundering Policy and SOP

In compliance with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, the Company has also adopted an Anti-Money Laundering Policy and SOP ("AML Policy") to manage and prevent the risks of being used as a conduit for money laundering and terrorism financing activities.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

#### 1. Board's Leadership (Cont'd)

##### Whistleblowing Policy and SOP

To promote integrity, transparency and accountability, the Company has adopted a Whistleblowing Policy and SOP ("**WB Policy**"). It provides a secured and structured reporting avenue whereby employees, public and external parties can report any actual or suspected misconduct in good faith without fear of reprisal or retaliation.

##### Directors' Fit and Proper Policy

The Board has adopted a Directors' Fit and Proper Policy ("**Fit and Proper Policy**") in compliance with Paragraph 15.01A of the MMLR. This Fit and Proper Policy enumerates the fit and proper criteria that serve as a mandatory guide for evaluating the appointment and re-election of Directors to the Board of the Group.

##### Related Party Transaction Policy and Procedures

The Board has also adopted a Related Party Transaction Policy and Procedures ("**RPT Policy**") in compliance with the MMLR. This RPT Policy ensure that all transactions are conducted on an arm's length basis and in accordance with good governance and appropriate disclosures.

The Code, ABC Policy, AML Policy, WB Policy, Fit and Proper Policy and RPT Policy are available on the Group's website at [www.cape-group.com.my](http://www.cape-group.com.my).

#### 4. Sustainability Governance

The Board, together with Management, oversees the Group's sustainability agenda, encompassing environmental, social, and governance ("**ESG**") matters. Sustainability considerations are integrated into the Group's strategy, business planning, risk management, and operational decision-making to support long-term value creation, as set out in the ESG Sustainability Policy and Procedure ("**ESG Policy**"). Day-to-day implementation and operational execution of these sustainability strategies are led by the MD/GCEO, supported by the Group Sustainability Oversight Committee.

The ESG Policy is available on the Group's website at [www.cape-group.com.my](http://www.cape-group.com.my).

The Group values stakeholder engagement and regularly considers stakeholder feedback to enhance its sustainability practices, performance, and reporting. Further details on our key stakeholders, engagement channels and their areas of interest or concern are disclosed in the Sustainability Statement of this Annual Report.

The Board remains informed of sustainability developments relevant to the Group through ongoing monitoring of regulatory requirements, industry developments, and emerging ESG trends. This enables the Board to provide effective oversight and strategic direction on sustainability matters.

### II. Board Composition

#### 5. Composition and Independence of the Board

The Board comprises eight (8) members, of whom two (2) are Executive Directors, one (1) MD/GCEO, and five (5) Independent Non-Executive Directors including the Independent Non-Executive Chairman. The number of Independent Directors increased to five (5) following the appointment of Dato' S.Sivasuriyamoorthy A/L Sundara Raja on 1 January 2026, further strengthening the Board's independent representation. This is aligned with the MCCG's recommendation that at least half of the board comprises independent directors.

The Board members possess a range of skills, calibre and experience, commensurate for an effective oversight of the Group. The profile of each Director is presented in the Directors' Profile section of this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

#### 5. Composition and Independence of the Board (Cont'd)

The Independent Non-Executive Directors are integral to the Board's governance by providing necessary checks and balances on the Board's deliberation and decision-making. They are independent of Management, with no business, family or other relationships that could impair their objectivity and impartiality in the Board. They provide effective oversight, unbiased views and objective perspectives to all deliberations.

During the financial year under review, none of the Independent Non-Executive Directors of the Company has served beyond nine (9) years. According to the Board Charter, an Independent Director may continue to serve on the Board as a Non-Independent Director upon completion of the nine (9) years.

In the event such Director is to be retained as an Independent Director, the Board must provide justification and seek annual shareholders' approval through a two-tier voting process in accordance with the recommended practice of the MCGG.

#### Appointment of Directors and Senior Management, including Gender Diversity

The Board has established robust procedures for the appointment of new Directors. The NC is responsible to identify, assess and nominate suitable candidates to the Board for consideration for appointment as Director. For each prospective candidate, the NC conducts a fit and proper assessment prior to recommending or otherwise to the Board for consideration. When evaluating potential candidates, the NC considers a range of criteria, including their character, competence, knowledge, expertise, experience, time commitment, professionalism and integrity. The NC also assesses the candidate's ability to discharge the duties as expected, especially for candidates to be considered as Independent Non-Executive Directors.

The Board is responsible for succession planning for the Board members and Senior Management of the Group positions. With this, the Company has adopted a Succession Planning Policy to guide the Board on the established criteria that assess leadership qualities, character, relevant experience, skills, capabilities, integrity and competencies. These criteria ensure candidates are well-suited to drive the Group's objectives and strategies.

The Board affirms its commitment to fair and equal opportunities to all and does not support any form of discrimination pertaining to ethnicity, cultural background, age or gender. All appointments to the Board and Senior Management are based on merit in the context of diversity in skills, experience, knowledge and other factors which are in the best interests of the Group. Reflecting this principle, the Company has adopted a Gender Diversity Policy that emphasises on qualitative diversity factors and does not prescribe any quantitative targets for gender composition, both at the Board and Senior Management levels.

The Succession Planning Policy and Gender Diversity Policy are available on the Group's website at [www.cape-group.com.my](http://www.cape-group.com.my).

#### Appointment and Re-election of Directors

Pursuant to the Company's Constitution, all Directors shall retire at least once every three (3) years and are eligible for re-election at the Company's AGM. In addition, the Constitution and MMLR also require the newly appointed Directors to hold office only until the next AGM and shall be eligible for re-election. For FYE 2026, the NC met and assessed the retiring Directors' eligibility for re-election at the forthcoming AGM. The retiring Directors have declared to the NC their conformance to the Group's fit and proper criteria, including any conflict of interest and competing interest with the Group, using the Board-approved prescribed forms.

Upon assessing such declarations and in the absence of any inconsistencies that it was aware of, the NC recommended to the Board, who concurred to include the resolution on the re-election of retiring Directors to be tabled for shareholders' approval. A statement confirming the Board's and NC's satisfaction with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the forthcoming AGM, is included in the explanatory notes of the Notice of AGM.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

#### 5. Composition and Independence of the Board (Cont'd)

##### The NC

The NC comprises exclusively Independent Non-Executive Directors. The Board has tasked the NC with identifying and recommending suitable candidates for directorship and for conducting the annual performance evaluation of the Board, its Committees and individual Directors.

The members of the NC are as follows:-

| Name          | Designation | Directorship                       |
|---------------|-------------|------------------------------------|
| Yau Yin Wee   | Chairman    | Independent Non-Executive Director |
| Koh Beng San  | Member      | Independent Non-Executive Director |
| Chen Kok Seng | Member      | Independent Non-Executive Director |

During FYE 2026, the NC held one (1) meeting and has undertaken the following activities:-

- Conducted the annual assessment of the five (5) Independent Directors and their tenure;
- Conducted the annual assessment on the mix of skills and experience and size of the Board, the contribution of the Board and Board Committees, as well as the effectiveness of the Board as a whole, and assessment of the contribution of each director and the performance of the Board Committees;
- Reviewed 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 following the Terms of Reference of the AC;
- Reviewed the training programs attended by the Directors; and
- Reviewed the tenure of each Director and recommended to the Board for the re-election of Ms. Tee Kim Yok and Dato' S.Sivasuriyamoorthy A/L Sundara Raja, who are retiring pursuant to Clause 84.1 and Clause 91 of the Constitution of the Company.

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

The Board has delegated to the NC the responsibility of conducting an annual evaluation of the performance and effectiveness of the Board as a whole, the Board Committees and individual Directors. For the financial year under review, the NC helmed the evaluation, which was conducted through a self and peer assessment approach, using pre-set questionnaires. These questionnaires cover key areas such as the performance and effectiveness of the Board, Board Committees and individual Directors and the Board's structure, size, and composition.

The NC also assessed the independence of the Independent Non-Executive Directors based on a declaration by the Directors concerned their conformance to the independence criteria prescribed by the MMLR. The Board was satisfied with the level of independence demonstrated by the Independent Non-Executive Directors, with no indications that could compromise or interfere with their ability in exercising independent and objective judgement.

Based on the performance evaluation conducted, the overall performance of the Board, Board Committees, and individual directors is satisfactory. It was concluded that the Board, Board Committees, and all Directors have adequately and sufficiently discharged their duties and responsibilities. Following assessment of suitability and eligibility of the retiring Directors to continue serving on the Board, the NC recommended to the Board the re-election of retiring Directors at the upcoming AGM of the Company.

##### Time Commitment

The Directors are cognisant of the time commitment required to fulfil their fiduciary duties and responsibilities. Scheduled meetings are held on a quarterly basis with additional meetings convened when necessary. In most cases, the Company leveraged on technology by conducting Board and Board Committee meetings online to facilitate meeting participation. The Board was satisfied that all Directors met the minimum attendance requirement of 50% of Board meetings during the financial year under review as stipulated by the MMLR.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

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

The Directors' attendance record for FYE 2026 is set out below:-

| Directors                                                                   | Meeting Attendance |     |     |     |      |      |
|-----------------------------------------------------------------------------|--------------------|-----|-----|-----|------|------|
|                                                                             | Board              | AC  | NC  | RC  | SRMC | SISC |
| Datuk Mohd Rabin Bin Basir                                                  | 5/6                | -   | -   | -   | -    | -    |
| Tee Kim Chin                                                                | 6/6                | -   | -   | -   | 2/2  | NIL  |
| Tee Kim Yok                                                                 | 6/6                | -   | -   | -   | -    | -    |
| Alex Miranda Juntado                                                        | 4/6                | -   | -   | -   | -    | -    |
| Yau Yin Wee                                                                 | 6/6                | 6/6 | 1/1 | 1/1 | -    | NIL  |
| Chen Kok Seng                                                               | 6/6                | 6/6 | 1/1 | 1/1 | 2/2  | NIL  |
| Koh Beng San                                                                | 6/6                | 6/6 | 1/1 | 1/1 | 2/2  | NIL  |
| Dato' S.Sivasuriyamoorthy A/L Sundara Raja<br>(Appointed on 1 January 2026) | 3/3*               | -   | -   | -   | -    | -    |

Remark:-

(-) means not a member.

(\*) reflects the number of meetings held during FYE 2026 since the appointment as Director of the Company.

(NIL) means no meetings were held during FYE 2026.

The Board recognises the importance of continuous professional development to enable Directors to discharge their roles and responsibilities effectively. The Directors undergo training programmes and seminars from time to time or as deemed necessary to keep abreast with market developments, corporate governance promulgations, prevailing business landscape, industry practices, statutory and regulatory changes.

During the financial year under review and up to the date of this Statement, the Directors attended various trainings, which included briefings, seminars, workshops and conferences conducted by the relevant regulatory authorities and professional bodies. All Directors have completed the Mandatory Accreditation Programme ("MAP") Part I and MAP Part II as of the date of this Statement, except for Dato' S.Sivasuriyamoorthy A/L Sundara Raja, who will attend the MAP Part II in due course.

The training programmes and seminars attended by the Directors for FYE 2026 were as follows:-

| Directors                  | Seminars/Conferences/Training Programmes Attended                                      | Date Attended |
|----------------------------|----------------------------------------------------------------------------------------|---------------|
| Datuk Mohd Rabin Bin Basir | The Chairpersons' Circle: Excellence in Board Leadership                               | 8 June 2026   |
|                            | ICDM: AI-Enabled Sustainability: Board Strategy, Risk Controls And Performance Insight | 11 June 2026  |
| Tee Kim Chin               | ICDM: AI-Enabled Sustainability: Board Strategy, Risk Controls And Performance Insight | 11 June 2026  |
| Tee Kim Yok                | ICDM: AI-Enabled Sustainability: Board Strategy, Risk Controls And Performance Insight | 11 June 2026  |
| Alex Miranda Juntado       | ICDM: AI-Enabled Sustainability: Board Strategy, Risk Controls And Performance Insight | 11 June 2026  |
| Yau Yin Wee                | MAICSA: Corporate Governance And ESG Integrity                                         | 6 May 2026    |

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (CONT'D)

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

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

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

| Directors                                      | Seminars/Conferences/Training Programmes Attended                                                 | Date Attended                  |
|------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------|
| Koh Beng San                                   | Kastam: Webinar Sales Tax Expansion 2025- Broadening Scope                                        | 20 August 2025                 |
|                                                | 2026 Budget Seminar                                                                               | 5 November 2025                |
|                                                | Capital Gain Tax On Domestic & Cross-Border Transactions                                          | 19 December 2025               |
|                                                | CTIM: Practical Approach & Preparation To Obtain Tax Agent S153 License                           | 12 May 2026                    |
|                                                | SSM: Preference Shares: Steps To Issue, Redeem And Convert                                        | 9 February 2026                |
|                                                | SSM: PLC Series: Bursa Malaysia's Corporate Disclosure Framework: A Guide For Company Secretaries | 12 March 2026                  |
| Chen Kok Seng                                  | ICDM: AI-Enabled Sustainability: Board Strategy, Risk Controls And Performance Insight            | 11 June 2026                   |
| Dato' S. Sivasuriyamoorthy<br>A/L Sundara Raja | Bursa Malaysia: MAP Part I                                                                        | 8 April 2026 &<br>9 April 2026 |

#### III. Remuneration

##### 7. Remuneration Policies and Decisions

The RC comprises exclusively Independent Non-Executive Directors. The Board has tasked the RC with overseeing the Group's remuneration affairs.

The members of the RC are as follows:-

| Name          | Designation | Directorship                       |
|---------------|-------------|------------------------------------|
| Yau Yin Wee   | Chairman    | Independent Non-Executive Director |
| Koh Beng San  | Member      | Independent Non-Executive Director |
| Chen Kok Seng | Member      | Independent Non-Executive Director |

The role of the RC is to implement its Remuneration Policy and Procedures of Directors and Key Senior Management ("**Remuneration Policy**") on remuneration, including reviewing and recommending matters relating to the remuneration of the Directors and Key Senior Management of the Group, considering the Company's demands, complexities, performance, and required skills and experience.

The Remuneration Policy is available on the Group's website at [www.cape-group.com.my](http://www.cape-group.com.my).

The said remuneration package will be reviewed on an annual basis by considering various factors, including the Directors' fiduciary duties, time commitments, current economic conditions, and expertise expected from them, and the Company's performance before making its recommendations to the Board for approval. The remuneration packages of the Executive Directors and Senior Management are tabled and reviewed by the RC based on the Key Performance Indicators.

During FYE 2026, the RC performed its duty to assess annually the remuneration package of MD/GCEO, Executive Directors, and Key Senior Management, as well as fees and benefits payable to Non-Executive Directors.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### III. Remuneration (Cont'd)

#### 8. Remuneration of Directors and Senior Management

The total remuneration received by the Directors for FYE 2026 amounted to RM3,780,536 from the Company and RM4,570,076 from the Group. Detailed remuneration for each Director on a named basis is disclosed in accordance with Practice 8.1 of the CG Report which is accessible on the Bursa Securities website and via the Group's website at [www.cape-group.com.my](http://www.cape-group.com.my).

The Company has decided not to disclose the remuneration of the top five (5) Senior Management on a named basis as such disclosure is prejudicial to the Group's best interest and could adversely affect the Group's position given the highly competitive human resource environment in which the Group operates. Due to the sensitive nature of such information and to prevent talent poaching, the Board has opted for an alternative approach under Practice 8.2 in the CG Report for the information of shareholders.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. AC

#### 9. Effective and Independent AC

The AC comprises exclusively Independent Non-Executive Directors, and the AC Chairman is not the Board Chairman, ensuring independent oversight. The Board has tasked the AC with overseeing the Group's integrity of corporate accounting and financial reporting.

The members of the AC are as follows:-

| Name          | Designation | Directorship                       |
|---------------|-------------|------------------------------------|
| Koh Beng San  | Chairman    | Independent Non-Executive Director |
| Yau Yin Wee   | Member      | Independent Non-Executive Director |
| Chen Kok Seng | Member      | Independent Non-Executive Director |

The AC observes a cooling-off period of at least three (3) years before appointing any former partner of the external audit firm or its affiliates as a member of the AC. All AC members are financially literate, the attribute of which is essential to assist the Board in overseeing financial reporting, ensuring its accuracy, completeness and compliance with applicable financial reporting standards. The AC is also responsible to review related party transactions and conflict of interest situations, within the Group, including the mitigating measures thereof, as well as the provision of non-audit services by the External Auditors and/or their affiliates.

Further details on the AC's composition and summary of work done during the financial year under review are set out in the AC Report of this Annual Report.

#### External Auditors

The External Auditors have provided assurance to the AC regarding their independence, i.e., they were and had been independent throughout the audit engagement for the financial year under review. The AC conducted an annual assessment on the performance, suitability, objectivity and independence of the External Auditors by using pre-set questionnaires. This evaluation included consideration on the level of audit fees to ensure a quality audit was conducted, including the nature and extent of non-audit services and the associated fees to prevent any compromise on the External Auditors' independence and objectivity.

For FYE 2026, the AC was satisfied with the outcome of this assessment and recommended that the Board endorse the re-appointment of the External Auditors for the forthcoming financial year, subject to shareholders' approval at the forthcoming AGM.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (CONT'D)

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

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

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

The Board recognises its statutory responsibility in establishing and maintaining a sound risk management and internal control framework within the Group. The AC, together with the SRMC, assist the Board by overseeing the Group's Risk Management and Internal Control Framework ("**Risk Management Framework**") and regularly evaluates its adequacy and effectiveness, with assistance from an outsourced independent service provider appointed, namely Axcelasia Sdn. Bhd. ("**Axcelasia**").

The Risk Management Framework is designed to identify, manage and mitigate significant risks as well as to safeguard stakeholders' interests and protect the Group's assets. The principal business risks are rated, prioritised according to their likelihood of occurrence and potential impact, and are compiled through risk registers and risk profiles, facilitated by Axcelasia and in conjunction with the various process and risk owners. Significant risks are managed to acceptable levels through the implementation of suitable internal controls by Management, helmed by the MD/GCEO on an ongoing basis.

The Statement on Risk Management and Internal Control in this Annual Report provides an overview of the Group's risk management and internal controls.

The SRMC comprises a majority of Independent Non-Executive Directors, with the Committee Chairman being an Independent Non-Executive Director.

The members of the SRMC are as follows:-

| Name          | Designation | Directorship                       |
|---------------|-------------|------------------------------------|
| Chen Kok Seng | Chairman    | Independent Non-Executive Director |
| Koh Beng San  | Member      | Independent Non-Executive Director |
| Tee Kim Chin  | Member      | MD/GCEO                            |

##### 11. Internal Audit Function

The Group's Internal Audit function was outsourced to Axcelasia during the financial year under review. Axcelasia was independent of the activities it audited and was free from any relationship or conflict of interest that could impair its objectivity. The Internal Audit function was led by the Executive Director of Axcelasia and reported directly to the AC.

Axcelasia supported the Board and AC by providing an independent assessment of the adequacy and effectiveness of the Group's internal control systems. The Internal Audit function adopted a risk-based audit approach, with standards and practices aligned to the internationally recognised framework.

Internal audit was carried out based on a plan approved by the AC. All audit findings, along with Management's action plans and responses thereto, were reported directly to the AC. This process provided the AC with assurance and comprehensive and timely insights into the effectiveness of the Group's internal control systems.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (CONT'D)

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL STAKEHOLDER RELATIONS

#### I. Engagement with Stakeholders

##### 12. Communication with Stakeholders

The Board recognises transparency, accountability, and effective communication with shareholders, stakeholders, and investors as critical to building trust and confidence. The Group maintains an active communication approach by leveraging various channels, including information technology.

The Board is guided by the disclosure requirements of the MMLR and the Corporate Disclosure Guide issued by Bursa Securities. To promote transparency, foster trust and support informed decision-making, the Board has adopted a Corporate Disclosure Policies and Procedures ("CDPP"). The CDPP provide specific guidance on the disclosure of material information, maintaining confidentiality and dissemination of information.

The CDPP is available on the Group's website at [www.cape-group.com.my](http://www.cape-group.com.my).

All material disclosures are published on Bursa Securities' website for public access. The Group also maintains a corporate website that features a dedicated Investor Relations section, where information such as announcements, corporate policies, Annual Reports, Board Charter, Terms of Reference, AGM notices and minutes are readily accessible. Shareholders and the public may also submit queries through the e-mail contact available in the Investor Relations section and all relevant concerns are addressed promptly.

#### II. Conduct of General Meetings

##### 13. Shareholders' Participation and the Board and Senior Management Engagement

The Company's general meeting serves as an important platform for direct communication and engagement between the Board and shareholders. The Chairman of the Board chairs the general meeting and ensures that the general meeting is conducted in an orderly manner. The Chairman encourages shareholders' participation by allocating sufficient time for them to exercise their rights to raise questions and express concerns regarding all aspects of the Group's business and performance, including both financial and non-financial matters.

The notice of the 2026 AGM of the Company was issued to our shareholders at least twenty-eight (28) days prior to the AGM scheduled to be held on 16 November 2026. This provides shareholders with sufficient time to consider the resolutions to be tabled and to make the necessary arrangements to attend and participate in the AGM, or to appoint proxy(ies) to attend, speak and vote on their behalf.

The date of the AGM is scheduled in advance to ensure that all Directors are present to provide meaningful responses to questions addressed to them. The 2025 AGM was held physically with all Directors, Senior Management, Company Secretary and the representative of External Auditors in attendance at the venue to address questions raised by shareholders and proxies. The Executive Director and the Group Chief Financial Officer presented the operational and financial performance for the financial period ended 30 June 2025, alongside an overview of the Group's activities, key challenges, market outlook and strategies for the following financial year.

All resolutions were voted on by poll, and an independent scrutineer was appointed to validate the votes for each resolution. The poll results were announced prior to the conclusion of the 2025 AGM by the Chairman and were published on the Group's website and via Bursa Securities on the same day.

The minutes of the 2025 AGM were uploaded on the Group's website at [www.cape-group.com.my](http://www.cape-group.com.my) within thirty (30) business days after the AGM.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (CONT'D)

### KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board remains committed to uphold good governance and ethical standards while enhancing oversight of sustainability initiatives. In tandem with increased scrutiny by stakeholders on the ESG agenda, the Board will pivot its focus towards embedding ESG considerations into our business and risk management frameworks, including deepening compliance with the reporting requirements of IFRS S1 and IFRS S2 and other relevant global sustainability reporting frameworks.

The Board will also prioritise investments in cybersecurity and digital resilience to enhance the security, stability and robustness of our technology infrastructure, ensuring continued protection of customer data and uninterrupted service delivery in an increasingly digitalised operating environment.

This Statement and the CG Report were approved by the Board on 12 October 2026.

# AUDIT COMMITTEE REPORT

The Board of Directors ("**Board**") of Cape EMS Berhad ("**Company**") is pleased to present the Audit Committee ("**AC**") Report for the financial year ended 30 June 2026 ("**FYE 2026**"). This report has been prepared in accordance with Paragraph 15.15(1) of the Main Market Listing Requirements ("**MLLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and provides an overview of the work undertaken by the AC during the reporting period.

## COMPOSITION OF AC

At present and throughout the FYE 2026, the AC comprises three (3) members, all of whom are Independent Non-Executive Directors:-

| Name          | Designation | Directorship                       |
|---------------|-------------|------------------------------------|
| Koh Beng San  | Chairman    | Independent Non-Executive Director |
| Yau Yin Wee   | Member      | Independent Non-Executive Director |
| Chen Kok Seng | Member      | Independent Non-Executive Director |

## COMPLIANCE WITH MMLR OF BURSA SECURITIES AND MALAYSIAN CODE ON CORPORATE GOVERNANCE ("**MCCG**")

| MMLR of Bursa Securities      | Company's AC                                                                                                                                                                                                                          |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Paragraph 15.09 (1) (a) & (b) | The AC consists of three (3) members, all of whom are Independent Non-Executive Directors                                                                                                                                             |
| Paragraph 15.09 (1) (c)       | The AC Chairman, Mr. Koh Beng San, is a Fellow Member of the Association of Chartered Certified Accountants (FCCA), a member of ASEAN Chartered Public Accountant (ASEAN CPA), and a member of the Malaysian Institute of Accountants |
| Paragraph 15.09 (2)           | None of the AC members is an alternate Director                                                                                                                                                                                       |
| Paragraph 15.10               | The AC Chairman, Mr. Koh Beng San, is an Independent Non-Executive Director                                                                                                                                                           |

| MCCG Practice | Company's AC                                                                                                                                                                                                                            |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Practice 9.1  | The AC Chairman, Mr. Koh Beng San, is not the Chairman of the Board                                                                                                                                                                     |
| Practice 9.2  | None of the AC members is a former partner of the Company's external audit firm, UHY Malaysia PLT                                                                                                                                       |
| Practice 9.3  | As stipulated in its Terms of Reference, the AC carries out an annual assessment to evaluate the suitability, objectivity and independence of the External Auditors                                                                     |
| Practice 9.4  | All AC members are Independent Non-Executive Directors                                                                                                                                                                                  |
| Practice 9.5  | All AC members possess a wide range of necessary skills and they are financially literate and competent by leveraging on their past experiences and on-going training and development programme to discharge their duties as AC members |

## MEETINGS AND ATTENDANCE

During FYE 2026, the AC had convened six (6) AC meetings. Details of the attendance of the AC members are as follows:-

| AC Members    | Number of Meetings Attended/ Held |
|---------------|-----------------------------------|
| Koh Beng San  | 6/6                               |
| Yau Yin Wee   | 6/6                               |
| Chen Kok Seng | 6/6                               |

The Managing Director/Group Chief Executive Officer, Executive Directors and Group Chief Financial Officer were invited to attend all the AC meetings. Their presence facilitated direct communication on agenda items and other pertinent matters requiring the AC's attention.

# AUDIT COMMITTEE REPORT

## (CONT'D)

Representatives from both the External Auditors and the Internal Auditors were also invited to specific AC meetings to present their reports and provide insights on their respective audit areas.

Throughout the FYE 2026, the AC met with the External Auditors at four (4) meetings to present their reports and Audited Financial Statements for the financial period ended 30 June 2025 ("**FPE 2025**"), while the AC met with the Internal Auditors, Axcelasia Sdn. Bhd. ("**Axcelasia**"), at two (2) meetings to present the internal audit plan, internal audit findings, and follow-up review reports.

Minutes of each AC meeting were recorded and tabled for confirmation at the subsequent AC meetings. All deliberations and recommendations contained in the AC minutes were subsequently presented to the Board for discussions, decisions and notation.

### TERMS OF REFERENCE

The AC assists the Board to inter-alia, fulfill its oversight responsibilities relating to corporate governance, sustainability practices and reporting, risk management and internal control system, financial reporting practices, reviewing our Company and its subsidiaries ("Group")'s unaudited quarterly financial results and annual audited financial statements.

Details of the Terms of Reference of the AC are available on the Company's website at [www.cape-group.com.my](http://www.cape-group.com.my).

### SUMMARY OF WORK

The following works were carried out by the AC for FYE 2026 and up to the date of this Report in discharging their oversight roles, duties and responsibilities:-

#### (i) Financial Reporting

- (a) Reviewed and ensured that the Group's financial reporting and disclosures requirements are in compliance with:-
  - Provision of Companies Act 2016;
  - MMLR of Bursa Securities;
  - Malaysian Financial Reporting Standards;
  - International Financial Reporting Standards; and
  - Other legal and regulatory requirements.
- (b) Reviewed the draft unaudited quarterly financial results, the audited annual financial statements of the Group as well as the audit findings and issues arising from the audits with the External Auditors before recommending to the Board for approval and releasing the announcement to Bursa Securities. The review focused particularly on:-
  - Any changes in or implementation of major accounting policy;
  - Significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters were addressed;
  - Any significant adjustments arising from the audit; and
  - Compliance with all applicable accounting standards and legal requirements.

#### (ii) Internal Audit

- (a) Reviewed and assessed the suitability of the Internal Auditors for appointment, taking into consideration their independence, performance, competence and experience and their resources to ensure the effectiveness of the internal audit function. The AC was satisfied with the competence and independence of Internal Auditors in performing their scope of duties in FYE 2026;
- (b) Reviewed the internal audit plan and ensured that appropriate actions were undertaken to conduct the audit engagements based on the approved plan; and
- (c) Assisted and ensured that the outsourced Internal Auditors had full, free and unrestricted access to all activities, records, properties and personnel necessary to perform their duties.

# AUDIT COMMITTEE REPORT

## (CONT'D)

### SUMMARY OF WORK (CONT'D)

The following works were carried out by the AC for FYE2026 and up to the date of this Report in discharging their oversight roles, duties and responsibilities:- (Cont'd)

#### (iii) External Audit

- (a) Conducted two (2) private sessions with the External Auditors on 28 August 2025 and 22 October 2025, respectively, to discuss any issues arising from audits without the presence of the Executive Directors and Management;
- (b) Reviewed the Audit Planning Memorandum for FPE2025 and FYE2026 prepared by the External Auditors, covering the scope and nature of the statutory audit of the Company's and the Group's financial statements prior to the audit engagements;
- (c) Reviewed the Audit Review Memorandum and Audit Status Memorandum for FPE2025 prepared by the External Auditors, covering updates on the status and findings on the areas of audit emphasis by the External Auditors and status on the actions taken by our Management;
- (d) Reviewed and deliberated the draft independent auditors' report by External Auditors, and significant matters and/or management letter highlighted for improvement measures that Management should consider pertaining to weaknesses or deficiencies in the internal control systems as well as Management's response to the management letter; and
- (e) Conducted annual performance assessment to evaluate the External Auditors, taking into consideration their independence, performance, competence and experience as well as provision of non-audit services and audit fees, and recommended to the Board for re-appointment.

#### (iv) Related Party Transactions and Conflict of Interest ("COI")

- (a) Reviewed any related party transactions on a quarterly basis that may arise within the Group including any transaction, procedure, or course of conduct that raises questions of management integrity;
- (b) Reviewed the procedures and processes to ensure that transactions to be entered into are carried out at arm's length and on transaction prices and terms not more favourable to the related parties than those generally available to the public, fair and not detrimental to the minority shareholders of the Company. Amongst others, the related parties and parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberations on the transactions;
- (c) Supervise and monitor any recurrent related party transaction as well as subject for AC's review on a quarterly basis and the terms thereof and report to the Board for further action. Where necessary, the AC proposes to make the appropriate disclosure in our annual report with regards to any recurrent related party transaction entered into by the Group and the Company; and
- (d) Reviewed the COI and/or potential COI situations that may arise or persist with the Board and key senior management by reviewing all Directors' confirmation and declaration on their COI and/or potential COI via Letter of Declaration on a quarterly basis. As of FYE 2026, the AC concluded that none of the Directors and key senior management have any COI and/or potential COI with the Group.

#### (v) Annual Report

- (a) Reviewed and recommended to the Board the AC Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report for release of announcement in Bursa Securities.

#### (vi) Others

- (a) Reviewed the legal, financial and tax due diligence reports prepared by the professional firms on the proposed new investment in the subsidiary and any other investment proposal(s) prepared by the Management; and
- (b) Reviewed any whistle-blower reports and there was no whistle-blower report received during the FYE 2026.

# AUDIT COMMITTEE REPORT

## (CONT'D)

### AUDIT AND NON-AUDIT SERVICES

The total amount of audit and non-audit fees paid and payable to the External Auditors, its member firm and local affiliate for the audit and non-audit services rendered to the Group are as follows:-

| Audit services rendered | Group (RM)     | Company (RM)   |
|-------------------------|----------------|----------------|
| Statutory audit         | 752,159        | 375,000        |
| Non-audit services*     | 10,000         | 10,000         |
| <b>Total</b>            | <b>762,159</b> | <b>385,000</b> |

\* The non-audit fees relate mainly to other assurance related services and tax compliance and advisory services.

### SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The purpose of the internal audit function is to provide the Board, through the AC, with an independent assessment for adequacy and effectiveness of the Group's internal control system; and to assess compliance with the Company's policies and procedures.

The internal auditors are mandated to report directly to the AC. The primary responsibility is to support the Board and the AC in reviewing and assessing management systems of internal control and procedures. The AC plays a crucial role in reviewing and approving the internal audit engagement and fees to uphold the independence and objectivity of the internal auditors.

The Group has outsourced its internal audit function to Axcelasia Sdn. Bhd. ("Axcelasia"), a professional services company, to conduct internal audits based on the approved risk-based internal audit plan for years 2025 and 2026. This plan was presented to the AC on 25 November 2025 and 21 May 2026 respectively for deliberation and approval. The Internal Auditors report to the AC directly and support the AC in evaluating the effectiveness of the internal control systems across the Group, ensuring a balance between controls and risks to achieve business objectives. Through their review, remedial actions have been implemented to address issues in the internal control systems of the respective operating units. The outsourced internal audit function operates independently, performing audit assignments with impartiality, proficiency and due professional care.

The internal audit was led by its Executive Director, Mr. David Low Tak Wei, a Certified Internal Auditor (CIA) and Certified Lead Assessor of Anti-Bribery Management System. He is also a Fellow Member of the Association of Chartered Certified Accountants (FCCA), Associate Member of the Association of Certified Fraud Examiners (ACFE), and Member of the Malaysian Institute of Accountants (CA(M)), who brings extensive experience and expertise in the field of internal audit.

The Internal Auditors conducted their review as guided by a recognised framework of internal auditing, encompassing audit planning, execution, documentations, communication of findings, and consultation with key stakeholders on the audit concerns.

Prior to presenting reports and findings to the AC, feedback from the Management were solicited and integrated into the internal audit findings and reports. The Internal Audit Reports also included a follow-up review on the implementation status of recommendations from prior reports.

The Internal Auditors participated in two (2) AC meetings for FYE2026. The functional areas and operating processes examined by the Internal Auditors include:-

- Supply Chain Management - Warehouse and Inventory; and
- Sales and Receivables Cycles.

Follow-up reviews of previous internal audit reviews were conducted to ensure the timely implementation of agreed-upon recommendations, with feedback provided to the AC by the Internal Auditors on the implementation status.

The total costs excluding out-of-pocket expenses and applicable service tax incurred for the outsourced internal audit function for FYE2026 amounted to RM42,000.

# AUDIT COMMITTEE REPORT

## (CONT'D)

### REVIEW OF THE PERFORMANCE OF THE AC

In line with Paragraph 15.20 of the MMLR of Bursa Securities, the Board, through its Nominating Committee, conducted a review of the terms of office and performance of the AC members, which included self and peer evaluations by the AC members.

Upon completion of this review, the Nominating Committee concluded that the AC members have performed their duties in accordance with its Terms of Reference.

This AC Report was approved by the Board on 12 October 2026.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("**Board**") of Cape EMS Berhad ("**Company**") is pleased to present the Statement on Risk Management and Internal Control ("**Statement**" or "**SORMIC**") which encapsulates key features of the risk management and internal control system of the Company and its subsidiaries ("**Group**") for the financial year ended 30 June 2026 ("**FYE2026**"). This Statement is prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and guided by the SORMIC: Guidelines for Directors of Listed Companies ("**SORMIC Guide 2025**"), issued by the Institute of Internal Auditors Malaysia.

## BOARD'S RESPONSIBILITY

The Board recognises the importance of sound risk management practices and internal controls to protect and enhance shareholder value and the assets of the Group. The Board acknowledges its responsibility and is committed to maintain the Company's risk management and system of internal control as well as reviewing their adequacy, integrity and effectiveness. The Board also determines and periodically reviews the Group's risk appetite and risk tolerance and ensures that risk considerations are appropriately aligned with the Group's strategic objectives and operational decisions.

In this regard, the Group has established a Risk Management and Internal Control Framework to integrate good risk management practices into all its business processes and operations to drive consistent, effective, accountable actions, decision making and management practices.

However, due to the inherent limitations of any system of internal control and risk management, such a system is designed to manage and mitigate, rather than eliminate, the risks that may impact the achievement of the Company's business objectives. Therefore, the system of internal control could only provide reasonable but not absolute assurance against material misstatement or loss.

The Board is assisted by the Audit Committee ("**AC**") and the Sustainability and Risk Management Committee ("**SRMC**"). Together with the Internal Auditors and Management, these bodies work to identify, approve and implement policies and procedures related to risk management and internal control. The AC is specifically responsible for overseeing the integrity of corporate accounting and financial reporting and to ensure that the internal audit function is effective and able to function independently. The SRMC is specifically responsible for overseeing and recommending risk management strategies, policies, and appetite to the Board for its approval.

## MANAGEMENT'S RESPONSIBILITY

Management is responsible for executing the Risk Management and Internal Control Framework established by the Board. Management's responsibilities include the following:-

- Leading the operation and executing the strategies in achieving the goals set for each of the subsidiaries;
- Identifying the risks relevant to the business of the Company and the achievement of objectives and strategies;
- Design, implement and monitor the risk management and internal control framework in accordance with the Company's strategic vision and overall risk appetite; and
- Identify changes to risk or emerging risks, take actions as appropriate, and promptly bring these to the attention of the Board.

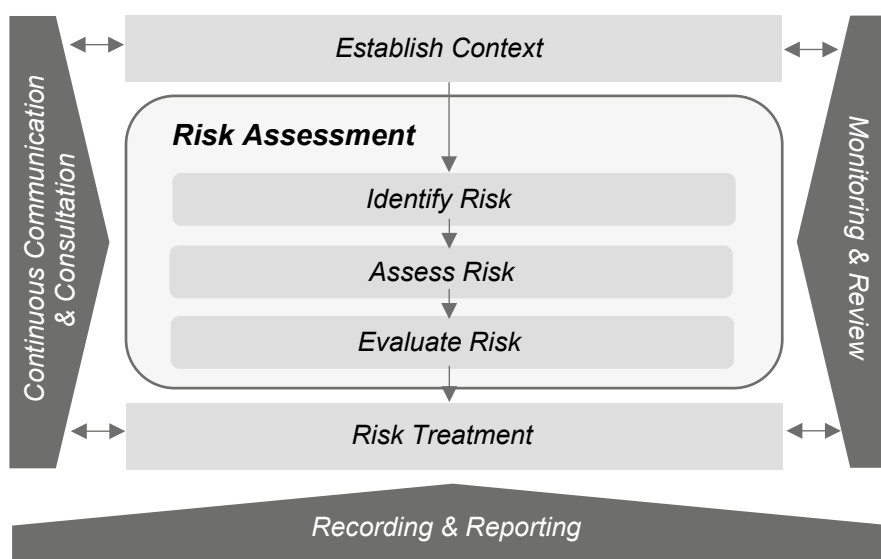
## RISK MANAGEMENT PROCESS

A risk management process is established to guide the systematic identification, assessment, management, monitoring, and reporting of risks facing the Group. The risk management process enables a risk-based approach towards prioritising internal controls and management of risks that have more significant risk levels to the Group, which may include risks with higher likelihood or impact or both. This also enables informed decision-making by the Board and Management and more efficient resource allocation in relation to managing risks and carrying out business activities.

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

## RISK MANAGEMENT PROCESS (CONT'D)

Designed and adapted as reasonably practicable from the ISO 31000:2018 Risk Management Guidelines, the Group's risk management process is aimed at establishing a robust risk management process across the Group and ensuring that all business risks are prudently identified, analysed and effectively managed.



## SUMMARY OF RISK MANAGEMENT ACTIVITIES

- (i) Management implemented the Group's risk management framework, which was reviewed by the SRMC and approved by the Board.
- (ii) The Board, supported by the SRMC, deliberated and set the Group's risk appetite.
- (iii) Senior Management performed an annual risk assessment on the Group's business, considering the industry the Group operates in, its business and operations, as well as the risks relating to the Company's publicly listed company status. These risks were reviewed by the SRMC and the Board.
- (iv) Management implemented strategies and action plans addressing key risks identified, including developing or enhancing relevant policies and controls based on the approved risk appetite.
- (v) Management managed and monitored key risks affecting business operations in the day-to-day business and updated Senior Management on their progress and status, together with business management performance.
- (vi) The Board reviewed the performance relating to the management of key risks identified, including via a review of key risk indicators.

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

## SUMMARY OF RISK MANAGEMENT ACTIVITIES (CONT'D)

### Key Risks Identified

The Group adopts a structured approach to managing strategic, operational, financial, sustainability and reputational risks. Resources are prioritised towards the risks with the greatest potential impact on the business. The key risks and the Group's corresponding mitigation measures are summarised below:

#### Customer Concentration Risk

A significant portion of the Group's revenue is derived from a small number of major customers. Most of them are served under master supply agreements and assess the Group's performance regularly. The Group maintains close customer relationships founded on transparency and integrity, supported by effective communication and feedback mechanisms. These mechanisms allow issues relating to product quality, delivery and logistics to be addressed promptly. To reduce concentration, the Group continues to broaden its customer base and to pursue new business opportunities and markets, including through its IMN, RE and IoT pillars.

#### Foreign Exchange Risk

A substantial portion of the Group's sales is denominated in US dollars, while a significant portion of its costs is incurred in ringgit. As a result, currency movements may affect revenue, margins and the value of receivables. The Group's US dollar borrowings provide a partial natural hedge, and the Group monitors its foreign exchange exposure on an ongoing basis.

#### Supply Chain Risk

The Group avoids dependence on sole suppliers and conducts rigorous supplier assessments. These cover integrity, product and service quality, environmental and social compliance, delivery performance and pricing. Close engagement with suppliers enables the Group to adjust production schedules and notify customers early of potential shortages or logistics disruptions.

#### New Business Risk

The RE, IMN and IoT pillars are at an early stage of development. They require capital, expertise and strategic partnerships, and may take time to contribute meaningfully. The Group mitigates this risk by entering new areas with experienced partners, developing each business in phases, and applying the same credit and project controls used in its EMS business.

## INTERNAL CONTROL SYSTEM

The Group has established internal controls which were developed and enhanced on an ongoing basis considering the Group's risk management process and outcome. Key features of the Group's internal control system are highlighted as follows:-

### (i) Business Directions and Strategies

The Group's business direction is guided by its short and long-term objectives. Management develops the annual strategy, business plans and budget for Board approval, while Senior Management implements them within the approved budget.

At quarterly meetings, the Board reviews performance against the Company's strategies and business plans, discusses progress and oversees remedial actions where needed. Through the AC, it also reviews the Group's quarterly financial position and performance.

### (ii) Governance and Organisation Structure

The Group has an established organisation structure and corporate governance framework with clear roles and responsibilities for the Board and Board Committees, namely the AC, SRMC, Nominating Committee, Remuneration Committee and Share Issuance Scheme Committee. The roles and responsibilities of the Board and Board Committees are set out in the Board Charter and respective Terms of Reference.

The Board provides stewardship in managing the Company's affairs, including setting the Group's strategy with consideration for long-term business sustainability. The Board Committees support the Board in discharging its responsibilities within their delegated authorities, while the Board retains ultimate responsibility. The Managing Director/Group Chief Executive Officer ("MD/GCEO") and Executive Directors are accountable to the Board for the day-to-day management and operations of the Group, including implementing the strategies and achieving the business targets approved by the Board.

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

## INTERNAL CONTROL SYSTEM (CONT'D)

### (iii) Delegation of Authority and Limits

The Group has established delegation of authority and limits to clearly delineate the authority and powers of the respective bodies and functions within its governance structure. These include appropriate checks and balances and segregation of duties to achieve a balance between effective business operations and risk controls.

### (iv) Core Values, Code of Ethics and Governance Policies

The Group has established Core Values covering governance, integrity, accountability and transparency to guide its business conduct. The Board has also established and formalised a Code of Conduct and Ethics to provide guidance to Directors and employees on ethical business practices and conduct.

The Code of Conduct and Ethics covers, amongst others, corporate and social responsibility, ethics and integrity, quality services, compliance obligations, conflict of interest, anti-bribery and anti-corruption, gifts and hospitality, anti-money laundering, insider trading, fraud, protection of the Group's assets and data confidentiality, abuse of authority, workplace safety and health, and responsible use of natural resources.

Other governance policies, including the Anti-Bribery and Corruption Policy, Anti-Money Laundering Policy and Sustainability Policy, are also in place to provide further guidance on specific areas. The Code of Conduct and Ethics and other key policies are communicated to all Directors and employees upon joining the Group.

### (v) Operational Policies and Procedures

The Group has established and formalised standard operating policies and procedures for its key operations and functions. These policies and procedures are designed to:-

- (a) facilitate efficient implementation of processes, including production, sales and marketing, quality control and procurement;
- (b) standardise processes to achieve consistent and optimal outcomes, particularly in relation to the quality of products and services delivered to customers; and
- (c) address financial, operational, compliance, environmental, safety and health risks through controls embedded within the relevant procedures.

The policies and procedures are appropriately communicated and documented in manuals and are reviewed and revised where necessary by relevant control functions, including risk management, compliance and internal audit, to support continuous improvement and address emerging or changing risk profiles, new products or services, regulatory requirements, actual occurrences, changes in risk levels and gaps identified by stakeholders such as quality control, auditors and customers.

### (vi) Assurance and Audit

The Group has various functions providing different levels of assurance over its products, services and processes. For production and quality control, processes are in place to check finished products and compliance with standard operating policies and procedures to safeguard product safety and quality.

Statutory audits are conducted by the External Auditors to provide independent assurance on whether the financial statements fairly present, in all material respects, the Group's financial position and performance.

The AC oversees the audit activities and findings and makes relevant recommendations to the Board. Where internal control weaknesses are identified, remedial action plans are developed, implemented and followed up, with progress reported to the AC and Board. Management remains responsible for implementing the remedial action plans.

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

## INTERNAL CONTROL SYSTEM (CONT'D)

### (vii) Whistle-Blowing Policy

The Group has established and formalised a Whistle-Blowing Policy which provides internal and external parties, including members of the public, with channels to report actual or suspected improper conduct or wrongdoing involving the Group's Directors, employees or third parties having business relationships with the Group.

Such conduct may include, amongst others, fraud, manipulation of financial records, corruption, bribery, blackmail, misappropriation of the Group's assets, abuse of power, criminal breach of trust, endangerment of employees' or public health and safety, and significant breaches of the Group's policies or code of ethics.

The whistleblowing mechanism operates on a strict confidentiality basis and protects the identity of the whistleblower, while allowing anonymous reporting. Independent reporting channels, including reporting to the Chairman of the AC, are available to promote objectivity and independence in the handling of reports. Whistleblowers who make reports in good faith are protected from reprisal by the Group or its personnel as a direct consequence of the disclosure.

## INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to external consultants to assist the Board and the AC in reviewing the independence, adequacy and effectiveness of the internal control systems while ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

The internal audit function was carried out with three (3) personnel being deployed from Axcelasia Sdn. Bhd. and they confirmed that they are free and not influenced by any relationships or conflicts of interest which could impair their objectivity and independence during the course of work. The internal audit was led by Executive Director of Axcelasia, Mr. David Low Tak Wei, who has over 19 years of experience in internal and external audit, Enterprise Risk Management (ERM), compliance framework and business process advisory services. He holds the credentials of the following:

- Certified Internal Auditor;
- Certified Lead Assessor of Anti-Bribery Management System;
- Fellow member of the Association of Chartered Certified Accountants;
- Chartered Accountant of the Malaysian Institute of Accountants; and
- Member of the Association of Certified Fraud Examiners.

To preserve independence, Internal Auditors report directly to the AC and do not manage the activities they review. Their scope of work is conducted in accordance with internationally recognised internal auditing standards and is guided by an annual risk-based audit plan approved by the AC.

Further details on the Internal Audit Function and activities can be found in the AC Report of this Annual Report.

## MANAGEMENT ASSURANCE

During the financial year under review, in addition to the Board's review of the Group's risk management reports, the Board has, via the AC, reviewed the work and findings of the internal audit reports and the External Auditors, including their assessment of the Group's internal control system.

The Board has also received assurance from the MD/GCEO and the Group Chief Financial Officer ("GCFO") that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects during FYE 2026.

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

## REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors have reviewed this Statement. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 (“AAPG 3”) – Guidance for Auditors on Engagements to Report on the SORMIC included in the Annual Report issued by the Malaysian Institute of Accountants.

The External Auditors have reported to the Board that, based on the procedures performed and evidence obtained, nothing has come to their attention that causes them to believe that this Statement intended to be included in the Company’s Annual Report in respect of FYE 2026, in all material respects, was not prepared in accordance with Section 7 of the SORMIC Guide 2025 nor is 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 management and internal control system. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

This Statement does not cover the associate as disclosed in Note 8 of the financial statements on the basis that it is immaterial to the Group. The Group does not hold any interest in joint ventures.

## CONCLUSION

Considering the risk management activities conducted by the SRMC, the AC’s review of outcomes of the external audits and the internal control review, the assurance obtained from the MD/GCEO and the GCFO, and input from the relevant parties including reports, findings, and feedback from the External Auditors and internal control reviewer, the Board is of the view that the system of risk management and internal control in place for the year under review, and up to the date of approval of this Statement, is adequate and operating effectively, in all material aspects, to achieve its objectives and there were no significant weaknesses which resulted in material losses, contingencies, or uncertainties that would require separate disclosure in the financial statements.

Nevertheless, the Board is committed to ensuring the ongoing adequacy and operating effectiveness of the Group’s system of risk management and internal control to safeguard the Group’s assets, as well as the shareholders’ investments, and the interests of customers, regulators, employees, and other stakeholders.

This Statement was approved by the Board on 12 October 2026.

## STATEMENT OF DIRECTORS' RESPONSIBILITY

The Board of Directors ("**Board**") are required to take reasonable steps to ensure that the financial statements of Cape EMS Berhad ("**Company**") are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act 2016, to give a true and fair view of the state of affairs of the Company and its subsidiaries ("**Group**") and of the Company at the end of the financial year, and of the financial performance and cash flows of the Group and of the Company for the financial year.

In addition, pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board must ensure that an additional statement is included in the Company's annual report explaining the Board's responsibilities for preparing the annual audited financial statements.

In preparing the financial statements, the Board have:-

- adopted the appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that all applicable approved accounting standards in Malaysia have been followed and if there are any material departures, to disclose and explain in the financial statements; and
- prepared financial statements on a going concern basis as the Board 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 Board are also responsible for ensuring that proper accounting records are maintained and kept which disclose with reasonable accuracy at any time, the financial position of the Group and of the Company, to ensure that the financial statements are in compliance with the Companies Act 2016.

The Board have overall responsibilities for taking such steps as are reasonably available to them to safeguard the assets of the Group and of the Company and have taken reasonable steps for the prevention and detection of fraud, material misstatements and other irregularities. Such systems, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

This Statement of Directors' Responsibility in preparing the financial statements was approved by the Board on 12 October 2026.

# ADDITIONAL COMPLIANCE INFORMATION

## UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

### a) Initial Public Offering (“IPO”)

Cape EMS Berhad (“**Company**”) was listed on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) on 10 March 2023. In conjunction with the listing, the Company undertook a public issue of 173,000,000 new ordinary shares at an issue price of RM0.90 per share, raising a total gross proceeds of RM155.7 million (“**IPO Proceeds**”) with a total issued shares of 923,000,000 ordinary shares on 10 March 2023.

Subsequently, the Company had at the Extraordinary General Meeting (“**EGM**”) held on 25 November 2025 obtained its shareholders’ approval to vary the utilisation of IPO Proceeds amounting to RM27.17 million for purposes of setting up new production line for the Company and its subsidiaries (“**Group**”)’s electronics manufacturing services (“**EMS**”) operations and working capital.

The status of the utilisation of the IPO Proceeds up to the date of this report is set out as follows:-

| Details of use of proceeds                                                                             | Estimated timeframe for the use of proceeds | Proposed utilisation (RM’000) | Re-allocation (RM’000)         | Actual utilisation up to date of report (RM’000) | Balance unutilised (RM’000) |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------|--------------------------------|--------------------------------------------------|-----------------------------|
| Construction of New Senai 226 Warehouse and installation of automated storage facilities               | Within 48 months                            | 53,105                        | (27,168) <sup>(4)</sup>        | (8,610)                                          | 17,327                      |
| New production line for EMS operations                                                                 | By 24 November 2026 *                       | -                             | 16,000 <sup>(4)</sup>          | (16,000)                                         | -                           |
| Setting-up of new cleanroom facility and purchase of new automated production lines for EMS operations | By 27 February 2026 ^                       | 62,810                        | (36,000) <sup>(3)</sup>        | (26,810)                                         | -                           |
| Installation of energy saving cooling system                                                           | By 27 February 2026 ^                       | 3,688                         | -                              | (3,329)                                          | 359                         |
| Purchase of new machinery and equipment for die cast manufacturing related services                    | Within 12 months                            | 4,599                         | (768) <sup>(2)</sup>           | (3,831)                                          | -                           |
| Working capital                                                                                        | By 18 May 2025 #                            | 20,498                        | 49,415 <sup>(1)(2)(3)(4)</sup> | (69,913)                                         | -                           |
| Estimated listing expenses                                                                             | Within 3 months                             | 11,000                        | (1,479) <sup>(1)</sup>         | (9,521)                                          | -                           |
| <b>Total</b>                                                                                           |                                             | <b>155,700</b>                | <b>-</b>                       | <b>(138,014)</b>                                 | <b>17,686</b>               |

The utilisation of the IPO Proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 16 February 2023, the Company’s announcements dated 19 November 2024, 20 November 2024, 28 February 2025, and the Circular to Shareholders dated 7 November 2025.

### Notes:-

# On 19 November 2024, the Company had announced an extension of time for the utilisation of IPO Proceeds allocated for working capital from within twelve (12) months from the date of listing to 18 May 2025.

^ On 28 February 2025, the Company had announced an extension of time for the utilisation of IPO Proceeds allocated for the setting-up of new cleanroom facility and purchase of new automated production lines for EMS operations, as well as the installation of energy saving cooling system from within twenty-four (24) months from the date of listing to 27 February 2026.

\* On 25 November 2025, the Company had obtained its shareholders’ approval at the EGM to vary the utilisation of the IPO Proceeds for the purpose of setting up a new production line for the Group’s EMS operations from within twelve (12) months from the date of the EGM to 24 November 2026.

## ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

### UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS (CONT'D)

#### a) Initial Public Offering ("IPO") (Cont'd)

- (1) *The unutilised balance of RM1.5 million allocated for estimated listing expenses was allocated to working capital.*
- (2) *The unutilised balance of RM0.8 million allocated for the purchase of new machinery and equipment for die cast manufacturing related services was allocated to working capital.*
- (3) *The unutilised balance of RM36.0 million allocated for the setting-up of new cleanroom facility and purchase of new automated production lines for EMS operations was reallocated to working capital.*
- (4) *The unutilised balance of RM27.2 million allocated for the construction of New Senai 226 Warehouse and installation of automated storage facilities was reallocated to working capital of RM11.2 million and new production line for EMS operations of RM16.0 million.*

#### b) Private Placement

The Company had on 17 September 2025 proposed to undertake a private placement of up to 114,080,000 new ordinary shares in the Company to independent third-party investors, which was approved by its shareholders at the EGM held on 25 November 2025 ("**Private Placement**").

On 5 May 2026, the Company announced that Bursa Securities granted the Company an extension of time until 27 October 2026 to complete the implementation of the Private Placement.

As at the date of this report, the Company did not issue any new shares pursuant to the Private Placement.

### MATERIAL CONTRACTS

There was no material contract entered into by the Group (not being contracts entered into in the ordinary course of business) involving the interest of the Directors and/or major shareholders which were either still subsisting at the end of the financial year ended 30 June 2026 ("**FYE 2026**") or entered into since the end of the previous financial period.

### RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

There were no significant recurrent related party transactions of a revenue or trading nature undertaken by the Group during the FYE 2026.

### DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

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

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

|                     | Group            |                  |
|---------------------|------------------|------------------|
|                     | 2026<br>(RM'000) | 2025<br>(RM'000) |
| <b>Total income</b> |                  |                  |
| Revenue             | 425,623          | 690,423          |
| Other income        | 6,533            | 12,502           |
| Interest income     | 690              | 4,301            |
| <b>Total</b>        | <b>432,846</b>   | <b>707,226</b>   |
| <b>Total Assets</b> | <b>786,403</b>   | <b>721,054</b>   |

# ADDITIONAL COMPLIANCE INFORMATION

## (CONT'D)

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

#### (B) Business Activities

|                                                                                      | Group            |                  |
|--------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                      | 2026<br>(RM'000) | 2025<br>(RM'000) |
| <b>Shariah Non-Compliant Activities</b>                                              |                  |                  |
| Tobacco, cigarettes, electronic cigarettes and their related products and activities | 3,917            | 138,160          |
| Interest income                                                                      | 338              | 3,677            |
| <b>Total</b>                                                                         | <b>4,255</b>     | <b>141,837</b>   |

#### (C) Component of Financial Position

##### (i) Cash Component

|                                     | Group            |                  |
|-------------------------------------|------------------|------------------|
|                                     | 2026<br>(RM'000) | 2025<br>(RM'000) |
| <b>Islamic Account/Instruments</b>  |                  |                  |
| Cash at bank (exclude cash in hand) | 15,131           | 4,123            |
| Deposits with licensed bank         | 2,500            | 10,000           |
| <b>Total Cash</b>                   | <b>17,631</b>    | <b>14,123</b>    |

|                                         |               |               |
|-----------------------------------------|---------------|---------------|
| <b>Conventional Account/Instruments</b> |               |               |
| Cash at bank (exclude cash in hand)     | 11,087        | 18,688        |
| Cash in hand                            | 79            | 15            |
| Deposits with licensed bank             | 1,369         | 40,340        |
| Money Market instruments                | 304           | 1,794         |
| <b>Total Cash</b>                       | <b>12,839</b> | <b>60,837</b> |

##### (ii) Debt Component

|                            | Group            |                  |
|----------------------------|------------------|------------------|
|                            | 2026<br>(RM'000) | 2025<br>(RM'000) |
| <b>Islamic Financing</b>   |                  |                  |
| Current                    |                  |                  |
| Banker's acceptances       | -                | 4,666            |
| Hire purchase payables     | 737              | 696              |
| Revolving credit and loans | 42,558           | 44,213           |
| Term loans                 | 10,923           | 6,385            |
| Non-current                |                  |                  |
| Hire purchase payables     | 525              | 1,261            |
| Term loans                 | 57,313           | 46,659           |
| <b>Total Financing</b>     | <b>112,056</b>   | <b>103,880</b>   |

## ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

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

#### (C) Component of Financial Position (Cont'd)

##### (ii) Debt Component (Cont'd)

|                               | Group            |                  |
|-------------------------------|------------------|------------------|
|                               | 2026<br>(RM'000) | 2025<br>(RM'000) |
| <b>Conventional Financing</b> |                  |                  |
| Current                       |                  |                  |
| Bank overdrafts               | 2,994            | 3,827            |
| Banker's acceptances          | 3,759            | 910              |
| Hire purchase payables        | 2,135            | 3,965            |
| Letter of credits             | -                | 1,158            |
| Revolving credit and loans    | 3,981            | 3,955            |
| Term loans                    | 20,514           | 41,458           |
| Trade financing               | 31,610           | 15,287           |
| Non-current                   |                  |                  |
| Hire purchase payables        | 9,330            | 11,678           |
| Term loans                    | 42,664           | 2,807            |
| <b>Total Financing</b>        | <b>116,987</b>   | <b>85,045</b>    |

### SHARE ISSUANCE SCHEME ("SIS")

The Company established an SIS of up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) for eligible Directors and employees of the Group. The SIS was approved by shareholders at the EGM held on 1 August 2025 and shall be in force for a period of five (5) years effective from 6 August 2025.

During the financial year, 148,800,000 options under the SIS were granted by the Company. There were no options exercised during the FYE 2026.

The details of the SIS are set out as follows:-

|                                   | Total              | %           | Directors         | %             | Senior Management | %             |
|-----------------------------------|--------------------|-------------|-------------------|---------------|-------------------|---------------|
| Total number of options granted   | 148,800,000        | 100%        | 29,760,000        | 20.00%        | 29,540,000        | 19.85%        |
| Total number of options exercised | -                  | -           | -                 | -             | -                 | -             |
| Total number of options cancelled | -                  | -           | -                 | -             | -                 | -             |
| <b>Total options outstanding</b>  | <b>148,800,000</b> | <b>100%</b> | <b>29,760,000</b> | <b>20.00%</b> | <b>29,540,000</b> | <b>19.85%</b> |

| Granted to Directors and Senior Management | During the FYE 2026 | Since the commencement of SIS |
|--------------------------------------------|---------------------|-------------------------------|
| Aggregate maximum allocation               | 80.00%              | 80.00%                        |
| Actual options granted                     | 39.85%              | 39.85%                        |

# ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

SHARE ISSUANCE SCHEME (“SIS”) (CONT'D)

| Name of Non-Executive Director | Amount of options granted | Amount of options exercised | Balance as at 30 June 2026 |
|--------------------------------|---------------------------|-----------------------------|----------------------------|
| Datuk Mohd Rabin Bin Basir     | 2,976,000                 | -                           | 2,976,000                  |
| Yau Yin Wee                    | 1,488,000                 | -                           | 1,488,000                  |
| Koh Beng San                   | 1,488,000                 | -                           | 1,488,000                  |
| Chen Kok Seng                  | 1,488,000                 | -                           | 1,488,000                  |

# 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 2026.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, electronic manufacturing services, trading, engineering, procurement, construction, commissioning and maintenance of battery energy storage system, smart city solution related products, and renewable energy solutions related products and automated multi-axis precision computer numerical control machining. The principal activities of the subsidiary companies include aluminium die-cast manufacturing, electronics and virtual manufacturing services, research and development of mechanical and hardware products, trading and distribution of electronic and related products, supply chain management, technical and design services, as well as the selling and distribution of electric vehicles and related infrastructure, providing renewable energy storage with parts and solution, installation of smart city lighting and surveillance system, supply of battery energy storage system for ev and grid application, provision of wireless communication solutions, research and development in wireless businesses and branding distribution and construction of power plants, operation of generation facilities that produce electric energy and installation of non-electric solar energy collectors.

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

## FINANCIAL RESULTS

|                               | Group<br>RM | Company<br>RM |
|-------------------------------|-------------|---------------|
| Profit for the financial year | 14,749,562  | 26,336,837    |
| Attributable to:              |             |               |
| Owners of the parent          | 15,164,201  | 26,336,837    |
| Non-controlling interests     | (414,639)   | -             |
|                               | 14,749,562  | 26,336,837    |

## RESERVES AND PROVISIONS

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

## DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of previous financial period. The Directors do not recommend the payment of any dividend in respect of the current financial year.

## ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares or debentures during the financial year.

# DIRECTORS' REPORT

## (CONT'D)

### OPTIONS GRANTED OVER UNISSUED SHARES

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

### DIRECTORS

The Directors of the Company in office since the beginning of the current financial year until the date of this report are:

Datuk Mohd Rabin Bin Basir

Tee Kim Chin\*

Tee Kim Yok\*

Alex Miranda Juntado\*

Yau Yin Wee

Koh Beng San

Chen Kok Seng

Dato' S.Sivasuriyamoorthy A/L Sundara Raja

(Appointed on 01 January 2026)

\* Director of the Company and its subsidiary companies

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) since the beginning of the current financial year until the date of this report are:

Angeline Ng Yee Theng

(Appointed on 01 September 2026)

Lim Tiong Soon

(Appointed on 08 July 2025)

Francis Chai Sir Liang

(Resigned on 01 September 2026)

Chong Kah Zin

(Resigned on 21 November 2025)

Turker Hidirilar

Jonathon Harrison

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

### DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

|                            | Number of ordinary shares |            |      |                 |
|----------------------------|---------------------------|------------|------|-----------------|
|                            | At<br>1.7.2025            | Bought     | Sold | At<br>30.6.2026 |
| <b>The Company</b>         |                           |            |      |                 |
| <i>Direct interests</i>    |                           |            |      |                 |
| Datuk Mohd Rabin Bin Basir | 420,000                   | -          | -    | 420,000         |
| Tee Kim Chin               | 113,730,100               | 16,528,500 | -    | 130,258,600     |
| Tee Kim Yok                | 10,093,900                | -          | -    | 10,093,900      |
| Koh Beng San               | 100,000                   | -          | -    | 100,000         |
| Chen Kok Seng              | 900,000                   | -          | -    | 900,000         |
| Yau Yin Wee                | 22,000                    | -          | -    | 22,000          |

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

# DIRECTORS' REPORT

## (CONT'D)

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 35(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

The details of the Directors' remuneration paid/payable to the Directors of the Group and of the Company during the financial year are as follows:

|                                 | Group<br>RM | Company<br>RM |
|---------------------------------|-------------|---------------|
| Executive Directors             |             |               |
| - Salaries and other emoluments | 5,599,968   | 2,859,156     |
| - Defined contribution plans    | 446,260     | 343,200       |
| - Social security contributions | 3,893       | 2,500         |
|                                 | 6,050,121   | 3,204,856     |
| Non-Executive Directors         |             |               |
| - Fees                          | 360,600     | 360,600       |
| - Allowances                    | 63,100      | 63,100        |
|                                 | 423,700     | 423,700       |
| Total                           | 6,473,821   | 3,628,556     |

### INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM20,000,000 and RM36,012 respectively. No indemnity was given to or insurance effected for auditors of the Company.

# DIRECTORS' REPORT

## (CONT'D)

### OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
  - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
  - (ii) the result of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

# DIRECTORS' REPORT

## (CONT'D)

### AUDITORS' REMUNERATION

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

|                                     | Group<br>RM | Company<br>RM |
|-------------------------------------|-------------|---------------|
| Auditors' remuneration              |             |               |
| - Statutory audit                   |             |               |
| - UHY Malaysia PLT                  | 440,000     | 375,000       |
| - Member firms of UHY International | 312,159     | -             |
| - Non-statutory audit               | 10,000      | 10,000        |
|                                     | 762,159     | 385,000       |

### AUDITORS

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 12 October 2026.

.....  
**TEE KIM CHIN**

.....  
**TEE KIM YOK**

JOHOR BAHRU

# STATEMENT BY DIRECTORS

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

The Directors of Cape EMS Berhad, state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards ("MFRS") Accounting Standards, International Financial Reporting Standards ("IFRS") Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2026 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 12 October 2026.

.....  
**TEE KIM CHIN**

.....  
**TEE KIM YOK**

JOHOR BAHRU

# STATUTORY DECLARATION

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

I, Tee Kim Chin, being the Officer primarily responsible for the financial management of Cape EMS Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the  
abovenamed at Kuala Lumpur in the  
Federal Territory on 12 October 2026

.....  
**TEE KIM CHIN**

Before me,

.....  
**COMMISSIONER FOR OATHS**

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPE EMS BERHAD

[REGISTRATION NO.: 199901026859 (501759-M)]  
(INCORPORATED IN MALAYSIA)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Cape EMS Berhad, which comprise the statement of financial position as at 30 June 2026 of the Group and of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement 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 105 to 195.

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 2026, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

### Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and 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 period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF CAPE EMS BERHAD

[REGISTRATION NO.: 199901026859 (501759-M)]

(INCORPORATED IN MALAYSIA)

## Key Audit Matters (Cont'd)

| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | How we addressed the key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>1. Impairment of trade receivables</b></p> <p>As at 30 June 2026, trade receivables are a significant element of statement of financial position amounting to RM197.7million. The details of the trade receivables are disclosed in Note 14 to the Financial Statements.</p> <p>Management judgement is required in estimating the allowance for impairment losses on trade receivables. The Group and the Company apply a simplified approach in calculating provision for expected credit losses using a provision matrix based on the following:</p> <ul style="list-style-type: none"> <li>customer payment profiles of past sales and corresponding historical credit losses;</li> <li>specific known facts or circumstances on customers' ability to pay;</li> <li>calculating the probability of default-based groupings of various customer segments with similar risk of default (by product type and customer type); and</li> <li>adjusting for forward-looking factors specific to the debtors and the economic environment.</li> </ul> <p>The basis of management's judgement over the recoverability of billed trade receivables are disclosed in Note 2(c) to the Financial Statements.</p> | <p>We have evaluated management's approach and model provided for ECL and ascertained that this has been consistently applied by management.</p> <p>We have tested the accuracy and completeness of the data used by the management.</p> <p>We have assessed and considered the reasonableness of the current and forward-looking information.</p> <p>We have reviewed the adequacy of the impairment loss and enquired the management regarding the recoverability of selected samples of trade receivables that are individually significant and group of receivables with similar credit risk characteristics.</p> <p>We have examined the subsequent cash collections.</p> |
| <p><b>2. Impairment assessment on goodwill</b></p> <p>As at 30 June 2026, the carrying amount of goodwill recognised by the Group amounted to RM85.3 million, as disclosed in Note 9 to the financial statements. The Group is required to perform annual impairment assessment of the cash-generating units ("CGUs") to which goodwill has been allocated in accordance with MFRS 136 <i>Impairment of Assets</i>.</p> <p>The Group estimated the recoverable amounts of the CGUs to which the goodwill is allocated based on value-in-use ("VIU") model. Estimating the VIU involves discounting the estimated future cash inflows and outflows expected to be derived from the CGUs to its present value using an appropriate discount rate.</p> <p>We identified this as a key audit matter as the VIU determined using discounted cash flows is complex and involves significant management's judgement and estimates, specifically the key assumptions on the revenue growth rate and discount rate.</p>                                                                                                                                                                                                  | <p>We have obtained an understanding of the methodology adopted by the management in estimating the VIU.</p> <p>We have assessed and evaluated the management's key assumptions used in estimating the VIU and compared the key assumptions against historical trend.</p> <p>We have performed sensitivity analysis on key assumptions that will significantly affect the recoverable amounts of the CGUs.</p> <p>We have evaluated the adequacy of disclosures relating to goodwill, key assumptions, and sensitivity analyses in the financial statements.</p>                                                                                                               |

# INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF CAPE EMS BERHAD  
[REGISTRATION NO.: 199901026859 (501759-M)]  
(INCORPORATED IN MALAYSIA)

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

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

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

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

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

## Responsibilities of the Directors for the Financial Statements

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

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

# INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF CAPE EMS BERHAD  
[REGISTRATION NO.: 199901026859 (501759-M)]  
(INCORPORATED IN MALAYSIA)

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

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: (Cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial period 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 subsidiary companies of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF CAPE EMS BERHAD  
[REGISTRATION NO.: 199901026859 (501759-M)]  
(INCORPORATED IN MALAYSIA)

## Other Matters

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

UHY Malaysia PLT  
202406000040 (LLP0041391-LCA) & AF 1411  
Chartered Accountants

DATO' KOH CHUN KIAT  
Approved Number: 03071/06/2027 J  
Chartered Accountant

KUALA LUMPUR  
12 October 2026

# STATEMENTS OF FINANCIAL POSITION

## AS AT 30 JUNE 2026

|                                             |      | Group              |                    | Company            |                    |
|---------------------------------------------|------|--------------------|--------------------|--------------------|--------------------|
|                                             | Note | 30.6.2026<br>RM    | 30.6.2025<br>RM    | 30.6.2026<br>RM    | 30.6.2025<br>RM    |
| <b>Assets</b>                               |      |                    |                    |                    |                    |
| <b>Non-Current Assets</b>                   |      |                    |                    |                    |                    |
| Property, plant and equipment               | 4    | 351,388,212        | 319,107,064        | 274,632,790        | 234,430,170        |
| Intangible assets                           | 5    | 4,634,453          | 2,572,473          | -                  | -                  |
| Investment properties                       | 6    | -                  | -                  | 7,500,000          | 7,500,000          |
| Investment in subsidiary companies          | 7    | -                  | -                  | 100,175,156        | 100,125,056        |
| Investment in an associated company         | 8    | 627,373            | -                  | 522,000            | -                  |
| Goodwill on consolidation                   | 9    | 85,320,133         | 85,320,133         | -                  | -                  |
| Amount due from subsidiary companies        | 10   | -                  | -                  | 18,449,141         | 19,702,336         |
| Deferred tax assets                         | 11   | 1,746,199          | -                  | -                  | -                  |
|                                             |      | 443,716,370        | 406,999,670        | 401,279,087        | 361,757,562        |
| <b>Current Assets</b>                       |      |                    |                    |                    |                    |
| Inventories                                 | 12   | 83,398,675         | 53,215,775         | 64,122,894         | 39,922,821         |
| Contract assets                             | 13   | 8,487,905          | -                  | -                  | -                  |
| Trade receivables                           | 14   | 197,682,149        | 111,547,175        | 131,709,215        | 64,802,801         |
| Other receivables                           | 15   | 16,747,401         | 69,124,436         | 16,435,839         | 50,222,900         |
| Amount due from subsidiary companies        | 10   | -                  | -                  | 23,033,157         | 14,494,512         |
| Amount due from a related party             | 16   | 60,000             | 480,000            | 60,000             | 480,000            |
| Tax recoverable                             |      | 5,840,176          | 4,726,748          | 4,937,562          | 3,658,619          |
| Fixed deposits with licensed banks          | 17   | 3,869,054          | 50,340,000         | 1,355,433          | 50,000,000         |
| Other investments                           | 18   | 304,137            | 1,794,321          | 304,137            | 1,794,321          |
| Cash and bank balances                      |      | 26,296,864         | 22,825,564         | 18,478,589         | 14,504,441         |
|                                             |      | 342,686,361        | 314,054,019        | 260,436,826        | 239,880,415        |
| <b>Total Assets</b>                         |      | <b>786,402,731</b> | <b>721,053,689</b> | <b>661,715,913</b> | <b>601,637,977</b> |
| <b>Equity and Liabilities</b>               |      |                    |                    |                    |                    |
| <b>Equity</b>                               |      |                    |                    |                    |                    |
| Share capital                               | 19   | 324,021,070        | 324,021,070        | 324,021,070        | 324,021,070        |
| Exchange translation reserve                |      | (4,675,422)        | (1,526,466)        | -                  | -                  |
| Revaluation reserve                         | 20   | 51,555,055         | 52,854,108         | 42,653,439         | 43,710,755         |
| Retained earnings                           |      | 76,401,293         | 59,938,039         | 52,511,445         | 25,117,292         |
| Equity attributable to owners of the parent |      | 447,301,996        | 435,286,751        | 419,185,954        | 392,849,117        |
| Non-controlling interests                   |      | (97,198)           | 288,686            | -                  | -                  |
| <b>Total Equity</b>                         |      | <b>447,204,798</b> | <b>435,575,437</b> | <b>419,185,954</b> | <b>392,849,117</b> |

# STATEMENTS OF FINANCIAL POSITION (CONT'D)

## AS AT 30 JUNE 2026

|                                     |      | Group           |                 | Company         |                 |
|-------------------------------------|------|-----------------|-----------------|-----------------|-----------------|
|                                     | Note | 30.6.2026<br>RM | 30.6.2025<br>RM | 30.6.2026<br>RM | 30.6.2025<br>RM |
| <b>Liabilities</b>                  |      |                 |                 |                 |                 |
| <b>Non-Current Liabilities</b>      |      |                 |                 |                 |                 |
| Lease liabilities                   | 21   | 9,854,549       | 12,939,760      | 921,760         | 1,494,454       |
| Loans and borrowings                | 22   | 99,977,224      | 49,466,045      | 66,553,808      | 32,292,117      |
| Deferred tax liabilities            | 11   | 15,537,183      | 19,191,021      | 15,536,809      | 17,538,524      |
|                                     |      | 125,368,956     | 81,596,826      | 83,012,377      | 51,325,095      |
| <b>Current Liabilities</b>          |      |                 |                 |                 |                 |
| Trade payables                      | 23   | 61,974,418      | 42,942,979      | 30,490,483      | 28,832,481      |
| Other payables                      | 24   | 29,444,488      | 29,672,097      | 12,970,690      | 8,701,411       |
| Amount due to subsidiary companies  | 10   | -               | -               | 19,846,213      | 5,786,873       |
| Amount due to related parties       | 16   | 41,702          | 734,616         | 41,702          | 19,197          |
| Lease liabilities                   | 21   | 2,871,620       | 4,661,112       | 572,723         | 2,164,351       |
| Loans and borrowings                | 22   | 116,339,428     | 121,859,139     | 95,595,771      | 111,959,452     |
| Tax payable                         |      | 3,157,321       | 4,011,483       | -               | -               |
|                                     |      | 213,828,977     | 203,881,426     | 159,517,582     | 157,463,765     |
| <b>Total Liabilities</b>            |      | 339,197,933     | 285,478,252     | 242,529,959     | 208,788,860     |
| <b>Total Equity and Liabilities</b> |      | 786,402,731     | 721,053,689     | 661,715,913     | 601,637,977     |

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

|                                                                                 |      | Group                             |                                   | Company                           |                                   |
|---------------------------------------------------------------------------------|------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                                                 |      | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM |
|                                                                                 | Note |                                   |                                   |                                   |                                   |
| Revenue                                                                         | 25   | 425,623,085                       | 690,422,921                       | 227,534,479                       | 416,020,452                       |
| Cost of sales                                                                   |      | (339,413,663)                     | (648,381,499)                     | (191,260,694)                     | (415,060,963)                     |
| Gross profit                                                                    |      | 86,209,422                        | 42,041,422                        | 36,273,785                        | 959,489                           |
| Other income                                                                    |      | 7,223,159                         | 16,803,020                        | 28,058,057                        | 20,251,896                        |
| Administrative expenses                                                         |      | (56,187,071)                      | (65,863,102)                      | (29,503,752)                      | (43,649,363)                      |
| Net loss on impairment<br>of financial assets                                   | 26   | (10,817,426)                      | (5,814,982)                       | (342,325)                         | (2,357,675)                       |
| Distribution costs                                                              |      | (4,686,372)                       | (4,040,818)                       | (1,523,256)                       | (910,327)                         |
| Share of profit of an<br>associated company                                     | 8    | 105,373                           | -                                 | -                                 | -                                 |
| Finance costs                                                                   | 27   | (11,087,291)                      | (17,713,033)                      | (7,735,788)                       | (14,235,590)                      |
| Profit/(Loss) before tax                                                        | 28   | 10,759,794                        | (34,587,493)                      | 25,226,721                        | (39,941,570)                      |
| Taxation                                                                        | 29   | 3,989,768                         | (3,476,268)                       | 1,110,116                         | 2,341,530                         |
| Profit/(Loss) for the financial year/period                                     |      | 14,749,562                        | (38,063,761)                      | 26,336,837                        | (37,600,040)                      |
| <b>Other comprehensive income/(loss), net of tax</b>                            |      |                                   |                                   |                                   |                                   |
| <i>Items that will not be reclassified to profit or loss</i>                    |      |                                   |                                   |                                   |                                   |
| Revaluation of land and factory buildings                                       |      | -                                 | 34,079,804                        | -                                 | 23,984,903                        |
| Tax effect on item that will not be reclassified subsequently to profit or loss |      | -                                 | (6,614,535)                       | -                                 | (5,756,377)                       |
| Realisation of revaluation reserve upon depreciation of revalued assets         |      | 1,299,053                         | 1,260,807                         | 1,057,316                         | 1,139,938                         |
| Transfer of revaluation reserve to retained profits                             |      | (1,299,053)                       | (1,260,807)                       | (1,057,316)                       | (1,139,938)                       |
| <i>Item that is or may be reclassified subsequently to profit or loss</i>       |      |                                   |                                   |                                   |                                   |
| Foreign currency translation differences for foreign operation, net of tax      |      | (3,148,956)                       | (2,743,567)                       | -                                 | -                                 |
| Other comprehensive (loss)/income for the financial year/period, net of tax     |      | (3,148,956)                       | 24,721,702                        | -                                 | 18,228,526                        |
| Total comprehensive income/(loss) for the financial year/period                 |      | 11,600,606                        | (13,342,059)                      | 26,336,837                        | (19,371,514)                      |

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

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

|                                                                                                 | Note | Group                             |                                   | Company                           |                                   |
|-------------------------------------------------------------------------------------------------|------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                                                                 |      | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM |
| <b>Profit/(Loss) for the financial year/<br/>period attributable to:</b>                        |      |                                   |                                   |                                   |                                   |
| Owners of the parent                                                                            |      | 15,164,201                        | (37,977,706)                      | 26,336,837                        | (37,600,040)                      |
| Non-controlling interests                                                                       |      | (414,639)                         | (86,055)                          | -                                 | -                                 |
|                                                                                                 |      | 14,749,562                        | (38,063,761)                      | 26,336,837                        | (37,600,040)                      |
| <b>Total comprehensive income/(loss)<br/>for the financial year/period<br/>attributable to:</b> |      |                                   |                                   |                                   |                                   |
| Owners of the parent                                                                            |      | 12,015,245                        | (13,256,004)                      | 26,336,837                        | (19,371,514)                      |
| Non-controlling interests                                                                       |      | (414,639)                         | (86,055)                          | -                                 | -                                 |
|                                                                                                 |      | 11,600,606                        | (13,342,059)                      | 26,336,837                        | (19,371,514)                      |
| <b>Earnings/(Loss) per share</b>                                                                |      |                                   |                                   |                                   |                                   |
| Basic and diluted earnings/(loss)<br>per share (sen)                                            | 30   | 1.53                              | (3.83)                            |                                   |                                   |

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

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

|                                                                         | Attributable to owners of the parent |                                 |                        |                      |                              |                 |
|-------------------------------------------------------------------------|--------------------------------------|---------------------------------|------------------------|----------------------|------------------------------|-----------------|
|                                                                         | Non-distributable                    |                                 |                        | Distributable        |                              | Total Equity RM |
|                                                                         | Share Capital RM                     | Exchange Translation Reserve RM | Revaluation Reserve RM | Retained Earnings RM | Non-Controlling Interests RM |                 |
| <b>Group</b>                                                            |                                      |                                 |                        |                      |                              |                 |
| At 1 July 2025                                                          | 324,021,070                          | (1,526,466)                     | 52,854,108             | 59,938,039           | 288,686                      | 435,575,437     |
| Profit for the financial year                                           | -                                    | -                               | -                      | 15,164,201           | (414,639)                    | 14,749,562      |
| Realisation of revaluation reserve upon depreciation of revalued assets | -                                    | -                               | (1,299,053)            | 1,299,053            | -                            | -               |
| Other comprehensive loss for the financial year                         | -                                    | (3,148,956)                     | -                      | -                    | -                            | (3,148,956)     |
| Total comprehensive (loss)/income for the financial year                | -                                    | (3,148,956)                     | (1,299,053)            | 16,463,254           | (414,639)                    | 11,600,606      |
| <b>Transactions with owners:</b>                                        |                                      |                                 |                        |                      |                              |                 |
| Acquisition of a subsidiary company                                     | -                                    | -                               | -                      | -                    | 28,755                       | 28,755          |
| At 30 June 2026                                                         | 324,021,070                          | (4,675,422)                     | 51,555,055             | 76,401,293           | (97,198)                     | 447,204,798     |

# STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

| Group                                                                   | Attributable to owners of the parent |                                 |                        |                      |              |                              |                 |
|-------------------------------------------------------------------------|--------------------------------------|---------------------------------|------------------------|----------------------|--------------|------------------------------|-----------------|
|                                                                         | Non-distributable                    |                                 |                        | Distributable        |              | Non-Controlling Interests RM | Total Equity RM |
|                                                                         | Share Capital RM                     | Exchange Translation Reserve RM | Revaluation Reserve RM | Retained Earnings RM | Total RM     |                              |                 |
| At 1 January 2024                                                       | 324,021,070                          | 1,217,101                       | 26,649,646             | 103,301,338          | 455,189,155  | (32,965)                     | 455,156,190     |
| Loss for the financial period                                           | -                                    | -                               | -                      | (37,977,706)         | (37,977,706) | (86,055)                     | (38,063,761)    |
| Realisation of revaluation reserve upon depreciation of revalued assets | -                                    | -                               | (1,260,807)            | 1,260,807            | -            | -                            | -               |
| Other comprehensive (loss)/income for the financial period              | -                                    | (2,743,567)                     | 27,465,269             | -                    | 24,721,702   | -                            | 24,721,702      |
| Total comprehensive (loss)/income for the financial period              | -                                    | (2,743,567)                     | 26,204,462             | (36,716,899)         | (13,256,004) | (86,055)                     | (13,342,059)    |
| <b>Transactions with owners:</b>                                        |                                      |                                 |                        |                      |              |                              |                 |
| Acquisition of a subsidiary company                                     | -                                    | -                               | -                      | -                    | -            | 407,706                      | 407,706         |
| Dividends to owner of the Company                                       | -                                    | -                               | -                      | (6,646,400)          | (6,646,400)  | -                            | (6,646,400)     |
| Total transactions with owners                                          | -                                    | -                               | -                      | (6,646,400)          | (6,646,400)  | 407,706                      | (6,238,694)     |
| At 30 June 2025                                                         | 324,021,070                          | (1,526,466)                     | 52,854,108             | 59,938,039           | 435,286,751  | 288,686                      | 435,575,437     |

# STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

|                                                                            | Attributable to owners of the parent |                              |                            | Total<br>Equity<br>RM |
|----------------------------------------------------------------------------|--------------------------------------|------------------------------|----------------------------|-----------------------|
|                                                                            | Non-distributable                    |                              | Distributable              |                       |
|                                                                            | Share<br>Capital<br>RM               | Revaluation<br>Reserve<br>RM | Retained<br>Earnings<br>RM |                       |
| <b>Company</b>                                                             |                                      |                              |                            |                       |
| At 1 July 2025                                                             | 324,021,070                          | 43,710,755                   | 25,117,292                 | 392,849,117           |
| Profit for the financial year                                              | -                                    | -                            | 26,336,837                 | 26,336,837            |
| Realisation of revaluation reserve<br>upon depreciation of revalued assets | -                                    | (1,057,316)                  | 1,057,316                  | -                     |
| Total comprehensive (loss)/income<br>for the financial year                | -                                    | (1,057,316)                  | 27,394,153                 | 26,336,837            |
| At 30 June 2026                                                            | 324,021,070                          | 42,653,439                   | 52,511,445                 | 419,185,954           |
| At 1 January 2024                                                          | 324,021,070                          | 26,622,167                   | 68,223,794                 | 418,867,031           |
| Loss for the financial period                                              | -                                    | -                            | (37,600,040)               | (37,600,040)          |
| Realisation of revaluation reserve<br>upon depreciation of revalued assets | -                                    | (1,139,938)                  | 1,139,938                  | -                     |
| Other comprehensive income<br>for the financial period                     | -                                    | 18,228,526                   | -                          | 18,228,526            |
| Total comprehensive income/(loss) for<br>the financial period              | -                                    | 17,088,588                   | (36,460,102)               | (19,371,514)          |
| <b>Transactions with owners:</b>                                           |                                      |                              |                            |                       |
| Dividends to owner of the Company                                          | -                                    | -                            | (6,646,400)                | (6,646,400)           |
| At 30 June 2025                                                            | 324,021,070                          | 43,710,755                   | 25,117,292                 | 392,849,117           |

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

|                                                                                     |         | Group                             |                                   | Company                           |                                   |
|-------------------------------------------------------------------------------------|---------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                                                     |         | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM |
|                                                                                     | Note    |                                   |                                   |                                   |                                   |
| <b>Cash Flows From Operating Activities</b>                                         |         |                                   |                                   |                                   |                                   |
| Profit/(Loss) before tax                                                            |         | 10,759,794                        | (34,587,493)                      | 25,226,721                        | (39,941,570)                      |
| Adjustments for:                                                                    |         |                                   |                                   |                                   |                                   |
| Amortisation of intangible assets                                                   | 5,28    | 655,936                           | 225,471                           | -                                 | -                                 |
| Depreciation of:                                                                    |         |                                   |                                   |                                   |                                   |
| - property, plant and equipment                                                     | 4,28    | 26,122,524                        | 32,902,136                        | 18,625,615                        | 23,953,489                        |
| - right-of-use assets                                                               | 4,28    | 4,202,652                         | 5,865,148                         | 2,101,125                         | 3,039,691                         |
| Impairment losses on:                                                               |         |                                   |                                   |                                   |                                   |
| - property, plant and equipment                                                     | 4,28    | 391,830                           | -                                 | -                                 | -                                 |
| - trade receivables                                                                 | 14,26   | 1,950,124                         | 5,814,982                         | 342,325                           | 2,357,675                         |
| - other receivables                                                                 | 15,26   | 9,983,000                         | -                                 | -                                 | -                                 |
| - goodwill                                                                          | 9,28    | 42,112                            | -                                 | -                                 | -                                 |
| Interest expenses                                                                   | 27      | 11,087,291                        | 17,713,033                        | 7,735,788                         | 14,235,590                        |
| Property, plant and equipment written off                                           | 4,28    | -                                 | 292,687                           | -                                 | -                                 |
| Fair value gain on financial assets<br>carried at fair value through profit or loss | 28      | -                                 | (2,150,710)                       | -                                 | (2,150,710)                       |
| Fair value gain on investment properties                                            | 6,28    | -                                 | -                                 | -                                 | (1,300,000)                       |
| Gain on disposal of property, plant<br>and equipment                                | 28      | -                                 | (23,958)                          | -                                 | -                                 |
| Gain on lease liabilities written-off<br>due to early termination                   | 4,21,28 | (1,611)                           | -                                 | -                                 | -                                 |
| Interest income                                                                     | 28      | (689,731)                         | (4,300,597)                       | (772,171)                         | (5,866,395)                       |
| Reversal of impairment losses<br>on trade receivables                               | 14,26   | (1,115,698)                       | -                                 | -                                 | -                                 |
| Share of profit of an associated company                                            | 8       | (105,373)                         | -                                 | -                                 | -                                 |
| Unrealised (gain)/loss on foreign exchange                                          | 28      | (5,725,095)                       | 743,734                           | (4,684,028)                       | 244,872                           |
| Unwinding interest (income)/expenses                                                | 28      | -                                 | -                                 | (418,077)                         | 4,885,935                         |
| Operating profit/(loss) before<br>working capital changes                           |         | 57,557,755                        | 22,494,433                        | 48,157,298                        | (541,423)                         |
| <b>Changes in working capital:</b>                                                  |         |                                   |                                   |                                   |                                   |
| Inventories                                                                         |         | (30,277,800)                      | 23,501,546                        | (24,200,073)                      | 21,102,876                        |
| Contract assets                                                                     |         | (8,487,905)                       | -                                 | -                                 | -                                 |
| Trade and other receivables                                                         |         | (48,407,328)                      | 26,471,468                        | (41,928,535)                      | 57,418,407                        |
| Trade and other payables                                                            |         | 14,627,158                        | (78,447,040)                      | 5,168,253                         | (69,972,416)                      |
| Related parties                                                                     |         | (272,914)                         | 703,741                           | 442,505                           | (54,803)                          |
| Subsidiary companies                                                                |         | -                                 | -                                 | 3,594,768                         | (35,233,898)                      |
|                                                                                     |         | (72,818,789)                      | (27,770,285)                      | (56,923,082)                      | (26,739,834)                      |
| Cash used in operations                                                             |         | (15,261,034)                      | (5,275,852)                       | (8,765,784)                       | (27,281,257)                      |
| Tax refund                                                                          |         | 1,768,510                         | 14,379                            | 273,203                           | 14,379                            |
| Tax paid                                                                            |         | (4,890,661)                       | (10,359,340)                      | (2,443,745)                       | (3,635,416)                       |
|                                                                                     |         | (3,122,151)                       | (10,344,961)                      | (2,170,542)                       | (3,621,037)                       |
| Net cash used in operating activities                                               |         | (18,383,185)                      | (15,620,813)                      | (10,936,326)                      | (30,902,294)                      |

# STATEMENTS OF CASH FLOWS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

|                                                                                  |      | Group                             |                                   | Company                           |                                   |
|----------------------------------------------------------------------------------|------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                                                  |      | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM |
|                                                                                  | Note |                                   |                                   |                                   |                                   |
| <b>Cash Flows From Investing Activities</b>                                      |      |                                   |                                   |                                   |                                   |
| Net cash outflows for acquisition of subsidiary companies                        | 7(b) | (88,735)                          | (22,951,826)                      | (50,100)                          | (24,859,089)                      |
| Acquisition of an associated company                                             |      | (522,000)                         | -                                 | (522,000)                         | -                                 |
| Fair value gain on financial assets carried at fair value through profit or loss |      | -                                 | 2,150,710                         | -                                 | 2,150,710                         |
| Increase in investment in a subsidiary company                                   |      | -                                 | -                                 | -                                 | (625,550)                         |
| Interest received                                                                |      | 689,731                           | 4,300,597                         | 583,320                           | 4,182,525                         |
| Proceeds from disposal of property, plant and equipment                          |      | -                                 | 115,000                           | -                                 | -                                 |
| Purchase of intangible assets                                                    | 5    | (2,809,958)                       | (2,978,826)                       | -                                 | -                                 |
| Purchase of property, plant and equipment                                        | 4(b) | (46,456,339)                      | (69,325,890)                      | (44,476,951)                      | (51,071,577)                      |
| Net cash used in investing activities                                            |      | (49,187,301)                      | (88,690,235)                      | (44,465,731)                      | (70,222,981)                      |
| <b>Cash Flows From Financing Activities</b>                                      |      |                                   |                                   |                                   |                                   |
| Advances to subsidiary companies                                                 |      | -                                 | -                                 | 3,626,957                         | 572,937                           |
| Advances to a related party                                                      |      | -                                 | (480,000)                         | -                                 | (480,000)                         |
| (Increase)/Decrease in fixed deposit pledged to licensed banks                   |      | (3,644,053)                       | 3,209,748                         | (1,355,433)                       | -                                 |
| Dividends paid                                                                   |      | -                                 | (6,646,400)                       | -                                 | (6,646,400)                       |
| Interest paid                                                                    |      | (11,087,291)                      | (17,713,033)                      | (7,576,695)                       | (13,328,655)                      |
| Net changes in short term borrowings                                             |      | 9,221,656                         | 23,312,345                        | 8,327,584                         | 30,328,308                        |
| Net changes in term loans                                                        |      | 34,106,108                        | (24,019,082)                      | 8,111,658                         | (18,427,988)                      |
| Repayment of lease liabilities                                                   |      | (4,764,256)                       | (7,310,596)                       | (2,164,322)                       | (3,874,337)                       |
| Net cash from/(used in) financing activities                                     |      | 23,832,164                        | (29,647,018)                      | 8,969,749                         | (11,856,135)                      |
| <b>Net decrease in cash and cash equivalents</b>                                 |      |                                   |                                   |                                   |                                   |
|                                                                                  |      | (43,738,322)                      | (133,958,066)                     | (46,432,308)                      | (112,981,410)                     |
| <b>Cash and cash equivalents at the beginning of the financial year/period</b>   |      |                                   |                                   |                                   |                                   |
|                                                                                  |      | 70,484,327                        | 202,926,125                       | 65,325,445                        | 177,207,913                       |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>              |      |                                   |                                   |                                   |                                   |
|                                                                                  |      | (3,562,353)                       | 1,516,268                         | (110,411)                         | 1,098,942                         |
| <b>Cash and cash equivalents at the end of the financial year/period</b>         |      |                                   |                                   |                                   |                                   |
|                                                                                  |      | 23,183,652                        | 70,484,327                        | 18,782,726                        | 65,325,445                        |

# STATEMENTS OF CASH FLOWS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

|                                                                                     | Note | Group                       |                             | Company                     |                             |
|-------------------------------------------------------------------------------------|------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                                                                     |      | 1.7.2025<br>to<br>30.6.2026 | 1.1.2024<br>to<br>30.6.2025 | 1.7.2025<br>to<br>30.6.2026 | 1.1.2024<br>to<br>30.6.2025 |
|                                                                                     |      | RM                          | RM                          | RM                          | RM                          |
| <b>Cash and cash equivalents at the end of the financial year/period comprises:</b> |      |                             |                             |                             |                             |
| Cash and bank balances                                                              |      | 26,296,864                  | 22,825,564                  | 18,478,589                  | 14,504,441                  |
| Fixed deposits with licensed banks                                                  |      | 3,869,054                   | 50,340,000                  | 1,355,433                   | 50,000,000                  |
| Other investments                                                                   |      | 304,137                     | 1,794,321                   | 304,137                     | 1,794,321                   |
| Bank overdrafts                                                                     |      | (2,994,034)                 | (3,827,243)                 | -                           | (973,317)                   |
|                                                                                     |      | 27,476,021                  | 71,132,642                  | 20,138,159                  | 65,325,445                  |
| Less: Fixed deposits pledged with licensed banks                                    |      | (3,869,054)                 | (225,000)                   | (1,355,433)                 | -                           |
| Finance service reserve account                                                     |      | (423,315)                   | (423,315)                   | -                           | -                           |
|                                                                                     |      | 23,183,652                  | 70,484,327                  | 18,782,726                  | 65,325,445                  |

### Cash Flows for Leases as a Lessee

|                                                | Group                             |                                   | Company                           |                                   |
|------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM |
| <b>Included in operating activities</b>        |                                   |                                   |                                   |                                   |
| Lease expenses relating to short-term lease    | 2,702,804                         | 4,058,537                         | 2,702,804                         | 3,411,958                         |
| <b>Included in financing activities</b>        |                                   |                                   |                                   |                                   |
| Interest paid in relation to lease liabilities | 866,206                           | 1,692,644                         | 122,840                           | 457,172                           |
| Payment of lease liabilities                   | 4,764,256                         | 7,310,596                         | 2,164,322                         | 3,874,337                         |
| <b>Total cash outflows for leases</b>          | <b>8,333,266</b>                  | <b>13,061,777</b>                 | <b>4,989,966</b>                  | <b>7,743,467</b>                  |

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 1. CORPORATE INFORMATION

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

The principal place of business of the Company is located at PLO 227A, Jalan Cyber 1A, Kawasan Perindustrian Senai III, 81400 Senai, Johor Darul Ta'zim, Malaysia.

The registered office of the Company was located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The principal activities of the Company are investment holding, electronic manufacturing services, trading, engineering, procurement, construction, commissioning and maintenance of battery energy storage system, smart city solution related products, and renewable energy solutions related products and automated multi-axis precision computer numerical control machining. The principal activities of the subsidiary companies include aluminium die-cast manufacturing, electronics and virtual manufacturing services, research and development of mechanical and hardware products, trading and distribution of electronic and related products, supply chain management, technical and design services, as well as the selling and distribution of electric vehicles and related infrastructure, providing renewable energy storage with parts and solution, installation of smart city lighting and surveillance system, supply of battery energy storage system for ev and grid application, provision of wireless communication solutions, research and development in wireless businesses and branding distribution and construction of power plants, operation of generation facilities that produce electric energy and installation of non-electric solar energy collectors.

Further details of the subsidiary companies have been disclosed in Note 7 to the financial statements.

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

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

#### Adoption of amended standards

During the financial year, the Group and the Company have adopted the Amendments to *MFRS 121 Lack of Exchangeability* issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year.

The adoption of the amendments to standards did not have any significant impact on the financial statements of the Group and of the Company.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

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

##### Standards issued but not yet effective

The Group and the Company have not applied the following new standards, amendments to standards and Annual Improvements to MFRS that have been issued by the MASB but are not yet effective for the Group and for the Company:

|                                                               |                                                                                       | Effective dates for financial periods beginning on or after |
|---------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Amendments to MFRS 9 and MFRS 7                               | Amendments to the Classification and Measurements of Financial Instruments            | 1 January 2026                                              |
| Amendments to MFRS 9 and MFRS 7                               | Contracts Referencing Nature-dependent Electricity                                    | 1 January 2026                                              |
| Annual Improvements to MFRS Accounting Standards - Volume 11: |                                                                                       | 1 January 2026                                              |
| • Amendments to MFRS 1                                        |                                                                                       |                                                             |
| • Amendments to MFRS 7                                        |                                                                                       |                                                             |
| • Amendments to MFRS 9                                        |                                                                                       |                                                             |
| • Amendments to MFRS 10                                       |                                                                                       |                                                             |
| • Amendments to MFRS 107                                      |                                                                                       |                                                             |
| MFRS 18                                                       | Presentation and Disclosure in Financial Statements                                   | 1 January 2027                                              |
| MFRS 19                                                       | Subsidiaries without Public Accountability: Disclosures                               | 1 January 2027                                              |
| Amendments to MFRS 19                                         | Subsidiaries without Public Accountability: Disclosures                               | 1 January 2027                                              |
| Amendments to MFRS 121                                        | Translation to a Hyperinflationary Presentation Currency                              | 1 January 2027                                              |
| MFRS 20                                                       | Regulatory Assets and Regulatory Liabilities                                          | 1 January 2029                                              |
| Amendments to MFRS 10 and MFRS 128                            | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred until further notice                               |

The Group and the Company intend to adopt the above new standards, amendments to standards and Annual Improvements to MFRS, if applicable, when they become effective.

The initial application of the above-mentioned new standards, amendments to standards and Annual Improvements to MFRS are not expected to have any material impact on the financial statements of the Group and of the Company except as disclosed below:

##### MFRS 18 Presentation and Disclosure in Financial Statements

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

MFRS 18 additional requirements are as follows:

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

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

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

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

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

MFRS 18 additional requirements are as follows: (Cont'd)

#### (ii) Statement of Cash Flows

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

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

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

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

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

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

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

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

#### (b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

#### (c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of assets or liabilities affected in the future.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

#### Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

#### Satisfaction of performance obligations in relation to contracts with customers

The Group are required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

- (i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (ii) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (iii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

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

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

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company 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 and the Company 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.

The Group and the Company included the renewal period as part of the lease term for leases of assets with shorter noncancellable period. The Group and the Company typically exercise its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of assets with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

#### Judgements (Cont'd)

##### Determining the functional currency

Certain subsidiary companies of the Group operate in overseas jurisdictions but conduct sales, purchases and other transactions in multiple currencies. Judgement is applied in determining the functional currency wherever the indications are mixed. The Group uses, in a hierarchy, sale indicators as the primary basis, followed by purchase and operating expense indicators, and in the event that those indicators are not conclusive, the currency in which borrowings and other funds are raised for financing the operations.

#### Key sources of estimation uncertainty

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

##### Useful lives of depreciable assets other than right-of-use assets

Depreciable assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of the property, plant and equipment other than right-of-use assets to be within 3 to 50 years and reviews the useful lives of these depreciable assets at each reporting date. At 30 June 2026, 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 changes in the expected level of usage and technological developments, which resulting adjustment to the Group's and the Company's assets.

The carrying amounts of the Group's and the Company's depreciable assets at the end of the reporting period are disclosed in Note 4 to the financial statements.

##### Provision for expected credit losses ("ECLs") for trade receivables

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns such as customer type and rating and other forms of credit insurance.

The provision matrix is initially based on the Group's and 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 default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of 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 customer's actual default in the future.

The information about ECLs on the Group's and the Company's trade receivables is disclosed in Note 14 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

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

##### Fair value measurement and valuation processes

Some of the Group's and the Company's assets are measured at fair value for financial reporting. Significant judgement is involved in determining the appropriate valuation techniques and inputs for fair value measurements where active market quotes are not available.

In estimating the fair value of an asset or a liability, the Group and the Company use market-observable data to the extent it is available. Management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in measuring the assets and liabilities. Where Level 1 inputs are not available, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting date. For the valuation of land and buildings, the Group and the Company engage third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed in the Notes 4 and 6 to the financial statements.

##### Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, the management consider the most reliable evidence available at the time the estimates are made. The realisation of these inventories may be affected by market-driven changes that may occur in the future.

The carrying amount of the Group's and the Company's inventories at the end of the reporting period is disclosed in Note 12 to the financial statements.

##### Income taxes/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 recognised 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.

The information about deferred tax liabilities and income tax expenses are disclosed in Notes 11 and 29 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

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

##### Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unabsorbed tax losses, unutilised capital allowances and unused tax credits to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences, unabsorbed tax losses, unutilised capital allowances and unused tax credits 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 generation of future taxable profits depend on 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 application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, 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 tax losses and unrecognised temporary differences.

The information about deferred tax assets is disclosed in Note 11 to the financial statements.

##### 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 discount 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. These assumptions relate to future events and circumstances. 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.

Further details of the carrying values, key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are disclosed in Note 9 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 3. MATERIAL ACCOUNTING POLICIES

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

#### (a) Basis of consolidation

##### (i) Subsidiary Companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of subsidiary companies is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Intercompany transactions, balances and unrealised gains or losses on transactions between subsidiary companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amount is recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

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

##### (ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary companies are recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

##### (iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

##### (iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary companies acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

#### (b) Investment in associated company

An associated company is an entity over which the Group has material influence. Material influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Investments in associated companies are accounted for in the consolidated and the Company's financial statements using the equity method, net of any impairment losses, unless they are classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements incorporate the Group's share of profit or loss and other comprehensive income of the associate companies, after any necessary adjustments to align their accounting policies with those of the Group, from the date significant influence is obtained until the date it ceases.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (c) Foreign currency transactions and balances

##### Transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective subsidiary companies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

##### Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their income statements are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates at the dates of the transactions). The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to income statement. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

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

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

##### (i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

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

##### (i) Recognition and measurement (Cont'd)

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

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

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 decrease 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 revaluations 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 equity on disposal of the asset is transferred to other comprehensive income.

##### (ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

##### (iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

|                                        |                 |
|----------------------------------------|-----------------|
| Factory buildings                      | 28.9 - 50 years |
| Plant and machinery                    | 5 - 10 years    |
| Equipment, furniture and fittings      | 3 - 10 years    |
| Renovation and electrical installation | 5 - 10 years    |
| Motor vehicles                         | 5 - 6.67 years  |

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (e) Leases

##### (i) As lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

|                          |                   |
|--------------------------|-------------------|
| Leasehold land           | 28.9 – 47.4 years |
| Leased factory buildings | 3 - 6 years       |
| Hostel                   | 3 - 4 years       |
| Plant and machinery      | 10 years          |
| Office premises          | 4 years           |
| Motor vehicles           | 5 – 6.67 years    |

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the Group's and the Company's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or terminate option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than USD5,000 or RM20,000 each when purchased new.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (e) Leases (Cont'd)

##### (ii) As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### (f) Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination are their fair values as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over their estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

#### (g) Investment properties

Investment properties, are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (g) Investment properties (Cont'd)

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are valued by independent professionally qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

#### (h) Financial assets

##### Recognition and initial measurement

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### Financial asset categories and subsequent measurement

For the purpose of subsequent measurement, the Group and the Company classify their financial assets in the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss ("FVTPL")

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

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

##### Financial asset categories and subsequent measurement (Cont'd)

##### *Financial assets at amortised cost*

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

##### *Financial assets at fair value through profit or loss*

Subsequent to the initial recognition, the financial assets at fair value through profit or loss are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income. Other net gains or losses, including any interest or dividend income, are also recognised in profit or loss.

#### (i) Financial liabilities

##### Recognition and initial measurement

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments.

##### Financial liability categories and subsequent measurement

For the purpose of subsequent measurement, the Group and the Company classify their financial liabilities as financial liabilities at amortised cost.

##### *Financial liabilities at amortised cost*

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

#### (j) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent, the liability is measured at the higher of:

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (k) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### (l) Inventories

Inventories are stated at the lower of cost and net realisable value.

Inventories which comprise raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in-first-out basis. Cost of finished goods and work-in-progress consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity) are stated on a first-in-first-out.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### (m) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Company's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Company has received the consideration or has billed the customers. The Company's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Company performs its obligation under the contracts.

#### (n) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

#### (o) Impairment of assets

##### (i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (o) Impairment of assets (Cont'd)

##### (i) Non-financial assets (Cont'd)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

##### (ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (o) Impairment of assets (Cont'd)

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

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment including forward-looking information, where available.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

#### (p) Share capital

##### Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

#### (q) Employee benefits

##### (i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

##### (ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

#### (s) Revenue recognition

##### (i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

##### Sale of goods/rendering of services

Revenue from sale of goods and rendering of services is recognised at a point in time when the products and services have been transferred and rendered to the customers and coincide with the delivery of products and services and acceptance by customers.

Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes.

##### Contract revenue

Contract revenue with customers includes contracts relating to supplying and installation of renewable energy related products which are recognised progressively based on the progress towards complete satisfaction of the performance obligation.

Revenue is recognised over time when control of the asset is transferred over time and the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (eg. by reference to costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (s) Revenue recognition (Cont'd)

##### (i) Revenue from contracts with customers (Cont'd)

###### Contract revenue (Cont'd)

Revenue is recognised over the period of the contract by reference to the progress, based on the extent of contract costs incurred. Significant judgement is required in the estimation of the progress towards complete satisfaction of a performance obligation based on the extent of contract costs incurred over the estimated budget cost and the recoverability of the construction contracts. The estimated contract costs to completion is based on estimated and approved budgets, which require assessment and judgements to be made on changes in, for example, work scope, costs and costs to completion. In making these judgements, management relies on past experience.

##### (ii) Dividend income

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

##### (iii) Other income

###### Lease income

Lease income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

###### Interest income

Interest income is recognised on accruals basis using the effective interest method.

###### Other income - Funding income

Other income includes funding and non-recurring technical incentives. Funding income is recognised when the Group becomes unconditionally entitled to the consideration, evidenced by completion and certification/acceptance of specified milestones. Amounts not yet collected at reporting date are recognised as other receivables. Where entitlement has not been achieved, amounts received are recorded as deferred income.

#### (t) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination, that affects neither accounting nor taxable profit or loss and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (t) Income taxes (Cont'd)

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised simultaneously.

#### (u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

#### (v) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

#### (w) Fair value measurement

Fair value of an asset or a liability is determined as 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 measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement 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.

When measuring the fair value of an asset or a liability, the Group and Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group and the Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 4. PROPERTY, PLANT AND EQUIPMENT

|                                     | At valuation     |                   |                     |                             | At cost   |                    |                        |                                      |                                           |                   |                             |             |
|-------------------------------------|------------------|-------------------|---------------------|-----------------------------|-----------|--------------------|------------------------|--------------------------------------|-------------------------------------------|-------------------|-----------------------------|-------------|
|                                     | Freehold land RM | Leasehold land RM | Factory building RM | Leased factory buildings RM | Hostel RM | Office premises RM | Plant and machinery RM | Equipment, furniture and fittings RM | Renovation and electrical installation RM | Motor vehicles RM | Capital work-in-progress RM | Total RM    |
| Group                               |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| 30.6.2026                           |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| At cost                             |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| At 1 July                           | 7,770,000        | 44,550,000        | 100,280,000         | 14,580,464                  | 82,374    | 630,752            | 169,105,355            | 17,840,011                           | 19,483,043                                | 5,487,630         | 30,757,791                  | 410,567,420 |
| Additions                           | -                | -                 | -                   | -                           | -         | -                  | 25,118,963             | 507,831                              | 1,087,791                                 | 94,900            | 36,430,913                  | 63,240,398  |
| Adjustment due to early termination | -                | -                 | -                   | -                           | (82,374)  | -                  | -                      | -                                    | -                                         | -                 | -                           | (82,374)    |
| Disposals                           | -                | -                 | -                   | -                           | -         | -                  | -                      | (12,635)                             | -                                         | -                 | -                           | (12,635)    |
| Written off                         | -                | -                 | -                   | -                           | -         | -                  | (10,900)               | (1,003)                              | -                                         | -                 | -                           | (11,903)    |
| Reclassification                    | -                | -                 | -                   | -                           | -         | -                  | 25,128,464             | (3,445,758)                          | 9,075,084                                 | -                 | (30,757,790)                | -           |
| Exchange translation differences    | -                | -                 | -                   | (148,997)                   | -         | (20,212)           | (30,839)               | (45,324)                             | (113,999)                                 | (16,252)          | -                           | (375,623)   |
| At 30 June                          | 7,770,000        | 44,550,000        | 100,280,000         | 14,431,467                  | -         | 610,540            | 219,311,043            | 14,843,122                           | 29,531,919                                | 5,566,278         | 36,430,914                  | 473,325,283 |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

|                                     | At valuation     |                   | At cost             |                             |           |                    |                        |                                      |                                           |                   |                             |             |
|-------------------------------------|------------------|-------------------|---------------------|-----------------------------|-----------|--------------------|------------------------|--------------------------------------|-------------------------------------------|-------------------|-----------------------------|-------------|
|                                     | Freehold land RM | Leasehold land RM | Factory building RM | Leased factory buildings RM | Hostel RM | Office premises RM | Plant and machinery RM | Equipment, furniture and fittings RM | Renovation and electrical installation RM | Motor vehicles RM | Capital work-in-progress RM | Total RM    |
| <b>Group</b>                        |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| <b>30.6.2026</b>                    |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| <b>Accumulated depreciation</b>     |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| At 1 July                           | -                | 578,564           | 1,269,201           | 3,457,673                   | 34,322    | 413,477            | 63,082,533             | 9,468,817                            | 10,360,910                                | 2,750,680         | -                           | 91,416,177  |
| Charge for the financial year       | -                | 1,157,132         | 2,538,399           | 1,942,073                   | 20,592    | 100,747            | 18,950,330             | 1,480,562                            | 3,444,146                                 | 691,195           | -                           | 30,325,176  |
| Adjustment due to early termination | -                | -                 | -                   | -                           | (54,914)  | -                  | -                      | -                                    | -                                         | -                 | -                           | (54,914)    |
| Disposals                           | -                | -                 | -                   | -                           | -         | -                  | -                      | (12,635)                             | -                                         | -                 | -                           | (12,635)    |
| Written off                         | -                | -                 | -                   | -                           | -         | -                  | (10,900)               | (1,003)                              | -                                         | -                 | -                           | (11,903)    |
| Reclassification                    | -                | -                 | -                   | -                           | -         | -                  | -                      | (875,273)                            | 875,273                                   | -                 | -                           | -           |
| Exchange translation differences    | -                | -                 | -                   | (78,415)                    | -         | (13,682)           | (11,631)               | (36,058)                             | (30,607)                                  | (1,259)           | -                           | (171,652)   |
| At 30 June                          | -                | 1,735,696         | 3,807,600           | 5,321,331                   | -         | 500,542            | 82,010,332             | 10,024,410                           | 14,649,722                                | 3,440,616         | -                           | 121,490,249 |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

|                                  | At valuation     |                   |                     |                             | At cost   |                    |                        |                                      |                                           |                   |                             |             |
|----------------------------------|------------------|-------------------|---------------------|-----------------------------|-----------|--------------------|------------------------|--------------------------------------|-------------------------------------------|-------------------|-----------------------------|-------------|
|                                  | Freehold land RM | Leasehold land RM | Factory building RM | Leased factory buildings RM | Hostel RM | Office premises RM | Plant and machinery RM | Equipment, furniture and fittings RM | Renovation and electrical installation RM | Motor vehicles RM | Capital work-in-progress RM | Total RM    |
| Group                            |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| 30.6.2026                        |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| Accumulated impairment losses    |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| At 1 July                        | -                | -                 | -                   | -                           | -         | -                  | -                      | -                                    | -                                         | 44,179            | -                           | 44,179      |
| Addition                         | -                | -                 | -                   | -                           | -         | -                  | -                      | -                                    | -                                         | 391,830           | -                           | 391,830     |
| Exchange translation differences | -                | -                 | -                   | -                           | -         | -                  | -                      | -                                    | -                                         | 10,813            | -                           | 10,813      |
| At 30 June                       | -                | -                 | -                   | -                           | -         | -                  | -                      | -                                    | -                                         | 446,822           | -                           | 446,822     |
| Carrying amount                  |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| At 30 June                       | 7,770,000        | 42,814,304        | 96,472,400          | 9,110,136                   | -         | 109,998            | 137,300,711            | 4,818,712                            | 14,882,197                                | 1,678,840         | 36,430,914                  | 351,388,212 |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

|                                     | At valuation     |                   |                     | At cost                     |           |                    |                        |                                      |                                           |                   |                             |             |
|-------------------------------------|------------------|-------------------|---------------------|-----------------------------|-----------|--------------------|------------------------|--------------------------------------|-------------------------------------------|-------------------|-----------------------------|-------------|
|                                     | Freehold land RM | Leasehold land RM | Factory building RM | Leased factory buildings RM | Hostel RM | Office premises RM | Plant and machinery RM | Equipment, furniture and fittings RM | Renovation and electrical installation RM | Motor vehicles RM | Capital work-in-progress RM | Total RM    |
| Group                               |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| 30.6.2025                           |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| At Cost                             |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| At 1 January                        | 6,253,802        | 41,412,021        | 76,159,890          | -                           | 151,861   | 687,277            | 141,025,498            | 10,734,489                           | 12,986,188                                | 3,855,082         | 1,732,614                   | 294,998,722 |
| Additions                           | -                | -                 | -                   | 10,679,887                  | 82,374    | -                  | 26,202,687             | 5,573,456                            | 5,362,731                                 | 1,667,279         | 32,115,050                  | 81,683,464  |
| Derecognition of right-of-use asset | -                | -                 | -                   | -                           | (151,861) | -                  | -                      | -                                    | -                                         | -                 | -                           | (151,861)   |
| Disposals                           | -                | -                 | -                   | -                           | -         | -                  | -                      | (118,650)                            | -                                         | -                 | -                           | (118,650)   |
| Written off                         | -                | -                 | -                   | -                           | -         | -                  | (138,295)              | (1,518,749)                          | -                                         | -                 | -                           | (1,657,044) |
| Revaluation                         | 1,516,198        | 3,137,979         | 24,120,110          | -                           | -         | -                  | -                      | -                                    | -                                         | -                 | -                           | 28,774,287  |
| Acquisition of a subsidiary company | -                | -                 | -                   | 4,432,641                   | -         | -                  | 354,364                | 3,453,746                            | -                                         | -                 | -                           | 8,240,751   |
| Reclassification                    | -                | -                 | -                   | -                           | -         | -                  | 1,732,655              | 216,158                              | 1,141,060                                 | -                 | (3,089,873)                 | -           |
| Exchange translation differences    | -                | -                 | -                   | (532,064)                   | -         | (56,525)           | (71,554)               | (500,439)                            | (6,936)                                   | (34,731)          | -                           | (1,202,249) |
| At 30 June                          | 7,770,000        | 44,550,000        | 100,280,000         | 14,580,464                  | 82,374    | 630,752            | 169,105,355            | 17,840,011                           | 19,483,043                                | 5,487,630         | 30,757,791                  | 410,567,420 |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

|                                     | At valuation     |                   |                     |                             | At cost   |                    |                        |                                      |                                           |                   |                             |             |
|-------------------------------------|------------------|-------------------|---------------------|-----------------------------|-----------|--------------------|------------------------|--------------------------------------|-------------------------------------------|-------------------|-----------------------------|-------------|
|                                     | Freehold land RM | Leasehold land RM | Factory building RM | Leased factory buildings RM | Hostel RM | Office premises RM | Plant and machinery RM | Equipment, furniture and fittings RM | Renovation and electrical installation RM | Motor vehicles RM | Capital work-in-progress RM | Total RM    |
| Group                               |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| 30.6.2025                           |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| Accumulated depreciation            |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| At 1 January                        | -                | 580,417           | 1,954,641           | -                           | 151,861   | 287,770            | 39,803,933             | 5,099,696                            | 5,777,626                                 | 1,860,155         | -                           | 55,516,099  |
| Charge for the financial period     | -                | 1,562,374         | 3,055,848           | 2,550,875                   | 34,322    | 159,879            | 23,103,781             | 2,821,495                            | 4,586,175                                 | 892,535           | -                           | 38,767,284  |
| Derecognition of right-of-use asset | -                | -                 | -                   | -                           | (151,861) | -                  | -                      | -                                    | -                                         | -                 | -                           | (151,861)   |
| Disposals                           | -                | -                 | -                   | -                           | -         | -                  | -                      | (27,608)                             | -                                         | -                 | -                           | (27,608)    |
| Written off                         | -                | -                 | -                   | -                           | -         | -                  | (138,295)              | (1,226,062)                          | -                                         | -                 | -                           | (1,364,357) |
| Revaluation                         | -                | (1,564,227)       | (3,741,288)         | -                           | -         | -                  | -                      | -                                    | -                                         | -                 | -                           | (5,305,515) |
| Acquisition of a subsidiary company | -                | -                 | -                   | 1,120,337                   | -         | -                  | 349,896                | 3,084,178                            | -                                         | -                 | -                           | 4,554,411   |
| Exchange translation differences    | -                | -                 | -                   | (213,539)                   | -         | (34,172)           | (36,782)               | (282,882)                            | (2,891)                                   | (2,010)           | -                           | (572,276)   |
| At 30 June                          | -                | 578,564           | 1,269,201           | 3,457,673                   | 34,322    | 413,477            | 63,082,533             | 9,468,817                            | 10,360,910                                | 2,750,680         | -                           | 91,416,177  |
| Accumulated impairment losses       |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| At 1 January/At 30 June             | -                | -                 | -                   | -                           | -         | -                  | -                      | -                                    | -                                         | 44,179            | -                           | 44,179      |
| Carrying amount                     |                  |                   |                     |                             |           |                    |                        |                                      |                                           |                   |                             |             |
| At 30 June                          | 7,770,000        | 43,971,436        | 99,010,799          | 11,122,791                  | 48,052    | 217,275            | 106,022,822            | 8,371,194                            | 9,122,133                                 | 2,692,771         | 30,757,791                  | 319,107,064 |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

|                               | ← At valuation →     |                        |                                | ← At cost →               |                                         |                                              |                      |                                |             |
|-------------------------------|----------------------|------------------------|--------------------------------|---------------------------|-----------------------------------------|----------------------------------------------|----------------------|--------------------------------|-------------|
|                               | Leasehold land<br>RM | Factory building<br>RM | Leased factory buildings<br>RM | Plant and machinery<br>RM | Equipment, furniture and fittings<br>RM | Renovation and electrical installation<br>RM | Motor vehicles<br>RM | Capital work-in-progress<br>RM | Total<br>RM |
| Company                       |                      |                        |                                |                           |                                         |                                              |                      |                                |             |
| 30.6.2026                     |                      |                        |                                |                           |                                         |                                              |                      |                                |             |
| At cost                       |                      |                        |                                |                           |                                         |                                              |                      |                                |             |
| At 1 July                     | 34,250,000           | 79,950,000             | 656,605                        | 132,079,562               | 10,856,013                              | 10,061,281                                   | 4,055,756            | 29,895,757                     | 301,804,974 |
| Additions                     | -                    | -                      | -                              | 23,743,755                | 260,080                                 | 808,412                                      | -                    | 36,117,113                     | 60,929,360  |
| Reclassification              | -                    | -                      | -                              | 24,266,431                | -                                       | 5,629,326                                    | -                    | (29,895,757)                   | -           |
| At 30 June                    | 34,250,000           | 79,950,000             | 656,605                        | 180,089,748               | 11,116,093                              | 16,499,019                                   | 4,055,756            | 36,117,113                     | 362,734,334 |
| Accumulated depreciation      |                      |                        |                                |                           |                                         |                                              |                      |                                |             |
| At 1 July                     | 389,070              | 960,694                | 127,673                        | 50,847,770                | 6,316,427                               | 6,692,745                                    | 1,996,246            | -                              | 67,330,625  |
| Charge for the financial year | 778,145              | 1,921,386              | 109,434                        | 14,999,243                | 1,040,988                               | 1,402,716                                    | 474,828              | -                              | 20,726,740  |
| At 30 June                    | 1,167,215            | 2,882,080              | 237,107                        | 65,847,013                | 7,357,415                               | 8,095,461                                    | 2,471,074            | -                              | 88,057,365  |
| Accumulated impairment losses |                      |                        |                                |                           |                                         |                                              |                      |                                |             |
| At 1 July/At 30 June          | -                    | -                      | -                              | -                         | -                                       | -                                            | 44,179               | -                              | 44,179      |
| Carrying amount               |                      |                        |                                |                           |                                         |                                              |                      |                                |             |
| At 30 June                    | 33,082,785           | 77,067,920             | 419,498                        | 114,242,735               | 3,758,678                               | 8,403,558                                    | 1,540,503            | 36,117,113                     | 274,632,790 |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

|                                 | ← At valuation →     |                         |                                | ← At cost →               |                                         |                                              |                      |                                |             |
|---------------------------------|----------------------|-------------------------|--------------------------------|---------------------------|-----------------------------------------|----------------------------------------------|----------------------|--------------------------------|-------------|
|                                 | Leasehold land<br>RM | Factory buildings<br>RM | Leased factory buildings<br>RM | Plant and machinery<br>RM | Equipment, furniture and fittings<br>RM | Renovation and electrical installation<br>RM | Motor vehicles<br>RM | Capital work-in-progress<br>RM | Total<br>RM |
| Company                         |                      |                         |                                |                           |                                         |                                              |                      |                                |             |
| 30.6.2025                       |                      |                         |                                |                           |                                         |                                              |                      |                                |             |
| At cost                         |                      |                         |                                |                           |                                         |                                              |                      |                                |             |
| At 1 January                    | 33,900,001           | 59,900,000              | -                              | 112,758,443               | 9,642,328                               | 9,401,927                                    | 2,917,140            | 234,954                        | 228,754,793 |
| Additions                       | -                    | -                       | 656,605                        | 19,086,165                | 1,213,685                               | 659,354                                      | 1,138,616            | 29,895,757                     | 52,650,182  |
| Revaluation                     | 349,999              | 20,050,000              | -                              | -                         | -                                       | -                                            | -                    | -                              | 20,399,999  |
| Reclassification                | -                    | -                       | -                              | 234,954                   | -                                       | -                                            | -                    | (234,954)                      | -           |
| At 30 June                      | 34,250,000           | 79,950,000              | 656,605                        | 132,079,562               | 10,856,013                              | 10,061,281                                   | 4,055,756            | 29,895,757                     | 301,804,974 |
| Accumulated depreciation        |                      |                         |                                |                           |                                         |                                              |                      |                                |             |
| At 1 January                    | 263,448              | 1,203,459               | -                              | 32,417,968                | 4,365,637                               | 4,327,741                                    | 1,344,095            | -                              | 43,922,348  |
| Charge for the financial period | 1,119,305            | 2,348,455               | 127,673                        | 18,429,802                | 1,950,790                               | 2,365,004                                    | 652,151              | -                              | 26,993,180  |
| Revaluation                     | (993,683)            | (2,591,220)             | -                              | -                         | -                                       | -                                            | -                    | -                              | (3,584,903) |
| At 30 June                      | 389,070              | 960,694                 | 127,673                        | 50,847,770                | 6,316,427                               | 6,692,745                                    | 1,996,246            | -                              | 67,330,625  |
| Accumulated impairment losses   |                      |                         |                                |                           |                                         |                                              |                      |                                |             |
| At 1 January/At 30 June         | -                    | -                       | -                              | -                         | -                                       | -                                            | 44,179               | -                              | 44,179      |
| Carrying amount                 |                      |                         |                                |                           |                                         |                                              |                      |                                |             |
| At 30 June                      | 33,860,930           | 78,989,306              | 528,932                        | 81,231,792                | 4,539,586                               | 3,368,536                                    | 2,015,331            | 29,895,757                     | 234,430,170 |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

#### (a) Right-of-use assets

Included in the property, plant and equipment is right-of-use assets as follows:

|                                      | Leasehold<br>land<br>RM | Leased<br>factory<br>buildings<br>RM | Office<br>premises<br>RM | Plant and<br>machinery<br>RM | Motor<br>vehicles<br>RM | Total<br>RM  |
|--------------------------------------|-------------------------|--------------------------------------|--------------------------|------------------------------|-------------------------|--------------|
| <b>Group</b>                         |                         |                                      |                          |                              |                         |              |
| <b>30.6.2026</b>                     |                         |                                      |                          |                              |                         |              |
| <b>Net carrying amount</b>           |                         |                                      |                          |                              |                         |              |
| At 1 July 2025                       | 43,971,436              | 8,773,020                            | 265,318                  | 7,209,109                    | 2,111,101               | 62,329,984   |
| Depreciation charges                 | (1,157,132)             | (882,317)                            | (121,329)                | (1,462,027)                  | (579,847)               | (4,202,652)  |
| Adjustment due to early termination  | -                       | -                                    | (27,460)                 | -                            | -                       | (27,460)     |
| Exchange translation difference      | -                       | -                                    | (6,531)                  | -                            | -                       | (6,531)      |
| At 30 June 2026                      | 42,814,304              | 7,890,703                            | 109,998                  | 5,747,082                    | 1,531,254               | 58,093,341   |
| <b>30.6.2025</b>                     |                         |                                      |                          |                              |                         |              |
| <b>Net carrying amount</b>           |                         |                                      |                          |                              |                         |              |
| At 1 January 2024                    | 40,831,604              | -                                    | 399,507                  | 19,142,744                   | 1,901,243               | 62,275,098   |
| Additions                            | -                       | 9,931,204                            | 82,374                   | 374,800                      | 1,052,015               | 11,440,393   |
| Depreciation charges                 | (1,562,374)             | (1,158,184)                          | (194,211)                | (2,108,222)                  | (842,157)               | (5,865,148)  |
| Revaluation                          | 4,702,206               | -                                    | -                        | -                            | -                       | 4,702,206    |
| Full settlement of lease liabilities | -                       | -                                    | -                        | (10,200,213)                 | -                       | (10,200,213) |
| Exchange translation difference      | -                       | -                                    | (22,352)                 | -                            | -                       | (22,352)     |
| At 30 June 2025                      | 43,971,436              | 8,773,020                            | 265,318                  | 7,209,109                    | 2,111,101               | 62,329,984   |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

#### (a) Right-of-use assets (Cont'd)

Included in the property, plant and equipment is right-of-use assets as follows: (Cont'd)

|                                      | Leasehold<br>land<br>RM | Leased<br>factory<br>building<br>RM | Plant and<br>machinery<br>RM | Motor<br>vehicles<br>RM | Total<br>RM  |
|--------------------------------------|-------------------------|-------------------------------------|------------------------------|-------------------------|--------------|
| <b>Company</b>                       |                         |                                     |                              |                         |              |
| <b>30.6.2026</b>                     |                         |                                     |                              |                         |              |
| <b>Net carrying amount</b>           |                         |                                     |                              |                         |              |
| At 1 July 2025                       | 33,860,930              | 528,932                             | 3,478,202                    | 1,899,026               | 39,767,090   |
| Depreciation charges                 | (778,145)               | (109,434)                           | (773,573)                    | (439,973)               | (2,101,125)  |
| At 30 June 2026                      | 33,082,785              | 419,498                             | 2,704,629                    | 1,459,053               | 37,665,965   |
| <b>30.6.2025</b>                     |                         |                                     |                              |                         |              |
| <b>Net carrying amount</b>           |                         |                                     |                              |                         |              |
| At 1 January 2024                    | 33,636,553              | -                                   | 14,838,778                   | 1,479,361               | 49,954,692   |
| Additions                            | -                       | 656,605                             | -                            | 1,052,015               | 1,708,620    |
| Depreciation charges                 | (1,119,305)             | (127,673)                           | (1,160,363)                  | (632,350)               | (3,039,691)  |
| Revaluation                          | 1,343,682               | -                                   | -                            | -                       | 1,343,682    |
| Full settlement of lease liabilities | -                       | -                                   | (10,200,213)                 | -                       | (10,200,213) |
| At 30 June 2025                      | 33,860,930              | 528,932                             | 3,478,202                    | 1,899,026               | 39,767,090   |

Plant and machinery and motor vehicles under right-of-use assets are acquired by hire purchase creditors and pledged as security for the related lease liabilities.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

- (b) The aggregate additional costs for the property, plant and equipment of the Group and the Company under other payables and cash payments are as follows:

|                                                  | Group           |                 | Company         |                 |
|--------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                  | 30.6.2026<br>RM | 30.6.2025<br>RM | 30.6.2026<br>RM | 30.6.2025<br>RM |
| Aggregate costs                                  | 63,240,398      | 81,683,464      | 60,929,360      | 52,650,182      |
| Less: lease liabilities                          | -               | (12,357,574)    | -               | (1,578,605)     |
| Less: reclassification from inventories          | (94,900)        | -               | -               | -               |
| Less: deposits and advances paid in prior period | (16,689,159)    | -               | (16,452,409)    | -               |
| Cash payments                                    | 46,456,339      | 69,325,890      | 44,476,951      | 51,071,577      |

- (c) Assets pledged as securities to financial institutions

The carrying amount of assets pledged as securities for bank borrowings as disclosed in Note 22 to the financial statements are:

|                     | Group           |                 | Company         |                 |
|---------------------|-----------------|-----------------|-----------------|-----------------|
|                     | 30.6.2026<br>RM | 30.6.2025<br>RM | 30.6.2026<br>RM | 30.6.2025<br>RM |
| Freehold land       | 7,770,000       | 7,770,000       | -               | -               |
| Leasehold land      | 42,814,304      | 43,971,436      | 33,082,785      | 33,860,930      |
| Factory buildings   | 96,472,400      | 99,010,799      | 77,067,920      | 78,989,306      |
| Plant and machinery | 42,399,176      | 50,497,264      | 42,399,176      | 50,497,264      |
|                     | 189,455,880     | 201,249,499     | 152,549,881     | 163,347,500     |

- (d) Revaluation of land and factory buildings

The Group's and the Company's land and factory buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses.

In the previous financial period ended 2025, the Directors have revalued the land and factory buildings based on professional valuations by external independent professionally qualified property valuers having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. These valuations were incorporated in the financial statements as at 30 June 2025.

The Group and the Company measure fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The following table provides the fair value measurement hierarchy of the Group's and the Company's land and factory buildings:

|                   | Level 3<br>Group |                 | Level 3<br>Company |                 |
|-------------------|------------------|-----------------|--------------------|-----------------|
|                   | 30.6.2026<br>RM  | 30.6.2025<br>RM | 30.6.2026<br>RM    | 30.6.2025<br>RM |
| Freehold land     | 7,770,000        | 7,770,000       | -                  | -               |
| Leasehold land    | 42,814,304       | 43,971,436      | 33,082,785         | 33,860,930      |
| Factory buildings | 96,472,400       | 99,010,799      | 77,067,920         | 78,989,306      |
|                   | 147,056,704      | 150,752,235     | 110,150,705        | 112,850,236     |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

#### (d) Revaluation of land and factory buildings (Cont'd)

##### Level 3 Fair Value of Land and Factory Buildings

Level 3 fair value of freehold and leasehold land and factory buildings has been generally derived using the comparison approach and cost approach respectively.

The comparison/cost method of valuation entails separate valuations of the land and factory buildings to arrive at the market value of the subject property.

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer would not pay more for the property than it would cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

The land is valued by reference to transactions of similar lands with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

The factory buildings are valued by reference to the current estimates on construction costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the factory buildings.

The following table shows the valuation techniques used in the determination of fair value within Level 3, as well as the key unobservable inputs used in the valuation model.

| Description       | Valuation           | Significant unobservable inputs              | Range of unobservable inputs    | Relationship of significant unobservable inputs to fair value |
|-------------------|---------------------|----------------------------------------------|---------------------------------|---------------------------------------------------------------|
| <b>Group</b>      |                     |                                              |                                 |                                                               |
| <u>30.6.2025</u>  |                     |                                              |                                 |                                                               |
| Freehold land     | Comparison approach | Difference in size per square feet           | RM90 to RM120 per square feet   | Higher the differential value, lower fair value               |
| Leasehold land    | Comparison approach | Different in tenure and size per square feet | RM41.10 to RM64 per square feet | Higher the differential value, lower fair value               |
| Factory buildings | Cost approach       | Estimated replacement cost per square feet   | RM128 to RM204 per square feet  | Higher estimated replacement cost, higher fair value          |
|                   |                     | Depreciation rate                            | 2% - 10%                        | Higher depreciation rate, lower fair value                    |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

#### (d) Revaluation of land and factory buildings (Cont'd)

##### Level 3 Fair Value of Land and Factory Buildings (Cont'd)

The following table shows the valuation techniques used in the determination of fair value within Level 3, as well as the key unobservable inputs used in the valuation model. (Cont'd)

| Description       | Valuation           | Significant unobservable inputs                   | Range of unobservable inputs    | Relationship of significant unobservable inputs to fair value |
|-------------------|---------------------|---------------------------------------------------|---------------------------------|---------------------------------------------------------------|
| <b>Company</b>    |                     |                                                   |                                 |                                                               |
| <b>30.6.2025</b>  |                     |                                                   |                                 |                                                               |
| Leasehold land    | Comparison approach | Different in tenure and land size per square feet | RM41.10 to RM64 per square feet | Higher the differential value, lower fair value               |
| Factory buildings | Cost approach       | Estimated replacement cost per square feet        | RM128 to RM204 per square feet  | Higher estimated replacement cost, higher fair value          |
|                   |                     | Depreciation rate                                 | 2%                              | Higher depreciation rate, lower fair value                    |

#### (e) Revalued land and factory buildings at cost

At the reporting date, had the revalued land and factory buildings of the Group and the Company been carried at historical cost less accumulated depreciation and impairment loss, their carrying amounts would have been RM36,652,001 and RM47,396,891 (30.6.2025: RM 42,327,561 and RM 57,807,995) respectively and RM23,758,008 and RM33,167,714 (30.6.2025: RM 27,743,602 and RM 40,129,996) respectively.

### 5. INTANGIBLE ASSETS

|                                        | Website<br>RM | Homologation<br>certification<br>RM | Software<br>RM | Patent<br>RM | Total<br>RM |
|----------------------------------------|---------------|-------------------------------------|----------------|--------------|-------------|
| <b>Group</b>                           |               |                                     |                |              |             |
| <b>30.6.2026</b>                       |               |                                     |                |              |             |
| <b>At cost</b>                         |               |                                     |                |              |             |
| At the beginning of the financial year | 73,993        | 326,536                             | 1,160,607      | 1,221,996    | 2,783,132   |
| Additions                              | -             | -                                   | 1,455,650      | 1,354,308    | 2,809,958   |
| Exchange translation differences       | (2,372)       | (10,465)                            | (43,681)       | (45,197)     | (101,715)   |
| At the end of the financial year       | 71,621        | 316,071                             | 2,572,576      | 2,531,107    | 5,491,375   |
| <b>Accumulated amortisation</b>        |               |                                     |                |              |             |
| At the beginning of the financial year | 9,251         | 19,044                              | 64,759         | 117,605      | 210,659     |
| Charge for the financial year          | 14,388        | 31,749                              | 228,385        | 381,414      | 655,936     |
| Exchange translation differences       | (361)         | (750)                               | (3,093)        | (5,469)      | (9,673)     |
| At the end of the financial year       | 23,278        | 50,043                              | 290,051        | 493,550      | 856,922     |
| <b>Net carrying amount</b>             |               |                                     |                |              |             |
| At the end of the financial year       | 48,343        | 266,028                             | 2,282,525      | 2,037,557    | 4,634,453   |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 5. INTANGIBLE ASSETS (CONT'D)

|                                          | Website<br>RM | Homologation<br>certification<br>RM | Software<br>RM | Patent<br>RM | Total<br>RM |
|------------------------------------------|---------------|-------------------------------------|----------------|--------------|-------------|
| <b>Group</b>                             |               |                                     |                |              |             |
| <b>30.6.2025</b>                         |               |                                     |                |              |             |
| <b>At cost</b>                           |               |                                     |                |              |             |
| At the beginning of the financial period | -             | -                                   | -              | -            | -           |
| Additions                                | 79,195        | 349,496                             | 1,242,215      | 1,307,920    | 2,978,826   |
| Exchange translation differences         | (5,202)       | (22,960)                            | (81,608)       | (85,924)     | (195,694)   |
| At the end of the financial period       | 73,993        | 326,536                             | 1,160,607      | 1,221,996    | 2,783,132   |
| <b>Accumulated amortisation</b>          |               |                                     |                |              |             |
| At the beginning of the financial period | -             | -                                   | -              | -            | -           |
| Charge for the financial period          | 9,901         | 20,384                              | 69,312         | 125,874      | 225,471     |
| Exchange translation differences         | (650)         | (1,340)                             | (4,553)        | (8,269)      | (14,812)    |
| At the end of the financial period       | 9,251         | 19,044                              | 64,759         | 117,605      | 210,659     |
| <b>Net carrying amount</b>               |               |                                     |                |              |             |
| At the end of the financial period       | 64,742        | 307,492                             | 1,095,848      | 1,104,391    | 2,572,473   |

### 6. INVESTMENT PROPERTIES

|                                                          | Freehold<br>land<br>RM | Freehold<br>building<br>RM | Total<br>RM |
|----------------------------------------------------------|------------------------|----------------------------|-------------|
| <b>Company</b>                                           |                        |                            |             |
| <b>At fair value</b>                                     |                        |                            |             |
| At the beginning of the financial period                 | 2,590,000              | 3,610,000                  | 6,200,000   |
| Fair value adjustments                                   | 1,380,000              | (80,000)                   | 1,300,000   |
| At the end of the financial period                       | 3,970,000              | 3,530,000                  | 7,500,000   |
| At the beginning and at the end of financial year/period | 3,970,000              | 3,530,000                  | 7,500,000   |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

The investment properties have been pledged to a licensed bank for credit facilities granted to the Group and the Company as disclosed in Note 22 to the financial statements.

(a) Income and expenses recognised in profit or loss

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

|                                           | <b>Company</b>   |                  |
|-------------------------------------------|------------------|------------------|
|                                           | <b>30.6.2026</b> | <b>30.6.2025</b> |
|                                           | <b>RM</b>        | <b>RM</b>        |
| Rental income                             | 312,000          | 468,000          |
| Direct operating expense                  |                  |                  |
| - Income generating investment properties | 18,638           | 25,115           |

(b) Fair value information

The investment properties consist of land and buildings are valued annually at fair value, comprising market value, by an external independent professionally qualified property valuer having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued.

The market value is defined as the estimated amount for which an asset or an interest in a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion. The market value of the investment properties was determined based on the comparison approach and cost approach.

The Company measure fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The following table provides the fair value measurement hierarchy of the Company's investment properties:

|                   | <b>Level 3</b>   |                  |
|-------------------|------------------|------------------|
|                   | <b>Company</b>   |                  |
|                   | <b>30.6.2026</b> | <b>30.6.2025</b> |
|                   | <b>RM</b>        | <b>RM</b>        |
| Freehold land     | 3,970,000        | 3,970,000        |
| Freehold building | 3,530,000        | 3,530,000        |
|                   | 7,500,000        | 7,500,000        |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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

#### (b) Fair value information (Cont'd)

##### Level 3 Fair Value of Land and Buildings

| Description       | Valuation           | Significant unobservable inputs            | Range of unobservable inputs   | Relationship of significant unobservable inputs to fair value |
|-------------------|---------------------|--------------------------------------------|--------------------------------|---------------------------------------------------------------|
| <b>Company</b>    |                     |                                            |                                |                                                               |
| <b>30.6.2025</b>  |                     |                                            |                                |                                                               |
| Freehold land     | Comparison approach | Difference in size per square feet         | RM90 to RM120 per square feet  | Higher differential value, lower fair value                   |
| Freehold building | Cost approach       | Estimated replacement cost per square feet | RM128 to RM183 per square feet | Higher estimated replacement cost, higher fair value          |
|                   |                     | Depreciation rate                          | 10%                            | Higher depreciation rate, lower fair value                    |

### 7. INVESTMENTS IN SUBSIDIARY COMPANIES

|                          | <b>Company</b>   |                  |
|--------------------------|------------------|------------------|
|                          | <b>30.6.2026</b> | <b>30.6.2025</b> |
|                          | <b>RM</b>        | <b>RM</b>        |
| <b>At cost</b>           |                  |                  |
| <b>In Malaysia</b>       |                  |                  |
| Unquoted shares, at cost | 23,124,688       | 23,074,588       |
| <b>Outside Malaysia</b>  |                  |                  |
| Unquoted shares, at cost | 77,050,468       | 77,050,468       |
|                          | 100,175,156      | 100,125,056      |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows:

| Name of company                                | Place of business/<br>Country of Incorporation | Effective interest |                | Principal activities                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------|------------------------------------------------|--------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                |                                                | 30.6.2026<br>%     | 30.6.2025<br>% |                                                                                                                                                                                                                                                                                                                                                     |
| <i>Direct Holding:</i>                         |                                                |                    |                |                                                                                                                                                                                                                                                                                                                                                     |
| Cape Manufacturing (M) Sdn. Bhd. (“CMM”)       | Malaysia                                       | 100                | 100            | Aluminium die cast manufacturing and electronics manufacturing services                                                                                                                                                                                                                                                                             |
| Cape Holdings (S) Pte. Ltd. @ (“CHS”)          | Singapore                                      | 100                | 100            | Supply of electronics products and related activities                                                                                                                                                                                                                                                                                               |
| Vectrix Mobility Pte. Ltd. @ (“VM”)            | Singapore                                      | 60                 | 60             | Selling and distribution of electrical vehicles and related accessories and infrastructures                                                                                                                                                                                                                                                         |
| iConn Inc. @                                   | United States America                          | 100                | 100            | Virtual manufacturing (“iConn”) of providing design, engineering, procurement for electro-mechanical components and assembled products                                                                                                                                                                                                              |
| Cape Renewables Sdn. Bhd. (“CR”)               | Malaysia                                       | 100                | -              | Providing renewable energy storage with parts and solution, installation of smart city lighting and surveillance system, supply of battery energy storage system for ev and grid application                                                                                                                                                        |
| Ligowave Wireless Sdn. Bhd. (“LW”)             | Malaysia                                       | 100                | -              | Provision of wireless communication solutions, research and development in wireless businesses and branding distribution                                                                                                                                                                                                                            |
| <i>Held through iConn Inc.:</i>                |                                                |                    |                |                                                                                                                                                                                                                                                                                                                                                     |
| DongGuan iConn ^                               | China                                          | 100                | 100            | Research and development Technologies of mechanical equipment and hardware products, trading of electronic, plastic and hardware products, import and export of goods or technology, supply chain management, business management and information consulting, purchasing agency, as well as provision of professional design and technical services |
| <i>Held through Cape Renewables Sdn. Bhd.:</i> |                                                |                    |                |                                                                                                                                                                                                                                                                                                                                                     |
| Cape Wibawa (Sarawak) Sdn. Bhd. ^ (“CWS”)      | Malaysia                                       | 70                 | -              | Construction of power plants, operation of generation facilities that produce electric energy, installation of non-electric solar energy collectors                                                                                                                                                                                                 |

@ Subsidiary companies audited by member firm of UHY International

^ Subsidiary companies audited by other firm of chartered accountants

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

#### (a) Material partly-owned subsidiary companies

Set out below are the Group's subsidiary companies that have material non-controlling interests:

| Name of Company                 | Proportion of ownership interests and voting rights held by non-controlling interests |                | Loss allocated to non-controlling interests |                 | Accumulated non-controlling interests |                 |
|---------------------------------|---------------------------------------------------------------------------------------|----------------|---------------------------------------------|-----------------|---------------------------------------|-----------------|
|                                 | 30.6.2026<br>%                                                                        | 30.6.2025<br>% | 30.6.2026<br>RM                             | 30.6.2025<br>RM | 30.6.2026<br>RM                       | 30.6.2025<br>RM |
| Vectrix Mobility Pte. Ltd.      | 40                                                                                    | 40             | (414,474)                                   | (86,055)        | (125,788)                             | 288,686         |
| Cape Wibawa (Sarawak) Sdn. Bhd. | 30                                                                                    | -              | (165)                                       | -               | 28,590                                | -               |

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

#### Summarised Statements of Financial Position

|                          | Vectrix Mobility Pte. Ltd. |                 | Cape Wibawa (Sarawak) Sdn. Bhd. |                 |
|--------------------------|----------------------------|-----------------|---------------------------------|-----------------|
|                          | 30.6.2026<br>RM            | 30.6.2025<br>RM | 30.6.2026<br>RM                 | 30.6.2025<br>RM |
| Non-current assets       | 930,576                    | 1,422,140       | -                               | -               |
| Current assets           | 2,437,613                  | 3,421,844       | 102,000                         | -               |
| Current liabilities      | (3,772,020)                | (4,194,950)     | (6,700)                         | -               |
| Net (liabilities)/assets | (403,831)                  | 649,034         | 95,300                          | -               |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

#### (a) Material partly-owned subsidiary companies (Cont'd)

##### Summarised Statements of Profit or Loss and Other Comprehensive Income

|                                                                                                       | <b>Vectrix Mobility<br/>Pte. Ltd.</b> |                  | <b>Cape Wibawa<br/>(Sarawak) Sdn. Bhd.</b> |                  |
|-------------------------------------------------------------------------------------------------------|---------------------------------------|------------------|--------------------------------------------|------------------|
|                                                                                                       | <b>30.6.2026</b>                      | <b>30.6.2025</b> | <b>30.6.2026</b>                           | <b>30.6.2025</b> |
|                                                                                                       | <b>RM</b>                             | <b>RM</b>        | <b>RM</b>                                  | <b>RM</b>        |
| Revenue                                                                                               | 625,048                               | 30,811,829       | -                                          | -                |
| Loss for the financial year/period,<br>representing total comprehensive loss<br>financial year/period | (1,036,186)                           | (215,137)        | (550)                                      | -                |

##### Summarised Statements of Cash Flows

|                                              | <b>Vectrix Mobility<br/>Pte. Ltd.</b> |                  | <b>Cape Wibawa<br/>(Sarawak) Sdn. Bhd.</b> |                  |
|----------------------------------------------|---------------------------------------|------------------|--------------------------------------------|------------------|
|                                              | <b>30.6.2026</b>                      | <b>30.6.2025</b> | <b>30.6.2026</b>                           | <b>30.6.2025</b> |
|                                              | <b>RM</b>                             | <b>RM</b>        | <b>RM</b>                                  | <b>RM</b>        |
| Net cash used in operating activities        | (67,253)                              | (691,596)        | (102,000)                                  | -                |
| Net cash from financing activities           | 85,332                                | -                | -                                          | -                |
| Net cash (used in)/from investing activities | (50,023)                              | 370,371          | 100,000                                    | -                |
| Net changes in cash and cash equivalents     | (31,944)                              | (321,225)        | (2,000)                                    | -                |

#### (b) Acquisition of subsidiary companies

##### Financial year ended 30 June 2026

On 26 August 2025, the Company acquired 1,120,000 ordinary shares in Cape Renewables Sdn. Bhd. for total consideration of RM50,000.

##### Fair value of identifiable assets acquired and liabilities assumed at the date of acquisition

|                                   | <b>Group<br/>30.6.2026<br/>RM</b> |
|-----------------------------------|-----------------------------------|
| Other receivables                 | 2,000,000                         |
| Tax recoverable                   | 1,275                             |
| Cash and bank balances            | 29,265                            |
| Other payables                    | (9,747)                           |
| Amount due to holding company     | (2,010,000)                       |
| Fair value of net assets acquired | 10,793                            |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

#### (b) Acquisition of subsidiary companies

Financial year ended 30 June 2026 (Cont'd)

Net cash outflows arising from acquisition of subsidiary company

|                                                             | <b>Group<br/>30.6.2026<br/>RM</b> |
|-------------------------------------------------------------|-----------------------------------|
| Purchase consideration settled in cash and cash equivalents | 50,000                            |
| Less: Cash and cash equivalents of acquired subsidiary      | (29,265)                          |
| Net cash outflow from the acquisition of a subsidiary       | 20,735                            |

Goodwill

|                                                                | <b>Group<br/>30.6.2026<br/>RM</b> |
|----------------------------------------------------------------|-----------------------------------|
| Fair value of consideration transferred                        | 50,000                            |
| Less: Fair value of identifiable net assets acquired           | (10,793)                          |
| Goodwill arising from the acquisition of a subsidiary (Note 9) | 39,207                            |

On 6 April 2026, the subsidiary of the Company, Cape Renewables Sdn. Bhd. acquired 70,000 ordinary shares in Cape Wibawa (Sarawak) Sdn. Bhd. Representing 70% equity interest for a total consideration of RM 70,000.

Fair value of identifiable assets acquired and liabilities assumed at the date of acquisition

|                                   | <b>Group<br/>30.6.2026<br/>RM</b> |
|-----------------------------------|-----------------------------------|
| Other receivables                 | 100,000                           |
| Cash and bank balances            | 2,000                             |
| Other payables                    | (6,150)                           |
| Non controlling interest          | (28,755)                          |
| Fair value of net assets acquired | 67,095                            |

Net cash outflows arising from acquisition of subsidiary company

|                                                             | <b>Group<br/>30.6.2026<br/>RM</b> |
|-------------------------------------------------------------|-----------------------------------|
| Purchase consideration settled in cash and cash equivalents | 70,000                            |
| Less: Cash and cash equivalents of acquired subsidiary      | (2,000)                           |
| Net cash outflow from the acquisition of a subsidiary       | 68,000                            |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

#### (b) Acquisition of subsidiary companies

##### Financial year ended 30 June 2026 (Cont'd)

##### Goodwill

|                                                                | <b>Group<br/>30.6.2026<br/>RM</b> |
|----------------------------------------------------------------|-----------------------------------|
| Fair value of consideration transferred                        | 70,000                            |
| Less: Fair value of identifiable net assets acquired           | (67,095)                          |
| Goodwill arising from the acquisition of a subsidiary (Note 9) | 2,905                             |

##### Financial period ended 30 June 2025

On 18 September 2023, the Company entered into a conditional stock purchase agreement ("SPA") for the acquisition of 50,072 common shares in iConn Inc. ("iConn"), which constitutes the entire issued share capital of the iConn, for a total consideration of USD 16.5 million (approximately RM74.8 million).

On 15 December 2023, all the conditions precedent under the SPA has been fulfilled or waived. Accordingly, the SPA has become unconditional in accordance with its terms and conditions. The acquisition was subsequently completed and control was obtained on 26 January 2024 by the execution of a completion letter in accordance with the terms and conditions of the SPA.

##### Fair value of identifiable assets acquired and liabilities assumed at the date of acquisition

|                                             | <b>Group<br/>30.6.2025<br/>RM</b> |
|---------------------------------------------|-----------------------------------|
| Property, plant and equipment               | 3,686,340                         |
| Inventories                                 | 12,306,477                        |
| Trade receivables                           | 12,919,728                        |
| Other receivables, deposits and prepayments | 2,985,297                         |
| Cash and cash equivalents                   | 1,907,263                         |
| Trade payables                              | (11,079,114)                      |
| Other payables and accrual                  | (20,973,757)                      |
| Borrowings                                  | (2,582,837)                       |
| Lease liabilities                           | (3,406,395)                       |
| Fair value of net liabilities acquired      | (4,236,998)                       |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

#### (b) Acquisition of subsidiary companies (Cont'd)

Financial period ended 30 June 2025 (Cont'd)

Net cash outflows arising from acquisition of subsidiary companies

|                                                                        | <b>Group<br/>30.6.2025<br/>RM</b> |
|------------------------------------------------------------------------|-----------------------------------|
| Purchase consideration settled in cash and cash equivalents            | 74,839,389                        |
| Less: Deposits paid for the acquisition in the previous financial year | (49,980,300)                      |
| Less: Cash and cash equivalents of acquired subsidiary                 | (1,907,263)                       |
| Net cash outflow from the acquisition of a subsidiary                  | 22,951,826                        |

Goodwill

|                                                                | <b>Group<br/>30.6.2025<br/>RM</b> |
|----------------------------------------------------------------|-----------------------------------|
| Fair value of consideration transferred                        | 74,839,389                        |
| Add: Fair value of identifiable net liabilities acquired       | 4,236,998                         |
| Goodwill arising from the acquisition of a subsidiary (Note 9) | 79,076,387                        |

#### (c) Incorporation of a new subsidiary company

Financial year ended 30 June 2026

On 5 August 2025, the Company subscribed 100 ordinary shares in Ligowave Wireless Sdn. Bhd. ("LW"), representing 100% equity interests in LW for a total cash consideration of RM100.

#### (d) Additional investments

Financial period ended 30 June 2025

On 31 January 2024, Vectrix Mobility Pte. Ltd., a 60% subsidiary of the Company, has increased its paid-up share capital from 1,000 to 300,000 ordinary shares of SGD1 for each share. The Company has subscribed for an additional 179,400 ordinary shares for a total cash consideration of SGD179,400 (approximately RM625,550) only. Consequently, Vectrix Mobility Pte. Ltd. remained a 60% subsidiary of the Company.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 8. INVESTMENT IN AN ASSOCIATED COMPANY

|                                   | Group           |                 | Company         |                 |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                   | 30.6.2026<br>RM | 30.6.2025<br>RM | 30.6.2026<br>RM | 30.6.2025<br>RM |
| <b>At cost</b>                    |                 |                 |                 |                 |
| <b>In Malaysia</b>                |                 |                 |                 |                 |
| Unquoted shares, at cost          | 522,000         | -               | 522,000         | -               |
| Share of post-acquisition reserve | 105,373         | -               | -               | -               |
|                                   | 627,373         | -               | 522,000         | -               |

Details of the associated company are as follows:

| Name of company              | Place of business/<br>Country of Incorporation | Effective interest |                | Principal activities                                                                                                              |
|------------------------------|------------------------------------------------|--------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------|
|                              |                                                | 30.6.2026<br>%     | 30.6.2025<br>% |                                                                                                                                   |
| EngDC Sdn. Bhd. <sup>^</sup> | Malaysia                                       | 20                 | -              | Data centre maintenance and operations, equipment, supplier, engineering, construction solutions provider and consultancy service |

<sup>^</sup> Associated company audited by other firm of chartered accountants

(a) Acquisition of an associated company

Financial year ended 30 June 2026

On 18 December 2025, the Company acquired 600 ordinary shares in EngDC Sdn. Bhd. for total consideration of RM522,000.

(b) The above associated company are accounted for using the equity method in the consolidated financial statements.

The summarised financial information of the associated company is as follows:

|                     | EngDC<br>Sdn. Bhd.<br>RM |
|---------------------|--------------------------|
| <b>30.6.2026</b>    |                          |
| Non-current assets  | 34,733                   |
| Current assets      | 997,336                  |
| Current liabilities | (347,836)                |
| Net assets          | 684,233                  |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 8. INVESTMENT IN AN ASSOCIATED COMPANY (CONT'D)

(b) The summarised financial information of the associated company is as follows: (Cont'd)

|                                                                                           | EngDC<br>Sdn. Bhd.<br>RM |
|-------------------------------------------------------------------------------------------|--------------------------|
| <b>30.6.2026</b>                                                                          |                          |
| Revenue                                                                                   | 1,818,134                |
| Profit for the financial year, representing total comprehensive income for financial year | 526,864                  |
| Group's share of profit for the financial year                                            | 105,373                  |
| <u>Reconciliation of Net Assets to Carrying Amount</u>                                    |                          |
| Group's share of net assets                                                               | 136,847                  |
| Goodwill                                                                                  | 490,526                  |
| Carrying amount of the Group's interests in an associated company                         | 627,373                  |

### 9. GOODWILL ON CONSOLIDATION

|                                                               | Group<br>30.6.2026<br>RM | 30.6.2025<br>RM |
|---------------------------------------------------------------|--------------------------|-----------------|
| <b>At cost</b>                                                |                          |                 |
| At the beginning of the financial year/period                 | 85,320,133               | 6,243,746       |
| Acquisition through business combination                      | 42,112                   | 79,076,387      |
| Impairment losses recognised during the financial year/period | (42,112)                 | -               |
| At the end of the financial year/period                       | 85,320,133               | 85,320,133      |

The goodwill arose from the acquisition of subsidiary companies.

(a) Allocation of goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash generating units ("CGU") identified as follows:

|                                          | Group<br>30.6.2026<br>RM | 30.6.2025<br>RM |
|------------------------------------------|--------------------------|-----------------|
| <b>Subsidiary companies</b>              |                          |                 |
| Cape Manufacturing (M) Sdn. Bhd. ("CMM") | 5,609,949                | 5,609,949       |
| Cape Holdings (S) Pte. Ltd. ("CHS")      | 633,797                  | 633,797         |
| iConn Inc. ("iConn")                     | 79,076,387               | 79,076,387      |
|                                          | 85,320,133               | 85,320,133      |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 9. GOODWILL ON CONSOLIDATION (CONT'D)

#### (b) Key assumptions used in value-in-use calculations

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 a period of not more than five years. Key assumptions and management's approach to determine the values assigned to each key assumption are as follows:

|                       | CMM    | CHS   | iConn  |
|-----------------------|--------|-------|--------|
| <b>30.6.2026</b>      |        |       |        |
| Growth rate           | 10.00% | 1.00% | 11.08% |
| Long-term growth rate | -      | -     | 2.50%  |
| Discount rate         | 8.20%  | 8.20% | 8.20%  |
| <b>30.6.2025</b>      |        |       |        |
| Growth rate           | 13.60% | 5.70% | 4.70%  |
| Long-term growth rate | -      | -     | 3.00%  |
| Discount rate         | 10.73% | 8.91% | 10.23% |

The Directors believe that any reasonably possible changes in the above key assumptions applied are not likely to materially cause the recoverable amount to be lower than its carrying amount except for the changes in prevailing operating environment which is not ascertainable.

### 10. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

|                    |     | Company<br>30.6.2026<br>RM | 30.6.2025<br>RM |
|--------------------|-----|----------------------------|-----------------|
| <b>Non-Current</b> |     |                            |                 |
| Amount due from:   |     |                            |                 |
| Non-trade related  | (b) | 18,449,141                 | 19,702,336      |
| <b>Current</b>     |     |                            |                 |
| Amount due from:   |     |                            |                 |
| Trade related      | (a) | 266,871                    | 4,366,100       |
| Non-trade related  | (b) | 22,766,286                 | 10,128,412      |
|                    |     | 23,033,157                 | 14,494,512      |
| Amount due to:     |     |                            |                 |
| Trade related      | (a) | 51,273                     | 555,734         |
| Non-trade related  | (c) | 19,794,940                 | 5,231,139       |
|                    |     | 19,846,213                 | 5,786,873       |

- (a) The trade related balances are unsecured, interest-free and are generally on terms of 60 days (30.6.2025: 60 days).
- (b) The non-trade balances are unsecured, interest-free, and repayable on demand, except for an amount of RM3,029,720 (30.6.2025: RM4,111,915), which bears interest at 6.00% (30.6.2025: at 3.50% to 6.00%) per annum. In addition, there is a long-term advance of RM22,916,999 granted to a subsidiary company, which is unsecured and measured using the time value of money method at an effective interest rate of 6.00% (30.6.2025: 6.00%) per annum, with repayment due in 2031.
- (c) The non-trade balances are unsecured, interest-free, and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 11. DEFERRED TAX (ASSETS)/LIABILITIES

|                                               | Group           |                 | Company         |                 |
|-----------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                               | 30.6.2026<br>RM | 30.6.2025<br>RM | 30.6.2026<br>RM | 30.6.2025<br>RM |
| At the beginning of the financial year/period | 19,191,021      | 14,017,516      | 17,538,524      | 14,017,095      |
| Recognised in profit or loss                  | (5,400,545)     | (1,440,993)     | (2,001,715)     | (2,234,948)     |
| Recognised in other comprehensive income      | -               | 6,614,535       | -               | 5,756,377       |
| Exchange differences                          | 508             | (37)            | -               | -               |
| At the end of the financial year/period       | 13,790,984      | 19,191,021      | 15,536,809      | 17,538,524      |

The net deferred assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

|                          | Group           |                 | Company         |                 |
|--------------------------|-----------------|-----------------|-----------------|-----------------|
|                          | 30.6.2026<br>RM | 30.6.2025<br>RM | 30.6.2026<br>RM | 30.6.2025<br>RM |
| Deferred tax assets      | (1,746,199)     | -               | -               | -               |
| Deferred tax liabilities | 15,537,183      | 19,191,021      | 15,536,809      | 17,538,524      |
|                          | 13,790,984      | 19,191,021      | 15,536,809      | 17,538,524      |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 11. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

The balances in the deferred tax (assets)/liabilities are made up of temporary differences arising from:

| Group                                      | Assets          |                 | Liabilities     |                 | Net             |                 |
|--------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                            | 30.6.2026<br>RM | 30.6.2025<br>RM | 30.6.2026<br>RM | 30.6.2025<br>RM | 30.6.2026<br>RM | 30.6.2025<br>RM |
| Accelerated capital allowances             | -               | -               | 17,654,320      | 13,261,195      | 17,654,320      | 13,261,195      |
| Revaluation of assets                      | -               | -               | 14,291,916      | 14,652,707      | 14,291,916      | 14,652,707      |
| Unrealised foreign exchange                | -               | -               | 1,287,857       | 649,524         | 1,287,857       | 649,524         |
| Unutilised tax losses                      | (6,438,043)     | (3,451,922)     | -               | -               | (6,438,043)     | (3,451,922)     |
| Unutilised capital allowances              | (9,467,730)     | (1,510,393)     | -               | -               | (9,467,730)     | (1,510,393)     |
| Unutilised reinvestment allowances         | (1,721,034)     | (4,410,090)     | -               | -               | (1,721,034)     | (4,410,090)     |
| Unutilised green investment tax allowances | (631,166)       | -               | -               | -               | (631,166)       | -               |
| Others                                     | (1,185,136)     | -               | -               | -               | (1,185,136)     | -               |
| Tax (assets)/liabilities                   | (19,443,109)    | (9,372,405)     | 33,234,093      | 28,563,426      | 13,790,984      | 19,191,021      |
| Set off of tax                             | 17,696,910      | 9,372,405       | (17,696,910)    | (9,372,405)     | -               | -               |
| Net tax liabilities                        | (1,746,199)     | -               | 15,537,183      | 19,191,021      | 13,790,984      | 19,191,021      |
| <b>Company</b>                             |                 |                 |                 |                 |                 |                 |
| Accelerated capital allowances             | -               | -               | 14,909,672      | 11,041,200      | 14,909,672      | 11,041,200      |
| Revaluation of assets                      | -               | -               | 13,470,994      | 13,804,925      | 13,470,994      | 13,804,925      |
| Unrealised foreign exchange                | -               | -               | 465,284         | 649,524         | 465,284         | 649,524         |
| Unutilised tax losses                      | (5,000,228)     | (3,346,272)     | -               | -               | (5,000,228)     | (3,346,272)     |
| Unutilised capital allowances              | (6,288,941)     | (3,432,688)     | -               | -               | (6,288,941)     | (3,432,688)     |
| Unutilised reinvestment allowances         | (1,388,806)     | (1,178,165)     | -               | -               | (1,388,806)     | (1,178,165)     |
| Unutilised green investment tax allowances | (631,166)       | -               | -               | -               | (631,166)       | -               |
| Tax (assets)/liabilities                   | (13,309,141)    | (7,957,125)     | 28,845,950      | 25,495,649      | 15,536,809      | 17,538,524      |
| Set off of tax                             | 13,309,141      | 7,957,125       | (13,309,141)    | (7,957,125)     | -               | -               |
| Net tax liabilities                        | -               | -               | 15,536,809      | 17,538,524      | 15,536,809      | 17,538,524      |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 12. INVENTORIES

|                                         | Group           |                 | Company         |                 |
|-----------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                         | 30.6.2026<br>RM | 30.6.2025<br>RM | 30.6.2026<br>RM | 30.6.2025<br>RM |
| <b>At cost</b>                          |                 |                 |                 |                 |
| Raw materials                           | 73,051,076      | 45,391,448      | 64,122,894      | 39,318,629      |
| Work-in-progress                        | 3,646,687       | 2,286,850       | -               | -               |
| Finished goods                          | 5,752,437       | 4,185,802       | -               | 604,192         |
| Goods-in-transit                        | 948,475         | 1,351,675       | -               | -               |
|                                         | 83,398,675      | 53,215,775      | 64,122,894      | 39,922,821      |
| <b>Recognised in profit or loss:</b>    |                 |                 |                 |                 |
| Inventories recognised as cost of sales | 339,413,663     | 648,381,499     | 191,260,694     | 415,060,963     |

### 13. CONTRACT ASSETS

|                                 | Group           |                 |
|---------------------------------|-----------------|-----------------|
|                                 | 30.6.2026<br>RM | 30.6.2025<br>RM |
| Contract costs incurred to date | 6,244,083       | -               |
| Attributable profits            | 2,243,822       | -               |
|                                 | 8,487,905       | -               |
| Less: Progress billings         | -               | -               |
|                                 | 8,487,905       | -               |

The contract assets represent the Group's rights to consideration for the work performed for construction contracts but yet to be billed. Contract assets are transferred to receivables when the Group issues invoices to the customers.

#### Contract value yet to be recognised as revenue

The Group expects to recognise the revenue relating to performance obligations that are partially satisfied as at the reporting date within the next financial year.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 14. TRADE RECEIVABLES

|                                     | <b>Group</b>     |                  | <b>Company</b>   |                  |
|-------------------------------------|------------------|------------------|------------------|------------------|
|                                     | <b>30.6.2026</b> | <b>30.6.2025</b> | <b>30.6.2026</b> | <b>30.6.2025</b> |
|                                     | <b>RM</b>        | <b>RM</b>        | <b>RM</b>        | <b>RM</b>        |
| Trade receivables                   | 203,241,132      | 117,135,028      | 134,409,215      | 67,160,476       |
| Less: Accumulated impairment losses | (5,558,983)      | (5,587,853)      | (2,700,000)      | (2,357,675)      |
|                                     | 197,682,149      | 111,547,175      | 131,709,215      | 64,802,801       |

The credit terms granted on sales of goods of the Group and the Company ranged from 30 days to 180 days (30.6.2025: 30 days to 180 days) and 30 days to 120 days (30.6.2025: 30 days to 120 days) respectively. Other credit terms are assessed and approved on a case-to-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses of trade receivables are as follows:

|                                          | <b>Lifetime allowance</b> | <b>Credit impaired</b> | <b>Loss allowance</b> |
|------------------------------------------|---------------------------|------------------------|-----------------------|
|                                          | <b>RM</b>                 | <b>RM</b>              | <b>RM</b>             |
| <b>Group</b>                             |                           |                        |                       |
| <b>30.6.2026</b>                         |                           |                        |                       |
| At the beginning of the financial year   | 4,525,856                 | 1,061,997              | 5,587,853             |
| Impairment losses recognised             | 1,950,124                 | -                      | 1,950,124             |
| Impairment losses reversed               | (53,701)                  | (1,061,997)            | (1,115,698)           |
| Written off                              | (710,953)                 | -                      | (710,953)             |
| Exchange difference                      | (152,343)                 | -                      | (152,343)             |
| At the end of the financial year         | 5,558,983                 | -                      | 5,558,983             |
| <b>30.6.2025</b>                         |                           |                        |                       |
| At the beginning of the financial period | -                         | -                      | -                     |
| Impairment losses recognised             | 4,678,312                 | 1,136,670              | 5,814,982             |
| Exchange difference                      | (152,456)                 | (74,673)               | (227,129)             |
| At the end of the financial period       | 4,525,856                 | 1,061,997              | 5,587,853             |
| <b>Company</b>                           |                           |                        |                       |
| <b>30.6.2026</b>                         |                           |                        |                       |
| At the beginning of the financial year   | 2,357,675                 | -                      | 2,357,675             |
| Impairment losses recognised             | 342,325                   | -                      | 342,325               |
| At the end of the financial year         | 2,700,000                 | -                      | 2,700,000             |
| <b>30.6.2025</b>                         |                           |                        |                       |
| At the beginning of the financial period | -                         | -                      | -                     |
| Impairment losses recognised             | 2,357,675                 | -                      | 2,357,675             |
| At the end of the financial period       | 2,357,675                 | -                      | 2,357,675             |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 14. TRADE RECEIVABLES (CONT'D)

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group and the Company are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Analysis of the trade receivables ageing as at the end of the reporting period are as follows:

|                        | Gross<br>amount<br>RM | Loss<br>allowance<br>RM | Net<br>amount<br>RM |
|------------------------|-----------------------|-------------------------|---------------------|
| <b>Group</b>           |                       |                         |                     |
| <b>30.6.2026</b>       |                       |                         |                     |
| Not past due           | 131,707,715           | (846,039)               | 130,861,676         |
| Past due               |                       |                         |                     |
| Less than 30 days      | 8,006,003             | (4,670)                 | 8,001,333           |
| 31 to 60 days          | 21,435,063            | (85,226)                | 21,349,837          |
| 61 to 90 days          | 11,566,960            | (78,029)                | 11,488,931          |
| More than 90 days      | 30,525,391            | (4,545,019)             | 25,980,372          |
|                        | 71,533,417            | (4,712,944)             | 66,820,473          |
|                        | 203,241,132           | (5,558,983)             | 197,682,149         |
| <b>30.6.2025</b>       |                       |                         |                     |
| Not past due           | 71,092,959            | (5,556)                 | 71,087,403          |
| Past due               |                       |                         |                     |
| Less than 30 days      | 4,220,528             | (24)                    | 4,220,504           |
| 31 to 60 days          | 3,736,209             | (2,209)                 | 3,734,000           |
| 61 to 90 days          | 4,111,301             | (338)                   | 4,110,963           |
| More than 90 days      | 32,912,034            | (4,517,729)             | 28,394,305          |
|                        | 44,980,072            | (4,520,300)             | 40,459,772          |
| <b>Credit impaired</b> |                       |                         |                     |
| Individually impaired  | 1,061,997             | (1,061,997)             | -                   |
|                        | 117,135,028           | (5,587,853)             | 111,547,175         |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 14. TRADE RECEIVABLES (CONT'D)

Analysis of the trade receivables ageing as at the end of the reporting period are as follows: (Cont'd)

|                   | Gross<br>amount<br>RM | Loss<br>allowance<br>RM | Net<br>amount<br>RM |
|-------------------|-----------------------|-------------------------|---------------------|
| <b>Company</b>    |                       |                         |                     |
| <b>30.6.2026</b>  |                       |                         |                     |
| Not past due      | 91,966,637            | (257,742)               | 91,708,895          |
| Past due          |                       |                         |                     |
| Less than 30 days | 2,572,962             | (3,651)                 | 2,569,311           |
| 31 to 60 days     | 13,646,343            | (85,022)                | 13,561,321          |
| 61 to 90 days     | 11,376,512            | (78,029)                | 11,298,483          |
| More than 90 days | 14,846,761            | (2,275,556)             | 12,571,205          |
|                   | 42,442,578            | (2,442,258)             | 40,000,320          |
|                   | 134,409,215           | (2,700,000)             | 131,709,215         |
| <b>30.6.2025</b>  |                       |                         |                     |
| Not past due      | 45,930,221            | (585)                   | 45,929,636          |
| Past due          |                       |                         |                     |
| Less than 30 days | 845,399               | (20)                    | 845,379             |
| 31 to 60 days     | 2,944,284             | (123)                   | 2,944,161           |
| 61 to 90 days     | 3,579,454             | (279)                   | 3,579,175           |
| More than 90 days | 13,861,118            | (2,356,668)             | 11,504,450          |
|                   | 21,230,255            | (2,357,090)             | 18,873,165          |
|                   | 67,160,476            | (2,357,675)             | 64,802,801          |

Trade receivables that are not past due are creditworthy receivables with good payment records with the Group and the Company.

At 30 June 2026, trade receivables of the Group and of the Company of RM66,820,473 (30.6.2025: RM40,459,772) and RM40,000,320 (30.6.2025: RM18,873,165) respectively were past due. These mainly arose from active corporate clients with healthy business relationship but slower repayment records, in which the management is of the view that the amount are recoverable based on past payment history. The trade receivables that are past due are unsecured in nature.

Trade receivables of the Group and of the Company that are individually assessed to be impaired amounting to RMNil (30.6.2025: RM1,061,997) and RMNil (30.6.2025: RMNil) respectively, relate to customers that are in financial difficulties. These balances are expected to be recovered through the debts recovery process.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 15. OTHER RECEIVABLES

|                                     | Group           |                 | Company         |                 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                     | 30.6.2026<br>RM | 30.6.2025<br>RM | 30.6.2026<br>RM | 30.6.2025<br>RM |
| Other receivables                   | 10,857,827      | 18,233,866      | 784,144         | 18,232,438      |
| Deposits                            | 4,539,896       | 4,785,705       | 1,546,075       | 4,277,538       |
| Prepayments                         | 11,330,017      | 46,094,384      | 11,129,620      | 27,712,924      |
| Goods and service tax receivables   | 2,661           | 10,481          | -               | -               |
| Dividend receivable                 | -               | -               | 2,976,000       | -               |
|                                     | 26,730,401      | 69,124,436      | 16,435,839      | 50,222,900      |
| Less: Accumulated impairment losses | (9,983,000)     | -               | -               | -               |
|                                     | 16,747,401      | 69,124,436      | 16,435,839      | 50,222,900      |

Included in the Group's and the Company's prepayments are the following:

- (i) Advance payments to suppliers amounting to RM5,129,493 (30.6.2025: RM22,265,699) and RM7,926,925 (30.6.2025: RM7,611,727) respectively; and
- (ii) Advances paid for the purchase of property, plant and equipment of the Group and the Company amounting to RMNil (30.6.2025: RM16,689,159) and RMNil (30.6.2025: RM16,452,409) respectively.

Movement in the allowance for impairment losses of other receivables are as follows:

|                                               | Group           |                 | Company         |                 |
|-----------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                               | 30.6.2026<br>RM | 30.6.2025<br>RM | 30.6.2026<br>RM | 30.6.2025<br>RM |
| At the beginning of the financial year/period | -               | -               | -               | -               |
| Impairment losses recognised                  | 9,983,000       | -               | -               | -               |
| At the end of the financial year/period       | 9,983,000       | -               | -               | -               |

Included in the impairment losses recognised during the financial year is an amount of RM9,983,000 in respect of other receivables following commercial uncertainties and recoverability issues.

### 16. AMOUNT DUE FROM/(TO) RELATED PARTIES

Related parties refer to companies in which certain Directors of the Company have substantial financial interest.

The amount due from/to related parties are non-trade in-nature, unsecured, bears no interest and repayable upon demand.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 17. FIXED DEPOSITS WITH LICENSED BANKS

Fixed deposits with licensed banks amounted to RM3,869,054 (30.6.2025: RM225,000) and RM1,355,433 (30.6.2025: RM Nil) are pledged to banks for bank guarantee facility granted to the Group and the Company respectively, and hence, are not available for general use.

The fixed deposits with licensed banks are on fixed rate basis and mature within 1 to 12 months (30.6.2025: 1 to 12 months) and 12 months (30.6.2025: 1 to 12 months) period for the Group and the Company respectively.

The weighted average effective interest rate on fixed deposits with licensed banks ranged are 2.07% (30.6.2025: 3.45%) and 2.10% (30.6.2025: 3.46%) per annum for the Group and the Company respectively.

### 18. OTHER INVESTMENTS

|                                               | Group           |                 | Company         |                 |
|-----------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                               | 30.6.2026<br>RM | 30.6.2025<br>RM | 30.6.2026<br>RM | 30.6.2025<br>RM |
| <b>At fair value through profit or loss:-</b> |                 |                 |                 |                 |
| Money market funds                            | 304,137         | 1,794,321       | 304,137         | 1,794,321       |

Investment in money market funds are highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The fair value measurement of money market funds is categorised within Level 2 of the fair value hierarchy.

### 19. SHARE CAPITAL

|                                                   | Group and Company  |                    |                 |                 |
|---------------------------------------------------|--------------------|--------------------|-----------------|-----------------|
|                                                   | Number of shares   |                    | Amount          |                 |
|                                                   | 30.6.2026<br>Units | 30.6.2025<br>Units | 30.6.2026<br>RM | 30.6.2025<br>RM |
| <b>Issued and fully paid</b>                      |                    |                    |                 |                 |
| <b>Ordinary shares</b>                            |                    |                    |                 |                 |
| At beginning and end of the financial year/period | 992,000,000        | 992,000,000        | 324,021,070     | 324,021,070     |

The holders of ordinary 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 regards to the Company residual assets.

### 20. REVALUATION RESERVE

The revaluation reserve arises from the revaluation of land and buildings and is not available for distribution as dividends.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 21. LEASE LIABILITIES

|                                                                      | Group           |                 | Company         |                 |
|----------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                                      | 30.6.2026<br>RM | 30.6.2025<br>RM | 30.6.2026<br>RM | 30.6.2025<br>RM |
| At the beginning of the financial year/period                        | 17,600,872      | 14,013,841      | 3,658,805       | 10,465,826      |
| Additions                                                            | -               | 12,357,574      | -               | 1,578,605       |
| Interest expense                                                     | 866,206         | 1,692,644       | 122,840         | 457,172         |
| Lease payments                                                       | (5,630,462)     | (9,003,240)     | (2,287,162)     | (4,331,509)     |
| Adjustment due to early termination                                  | (29,071)        | -               | -               | -               |
| Acquisition of a subsidiary company                                  | -               | 3,406,395       | -               | -               |
| Full settlement of lease liabilities through conversion to term loan | -               | (4,511,289)     | -               | (4,511,289)     |
| Exchange translation differences                                     | (81,376)        | (355,053)       | -               | -               |
| At the end of the financial year/period                              | 12,726,169      | 17,600,872      | 1,494,483       | 3,658,805       |
| <b>Presented as:</b>                                                 |                 |                 |                 |                 |
| Current                                                              | 2,871,620       | 4,661,112       | 572,723         | 2,164,351       |
| Non-Current                                                          | 9,854,549       | 12,939,760      | 921,760         | 1,494,454       |
|                                                                      | 12,726,169      | 17,600,872      | 1,494,483       | 3,658,805       |

The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period:

|                                                | Group           |                 | Company         |                 |
|------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                | 30.6.2026<br>RM | 30.6.2025<br>RM | 30.6.2026<br>RM | 30.6.2025<br>RM |
| <b>Minimum lease payments</b>                  |                 |                 |                 |                 |
| Within 1 year                                  | 3,767,812       | 5,523,879       | 637,739         | 2,287,188       |
| Later than 1 year and not later than 5 years   | 6,586,484       | 9,268,539       | 977,437         | 1,615,149       |
| More than 5 years                              | 5,639,468       | 6,847,922       | -               | -               |
|                                                | 15,993,764      | 21,640,340      | 1,615,176       | 3,902,337       |
| Less: Future finance charges                   | (3,267,595)     | (4,039,468)     | (120,693)       | (243,532)       |
| Present value of minimum lease payments        | 12,726,169      | 17,600,872      | 1,494,483       | 3,658,805       |
| <b>Present value of minimum lease payments</b> |                 |                 |                 |                 |
| Within 1 year                                  | 2,871,620       | 4,661,112       | 572,723         | 2,164,351       |
| Later than 1 year and not later than 5 years   | 4,988,238       | 7,205,745       | 921,760         | 1,494,454       |
| More than 5 years                              | 4,866,311       | 5,734,015       | -               | -               |
|                                                | 12,726,169      | 17,600,872      | 1,494,483       | 3,658,805       |

The Group leases various office premises, plant and machineries and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average effective interest rates for the leases of the Group and of the Company at the reporting date are 5.94% and 3.75% (30.6.2025: 5.54% and 3.42%) respectively.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 22. LOANS AND BORROWINGS

|                      | Group           |                 | Company         |                 |
|----------------------|-----------------|-----------------|-----------------|-----------------|
|                      | 30.6.2026<br>RM | 30.6.2025<br>RM | 30.6.2026<br>RM | 30.6.2025<br>RM |
| <b>Secured</b>       |                 |                 |                 |                 |
| <b>Current</b>       |                 |                 |                 |                 |
| Bank overdrafts      | 2,994,034       | 3,827,243       | -               | 973,317         |
| Term loans           | 31,437,775      | 47,842,846      | 18,386,638      | 44,536,671      |
| Short-term financing | 81,907,619      | 70,189,050      | 77,209,133      | 66,449,464      |
|                      | 116,339,428     | 121,859,139     | 95,595,771      | 111,959,452     |
| <b>Non-current</b>   |                 |                 |                 |                 |
| Term loans           | 99,977,224      | 49,466,045      | 66,553,808      | 32,292,117      |
|                      | 216,316,652     | 171,325,184     | 162,149,579     | 144,251,569     |

The loans and borrowings of the Group and the Company are secured by:

- (i) Principal instrument in facilities agreement;
- (ii) Legal charge over the land and buildings held by the Group and the Company as disclosed in Note 4 to the financial statements;
- (iii) Fixed deposits of the Group as disclosed in Note 17 to the financial statements;
- (iv) Jointly and severally guaranteed by the Directors of the Company and third parties;
- (v) Personal guarantee by certain Directors of the Group and the Company;
- (vi) Corporate guarantee by the Company and subsidiary company;
- (vii) Assignment of life assurance policy by the Director;
- (viii) First fixed charge over machineries and equipment; and
- (ix) Specific debenture over machineries and equipment.

Under the terms of the Group's banking facilities, the Group is required to maintain the gearing ratio of not more than 3.0 times at all times and to ensure that dividends declared do not exceed fifty per cent (50%) of the Group's profit after tax for any financial year, without the prior written consent of the lenders.

During the current financial year ended 30 June 2026, the Group complied with the gearing ratio covenant and the dividend covenant under the terms of the Group's banking facilities.

In the previous financial period ended 30 June 2025, the Group recorded a loss after tax of RM38,063,761 and declared dividends amounting to RM6,646,400. Accordingly, the dividend payout exceeded the 50% profit-based threshold as defined in the financing covenants.

The Group has subsequently notified its principal bankers and obtained their indulgence on 20 October 2025, after the end of the financial period. Accordingly, RMNil (30.6.2025: RM30,995,190) of the reclassified amount is not immediately due and payable. The management does not anticipate any adverse impact on the Group's financing arrangements arising from this matter.

The weighted average interest rates per annum at the end of the reporting period are as follows:

|                      | Group          |                | Company        |                |
|----------------------|----------------|----------------|----------------|----------------|
|                      | 30.6.2026<br>% | 30.6.2025<br>% | 30.6.2026<br>% | 30.6.2025<br>% |
| Bank overdrafts      | 5.95           | 6.14           | -              | 6.70           |
| Term loans           | 5.96           | 3.00           | 5.05           | 5.10           |
| Short-term financing | 4.34           | 4.68           | 4.32           | 4.66           |

### 23. TRADE PAYABLES

Trade payables comprise amounts outstanding for trade purchases. The credit terms granted to the Group and the Company ranged from 30 days to 120 days (30.6.2025: 30 days to 120 days).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 24. OTHER PAYABLES

|                         | Group           |                 | Company         |                 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
|                         | 30.6.2026<br>RM | 30.6.2025<br>RM | 30.6.2026<br>RM | 30.6.2025<br>RM |
| <b>Current</b>          |                 |                 |                 |                 |
| Other payables          | 14,062,145      | 18,822,559      | 8,337,406       | 4,049,587       |
| Amount due to Directors | 1,127,703       | -               | -               | -               |
| Accruals                | 12,028,523      | 8,627,396       | 4,295,062       | 4,077,602       |
| Deposits received       | 2,226,117       | 2,222,142       | 338,222         | 574,222         |
|                         | 29,444,488      | 29,672,097      | 12,970,690      | 8,701,411       |

### 25. REVENUE

|                                                      | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM |
|------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Group</b>                                         |                                   |                                   |
| <b>Major products and services</b>                   |                                   |                                   |
| Industrial electronic products                       | 392,011,417                       | 460,539,124                       |
| Consumer electronic products                         | 7,031,454                         | 181,161,928                       |
| Die casting manufacturing                            | 16,824,364                        | 47,793,888                        |
| Supply of parts and components                       | 1,267,945                         | 927,981                           |
| Renewable energy services                            | 8,487,905                         | -                                 |
|                                                      | 425,623,085                       | 690,422,921                       |
| <b>Primary geographical markets of the customers</b> |                                   |                                   |
| Asia                                                 | 145,390,469                       | 211,692,459                       |
| America                                              | 256,689,472                       | 457,135,120                       |
| Europe                                               | 23,543,144                        | 21,595,342                        |
|                                                      | 425,623,085                       | 690,422,921                       |
| <b>Timing of revenue recognition</b>                 |                                   |                                   |
| - At a point in time                                 | 417,135,180                       | 690,422,921                       |
| - Over time                                          | 8,487,905                         | -                                 |
|                                                      | 425,623,085                       | 690,422,921                       |
|                                                      | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM |
| <b>Company</b>                                       |                                   |                                   |
| <b>Major products and services</b>                   |                                   |                                   |
| Industrial electronic products                       | 219,213,180                       | 235,037,792                       |
| Consumer electronic products                         | 7,031,453                         | 180,954,507                       |
| Supply of parts and components                       | 1,289,846                         | 28,153                            |
|                                                      | 227,534,479                       | 416,020,452                       |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 25. REVENUE (CONT'D)

|                                                      | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM |
|------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Company (Cont'd)</b>                              |                                   |                                   |
| <b>Primary geographical markets of the customers</b> |                                   |                                   |
| Asia                                                 | 109,824,503                       | 168,499,162                       |
| America                                              | 116,643,070                       | 235,877,718                       |
| Europe                                               | 1,066,906                         | 11,643,572                        |
|                                                      | 227,534,479                       | 416,020,452                       |
| <b>Timing of revenue recognition</b>                 |                                   |                                   |
| - At a point in time                                 | 227,534,479                       | 416,020,452                       |

### 26. NET LOSS ON IMPAIRMENT OF FINANCIAL ASSETS

|                                                    | <b>Group</b>                      |                                   | <b>Company</b>                    |                                   |
|----------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                    | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM |
| Impairment losses on:                              |                                   |                                   |                                   |                                   |
| - trade receivables                                | 1,950,124                         | 5,814,982                         | 342,325                           | 2,357,675                         |
| - other receivables                                | 9,983,000                         | -                                 | -                                 | -                                 |
| Reversal of impairment losses on trade receivables | (1,115,698)                       | -                                 | -                                 | -                                 |
|                                                    | 10,817,426                        | 5,814,982                         | 342,325                           | 2,357,675                         |

### 27. FINANCE COSTS

|                               | <b>Group</b>                      |                                   | <b>Company</b>                    |                                   |
|-------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                               | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM |
| Bank charges                  | 751,834                           | 311,537                           | 70,263                            | 110,276                           |
| Bank guarantee commission     | 57,325                            | 94,998                            | 45,360                            | 79,354                            |
| Bank overdraft interest       | 250,112                           | 350,010                           | 44,965                            | 45,282                            |
| Lease liabilities interest    | 866,206                           | 1,692,644                         | 122,840                           | 457,172                           |
| Short-term financing interest | 3,378,652                         | 6,296,064                         | 3,174,744                         | 5,780,504                         |
| Term loans interest           | 5,783,162                         | 8,967,780                         | 4,118,523                         | 6,856,067                         |
| Intercompany loan interest    | -                                 | -                                 | 159,093                           | 906,935                           |
|                               | 11,087,291                        | 17,713,033                        | 7,735,788                         | 14,235,590                        |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 28. PROFIT/(LOSS) BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit/(loss) before tax is derived after charging/(crediting):

|                                                                                     | Group                             |                                   | Company                           |                                   |
|-------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                                                     | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM |
| Auditors' remuneration                                                              |                                   |                                   |                                   |                                   |
| - Statutory audit                                                                   |                                   |                                   |                                   |                                   |
| - Current year/period                                                               |                                   |                                   |                                   |                                   |
| - UHY Malaysia PLT                                                                  | 440,000                           | 480,000                           | 375,000                           | 415,000                           |
| - Member firms of UHY International                                                 | 312,159                           | 271,636                           | -                                 | -                                 |
| - Other auditor                                                                     | -                                 | 768,688                           | -                                 | 400,640                           |
| - Under provision in prior period                                                   |                                   |                                   |                                   |                                   |
| - Other auditor                                                                     | 1,000                             | -                                 | -                                 | -                                 |
| - Non-statutory audit                                                               |                                   |                                   |                                   |                                   |
| - UHY Malaysia PLT                                                                  | 10,000                            | 20,000                            | 10,000                            | 20,000                            |
| Amortisation of intangible assets                                                   | 655,936                           | 225,471                           | -                                 | -                                 |
| Depreciation of:                                                                    |                                   |                                   |                                   |                                   |
| - property, plant and equipment                                                     | 26,122,524                        | 32,902,136                        | 18,625,615                        | 23,953,489                        |
| - right-of-use assets                                                               | 4,202,652                         | 5,865,148                         | 2,101,125                         | 3,039,691                         |
| Impairment losses on:                                                               |                                   |                                   |                                   |                                   |
| - property, plant and equipment                                                     | 391,830                           | -                                 | -                                 | -                                 |
| - goodwill                                                                          | 42,112                            | -                                 | -                                 | -                                 |
| Non-executive Directors' remuneration<br>of the Company:                            |                                   |                                   |                                   |                                   |
| - fee*                                                                              | 360,600                           | 570,900                           | 360,600                           | 570,900                           |
| - allowances*                                                                       | 63,100                            | 134,040                           | 63,100                            | 134,040                           |
| Property, plant and equipment written off                                           | -                                 | 292,687                           | -                                 | -                                 |
| Fair value gain on financial assets carried<br>at fair value through profit or loss | -                                 | (2,150,710)                       | -                                 | (2,150,710)                       |
| Fair value gain on investment properties                                            | -                                 | -                                 | -                                 | (1,300,000)                       |
| Gain on lease liabilities written off due to<br>early termination                   | (1,611)                           | -                                 | -                                 | -                                 |
| Gain on disposal of property, plant and<br>equipment                                | -                                 | (23,958)                          | -                                 | -                                 |
| Interest income                                                                     | (689,731)                         | (4,300,597)                       | (772,171)                         | (5,866,395)                       |
| Unwinding interest (income)/expenses                                                | -                                 | -                                 | (418,077)                         | 4,885,935                         |
| Foreign exchange loss/(gain):                                                       |                                   |                                   |                                   |                                   |
| - realised                                                                          | 4,099,910                         | 6,609,260                         | 3,686,881                         | 4,869,336                         |
| - unrealised                                                                        | (5,725,095)                       | 743,734                           | (4,684,028)                       | 244,872                           |

\* Included in the Directors' remuneration was remuneration of RM Nil (30.6.2025: RM120,700) paid/payable to Non-Executive Director of the Company who resigned during the previous financial period.

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

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

## 29. TAXATION

|                                                               | <b>Group</b>                                |                                             | <b>Company</b>                              |                                             |
|---------------------------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------|
|                                                               | <b>1.7.2025<br/>to<br/>30.6.2026<br/>RM</b> | <b>1.1.2024<br/>to<br/>30.6.2025<br/>RM</b> | <b>1.7.2025<br/>to<br/>30.6.2026<br/>RM</b> | <b>1.1.2024<br/>to<br/>30.6.2025<br/>RM</b> |
| <b>Tax expenses recognised in profit or loss</b>              |                                             |                                             |                                             |                                             |
| <b>Malaysian income tax</b>                                   |                                             |                                             |                                             |                                             |
| Current tax provision                                         | 311,149                                     | 28,338                                      | 297,967                                     | -                                           |
| (Over)/Under provision in prior period                        | (303,751)                                   | (106,582)                                   | 593,632                                     | (106,582)                                   |
| <b>Foreign income tax</b>                                     |                                             |                                             |                                             |                                             |
| Current tax provision                                         | 1,624,017                                   | 5,539,628                                   | -                                           | -                                           |
| Over provision in prior period                                | (220,638)                                   | (544,123)                                   | -                                           | -                                           |
|                                                               | 1,410,777                                   | 4,917,261                                   | 891,599                                     | (106,582)                                   |
| <b>Deferred tax</b>                                           |                                             |                                             |                                             |                                             |
| Relating to origination and reversal of temporary differences | 4,421,363                                   | (3,002,143)                                 | 5,476,377                                   | (3,809,528)                                 |
| Crystallisation of deferred tax                               | (360,926)                                   | (200,479)                                   | (334,066)                                   | (187,049)                                   |
| (Over)/Under provision in prior period                        | (9,460,982)                                 | 1,761,629                                   | (7,144,026)                                 | 1,761,629                                   |
|                                                               | (5,400,545)                                 | (1,440,993)                                 | (2,001,715)                                 | (2,234,948)                                 |
| Tax (credit)/expense for the financial year/period            | (3,989,768)                                 | 3,476,268                                   | (1,110,116)                                 | (2,341,530)                                 |
| <b>Recognised in other comprehensive income</b>               |                                             |                                             |                                             |                                             |
|                                                               | <b>Group</b>                                |                                             | <b>Company</b>                              |                                             |
|                                                               | <b>1.7.2025<br/>to<br/>30.6.2026<br/>RM</b> | <b>1.1.2024<br/>to<br/>30.6.2025<br/>RM</b> | <b>1.7.2025<br/>to<br/>30.6.2026<br/>RM</b> | <b>1.1.2024<br/>to<br/>30.6.2025<br/>RM</b> |
| Revaluation of land and buildings                             | -                                           | 6,614,535                                   | -                                           | 5,756,377                                   |

Malaysian income tax is calculated at the statutory tax rate of 24% (30.6.2025: 24%) of the estimated assessable profits for the financial year/period.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 29. TAXATION (CONT'D)

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

|                                                               | Group                             |                                   | Company                           |                                   |
|---------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                               | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM |
| Profit/(Loss) before tax                                      | 10,759,794                        | (34,587,493)                      | 25,226,721                        | (39,941,570)                      |
| At Malaysian statutory tax rate of 24%<br>(30.6.2025: 24%)    | 2,582,351                         | (8,300,998)                       | 6,054,413                         | (9,585,977)                       |
| Expenses not deductible<br>for tax purposes                   | 7,496,058                         | 10,455,612                        | 4,583,168                         | 5,776,449                         |
| Income not subject to tax                                     | (3,447,110)                       | (8,400)                           | (4,863,237)                       | -                                 |
| Effect of tax rates in foreign jurisdiction                   | (114,522)                         | (1,107,267)                       | -                                 | -                                 |
| Crystallisation of deferred tax                               | (360,926)                         | (200,479)                         | (334,066)                         | (187,049)                         |
| Utilisation of previously unrecognised<br>deferred tax assets | (160,248)                         | 1,526,876                         | -                                 | -                                 |
| (Over)/Under provision of tax expense<br>in prior period      | (524,389)                         | (650,705)                         | 593,632                           | (106,582)                         |
| (Over)/Under provision of deferred<br>tax in prior period     | (9,460,982)                       | 1,761,629                         | (7,144,026)                       | 1,761,629                         |
| Tax (credit)/expense for the financial<br>year/period         | (3,989,768)                       | 3,476,268                         | (1,110,116)                       | (2,341,530)                       |

### 30. EARNINGS/(LOSS) PER SHARE

#### (a) Basic earnings/(loss) per share

The basic earnings per share are calculated based on the consolidated profit for the financial year/period attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year/period as follows:

|                                                                      | Group                             |                                   |
|----------------------------------------------------------------------|-----------------------------------|-----------------------------------|
|                                                                      | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM |
| Profit/(Loss) attributable to owners of the parent                   | 15,164,201                        | (37,977,706)                      |
| Weighted average number of ordinary shares in issue<br>as at 30 June | 992,000,000                       | 992,000,000                       |
| Basic earnings/(loss) per ordinary share (in sen)                    | 1.53                              | (3.83)                            |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 30. EARNINGS/(LOSS) PER SHARE (CONT'D)

#### (b) Diluted earnings/(loss) per share

The Group has no dilution in its earnings per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of financial year/period and before the authorisation of the financial statements.

### 31. DIVIDENDS

|                                                                                                                                         | Group and Company                 |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
|                                                                                                                                         | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM |
| Dividends recognised as distribution to ordinary shareholders of the Company:                                                           |                                   |                                   |
| Interim dividend paid in respect of the financial period ended:<br>- 30 June 2025 (single tier dividend of RM0.0067 per ordinary share) | -                                 | 6,646,400                         |

### 32. STAFF COSTS

|                                      | Group                             |                                   | Company                           |                                   |
|--------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                      | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM |
| Salaries, wages and other emoluments | 39,552,774                        | 78,119,096                        | 22,037,912                        | 46,267,188                        |
| Defined contribution plans           | 2,755,937                         | 4,919,511                         | 1,813,094                         | 3,423,064                         |
| Social security contributions        | 370,511                           | 2,193,593                         | 250,147                           | 572,241                           |
| Other benefits                       | 1,560,348                         | 3,084,614                         | 1,279,511                         | 1,560,006                         |
|                                      | 44,239,570                        | 88,316,814                        | 25,380,664                        | 51,822,499                        |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 32. STAFF COSTS (CONT'D)

Included in the employee benefits expenses are aggregate amount of remuneration received and receivable by the Directors of the Group and the Company during the financial year/period as below:

|                                              | Group                             |                                   | Company                           |                                   |
|----------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                              | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM | 1.7.2025<br>to<br>30.6.2026<br>RM | 1.1.2024<br>to<br>30.6.2025<br>RM |
| <b>Directors of the Company</b>              |                                   |                                   |                                   |                                   |
| <b>Executive Directors</b>                   |                                   |                                   |                                   |                                   |
| Fees                                         | -                                 | 172,959                           | -                                 | -                                 |
| Salaries and other emoluments                | 5,599,968                         | 8,109,666                         | 2,859,156                         | 4,472,115                         |
| Defined contribution plans                   | 446,260                           | 642,361                           | 343,200                           | 538,500                           |
| Social security contributions                | 3,893                             | 65,839                            | 2,500                             | 4,178                             |
|                                              | 6,050,121                         | 8,990,825                         | 3,204,856                         | 5,014,793                         |
| <b>Past Directors of the Company</b>         |                                   |                                   |                                   |                                   |
| <b>Executive Directors</b>                   |                                   |                                   |                                   |                                   |
| Salaries and other emoluments                | -                                 | 487,500                           | -                                 | 487,500                           |
| Defined contribution plans                   | -                                 | 64,500                            | -                                 | 64,500                            |
| Social security contributions                | -                                 | 518                               | -                                 | 518                               |
|                                              | -                                 | 552,518                           | -                                 | 552,518                           |
| <b>Directors of the Subsidiary Companies</b> |                                   |                                   |                                   |                                   |
| <b>Executive Directors</b>                   |                                   |                                   |                                   |                                   |
| Salaries and other emoluments                | 2,740,812                         | 1,460,906                         | -                                 | -                                 |
| Defined contribution plans                   | 103,060                           | 95,879                            | -                                 | -                                 |
| Social security contributions                | 1,393                             | -                                 | -                                 | -                                 |
|                                              | 2,845,265                         | 1,556,785                         | -                                 | -                                 |

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

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

#### 33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below shows the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

|                       | Note | At 1 July/<br>January<br>RM | Addition<br>RM | Financing<br>cash flow<br>RM | Foreign<br>exchange<br>movement<br>RM | Other<br>changes <sup>(i)</sup><br>RM | At 30 June<br>RM |
|-----------------------|------|-----------------------------|----------------|------------------------------|---------------------------------------|---------------------------------------|------------------|
| <b>Group</b>          |      |                             |                |                              |                                       |                                       |                  |
| <b>30.6.2026</b>      |      |                             |                |                              |                                       |                                       |                  |
| Lease liabilities     | 21   | 17,600,872                  | -              | (4,764,256)                  | (81,376)                              | (29,071)                              | 12,726,169       |
| Term loans            | 22   | 97,308,891                  | -              | 34,106,108                   | -                                     | -                                     | 131,414,999      |
| Short-term borrowings | 22   | 70,189,050                  | -              | 9,221,656                    | 2,496,913                             | -                                     | 81,907,619       |
|                       |      | 185,098,813                 | -              | 38,563,508                   | 2,415,537                             | (29,071)                              | 226,048,787      |
| <b>30.6.2025</b>      |      |                             |                |                              |                                       |                                       |                  |
| Lease liabilities     | 21   | 14,013,841                  | 12,357,574     | (7,310,596)                  | (355,053)                             | (1,104,894)                           | 17,600,872       |
| Term loans            | 22   | 116,816,684                 | -              | (24,019,082)                 | -                                     | 4,511,289                             | 97,308,891       |
| Short-term borrowings | 22   | 44,899,973                  | -              | 23,312,345                   | (606,105)                             | 2,582,837                             | 70,189,050       |
|                       |      | 175,730,498                 | 12,357,574     | (8,017,333)                  | (961,158)                             | 5,989,232                             | 185,098,813      |

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

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

#### 33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

The table below shows the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

|                       | Note | At 1 July/<br>January<br>RM | Addition<br>RM | Financing<br>cash flow<br>RM | Foreign<br>exchange<br>movement<br>RM | Other<br>changes <sup>(i)</sup><br>RM | At 30 June<br>RM |
|-----------------------|------|-----------------------------|----------------|------------------------------|---------------------------------------|---------------------------------------|------------------|
| <b>Company</b>        |      |                             |                |                              |                                       |                                       |                  |
| <b>30.6.2026</b>      |      |                             |                |                              |                                       |                                       |                  |
| Lease liabilities     | 21   | 3,658,805                   | -              | (2,164,322)                  | -                                     | -                                     | 1,494,483        |
| Term loans            | 22   | 76,828,788                  | -              | 8,111,658                    | -                                     | -                                     | 84,940,446       |
| Short-term borrowings | 22   | 66,449,464                  | -              | 8,327,584                    | 2,432,085                             | -                                     | 77,209,133       |
|                       |      | 146,937,057                 | -              | 14,274,920                   | 2,432,085                             | -                                     | 163,644,062      |
| <b>30.6.2025</b>      |      |                             |                |                              |                                       |                                       |                  |
| Lease liabilities     | 21   | 10,465,826                  | 1,578,605      | (3,874,337)                  | -                                     | (4,511,289)                           | 3,658,805        |
| Term loans            | 22   | 90,745,487                  | -              | (18,427,988)                 | -                                     | 4,511,289                             | 76,828,788       |
| Short-term borrowings | 22   | 36,688,227                  | -              | 30,328,308                   | (567,071)                             | -                                     | 66,449,464       |
|                       |      | 137,899,540                 | 1,578,605      | 8,025,983                    | (567,071)                             | -                                     | 146,937,057      |

(i) Other changes include full settlement of lease liabilities through conversion to term loan and acquisition of a subsidiary company.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 34. COMMITMENT

Capital commitments not provided for in the financial statements are as follows:

|                                          | Group     |           | Company   |           |
|------------------------------------------|-----------|-----------|-----------|-----------|
|                                          | 30.6.2026 | 30.6.2025 | 30.6.2026 | 30.6.2025 |
|                                          | RM        | RM        | RM        | RM        |
| Authorised and contracted for:           |           |           |           |           |
| - Equipment, furniture and fittings      | 775,210   | -         | 762,310   | -         |
| - Plant and machinery                    | 6,000,594 | 5,096,818 | 4,064,194 | 2,456,818 |
| - Renovation and electrical installation | 149,200   | 226,200   | -         | -         |
|                                          | 6,925,004 | 5,323,018 | 4,826,504 | 2,456,818 |

### 35. RELATED PARTY DISCLOSURES

#### (a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Subsidiary Companies;
- (ii) An Associated Company;
- (iii) Entities in which Directors have substantive financial interest;
- (iv) Close members of the family of a Director; and
- (v) Key management personnel of the Group's and of the Company's holding company, comprise persons (including Directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

#### (b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

|                                                 | Group     |           | Company     |             |
|-------------------------------------------------|-----------|-----------|-------------|-------------|
|                                                 | 1.7.2025  | 1.1.2024  | 1.7.2025    | 1.1.2024    |
|                                                 | to        | to        | to          | to          |
|                                                 | 30.6.2026 | 30.6.2025 | 30.6.2026   | 30.6.2025   |
|                                                 | RM        | RM        | RM          | RM          |
| <b>Subsidiary companies</b>                     |           |           |             |             |
| Interest income on amount due from subsidiaries | -         | -         | (255,170)   | (1,722,081) |
| Management fee                                  | -         | -         | (304,724)   | (1,469,647) |
| Sales of goods                                  | -         | -         | (1,391,450) | (1,928,744) |
| Purchase of goods                               | -         | -         | 1,459,206   | 9,135,574   |
| Rental received                                 | -         | -         | (312,000)   | (468,000)   |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 35. RELATED PARTY DISCLOSURES (CONT'D)

#### (c) Compensation of key management personnel

Remuneration of Directors and key management are as follows:

|                                     | Group     |           | Company   |           |
|-------------------------------------|-----------|-----------|-----------|-----------|
|                                     | 30.6.2026 | 30.6.2025 | 30.6.2026 | 30.6.2025 |
|                                     | RM        | RM        | RM        | RM        |
| Salaries, fees and other emoluments | 7,776,629 | 8,866,865 | 3,282,856 | 5,056,355 |
| Defined contribution plans          | 497,731   | 642,361   | 343,200   | 538,500   |
| Social security contributions       | 3,893     | 65,839    | 2,500     | 4,178     |
|                                     | 8,278,253 | 9,575,065 | 3,628,556 | 5,599,033 |

### 36. SEGMENT INFORMATION

#### Business segments

The Group is principally involved in electronics manufacturing services and other related supporting goods and services. The Managing Director/Group Chief Executive Officer, who is the Group's chief operating decision maker monitors the segment performance of electronics manufacturing services and other related supporting goods and services in aggregate due to the inter-related nature of the two revenue streams. Segmental information is not prepared as the die casting and machining segment, and renewable energy services has not met the quantitative thresholds for reporting segment in 2026 and 2025.

#### Geographical information

Revenue information based on geographical location of customers are disclosed in Note 25 to the financial statements.

The Group's non-current assets located outside Malaysia are not material and therefore not separately disclosed.

#### Information of major customers

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

|              | Revenue     |             |
|--------------|-------------|-------------|
|              | 1.7.2025    | 1.1.2024    |
|              | to          | to          |
|              | 30.6.2026   | 30.6.2025   |
|              | RM          | RM          |
| <b>Group</b> |             |             |
| Customer A   | 106,135,450 | 69,572,872  |
| Customer B   | *           | 150,171,019 |
| Customer C   | *           | 106,217,963 |
| Customer D   | 54,009,902  | *           |
|              | 160,145,352 | 325,961,854 |

\* The revenue is not represented equal or more than 10% of the Group's total revenue for the reporting financial year/period.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 37. FINANCIAL INSTRUMENTS

#### (a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of the financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

|                                    | At amortised<br>cost<br>RM | At<br>FVTPL<br>RM | Total<br>RM |
|------------------------------------|----------------------------|-------------------|-------------|
| <b>Group</b>                       |                            |                   |             |
| <b>30.6.2026</b>                   |                            |                   |             |
| <b>Financial Assets</b>            |                            |                   |             |
| Trade receivables                  | 197,682,149                | -                 | 197,682,149 |
| Other receivables <sup>#</sup>     | 5,414,723                  | -                 | 5,414,723   |
| Amount due from a related party    | 60,000                     | -                 | 60,000      |
| Other investments                  | -                          | 304,137           | 304,137     |
| Fixed deposits with licensed banks | 3,869,054                  | -                 | 3,869,054   |
| Cash and bank balances             | 26,296,864                 | -                 | 26,296,864  |
|                                    | 233,322,790                | 304,137           | 233,626,927 |
| <b>Financial Liabilities</b>       |                            |                   |             |
| Trade payables                     | 61,974,418                 | -                 | 61,974,418  |
| Other payables                     | 29,444,488                 | -                 | 29,444,488  |
| Amount due to related parties      | 41,702                     | -                 | 41,702      |
| Lease liabilities                  | 12,726,169                 | -                 | 12,726,169  |
| Loans and borrowings               | 216,316,652                | -                 | 216,316,652 |
|                                    | 320,503,429                | -                 | 320,503,429 |
| <b>30.6.2025</b>                   |                            |                   |             |
| <b>Financial Assets</b>            |                            |                   |             |
| Trade receivables                  | 111,547,175                | -                 | 111,547,175 |
| Other receivables <sup>#</sup>     | 23,019,571                 | -                 | 23,019,571  |
| Amount due from a related party    | 480,000                    | -                 | 480,000     |
| Other investments                  | -                          | 1,794,321         | 1,794,321   |
| Fixed deposits with licensed banks | 50,340,000                 | -                 | 50,340,000  |
| Cash and bank balances             | 22,825,564                 | -                 | 22,825,564  |
|                                    | 208,212,310                | 1,794,321         | 210,006,631 |
| <b>Financial Liabilities</b>       |                            |                   |             |
| Trade payables                     | 42,942,979                 | -                 | 42,942,979  |
| Other payables                     | 29,672,097                 | -                 | 29,672,097  |
| Amount due to related parties      | 734,616                    | -                 | 734,616     |
| Lease liabilities                  | 17,600,872                 | -                 | 17,600,872  |
| Loans and borrowings               | 171,325,184                | -                 | 171,325,184 |
|                                    | 262,275,748                | -                 | 262,275,748 |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

|                                      | At amortised<br>cost<br>RM | At<br>FVTPL<br>RM | Total<br>RM |
|--------------------------------------|----------------------------|-------------------|-------------|
| <b>Company</b>                       |                            |                   |             |
| <b>30.6.2026</b>                     |                            |                   |             |
| <b>Financial Assets</b>              |                            |                   |             |
| Trade receivables                    | 131,709,215                | -                 | 131,709,215 |
| Other receivables <sup>#</sup>       | 5,306,219                  | -                 | 5,306,219   |
| Amount due from subsidiary companies | 41,482,298                 | -                 | 41,482,298  |
| Amount due from a related party      | 60,000                     | -                 | 60,000      |
| Other investments                    | -                          | 304,137           | 304,137     |
| Fixed deposits with licensed banks   | 1,355,433                  | -                 | 1,355,433   |
| Cash and bank balances               | 18,478,589                 | -                 | 18,478,589  |
|                                      | 198,391,754                | 304,137           | 198,695,891 |
| <b>Financial Liabilities</b>         |                            |                   |             |
| Trade payables                       | 30,490,483                 | -                 | 30,490,483  |
| Other payables                       | 12,970,690                 | -                 | 12,970,690  |
| Amount due to subsidiary companies   | 19,846,213                 | -                 | 19,846,213  |
| Amount due to related parties        | 41,702                     | -                 | 41,702      |
| Lease liabilities                    | 1,494,483                  | -                 | 1,494,483   |
| Loans and borrowings                 | 162,149,579                | -                 | 162,149,579 |
|                                      | 226,993,150                | -                 | 226,993,150 |
| <b>30.6.2025</b>                     |                            |                   |             |
| <b>Financial Assets</b>              |                            |                   |             |
| Trade receivables                    | 64,802,801                 | -                 | 64,802,801  |
| Other receivables <sup>#</sup>       | 22,509,976                 | -                 | 22,509,976  |
| Amount due from subsidiary companies | 34,196,848                 | -                 | 34,196,848  |
| Amount due from a related party      | 480,000                    | -                 | 480,000     |
| Other investments                    | -                          | 1,794,321         | 1,794,321   |
| Fixed deposits with licensed banks   | 50,000,000                 | -                 | 50,000,000  |
| Cash and bank balances               | 14,504,441                 | -                 | 14,504,441  |
|                                      | 186,494,066                | 1,794,321         | 188,288,387 |
| <b>Financial Liabilities</b>         |                            |                   |             |
| Trade payables                       | 28,832,481                 | -                 | 28,832,481  |
| Other payables                       | 8,701,411                  | -                 | 8,701,411   |
| Amount due to subsidiary companies   | 5,786,873                  | -                 | 5,786,873   |
| Amount due to related parties        | 19,197                     | -                 | 19,197      |
| Lease liabilities                    | 3,658,805                  | -                 | 3,658,805   |
| Loans and borrowings                 | 144,251,569                | -                 | 144,251,569 |
|                                      | 191,250,336                | -                 | 191,250,336 |

<sup>#</sup> Excluded prepayments

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

#### (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 is monitored on an ongoing basis. The credit risk is controlled by monitoring procedures. An internal credit review is conducted if the credit risk is material. The Group and the Company do not require collateral in respect of financial assets.

The Group and the Company continuously monitor defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into their credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's and the Company's policy is to deal only with creditworthy counterparties.

The Group's and the Company's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year/period represents the Group's and the Company's maximum exposure to credit risk.

#### **Receivables**

Receivables are monitored on an ongoing basis to mitigate risk of bad debts. The Group's and the Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which customers operate.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type and customer type).

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group and the Company do not hold collateral as security.

#### Concentration of credit risk

The Group and the Company major concentration of credit risk relates to the amounts due from 3 customers which constituted approximately 60% and 90% respectively of its trade receivables at the end of the reporting period.

The net carrying amount of receivables is considered a reasonable approximate of its fair value.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (i) Credit risk (Cont'd)

#### **Receivables (Cont'd)**

##### Concentration of credit risk (Cont'd)

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, the management has taken reasonable steps to ensure that receivables are stated at their realisable values. A significant portion of the receivables are regular customers that have been transacting with the Group and the Company. The Group and the Company use ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

#### **Other receivables**

In respect of other receivables, the Group and the Company are not exposed to any significant credit risk exposure to any single counterparty or a group of counterparties having similar characteristics. Based on historical information about customer default rates, the management considers the credit quality of other receivables that are not past due or impaired to be good.

#### **Intercompany receivables, loans and advances**

The maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Generally, the Company considers amounts owing by subsidiary companies and related party to be of low credit risk as subsidiary companies and related party have a strong capacity to meet contractual cash flows. The Company also provides unsecured loans and advances to a subsidiary company and monitors the results of the subsidiary company regularly.

As at end of the reporting period, there was no indication that the intercompany receivables, loans and advances to the subsidiary company are not recoverable.

#### **Financial guarantee**

The maximum exposure to credit risk in relation to the financial corporate guarantees given of the Group and the Company are amounted to RM Nil and RM47,417,543 (30.6.2025: RM Nil and RM25,508,233 respectively) as at the end of the reporting period representing the outstanding banking facilities of the subsidiary companies which certain Directors have interest in as at the end of financial year/period.

The financial guarantees of the Group and the Company have not been recognised since the fair value of the credit enhancement provided by the corporate guarantees are not material.

The Company monitors on an ongoing basis the result of the subsidiary companies and repayments made by the subsidiary companies. As at the end of the reporting period, there was no indication that any of the subsidiary companies would default on repayment.

#### **Cash and bank balances**

The credit risk for cash and bank balances including fixed deposits with licensed banks is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (ii) Liquidity risk

Liquidity risk is the risk arising from the Group and the Company not being able to meet their obligations due to shortage of funds.

In managing their exposures to liquidity risk, the Group and the Company maintain a level of cash and cash equivalents and bank credit facilities deemed adequate by the management to ensure that they will have sufficient liquidity to meet their liabilities as and when they fall due.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

The following tables analyse the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

|                                                 | On demand<br>or within<br>1 year<br>RM | 1 to<br>5 years<br>RM | After<br>5 years<br>RM | Total<br>contractual<br>cash flows<br>RM | Total<br>carrying<br>amount<br>RM |
|-------------------------------------------------|----------------------------------------|-----------------------|------------------------|------------------------------------------|-----------------------------------|
| <b>Group</b>                                    |                                        |                       |                        |                                          |                                   |
| <b>30.6.2026</b>                                |                                        |                       |                        |                                          |                                   |
| <b>Non-derivative<br/>financial liabilities</b> |                                        |                       |                        |                                          |                                   |
| Trade payables                                  | 61,974,418                             | -                     | -                      | 61,974,418                               | 61,974,418                        |
| Other payables                                  | 29,444,488                             | -                     | -                      | 29,444,488                               | 29,444,488                        |
| Amount due to related<br>parties                | 41,702                                 | -                     | -                      | 41,702                                   | 41,702                            |
| Lease liabilities                               | 3,767,812                              | 6,586,484             | 5,639,468              | 15,993,764                               | 12,726,169                        |
| Loans and borrowings                            | 121,699,703                            | 91,162,556            | 25,344,467             | 238,206,726                              | 216,316,652                       |
|                                                 | 216,928,123                            | 97,749,040            | 30,983,935             | 345,661,098                              | 320,503,429                       |

|                                                 | On demand<br>or within<br>1 year<br>RM | 1 to<br>5 years<br>RM | After<br>5 years<br>RM | Total<br>contractual<br>cash flows<br>RM | Total<br>carrying<br>amount<br>RM |
|-------------------------------------------------|----------------------------------------|-----------------------|------------------------|------------------------------------------|-----------------------------------|
| <b>Group</b>                                    |                                        |                       |                        |                                          |                                   |
| <b>30.6.2025</b>                                |                                        |                       |                        |                                          |                                   |
| <b>Non-derivative<br/>financial liabilities</b> |                                        |                       |                        |                                          |                                   |
| Trade payables                                  | 42,942,979                             | -                     | -                      | 42,942,979                               | 42,942,979                        |
| Other payables                                  | 29,672,097                             | -                     | -                      | 29,672,097                               | 29,672,097                        |
| Amount due to related<br>parties                | 734,616                                | -                     | -                      | 734,616                                  | 734,616                           |
| Lease liabilities                               | 5,523,879                              | 9,268,539             | 6,847,922              | 21,640,340                               | 17,600,872                        |
| Loans and borrowings                            | 137,396,948                            | 42,170,282            | 29,468,551             | 209,035,781                              | 171,325,184                       |
|                                                 | 216,270,519                            | 51,438,821            | 36,316,473             | 304,025,813                              | 262,275,748                       |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (ii) Liquidity risk (Cont'd)

The following tables analyse the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

|                                                 | On demand<br>or within<br>1 year<br>RM | 1 to<br>5 years<br>RM | After<br>5 years<br>RM | Total<br>contractual<br>cash flows<br>RM | Total<br>carrying<br>amount<br>RM |
|-------------------------------------------------|----------------------------------------|-----------------------|------------------------|------------------------------------------|-----------------------------------|
| <b>Company</b>                                  |                                        |                       |                        |                                          |                                   |
| <b>30.6.2026</b>                                |                                        |                       |                        |                                          |                                   |
| <b>Non-derivative<br/>financial liabilities</b> |                                        |                       |                        |                                          |                                   |
| Trade payables                                  | 30,490,483                             | -                     | -                      | 30,490,483                               | 30,490,483                        |
| Other payables                                  | 12,970,690                             | -                     | -                      | 12,970,690                               | 12,970,690                        |
| Amount due to subsidiary<br>companies           | 19,846,213                             | -                     | -                      | 19,846,213                               | 19,846,213                        |
| Amount due to related<br>parties                | 41,702                                 | -                     | -                      | 41,702                                   | 41,702                            |
| Lease liabilities                               | 637,739                                | 977,437               | -                      | 1,615,176                                | 1,494,483                         |
| Loans and borrowings                            | 99,333,412                             | 63,748,044            | 11,780,683             | 174,862,139                              | 162,149,579                       |
| Financial guarantees                            | 109,965,324                            | -                     | -                      | 109,965,324                              | -                                 |
|                                                 | 273,285,563                            | 64,725,481            | 11,780,683             | 349,791,727                              | 226,993,150                       |

|                                                 | On demand<br>or within<br>1 year<br>RM | 1 to<br>5 years<br>RM | After<br>5 years<br>RM | Total<br>contractual<br>cash flows<br>RM | Total<br>carrying<br>amount<br>RM |
|-------------------------------------------------|----------------------------------------|-----------------------|------------------------|------------------------------------------|-----------------------------------|
| <b>Company</b>                                  |                                        |                       |                        |                                          |                                   |
| <b>30.6.2025</b>                                |                                        |                       |                        |                                          |                                   |
| <b>Non-derivative<br/>financial liabilities</b> |                                        |                       |                        |                                          |                                   |
| Trade payables                                  | 28,832,481                             | -                     | -                      | 28,832,481                               | 28,832,481                        |
| Other payables                                  | 8,701,411                              | -                     | -                      | 8,701,411                                | 8,701,411                         |
| Amount due to subsidiary<br>companies           | 5,786,873                              | -                     | -                      | 5,786,873                                | 5,786,873                         |
| Amount due to related<br>parties                | 19,197                                 | -                     | -                      | 19,197                                   | 19,197                            |
| Lease liabilities                               | 2,287,188                              | 1,615,149             | -                      | 3,902,337                                | 3,658,805                         |
| Loans and borrowings                            | 126,527,521                            | 34,107,164            | 14,657,003             | 175,291,688                              | 144,251,569                       |
| Financial guarantees                            | 82,965,324                             | -                     | -                      | 82,965,324                               | -                                 |
|                                                 | 255,119,995                            | 35,722,313            | 14,657,003             | 305,499,311                              | 191,250,336                       |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (iii) Market risk

##### (a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign currency risk mostly on their sales and purchases that are denominated in a currency other than the functional currency of the Group and the Company. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Chinese Yuan ("CNY"), Singapore Dollar ("SGD"), Euro ("EUR") and Great Britain Pound ("GBP").

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

|                           | USD<br>RM    | CNY<br>RM | Denominated in<br>SGD<br>RM | GBP<br>RM | EUR<br>RM |
|---------------------------|--------------|-----------|-----------------------------|-----------|-----------|
| <b>Group</b>              |              |           |                             |           |           |
| <b>30.6.2026</b>          |              |           |                             |           |           |
| Trade receivables         | 172,982,085  | -         | 331,976                     | -         | -         |
| Other receivables         | 604,897      | -         | 37,166                      | -         | -         |
| Cash and bank<br>balances | 6,820,183    | -         | 470,260                     | 6,910     | -         |
| Trade payables            | (50,957,016) | -         | (4,283)                     | -         | -         |
| Other payables            | (8,709,441)  | (45,774)  | (404,101)                   | -         | -         |
| Loans and borrowings      | (37,310,354) | -         | -                           | -         | -         |
|                           | 83,430,354   | (45,774)  | 431,018                     | 6,910     | -         |
| <b>Group</b>              |              |           |                             |           |           |
| <b>30.6.2025</b>          |              |           |                             |           |           |
| Trade receivables         | 130,437,318  | -         | -                           | 353,582   | -         |
| Other receivables         | 40,312,876   | 2,274     | -                           | -         | 2,185     |
| Cash and bank<br>balances | 6,935,648    | -         | 1,809                       | 94,101    | -         |
| Trade payables            | (39,563,352) | -         | (13,760)                    | -         | -         |
| Other payables            | (14,637,382) | (44,101)  | -                           | (51,528)  | -         |
| Loans and borrowings      | (27,846,430) | -         | -                           | -         | -         |
|                           | 95,638,678   | (41,827)  | (11,951)                    | 396,155   | 2,185     |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

|                                      | USD<br>RM    | Denominated in<br>CNY<br>RM | SGD<br>RM | EUR<br>RM |
|--------------------------------------|--------------|-----------------------------|-----------|-----------|
| <b>Company</b>                       |              |                             |           |           |
| <b>30.6.2026</b>                     |              |                             |           |           |
| Trade receivables                    | 131,288,076  | -                           | -         | -         |
| Other receivables                    | 580,905      | -                           | -         | -         |
| Amount due from subsidiary companies | -            | -                           | -         | -         |
| Cash and bank balances               | 5,811,835    | -                           | 376       | -         |
| Trade payables                       | (29,333,556) | -                           | (4,283)   | -         |
| Other payables                       | (7,195,948)  | (45,774)                    | -         | -         |
| Loans and borrowings                 | (35,748,138) | -                           | -         | -         |
| Amount due to subsidiary companies   | (6,944,887)  | -                           | -         | -         |
|                                      | 58,458,287   | (45,774)                    | (3,907)   | -         |
| <b>Company</b>                       |              |                             |           |           |
| <b>30.6.2025</b>                     |              |                             |           |           |
| Trade receivables                    | 84,136,851   | -                           | -         | -         |
| Other receivables                    | 23,061,673   | 2,274                       | -         | 2,185     |
| Amount due from subsidiary companies | 4,426,420    | -                           | 793,056   | -         |
| Cash and bank balances               | 187,706      | -                           | 376       | -         |
| Trade payables                       | (27,830,626) | -                           | (13,760)  | -         |
| Other payables                       | (629,253)    | (44,101)                    | -         | -         |
| Loans and borrowings                 | (25,539,464) | -                           | -         | -         |
| Amount due to subsidiary companies   | (5,815,427)  | -                           | -         | -         |
|                                      | 51,997,880   | (41,827)                    | 779,672   | 2,185     |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

#### Foreign currency risk sensitivity

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's (loss)/profit before tax to a reasonably possible change in the USD, SGD, EUR, CNY and GBP exchange rates against RM, with all other variables held constant.

|                  | Change in<br>currency rate | Effect on profit/(loss)<br>before tax<br>RM |
|------------------|----------------------------|---------------------------------------------|
| <b>Group</b>     |                            |                                             |
| <b>30.6.2026</b> |                            |                                             |
| USD              | Strengthened 10%           | 8,343,035                                   |
|                  | Weakened 10%               | (8,343,035)                                 |
| CNY              | Strengthened 10%           | (4,577)                                     |
|                  | Weakened 10%               | 4,577                                       |
| SGD              | Strengthened 10%           | 43,102                                      |
|                  | Weakened 10%               | (43,102)                                    |
| GBP              | Strengthened 10%           | 691                                         |
|                  | Weakened 10%               | (691)                                       |
| <b>30.6.2025</b> |                            |                                             |
| USD              | Strengthened 10%           | 9,563,868                                   |
|                  | Weakened 10%               | (9,563,868)                                 |
| CNY              | Strengthened 10%           | (4,183)                                     |
|                  | Weakened 10%               | 4,183                                       |
| SGD              | Strengthened 10%           | (1,195)                                     |
|                  | Weakened 10%               | 1,195                                       |
| GBP              | Strengthened 10%           | 39,616                                      |
|                  | Weakened 10%               | (39,616)                                    |
| EUR              | Strengthened 10%           | 219                                         |
|                  | Weakened 10%               | (219)                                       |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency risk sensitivity (Cont'd)

|                  | Change in<br>currency rate | Effect on profit/(loss)<br>before tax<br>RM |
|------------------|----------------------------|---------------------------------------------|
| <b>Company</b>   |                            |                                             |
| <b>30.6.2026</b> |                            |                                             |
| USD              | Strengthened 10%           | 5,845,829                                   |
|                  | Weakened 10%               | (5,845,829)                                 |
| CNY              | Strengthened 10%           | (4,577)                                     |
|                  | Weakened 10%               | 4,577                                       |
| SGD              | Strengthened 10%           | (391)                                       |
|                  | Weakened 10%               | 391                                         |
| <b>30.6.2025</b> |                            |                                             |
| USD              | Strengthened 10%           | 5,199,788                                   |
|                  | Weakened 10%               | (5,199,788)                                 |
| CNY              | Strengthened 10%           | (4,183)                                     |
|                  | Weakened 10%               | 4,183                                       |
| SGD              | Strengthened 10%           | 77,967                                      |
|                  | Weakened 10%               | (77,967)                                    |
| EUR              | Strengthened 10%           | 219                                         |
|                  | Weakened 10%               | (219)                                       |

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to the risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group's and the Company's interest rate management objective are to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation.

The Group and the Company are exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The exposure to interest rates for the Group's and the Company's short-term placement is considered immaterial.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

|                                   | 30.6.2026<br>RM | 30.6.2025<br>RM |
|-----------------------------------|-----------------|-----------------|
| <b>Group</b>                      |                 |                 |
| <b>Fixed rate instruments</b>     |                 |                 |
| <b>Financial assets</b>           |                 |                 |
| Fixed deposit with licensed banks | 3,869,054       | 50,340,000      |
| <b>Financial liabilities</b>      |                 |                 |
| Loans and borrowings              | 30,088,327      | 5,976,803       |
| Lease liabilities                 | 12,726,169      | 17,600,872      |
|                                   | 42,814,496      | 23,577,675      |
| <b>Floating rate instruments</b>  |                 |                 |
| <b>Financial liabilities</b>      |                 |                 |
| Loans and borrowings              | 186,228,325     | 165,348,381     |
| <b>Company</b>                    |                 |                 |
| <b>Fixed rate instruments</b>     |                 |                 |
| <b>Financial assets</b>           |                 |                 |
| Fixed deposit with licensed banks | 1,355,433       | 50,000,000      |
| <b>Financial liabilities</b>      |                 |                 |
| Loans and borrowings              | 4,904,617       | 5,976,803       |
| Lease liabilities                 | 1,494,483       | 3,658,805       |
|                                   | 6,399,100       | 9,635,608       |
| <b>Floating rate instruments</b>  |                 |                 |
| <b>Financial liabilities</b>      |                 |                 |
| Loans and borrowings              | 157,244,962     | 138,274,766     |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increase/(decrease) the Group's profit before tax by RM1,862,283 (30.6.2025: RM1,653,484) and increase/(decrease) the Company's profit before tax by RM1,572,450 (30.6.2025: RM1,382,748), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value of financial instruments

The carrying amounts of current financial assets and financial liabilities are reasonable approximation of their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting date.

The fair value of non-current financial liabilities, which bear interest at floating rates, are determined by the present value of future cash flow estimated and discounted using the current interest rates for similar instruments as of the end of the reporting period. There is no material difference between the fair values and carrying values of these liabilities as of the end of the reporting period/year.

The table below analyses financial instruments carried at fair value, together with their fair value and carrying amounts shown in the statements of financial position.

|                         | Fair value of financial instruments<br>carried at fair value |               |               | Carrying<br>amount<br>RM |
|-------------------------|--------------------------------------------------------------|---------------|---------------|--------------------------|
|                         | Level 1<br>RM                                                | Level 2<br>RM | Level 3<br>RM |                          |
| <hr/>                   |                                                              |               |               |                          |
| <b>Group</b>            |                                                              |               |               |                          |
| <b>30.6.2026</b>        |                                                              |               |               |                          |
| <b>Financial Assets</b> |                                                              |               |               |                          |
| Money market funds      | -                                                            | 304,137       | -             | 304,137                  |
| <hr/>                   |                                                              |               |               |                          |
| <b>30.6.2025</b>        |                                                              |               |               |                          |
| <b>Financial Assets</b> |                                                              |               |               |                          |
| Money market funds      | -                                                            | 1,794,321     | -             | 1,794,321                |
| <hr/>                   |                                                              |               |               |                          |
| <b>Company</b>          |                                                              |               |               |                          |
| <b>30.6.2026</b>        |                                                              |               |               |                          |
| <b>Financial Assets</b> |                                                              |               |               |                          |
| Money market funds      | -                                                            | 304,137       | -             | 304,137                  |
| <hr/>                   |                                                              |               |               |                          |
| <b>30.6.2025</b>        |                                                              |               |               |                          |
| <b>Financial Assets</b> |                                                              |               |               |                          |
| Money market funds      | -                                                            | 1,794,321     | -             | 1,794,321                |

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 38. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements.

The gearing ratios at end of the reporting period are as follows:

|                                    | 30.6.2026<br>RM | Group<br>30.6.2025<br>RM | Company<br>30.6.2026<br>RM | 30.6.2025<br>RM |
|------------------------------------|-----------------|--------------------------|----------------------------|-----------------|
| Lease liabilities                  | 12,726,169      | 17,600,872               | 1,494,483                  | 3,658,805       |
| Loan and borrowings                | 216,316,652     | 171,325,184              | 162,149,579                | 144,251,569     |
|                                    | 229,042,821     | 188,926,056              | 163,644,062                | 147,910,374     |
| Less:                              |                 |                          |                            |                 |
| Fixed deposits with licensed banks | (3,869,054)     | (50,340,000)             | (1,355,433)                | (50,000,000)    |
| Cash and bank balances             | (26,296,864)    | (22,825,564)             | (18,478,589)               | (14,504,441)    |
| Net debt                           | 198,876,903     | 115,760,492              | 143,810,040                | 83,405,933      |
| Total equity                       | 447,204,798     | 435,575,437              | 419,185,954                | 392,849,117     |
| Net gearing ratio                  | 0.44            | 0.27                     | 0.34                       | 0.21            |

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

Under the terms of the Group's banking facilities, the Group is required to maintain the gearing ratio of not more than 3.0 times at all times and to ensure that dividends declared do not exceed fifty per cent (50%) of the Group's profit after tax for any financial year, without the prior written consent of the lenders.

During the current financial year ended 30 June 2026, the Group complied with the gearing ratio covenant and the dividend covenant under the terms of the Group's banking facilities.

In the previous financial period ended 30 June 2025, the Group recorded a loss after tax of RM38,063,761 and declared dividends amounting to RM6,646,400. Accordingly, the dividend payout exceeded the 50% profit-based threshold as defined in the financing covenants.

The Group has subsequently notified its principal bankers and obtained their indulgence on 20 October 2025, after the end of the financial period. Accordingly, RMNil (30.6.2025: RM30,995,190) of the reclassified amount is not immediately due and payable. The management does not anticipate any adverse impact on the Group's financing arrangements arising from this matter.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 39. MATERIAL LITIGATION

- (a) Aeronas Aerocraft Sdn. Bhd. vs Cape Manufacturing (M) Sdn. Bhd.

#### **Johor Bahru High Court Civil Suit No. JA-22NCC-37-05/2026**

On 5 May 2026, Aeronas Aerocraft Sdn. Bhd. ("Aeronas") commenced legal proceedings against Cape Manufacturing (M) Sdn. Bhd. ("CMM"), a wholly-owned subsidiary of Cape EMS Berhad ("the Company"), at the Johor Bahru High Court in relation to disputes arising from a proposed collaboration between CMM and Aeronas in connection with an aircraft manufacturing project.

Aeronas' claims against CMM amounted to RM279.52 million, comprising the following:

- (i) Special damages of RM10.02 million;
- (ii) Special damages of RM40.00 million in respect of the financial assistance allegedly proposed to be extended by CMM for the establishment of a production assembly plant with an annual production capacity of 30 aircraft; and
- (iii) Loss of revenue of RM229.50 million based on the alleged sale of 30 aircraft by Aeronas.

On 15 June 2026, CMM filed its Defence in response to Aeronas' claims. Subsequently, CMM filed two applications on 13 July 2026 and 29 July 2026 for further and better particulars of the Statement of Claim and to strike out the relevant paragraphs of the Statement of Claim, respectively. Both applications are fixed for hearing on 10 November 2026.

The solicitors are of the opinion that Aeronas is not likely to succeed in its claims against CMM for the full amount of RM279.52 million, as CMM contends that Aeronas had breached the terms of the agreement between the parties.

The Directors, having considered the legal advice received and management's assessment of the matter, are of the opinion that Aeronas is not likely to succeed in its claims against CMM for the full amount claimed, as CMM contends that Aeronas had breached the terms of the agreement between the parties.

- (b) Cape Manufacturing (M) Sdn. Bhd. vs Aeronas Aerocraft Sdn. Bhd. (D1) and 6 Others

#### **Kuala Lumpur High Court Civil Suit No. WA-22NCC-381-05/2026**

On 8 May 2026, Cape Manufacturing (M) Sdn. Bhd. ("CMM"), a wholly-owned subsidiary of Cape EMS Berhad ("the Company"), commenced legal proceedings at the Kuala Lumpur High Court against Aeronas Aerocraft Sdn. Bhd. ("D1"), PetraX5 Sdn. Bhd. ("D2"), Raja Shazreen Petra binti Raja Azman Shah ("D3"), Raja Iman Petra bin Raja Azman Shah ("D4") and Kamarulzaman bin Abdul Karim ("D5"). Raja Azman Shah bin Raja Alang Petra ("D6") and Abdul Malik bin Paga ("D7") were subsequently added as parties to the suit on 26 May 2026.

The proceedings concern claims by CMM arising from disputes relating to the proposed collaboration with Aeronas in connection with an aircraft manufacturing project and related activities. The total amount claimed by CMM against D1 to D7 is RM15.05 million.

D1, D2, D3, D4 and D7 filed a common Defence on 22 July 2026, while D5 filed its Defence on 30 July 2026. CMM filed its Reply on 28 August 2026. On 11 September 2026, D5 filed an application to strike out CMM's claim against him, which CMM intends to resist. The Court fixed the case for mention on 9 December 2026.

As CMM was not able to serve the Writ and Statement of Claim on the sixth defendant, Raja Azman Shah bin Raja Alang Petra, CMM filed an application for substituted service by way of inter alia, placing an advertisement in The Star, New Straits Times and Berita Harian, which was allowed by the Court.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

### 39. MATERIAL LITIGATION (CONT'D)

- (b) Cape Manufacturing (M) Sdn. Bhd. vs Aeronas Aerocraft Sdn. Bhd. (D1) and 6 Others (Cont'd)

**Kuala Lumpur High Court Civil Suit No. WA-22NCC-381-05/2026 (Cont'd)**

The solicitors are of the opinion that CMM has a fair chance of succeeding in its claims, subject to sufficient evidence being produced to establish that Aeronas had breached its obligations under the proposed collaboration.

The Directors, having considered the legal advice received and management's assessment of the matter, are of the opinion that CMM has a fair chance of succeeding in its claims, subject to sufficient evidence being produced by CMM to establish that Aeronas had breached its obligations under the proposed collaboration.

### 40. COMPARATIVE INFORMATION

The previous financial statements are prepared for 18 months from 1 January 2024 to 30 June 2025. As a result, the comparative figures stated in the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows and the related notes are not comparable.

### 41. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 12 October 2026.

## LIST OF PROPERTIES OWNED BY THE GROUP

### A. Properties registered under Cape EMS Berhad

| Location / Title No.                                                                                             | Existing Usage                                                                                                                                | Age of Building (Years) | Land Area (sq. feet) | Built-Up Area (sq. feet) | Tenure                                                                                                   | Net book value/ Carrying Amount as at 30 June 2026 (RM) | Year of Acquisition | Last valuation was performed |
|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------|--------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------|------------------------------|
| PLO 227A, Jalan Cyber 1A, Kawasan Perindustrian Senai III, 81400 Senai, Johor Darul Ta'zim, Malaysia.            | A 3-storey detached factory / Headquarters of Cape EMS Berhad for the purpose of carrying out EMS manufacturing activities & Corporate office | 23.5                    | 210,757.37 sq feet   | 313,963.28 sq feet       | Leasehold PLO 226D: 60 years (expiring on 17.03.2068)<br><br>PLO 227A: 60 years (expiring on 31.05.2069) | 76,737,452                                              | 2018                | 31 December 2024             |
| HS(D) 71183, PTD 112659 (PLO226D) and HS(D) 53987, PTD 87571 (PLO227A), both in Mukim Senai, Daerah Kulai, Johor |                                                                                                                                               |                         |                      |                          |                                                                                                          |                                                         |                     |                              |
| PLO 103, Jalan Cyber 5, Kawasan Perindustrian Senai III, 81400 Senai, Johor Darul Ta'zim, Malaysia.              | 1 unit of a single storey detached factory annexed with a storey office/warehouse and manufacturing.                                          | 18.5                    | 87,123.09 sq feet    | 60,450.62 sq feet        | Leasehold 60 years (expiring on 30.05.2056)                                                              | 12,883,249                                              | 2019                | 31 December 2024             |
| HS(D) 50668, PTD 8857, Mukim Senai, District of Kulai, State of Johor                                            |                                                                                                                                               |                         |                      |                          |                                                                                                          |                                                         |                     |                              |

## LIST OF PROPERTIES OWNED BY THE GROUP (CONT'D)

### A. Properties registered under Cape EMS Berhad (Cont'd)

| Location / Title No.                                                                                                                                                                              | Existing Usage                                                                                                                         | Age of Building (Years) | Land Area (sq. feet) | Built-Up Area (sq. feet) | Tenure                                      | Net book value/ Carrying Amount as at 30 June 2026 (RM) | Year of Acquisition | Last valuation was performed |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------|--------------------------|---------------------------------------------|---------------------------------------------------------|---------------------|------------------------------|
| No.6, Jalan Belati, Taman Perindustrian Maju Jaya, 81300 Johor Bahru, Johor Darul Ta'zim, Malaysia.<br><br>Geran 74497, Lot 37585 in the Mukim of Tebrau, District of Johor Bahru, State of Johor | 1 ½ storey detached factory/manufacturing used by Cape Manufacturing (M) Sdn. Bhd. for EMS of smart utility data collection equipment. | 28.5                    | 34,530.62 sq feet    | 18,807.83 sq feet        | Freehold                                    | 7,500,000                                               | 2021                | 31 December 2024             |
| PLO 226B, Jalan Cyber 1A, Kawasan Perindustrian Senai III, 81400 Senai, Johor Darul Ta'zim, Malaysia.<br><br>HS (D) 71181, PTD 11267 (PLO 226B) in Mukim Senai, Daerah Kulai, Johor               | Industrial land: Construction of new warehouse for future expansion.                                                                   | N/A                     | 278,462.36 sq feet   | N/A                      | Leasehold 60 years (expiring on 17.03.2068) | 10,194,227                                              | 2021                | 31 December 2024             |
| PLO 227B, Jalan Cyber 1A, Kawasan Perindustrian Senai III, 81400 Senai, Johor Darul Ta'zim, Malaysia.<br><br>HS (D) 71069, PTD 87572 (PLO 227B) in Mukim Senai, Daerah Kulai, Johor               | Industrial land: Vacant land for future expansion.                                                                                     | N/A                     | 280,507.51 sq feet   | N/A                      | Leasehold 60 years (expiring on 21.08.2077) | 10,335,778                                              | 2021                | 31 December 2024             |

## LIST OF PROPERTIES OWNED BY THE GROUP (CONT'D)

B. Properties registered under Cape Manufacturing (M) Sdn. Bhd., the wholly-owned subsidiary

| Location / Title No.                                                                                                                                                                                                                                    | Existing Usage                                                                                                                                                                   | Age of Building (Years) | Land Area (sq. feet)                                                                              | Built-Up Area (sq. feet) | Tenure                                                                                                                                                          | Net book value/ Carrying Amount As at 30 June 2026 (RM) | Year of Acquisition | Last valuation was performed |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------|------------------------------|
| No.22, Jalan Temenggong 2, Kawasan Perindustrian Temenggong, 81100 Johor Bahru, Johor Darul Ta'zim, Malaysia.<br><br>Geran 128424, Lot 1582, Mukim Tebrau, District of Johor Bahru, State of Johor.                                                     | A 1 storey detached factory / manufacturing annexed with 2 storey office used by Cape Manufacturing (M) Sdn. Bhd. for aluminium die cast manufacturing.                          | 29.5                    | 46,995.23 sq feet                                                                                 | 39,385.37 sq feet        | Freehold                                                                                                                                                        | 9,315,799                                               | 2021                | 31 December 2024             |
| No.6, Jalan Firma 1/5, Kawasan Perindustrian Tebrau, 81100 Johor Bahru, Johor, Malaysia.<br><br>HS (D) 177898 (PTD 53893), HS (D) 177899 (PTD53894) and HS (D) 177900 (PTD 53895), all in the Mukim of Tebrau, District of Johor Bahru, State of Johor. | A 1 storey detached, factory annexed with 3 storey office and Single storey warehouse For Cape Manufacturing (M) Sdn. Bhd. to setting up of aluminium die casting manufacturing. | 32.5                    | PTD 53893: 65,340.2 sq feet<br><br>PTD 53894: 65,340.2 sq feet<br><br>PTD 53895: 88,571.0 sq feet | 100,641.30 sq feet       | Leasehold PTD 53893: 30 years (expiring on 5 Sep 2051)<br><br>PTD 53894: 30 years (expiring on 5 Sep 2051)<br><br>PTD 53895: 30 years (expiring on 17 Jun 2053) | 20,207,868                                              | 2022                | 31 December 2024             |

# ANALYSIS OF SHAREHOLDINGS

## AS AT 30 SEPTEMBER 2026

|                               |   |                                 |
|-------------------------------|---|---------------------------------|
| Total Number of Issued Shares | : | 992,000,000                     |
| Class of Shares               | : | Ordinary Shares                 |
| Voting Rights                 | : | One (1) vote per Ordinary Share |

### DISTRIBUTION OF SHAREHOLDINGS

| Size of Shareholdings                   | No. of Shareholders | No. of Shares      | % of Shares   |
|-----------------------------------------|---------------------|--------------------|---------------|
| Less than 100                           | 29                  | 677                | 0.00          |
| 100 - 1,000                             | 621                 | 334,916            | 0.03          |
| 1,001 - 10,000                          | 2,818               | 17,418,114         | 1.76          |
| 10,001 - 100,000                        | 3,311               | 125,126,290        | 12.61         |
| 100,001 – less than 5% of issued shares | 823                 | 637,817,703        | 64.30         |
| 5% and above of issued shares           | 3                   | 211,302,300        | 21.30         |
|                                         | <b>7,605</b>        | <b>992,000,000</b> | <b>100.00</b> |

### SUBSTANTIAL SHAREHOLDERS (BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

| Name            | Direct<br>No. of Shares | %     | Indirect<br>No. of Shares | % |
|-----------------|-------------------------|-------|---------------------------|---|
| Tee Kim Chin    | 130,258,600             | 13.13 | -                         | - |
| Chung Dao       | 98,854,700              | 9.97  | -                         | - |
| Chung Chee Yang | 84,270,300              | 8.49  | -                         | - |

### DIRECTORS' SHAREHOLDINGS (BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

| Name                                       | Direct<br>No. of Shares | %     | Indirect<br>No. of Shares | % |
|--------------------------------------------|-------------------------|-------|---------------------------|---|
| Datuk Mohd Rabin Bin Basir                 | 420,000                 | 0.04  | -                         | - |
| Tee Kim Chin                               | 130,258,600             | 13.13 | -                         | - |
| Tee Kim Yok                                | 11,423,400              | 1.15  | -                         | - |
| Alex Miranda Juntado                       | -                       | -     | -                         | - |
| Yau Yin Wee                                | 22,000                  | 0.00  | -                         | - |
| Koh Beng San                               | 100,000                 | 0.01  | -                         | - |
| Chen Kok Seng                              | 900,000                 | 0.09  | -                         | - |
| Dato' S.Sivasuriyamoorthy A/L Sundara Raja | -                       | -     | -                         | - |

# ANALYSIS OF SHAREHOLDINGS (CONT'D)

## AS AT 30 SEPTEMBER 2026

### DIRECTORS' INTEREST IN OPTIONS OVER ORDINARY SHARES

| Name                                       | No. of Options<br>Granted under Share<br>Issuance Scheme ("SIS") | No. of Options<br>Exercised since the<br>Implementation of SIS |
|--------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------|
| Datuk Mohd Rabin Bin Basir                 | 2,976,000                                                        | -                                                              |
| Tee Kim Chin                               | 14,880,000                                                       | -                                                              |
| Tee Kim Yok                                | 7,440,000                                                        | -                                                              |
| Alex Miranda Juntado                       | -                                                                | -                                                              |
| Yau Yin Wee                                | 1,488,000                                                        | -                                                              |
| Koh Beng San                               | 1,488,000                                                        | -                                                              |
| Chen Kok Seng                              | 1,488,000                                                        | -                                                              |
| Dato' S.Sivasuriyamoorthy A/L Sundara Raja | -                                                                | -                                                              |

### LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS BASED ON RECORD OF DEPOSITORS

| No. | Name of Shareholders                                                                                    | Total No. of<br>Shares Held | %    |
|-----|---------------------------------------------------------------------------------------------------------|-----------------------------|------|
| 1.  | Chung Dao                                                                                               | 81,854,700                  | 8.25 |
| 2.  | Affin Hwang Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Chung Chee Yang             | 79,000,000                  | 7.96 |
| 3.  | Alliancegroup Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Tee Kim Chin              | 50,447,600                  | 5.09 |
| 4.  | Lim Soon Guan                                                                                           | 32,800,000                  | 3.31 |
| 5.  | CGS International Nominees Malaysia (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Tee Kim Chin | 26,637,600                  | 2.69 |
| 6.  | Maybank Nominees (Tempatan) Sdn. Bhd.<br>Yii Chee Sing                                                  | 25,328,300                  | 2.55 |
| 7.  | Maybank Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Tee Kim Chin                    | 23,110,100                  | 2.33 |
| 8.  | RHB Capital Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Tee Kim Chin                | 23,049,300                  | 2.32 |
| 9.  | Loh Kok Wai                                                                                             | 18,784,100                  | 1.89 |
| 10. | Maybank Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Chung Dao                       | 17,000,000                  | 1.71 |
| 11. | Alliancegroup Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Tee Kim Yok               | 11,423,400                  | 1.15 |
| 12. | Maybank Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Chee Wei Sin                    | 11,042,300                  | 1.11 |
| 13. | Maybank Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Law Tiam Look                   | 10,974,600                  | 1.11 |
| 14. | Maybank Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Leow Kok Yew                    | 10,666,400                  | 1.08 |
| 15. | Yee Fook Leong                                                                                          | 9,822,500                   | 0.99 |
| 16. | Malaysian Technology Development Corporation Sdn. Bhd.                                                  | 9,001,700                   | 0.91 |
| 17. | Maybank Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Toh Hooi Hak                    | 8,909,500                   | 0.90 |

# ANALYSIS OF SHAREHOLDINGS (CONT'D)

## AS AT 30 SEPTEMBER 2026

### LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS BASED ON RECORD OF DEPOSITORS (CONT'D)

| No. | Name of Shareholders                                                                                   | Total No. of Shares Held | %    |
|-----|--------------------------------------------------------------------------------------------------------|--------------------------|------|
| 18. | Maybank Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Lim Siew Lan                   | 8,139,300                | 0.82 |
| 19. | Maybank Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Liew Ming Haow                 | 7,802,000                | 0.79 |
| 20. | Maybank Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Siah Ah Hock                   | 7,383,000                | 0.74 |
| 21. | Maybank Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Lee Hao Tian                   | 7,374,900                | 0.74 |
| 22. | Affin Hwang Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Tee Kim Chin               | 7,014,000                | 0.71 |
| 23. | Ho Heng Chuan                                                                                          | 6,347,500                | 0.64 |
| 24. | Affin Hwang Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Chung Chee Yang            | 5,270,300                | 0.53 |
| 25. | Citigroup Nominees (Asing) Sdn. Bhd.<br>UBS AG                                                         | 4,779,102                | 0.48 |
| 26. | HSBC Nominees (Asing) Sdn. Bhd.<br>J.P. Morgan Securities PLC                                          | 4,678,400                | 0.47 |
| 27. | Tan Hoon Thean                                                                                         | 4,130,000                | 0.42 |
| 28. | Mercsec Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa | 4,014,300                | 0.40 |
| 29. | Soh Swee See                                                                                           | 3,800,000                | 0.38 |
| 30. | Maybank Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Lionel Leong Jihn Haur         | 3,712,200                | 0.37 |

# NOTICE OF 2026 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 2026 Annual General Meeting (“**AGM**”) of Cape EMS Berhad (“**Company**”) will be held at Ballroom 1, Imperial Lexis Kuala Lumpur, No. 15, Jalan Kia Peng, 50450 Kuala Lumpur, Wilayah Persekutuan on Monday, 16 November 2026 at 10:00 a.m. for the following purposes:-

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2026 together with the Reports of the Directors and Auditors thereon. **[Please refer to Explanatory Note (1)]**
2. To approve the payment of Directors’ fees up to an amount of RM477,600.00 from the day after the 2026 AGM until the next AGM of the Company in year 2027. **(Ordinary Resolution 1)**
3. To approve the payment of Directors’ benefits up to an amount of RM180,000.00 from the day after the 2026 AGM until the next AGM of the Company in year 2027. **(Ordinary Resolution 2)**
4. To re-elect Ms. Tee Kim Yok, who retires pursuant to Clause 84.1 of the Company’s Constitution and being eligible, has offered herself for re-election. **(Ordinary Resolution 3)**
5. To re-elect Dato’ S.Sivasuriyamoorthy A/L Sundara Raja, who retires pursuant to Clause 91 of the Company’s Constitution and being eligible, has offered himself for re-election. **(Ordinary Resolution 4)**
6. To re-appoint UHY Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to determine their remuneration. **(Ordinary Resolution 5)**

## AS SPECIAL BUSINESS

To consider and, if thought fit, with or without any modification, to pass the following resolutions as Ordinary Resolutions:-

7. **ORDINARY RESOLUTION** **(Ordinary Resolution 6)**  
**Authority to Issue Shares pursuant to the Companies Act 2016**

“**THAT** subject to the Companies Act 2016 (“**Act**”), the Constitution of the Company, Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and approvals of the relevant governmental and/or regulatory authorities, where necessary, the Directors be and are hereby empowered to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit always provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being (excluding treasury shares, if any) (“**New Shares**”) without first offering the New Shares to the holders of the existing issued shares;

**AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities and that such authority shall continue in force until the conclusion of the next AGM of the Company.”

# NOTICE OF 2026 ANNUAL GENERAL MEETING

## (CONT'D)

### 8. ORDINARY RESOLUTION

*(Ordinary Resolution 7)*

#### **Proposed Renewal of Authority for the Company to Purchase its Own Shares**

**"THAT** subject to the Act, the Constitution of the Company, the MMLR of Bursa Securities and all other applicable laws, guidelines, rules and regulations for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company ("**Company Shares**") as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:-

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall 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 funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase(s);

**THAT** upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:-

- (i) cancel all the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;

**AND THAT** such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

**AND FURTHER THAT** the Directors be and is hereby authorised to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the abovementioned purchase of Company Shares with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

# NOTICE OF 2026 ANNUAL GENERAL MEETING

## (CONT'D)

### 9. ORDINARY RESOLUTION

(Ordinary Resolution 8)

**Proposed Allocation of Share Issuance Scheme Options to Dato' S.Sivasuriyamoorthy A/L Sundara Raja, an Independent Non-Executive Director of the Company**

"THAT pursuant to the Share Issuance Scheme ("SIS") of the Company approved by the shareholders of the Company at the Extraordinary General Meeting held on 1 August 2025, approval be and is hereby given to the Board at any time and from time to time during the duration of the SIS, to offer and grant SIS Option to Dato' S.Sivasuriyamoorthy A/L Sundara Raja, being the Independent Non-Executive Director of the Company, provided that not more than 10% of the SIS Options shall be allocated to him if he is a Director of the Company and/or he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued ordinary shares (excluding treasury shares, if any) of the Company, subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws."

10. To transact any other ordinary business for which due notice has been given.

By Order of the Board

**YEOW SZE MIN (SSM PC NO. 201908003120) (MAICSA 7065735)**  
**TAN LEY THENG (SSM PC NO. 201908001685) (MAICSA 7030358)**  
 Company Secretaries

Kuala Lumpur  
 16 October 2026

**Notes to the Notice of the 2026 AGM:-**

- (1) In respect of deposited securities, only shareholders whose names appear in the Record of Depositors on 10 November 2026 shall be eligible to attend, speak and vote at the Meeting.
- (2) The shareholder of the Company shall be entitled to appoint up to two (2) proxies to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
- (3) Where the shareholder appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy appointed to attend the Meeting of the Company shall have the same rights as the shareholder.
- (4) Where the shareholder is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds 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.
- (5) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or in the case of a corporation, shall be executed under its common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

# NOTICE OF 2026 ANNUAL GENERAL MEETING

## (CONT'D)

- (6) The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company no later than Saturday, 14 November 2026 at 10.00 a.m. or at any adjournment thereof:-

(i) In Hardcopy Form

The Proxy Form must be deposited at the office of the Company's Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

(ii) By Electronic Means

The Proxy Form must be electronically lodged by email to [info@sshsb.com.my](mailto:info@sshsb.com.my).

### **Explanatory Notes to Ordinary and Special Businesses:-**

1. This agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the audited financial statements. Hence, this agenda item is not put forward for voting.
2. **Ordinary Resolution 1 – Directors' fees payable from the day after the 2026 AGM until the next AGM of the Company in year 2027**

The proposed Ordinary Resolution 1, if passed, will allow the Company to pay Directors' fees of RM477,600.00 to the Non-Executive Directors of the Company.

This Resolution is to facilitate payment of the Directors' fees for the period from the day after the 2026 AGM ("**Mandate Period**") and to be payable on a monthly basis in arrears after each month of completed service of the Directors. In the event the Directors' fees and benefits payable as proposed are insufficient due to enlarged Board size, approval will be sought at the next AGM of the Company for additional fees and benefits to meet the shortfall.

3. **Ordinary Resolution 2 – Directors' benefits payable for the Mandate Period**

The proposed Ordinary Resolution 2, if passed, will authorise the payment of the Directors' benefits to the Non-Executive Directors of the Company up to an amount of RM180,000.00 with effect from the Mandate Period.

The benefits payable for the Mandate Period comprise meeting allowances payable to the Non-Executive Directors for attendance at the Board meetings, whenever meetings are called during the Mandate Period, and other claimable benefits, including reimbursable expenses incurred in the course of carrying out their duties as Directors.

4. **Ordinary Resolutions 3 and 4 – Re-election of Directors**

Ms. Tee Kim Yok and Dato' S.Sivasuriyamoorthy A/L Sundara Raja who are retiring pursuant to Clause 84.1 and Clause 91 of the Constitution of the Company respectively ("**Retiring Directors**"), are eligible for re-election and hence, they have offered themselves for re-election at the 2026 AGM of the Company.

Mr. Alex Miranda Juntado, who is due to retire pursuant to Clause 84.1 of the Constitution of the Company, had informed the Company of his intention not to seek re-election at the forthcoming 2026 AGM. Accordingly, Mr. Alex Miranda Juntado would retire as a Non-Independent Executive Director of the Company upon the conclusion of the 2026 AGM.

In determining the eligibility of the Directors to stand for re-election at the 2026 AGM, and in line with Practice 5.1 of the Malaysian Code on Corporate Governance, the Nominating Committee ("**NC**") had reviewed and assessed each of the Retiring Directors from the annual assessment and evaluation of the Board, Board Committees, Independent Directors and individual Directors for the financial year ended 30 June 2026.

The Retiring Directors had undergone a performance evaluation and provided their declaration of fitness and propriety to continue acting as Directors of the Company in accordance with the Directors' Fit and Proper Policy of the Company. The Retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant NC and Board meetings of the Company, where applicable.

# NOTICE OF 2026 ANNUAL GENERAL MEETING

## (CONT'D)

The Board, through the NC's recommendation, being satisfied with the performance/contribution of the Retiring Directors and the independence of the Independent Director. Therefore, the Board would like to recommend the same be tabled to the shareholders for approval at the 2026 AGM under Ordinary Resolutions 3 and 4 respectively.

The details of the Retiring Directors are available in the Directors' Profile of the Annual Report in respect of the financial year ended 30 June 2026.

### 5. Ordinary Resolution 5 – Re-appointment of Auditors

The performance and effectiveness of UHY Malaysia PLT had been evaluated by the Audit Committee ("AC"), which included an assessment of the independence and objectivity of UHY Malaysia PLT.

The AC, being satisfied with the performance, suitability and independence of UHY Malaysia PLT as External Auditors, had recommended to the Board that UHY Malaysia PLT be re-appointed at the 2026 AGM and its remuneration be determined by the Board. The Board in turn had endorsed the AC's recommendation.

### 6. Ordinary Resolution 6 – Authority to Issue Shares pursuant to the Act

The proposed Ordinary Resolution 6 is a new mandate, if passed, will grant the authority to the Directors of the Company pursuant to the Act, to issue and allot new shares in the Company at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares does not exceed 10% of the total number of issued shares of the Company for the time being (hereinafter referred to as the "General Mandate"). The General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The purpose to seek the General Mandate is to provide flexibility to the Directors of the Company for allotment of shares for any possible fund-raising activities for the purpose of funding future investment project(s), working capital, acquisition(s) and/ or such other purposes as the Directors may deem fit without convening a general meeting as it would be both time and cost-consuming to organise a general meeting.

In accordance with Clause 53 of the Company's Constitution, the passing of the Ordinary Resolution 6 shall be taken as the members' agreement for the new shares to be issued to such persons as the Director may deem fit without first offer to holders of existing shares.

### 7. Ordinary Resolution 7 – Proposed Renewal of Share Buy-Back

The proposed Ordinary Resolution 7, if passed, will renew the authority given to the Company to purchase up to 10% of the total number of issued shares of the Company at any time within the time period stipulated in the MMLR of Bursa Securities. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company.

Please refer to the Statement to Shareholders dated 16 October 2026 for further information.

### 8. Ordinary Resolution 8 – Proposed Allocation of SIS Options

The proposed Ordinary Resolution 8, if passed, will enable the Company to offer and grant SIS options to Dato' S.Sivasuriyamoorthy A/L Sundara Raja, being the Independent Non-Executive Director of the Company, subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws of the SIS of the Company.

Dato' S.Sivasuriyamoorthy A/L Sundara Raja and the persons connected to him would abstain from voting on this resolution.

# STATEMENT ACCOMPANYING NOTICE OF THE 2026 ANNUAL GENERAL MEETING

## 1. Pursuant to Paragraph 8.27(2) of the MMLR of Bursa Securities

There are no Directors standing for election or appointment as Director of the Company at the 2026 AGM.

## 2. Pursuant to Paragraph 6.03(3) of the MMLR of Bursa Securities

Details on the authority to issue and allot shares in the Company pursuant to the Act are set out in Explanatory Note (6) of the Notice of the 2026 AGM.

### Personal Data Privacy

By submitting an instrument appointing a proxy(ies) or representative(s) to attend, participate, speak and vote at the 2026 AGM and/or any adjournment thereof, a member of the Company:-

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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**CAPE EMS BERHAD**  
[Registration No. 199901026859 (501759-M)]  
(Incorporated in Malaysia)

### PROXY FORM

|                    |  |  |  |   |  |  |  |   |  |  |  |  |  |  |  |  |
|--------------------|--|--|--|---|--|--|--|---|--|--|--|--|--|--|--|--|
| CDS Account No.    |  |  |  | - |  |  |  | - |  |  |  |  |  |  |  |  |
| No. of shares held |  |  |  |   |  |  |  |   |  |  |  |  |  |  |  |  |

I/We \_\_\_\_\_ (NRIC No./ Registration No./ Passport No.) \_\_\_\_\_  
(FULL NAME IN BLOCK LETTER)

of \_\_\_\_\_  
(FULL ADDRESS)

Contact No \_\_\_\_\_ and Email Address \_\_\_\_\_

being a \*member/members of **CAPE EMS BERHAD** ("Company"), hereby appoint(s):-

| Name of Proxy     | NRIC No./ Passport No. | Proportion of shareholding |   |
|-------------------|------------------------|----------------------------|---|
|                   |                        | No. of shares              | % |
| Address:          |                        |                            |   |
| Email Address:    |                        |                            |   |
| Mobile Phone No.: |                        |                            |   |

and (if more than one (1) proxy)/ or failing \*him/her

| Name of Proxy     | NRIC No./ Passport No. | Proportion of shareholding |   |
|-------------------|------------------------|----------------------------|---|
|                   |                        | No. of shares              | % |
| Address:          |                        |                            |   |
| Email Address:    |                        |                            |   |
| Mobile Phone No.: |                        |                            |   |

or failing \*him/her, the CHAIRMAN OF THE MEETING as \*my/our proxy to vote for \*me/us on \*my/our behalf at the 2026 Annual General Meeting of the Company to be held at Ballroom 1, Imperial Lexis Kuala Lumpur, No. 15, Jalan Kia Peng, 50450 Kuala Lumpur, Wilayah Persekutuan on Monday, 16 November 2026 at 10:00 a.m., or at any adjournment thereof.

\*My/our proxy is to vote as indicated below:-

| Resolutions           |                                                                                                                                                                                                    | For | Against |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| Ordinary Resolution 1 | To approve the payment of Directors' fees up to an amount of RM477,600.00 from the day after the 2026 Annual General Meeting until the next Annual General Meeting of the Company in year 2027     |     |         |
| Ordinary Resolution 2 | To approve the payment of Directors' benefits up to an amount of RM180,000.00 from the day after the 2026 Annual General Meeting until the next Annual General Meeting of the Company in year 2027 |     |         |
| Ordinary Resolution 3 | To re-elect Ms. Tee Kim Yok, who retires pursuant to Clause 84.1 of the Company's Constitution and being eligible, has offered herself for re-election                                             |     |         |
| Ordinary Resolution 4 | To re-elect Dato' S.Sivasuriyamoorthy A/L Sundara Raja, who retires pursuant to Clause 91 of the Company's Constitution and being eligible, has offered himself for re-election                    |     |         |
| Ordinary Resolution 5 | To re-appoint UHY Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to determine their remuneration                                                      |     |         |
| Ordinary Resolution 6 | Authority to Issue Shares pursuant to the Companies Act 2016                                                                                                                                       |     |         |
| Ordinary Resolution 7 | Proposed Renewal of Authority for the Company to Purchase its Own Shares                                                                                                                           |     |         |
| Ordinary Resolution 8 | Proposed Allocation of Share Issuance Scheme Options to Dato' S.Sivasuriyamoorthy A/L Sundara Raja, an Independent Non-Executive Director of the Company                                           |     |         |

Please indicate with "X" in the appropriate space how you wish your proxy to vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit or, at his/her discretion, abstain from voting.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2026

\_\_\_\_\_  
\*Signature of Member(s) / Common Seal of Shareholder

\* Delete if not applicable

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**Notes:-**

- (1) *In respect of deposited securities, only shareholders whose names appear in the Record of Depositors on 10 November 2026 shall be eligible to attend, speak and vote at the Meeting.*
- (2) *The shareholder of the Company shall be entitled to appoint up to two (2) proxies to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.*
- (3) *Where the shareholder appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy appointed to attend the Meeting of the Company shall have the same rights as the shareholder.*
- (4) *Where the shareholder is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds 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.*
- (5) *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or in the case of a corporation, shall be executed under its common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.*
- (6) *The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company no later than Saturday, 14 November 2026 at 10.00 a.m. or at any adjournment thereof:-*
  - (i) *In Hardcopy Form*  
*The Proxy Form must be deposited at the office of the Company's Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.*
  - (ii) *By Electronic Means*  
*The Proxy Form must be electronically lodged by email to [info@sshsb.com.my](mailto:info@sshsb.com.my).*

**Personal Data Privacy**

*By submitting an instrument appointing proxy(ies) or representative(s) to attend, participate, speak and vote at the 2026 Annual General Meeting and/or any adjournment thereof, a member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of 2026 Annual General Meeting dated 16 October 2026.*

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AFFIX  
STAMP

The Share Registrar of  
**CAPE EMS BERHAD**  
[Registration No. 199901026859 (501759-M)]  
c/o Securities Services (Holdings) Sdn. Bhd.  
Level 7, Menara Milenium,  
Jalan Damanlela, Pusat Bandar Damansara,  
Damansara Heights,  
50490, Kuala Lumpur, Wilayah Persekutuan

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**CAPE EMS BERHAD**

(Registration No. 199901026859 [501759-M])

PL0 227A, Jalan Cyber 1A, Kawasan Perindustrian Senai III,  
81400 Senai, Johor Darul Ta'zim, Malaysia.

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Email address : [admin@cape-group.com.my](mailto:admin@cape-group.com.my)

**[www.cape-group.com.my](http://www.cape-group.com.my)**