



CAPE EMS BERHAD
(Registration No. 199901026859 (501759-M))



Reducing all types of waste, most of which are
toxic, from all stages, integrated to avoid
pollution, is a key strategy. The company
implements a strict waste management
policy, ensuring that all waste is properly
disposed of. The company's waste management
system is designed to minimize the
company's carbon footprint and reduce
the company's environmental impact.

Reducing the company's carbon footprint
is a key strategy. The company implements
a strict waste management policy, ensuring
that all waste is properly disposed of. The
company's waste management system is
designed to minimize the company's carbon
footprint and reduce the company's
environmental impact.

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ANNUAL REPORT 2025
DRIVEN BY INNOVATION,
DEFINED BY SUSTAINABILITY

Contents

02	Our Vision, Mission and Core Values
03	Corporate Overview
04	Awards
05	Key Events and Milestones
06	Certification
07	Corporate Information
08	Five Years Group Financial Highlights
10	Management Discussion and Analysis
14	Corporate Structure
15	Our Global Footprint
16	Board of Directors
23	Key Senior Management Profile
27	Sustainability Statement
60	Corporate Governance Overview Statement
75	Audit Committee Report
80	Statement on Risk Management and Internal Control
86	Statement of Directors' Responsibility
87	Additional Compliance Information
89	Financial Statements
183	List of Properties Owned by the Group
186	Analysis of Shareholdings
188	Notice of Annual General Meeting
193	Statement Accompanying the Notice of the 2025 Annual General Meeting
-	Proxy Form

OUR VISION, MISSION AND CORE VALUES



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.



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 behaviors 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.

CORPORATE OVERVIEW

Established in 2013, Cape EMS Berhad (“**Cape EMS**” or the “**Company**”) has become a leading provider of electronics manufacturing services (“**EMS**”), recognized for its expertise in producing and supplying electronic components and devices. Catering to a diverse array of industries, we provide an extensive suite of contract manufacturing services, delivering end-to-end solutions that facilitate a smooth and effective manufacturing process from design to global distribution. Our dedication to quality, adherence to industry standards, and customer-centric approach have positioned us as a reliable partner in the EMS industry.

Our subsidiary, Cape Manufacturing (M) Sdn. Bhd., specializes in manufacturing of precision die casting of aluminium and zinc, providing high-quality components for both our internal needs and tailored solutions for external clients. Furthermore, we are actively involved in the supply of electronic products and related services through our other subsidiary, Cape Holdings (S) Pte. Ltd. Through iConn Inc. and its subsidiary, DongGuan iConn Technologies, we also specialize in providing high-quality electromechanical components, assemblies, and comprehensive turnkey solutions.

Aspiring to be a global-thinking organization dedicated to creating value for our customers, our mission is to consistently deliver quality products and services by offering efficient, flexible, and innovative manufacturing solutions at reasonable and competitive prices to maximize returns for all our stakeholders. Guided by our core values of Governance, Integrity, Accountability, and Transparency (GIAT), Cape EMS is committed to fostering an ethical corporate environment in all aspects of our business activities, dealings, relationships, and operations.

As part of our commitment to clean energy and our goal of achieving zero emissions by 2040, we proudly installed a solar photovoltaic (PV) system with a capacity of 1,108.96 kWp, which has been operational since 26 June 2024. This initiative underscores our commitment to reducing our carbon footprint while promoting sustainable energy practices. In addition, we are committed to environmental sustainability through careful management of our paper usage to minimize waste and our active participation in a mangrove tree planting project, which supports coastal protection and biodiversity. Collectively, these efforts reflect our holistic approach to fostering a greener future and enhancing ecological health.

On 25 March 2025, Cape EMS formed a strategic partnership with Aerospace Industrial Development Corporation (“**AIDC**”) through three major cooperation agreements, establishing a foundation for collaboration in renewable energy, aerospace parts manufacturing, and life-science technology. By leveraging Cape EMS’s integrated manufacturing expertise and AIDC’s specialization in these industries and extensive global network, this collaboration strengthens our position in these high-growth sectors and opens new pathways for innovation and sustainable growth.

Cape EMS, through its wholly-owned subsidiary Cape Renewables Sdn. Bhd. (formerly known as Good Hope Global Sdn. Bhd.), signed a Memorandum of Understanding with EV Connection Sdn. Bhd. on 31 July 2025 to manufacture and supply electric vehicle (“**EV**”) chargers and solar peripherals in support of Malaysia’s EV adoption roadmap and clean energy transition, advancing smart infrastructure and sustainable urban mobility initiatives aligned with Malaysia’s green energy goals. Cape EMS intends to expand its downstream activities related to the EV chargers it manufactures, in line with the Company’s ongoing business expansion plans.

On 2 September 2025, the Company entered into a strategic partnership with Shanghai Sermatec Energy Technology Co., Ltd. to localise Battery Energy Storage Systems (BESS) production in Malaysia, positioning the Company and its subsidiaries as a regional hub for energy storage solutions with long-term operations and maintenance support across ASEAN. Cape Renewables Sdn. Bhd. (formerly known as Good Hope Global Sdn. Bhd.), a wholly-owned subsidiary, will oversee the localization of production for both the Battery Management System and Energy Management System. This end-to-end capability will ensure seamless operation, faster technical support, and enhanced system efficiency for projects deployed across the region.

Cape EMS seeks to be an electronics manufacturing service provider dedicated to meeting the unique manufacturing needs of our clients and helping them fulfil their customers’ demands. With a wide range of innovative solutions and a strong commitment to sustainability, we partner closely with our clients, prioritising their success while actively contributing to a green future. We extend our heartfelt gratitude to our stakeholders for their steadfast support and trust in us as we strive for corporate excellence and sustainability. Together, let us build a sustainable and resilient future.

AWARDS

Awards To The Company

AWARD NAME	AWARD TYPE
Top Employer Award 2025	
Asia's Best Employer Brand Awards 2024	
Malaysia Best Employer Brand Awards 2024	
Next Conservation Award 2024	
Nanyang 100 th Anniversary Superb Brand Award 2023	Excellent Enterprise Award (Electronic Manufacturing Services)
Next Conservation Award 2023	
Export Excellence Award	Best Mid-Tier Exporting Company 2022
Malaysian International Chamber of Commerce & Industry	Star Among Stars Award 2017
Sin Chew Business Excellence Awards	Product and Service Excellence Award 2016
Sin Chew Business Excellence Awards	Product and Service Excellence Award 2013

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	Honorary 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 Awards (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 into 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. (Formerly known as Advance Vehicle 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. (formerly known as Good Hope Global 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.

CERTIFICATION

Cape EMS Berhad

ISO 9001:2015	Quality Management System for assembly of electronic printed circuit boards and box build solutions for telecommunications, home appliances, automotive, medical, energy management, and smart metering industries, including vehicle control units and rechargeable energy storage systems
ISO 14001:2015	Environmental Management System for assembly of electronic printed circuit boards and box build solutions for telecommunications, home appliances, automotive, medical, energy management, and smart metering industries, including vehicle control units and rechargeable energy storage systems.
ISO 27001:2022	Information Security Management System for assembly of electronic printed circuit boards and box build solutions for telecommunications, home appliances, automotive, medical, energy management, and smart metering industries, including vehicle control units and rechargeable energy storage systems.
ISO 37001:2016	Anti-Bribery Management System for assembly of electronic printed circuit boards and box build solutions for telecommunications, home appliances, automotive, medical, energy management, and smart metering industries, including vehicle control units and rechargeable energy storage systems.
ISO 13485: 2016	Quality Management System for assembly of electronic printed circuit boards 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 telecommunications, home appliances, automotive, medical, energy management, and smart metering industries, including vehicle control units.
Customs-Trade Partnership Against Terrorism (C-TPAT)	C-TPAT Management System for manufacturing of electronic products, including 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 provisions of aluminium die-casting, precision machining, sub-assembly and secondary processes.
ISO 14001:2015	Environmental Management System for provisions of aluminium die-casting, precision machining, sub-assembly and secondary processes.

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

Stock Exchange Listing

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

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
(Redesignated on 30 May 2025)
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

Chen Kok Seng - Member
Independent Non-Executive Director

Koh Beng San - Member
Independent Non-Executive Director

Sustainability and Risk Management Committee

Chen Kok Seng - Chairman
Independent Non-Executive Director

Koh Beng San - 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
Fax No. : +603 2084 9940
Email address : info@sshshb.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
Fax No. : +603 2794 9940
Email address : info@sshshb.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
OCBC Bank (Malaysia) Berhad

FIVE YEARS GROUP FINANCIAL HIGHLIGHTS

Financial Period Ended 30 June ("FPE")/ Financial Year Ended 31 December ("FYE")	FPE 2025 RM Group	FYE 2023 RM Group	FYE 2022 RM Group	FYE 2021 RM Group	FYE 2020 RM Company
FINANCIAL RESULTS					
Revenue	690,422,921	548,644,355	437,954,093	344,334,423	168,261,089
(Loss)/Profit Before Taxation ("LBT"/"PBT")	(34,587,493)	57,700,499	40,843,536	25,354,932	22,696,960
(Loss)/Profit After Taxation ("LAT"/"PAT")	(38,063,761)	44,342,256	33,540,053	26,264,202	20,232,363
Net (Loss)/Profit attributable to the Owners of the Company	(37,977,706)	44,376,612	33,540,053	26,264,202	20,232,363
FINANCIAL POSITION					
Total Assets	721,053,689	773,672,940	484,339,102	402,139,888	257,166,285
Total Borrowings	188,926,056	178,547,266	191,894,320	156,327,044	94,218,512
Total Equity	435,575,437	455,156,190	195,025,007	169,561,887	81,367,865
FINANCIAL RATIOS					
LAT/PAT Margin (%)	(5.5)	8.1	7.7	7.6	12.0
Basic (Losses)/ Earnings Per Share ⁽¹⁾ (sen)	(3.84)	4.47	3.63	2.85	2.19
Gearing Ratio (times)	0.4	0.4	1.0	0.9	1.2
Net Assets Per Share ⁽²⁾ (sen)	43.91	45.88	21.13	18.37	8.82

Notes

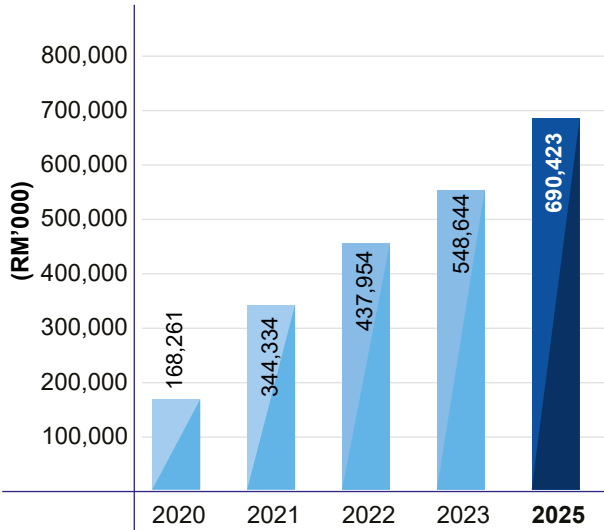
⁽¹⁾ Calculated based on PAT over the issued share capital of 992,000,000 shares after considering the private placement of 69,000,000 new ordinary shares on 12 December 2023. The number of ordinary shares used in calculating the comparative figures have been restated to reflect the enlarged number of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

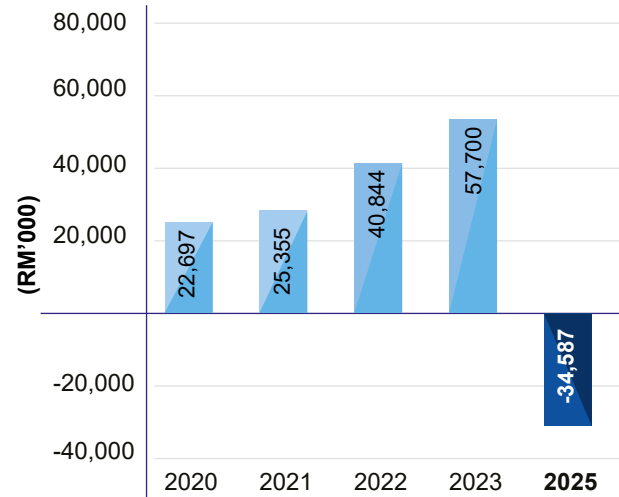
The number of ordinary shares used in calculating the comparative figures have been restated to reflect the enlarged number of shares after the Company listed on 10 March 2023.

FIVE YEARS GROUP FINANCIAL HIGHLIGHTS (CONT'D)

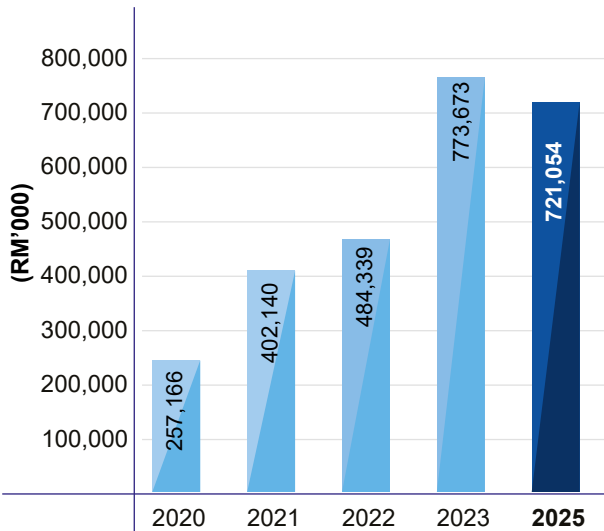
Revenue



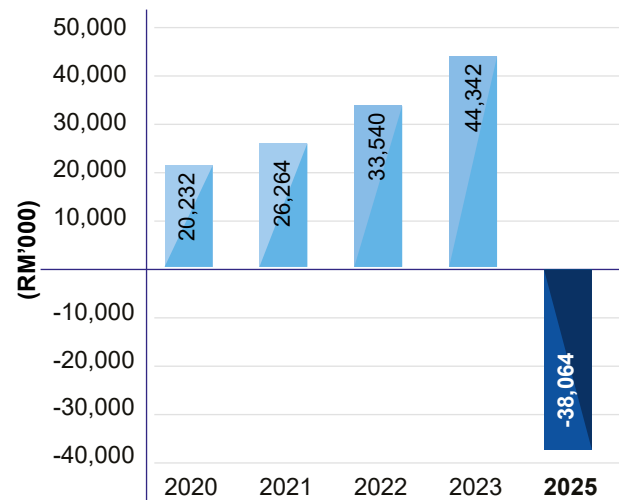
(Loss)/Profit Before Taxation
("LBT" / "PBT")



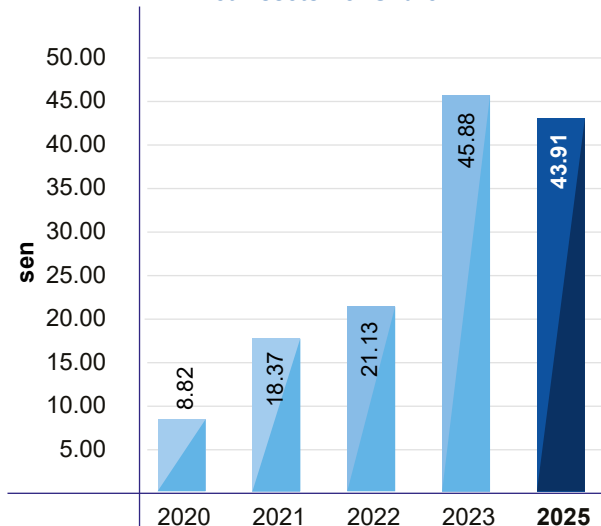
Total Assets



(Loss)/Profit After Taxation
("LAT" / "PAT")



Net Assets Per Share ⁽²⁾



MANAGEMENT DISCUSSION AND ANALYSIS



OVERVIEW OF BUSINESS

Cape EMS Berhad (“**Cape EMS**”) is principally an investment holding company and is involved in electronics manufacturing services. The businesses of Cape EMS and its subsidiaries (“**Cape EMS Group**” or the “**Group**”) are categorised into 2 segments, namely the electronic manufacturing services (“**EMS**”) and other related supporting goods and services segment (“**EMS Segment**”) and the die casting and machining segment (“**DCM Segment**”). Through our 2 EMS facilities, 1 aluminium die cast manufacturing facility, and 1 testing facility, we serve our customers in regions across the world including the USA, UK, Sweden, Singapore, Malaysia, Hong Kong, Japan, Taiwan, Mongolia, Netherlands and India. With the global shift towards sustainability and the increasing demand for clean transportation solutions, Cape EMS has ventured into the burgeoning electric vehicles (“**EVs**”) business under the EMS Segment.

Incorporated in 1999, the Company started to assemble and manufacture electronic components and printed circuit boards under the name Imptec Electronics Sdn Bhd. After close to 15 years, the Company evolved into Cape EMS Manufacturing (M) Sdn Bhd which eventually assumed its present name on 27 May 2022, while it continues to be involved in the business of EMS, aluminium die casting, and supply of electronic products and related activities.

Cape EMS made a debut on the Main Market on 10 March 2023 with plans to carry out a series of expansion plans to construct new warehouse and install automated storage facilities in the new warehouse, setting-up of new cleanroom facility and purchase of new automated production lines; and also purchase of new machinery and equipment to support the business expansion plans of the Group. Subsequently on 6 October 2023, Cape EMS acquired 60% of the shares in Vectrix Mobility Pte Ltd to establish a competitive presence in the EVs sector.

Financial Review

For the financial period ended 30 June 2025 (“**FP2025**”), the Group recorded revenue of RM690.4 million, compared to the RM548.6 million recorded for the financial year ended 31 December 2023 (“**FY2023**”). The increase in revenue of 26% was attributed to the change in financial year end from 31 December to 30 June whereby FP2025 comprised 18 months of business period compared to 12 months for FY2023. The revenue of EMS business constituted mainly revenue from wireless communication equipment and electronic cigarettes. A lower average revenue of about 56% was reported by electronic cigarettes for FP2025 and this is in line with the Group’s intended reduction in revenue contribution from this product.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Financial Review (Cont'd)

The Group recorded a gross profit of RM42.0 million for FP2025, representing a 52% decline compared to RM87.3 million in FY2023. The gross profit margin declined from 16% in FY2023 to 6% in FP2025 was mainly due to the reduction in electronics cigarettes revenue contribution, strengthening of Ringgit Malaysia coupled with cost down initiatives undertaken by customers which had also adversely impacted the gross profit recorded. After taking into account for other income, finance income, administration expenses, distribution costs, other expenses such as allowance for expected credit losses and unrealised forex losses and finance costs, the Group reported a loss before tax of RM34.6 million, compared to profit before tax of RM57.7 million reported in FY2023. The Group recorded a net loss of RM38.1 million for FP2025, compared to net profit of RM44.3 million in the FY2023. Despite the net loss posted for the FP2025, the Group recorded an EBITDA of RM21.9 million compared to RM88.9 million in FY2023. The decline was due to higher depreciation charge, interest expenses but was offset by higher fair value gain on financial assets and investment properties.

The Group's total assets stood at RM721.1 million as at 30 June 2025; this was reduced from RM773.7 million as at the previous financial year end and was mainly attributable to depreciation charge amounted RM38.8 million for FP2025. Working capital is supported by a net current assets of RM110.2 million consisting of cash and cash equivalents amounting to RM74.9 million as at 30 June 2025. Total liabilities stood at RM285.5 million, compared to RM318.5 million reported as at 31 December 2023 due to repayment of trade payables and bank borrowings.

Total shareholders' equity as at 30 June 2025 was RM435.3 million, compared to RM455.2 million recorded on 31 December 2023. Notwithstanding the decline in shareholders' equity, the Group's gearing ratio as at 30 June 2025 was maintained at about 0.4x which is comparable to 31 December 2023.

Business and Operating Activities Overview

EMS Segment

EMS Segment has been the key business segment of the Group, representing more than 97% of the Group's revenue throughout FY2023 and FP2025. EMS Segment revenue was mainly constituted revenue from wireless communication equipment and electronic cigarettes products. Revenue from both products were impacted by weakening of USD and cost down initiatives by customers. The Group intends to reduce the revenue contribution of electronics cigarettes product.

In FP2025, the USA remained the major market for the EMS Segment in Cape EMS, especially wireless communication equipment and electronic cigarettes product. The Group has started to expand the revenue contribution from the ASEAN market especially from the wireless communication equipment. Demand for this product in ASEAN market is expected to grow strongly, starting from Indonesia and Malaysia, which will be one of the Group's market diversification strategies for the financial year ending 30 June 2026 ("FY2026").

DCM Segment

The DCM Segment provides die cast manufacturing services for the EMS Segment as well as external customers. DCM Segment recorded revenue of RM12.2 million in FP2025 compared to RM9.4 million in FY2023, this was attributable to the lower revenue from EMS Segment business. DCM has since been working on expanding the customer and product base to reduce reliance on EMS business. DCM will focus on growing on the industrial products on utility segment in gas and water sector.

Key Risks

The Group continues to undertake a structured approach towards managing various types of risks including strategic, sustainability, operational, technological and reputational risks, amongst others. Our risk-based management approach enables us to focus our resources on managing key risks which have a more significant impact on the business. The Group has embarked on diversification of the products, markets and customers as the immediate and short term recovery strategy as well as to ensure a sustainable long term performance.

The Group will continue to improve on integration of the supply chain management by leveraging on strength of the growing suppliers' profile, working with reliable and responsible suppliers and ensuring we are not dependent on sole suppliers to diversify our risks. The Group also 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 will maintain close engagement with suppliers to manage arising issues, such as any foreseeable market shortages or logistics challenges, to enable us to revise our production strategy and schedule and communicate with our customers as appropriate.

In order to reduce risk concentration in a specific product or market, we have a diverse mix of products in our portfolio and will continue to develop new services for products that may leverage our existing production facilities.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Key Risks (Cont'd)

The planned expansion of our facilities will also enable the Group to have a greater capacity to increase its portfolio mix and grow its customer base.

On the other hand, we have established strong customer relationship processes supported by well-trained or experienced teams to develop robust customer relationships anchored on 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.

Cape EMS Group's top 3 customers contributed to RM325.9 million or 47.0% of the Group's revenue in FP2025. Master supply agreements with most of the major customers, built upon the Group's capabilities and performance which were subject to regular assessments by the customers. Such a relationship enables the Group to support the customers' value chains and take part in their business growth.

FY2026 Outlook

The international markets encountered deceleration of global trade, the global tech downcycle, geopolitical upheavals and prolonged United States ("US") – China trade disputes, as well as the implementation of trade tariff by US during the financial period. These challenges are not unique to Cape EMS Group and they represent global trends and issues which most businesses are required to deal with. In response to these challenges, the Group will remain vigilant, continuously monitor both external and internal environments to navigate the business challenges by adjusting our business plans and strategies.

Moving ahead into FY2026, the Group has identified four business pillars/segments to drive the Group's business diversification and long term growth plan. The four business pillars are Electronics Manufacturing Services ("**EMS**"), Battery Energy Storage System ("**BESS**"), Wireless IOT ("**Wireless**") and Intelligent Manufacturing Network ("**IMN**").

Electronics Manufacturing Services ("**EMS**")

The Group aims to be an advanced electronics manufacturing group of companies and will embark on modernising and enhancing the EMS manufacturing capability to produce, assemble components and products with extremely high precision requirements to serve customers in life science, medical, aerospace components, low altitude airspace and light aircraft industries. The Company has on 25 March 2025 entered into a partnership with Taiwanese aerospace giant, Aerospace Industrial Development Corporation (AIDC) or Hanxiang Aerospace Corporation. The partnership between AIDC and the Group establishes cooperation in three major business segments, namely Renewable Energy, Aerospace Parts Manufacturing, and Lifescience Technology products.

Battery Energy Storage System ("**BESS**")

BESS business segment is an extension of the Group's manufacturing capabilities into green technology solution which aligns with the growing demand for sustainable energy and products. BESS segment provides opportunity as well as reflects a commitment of the Group on environmental responsibility. Cape Renewables Sdn. Bhd. (formerly known as Good Hope Global Sdn. Bhd.), a wholly-owned subsidiary will spearhead distribution of Battery Energy Storage System ("**BESS**") which will be assembled by the Company in collaboration with Shanghai Sermatec Energy Technology Co., Ltd. ("**Sermatec**"). This landmark partnership formally initiates a joint commitment to localise battery energy storage solutions in Malaysia and establish supply and long term maintenance service business strategy across the ASEAN region.

Wireless IOT ("**Wireless**")

Wireless business segment is an extension of the existing EMS business wireless product. The Company has since the FP2025 expanded the capabilities in the wireless products from manufacturing to product development. The Company continues the expansion plan in FY2026 with the incorporation of Ligowave Wireless Sdn Bhd, a wholly-owned subsidiary to market and distribute Wi-Fi transmission products under the renowned brand name of Ligowave targeting Indonesia, Malaysia and Central Asia markets.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)



FY2026 Outlook (Cont'd)

Intelligent Manufacturing Network ("IMN")

iConn Inc. ("iConn"), a wholly-owned U.S. subsidiary, is the Intelligent Manufacturing Network ("IMN") business segment of the Group. It represents the future manufacturing concept which combines the engineering expertise with a data-driven and asset-light execution model. iConn owns the customer relationship and activates its global iConn Manufacturing Network of qualified partners to deliver precision production anywhere in the world.

iConn's business system is custom built on Oracle NetSuite; this platform-based approach allows iConn to scale rapidly without owning factories, leveraging digital access, standardized processes and live data to ensure consistent quality and traceability across all builds. Manufacturing partners connect through NetSuite for real-time execution, while customers gain visibility through the Partner Center—creating transparency and control from design through delivery.

In FY2026, iConn will continue to expand its network and geographic coverage to mitigate tariff exposure and enable flexible regional manufacturing. The model's scalability and digital intelligence position iConn as a capital-efficient, transparent, and globally adaptive growth platform driving the Cape Group's evolution toward intelligent, distributed manufacturing.

Under the IMN business segment, the Group will in FY2026 develop Submicron manufacturing business with Industry 4.0 manufacturing capability to support the Group's components manufacturing for life science, medical, aerospace components, low altitude airspace and light aircraft industries.

With the expansion on product offerings, the Group seeks to strengthen the existing EMS business with the new business segments that will provide a sustainable long term and high growth business plans which aim to generate a strong return for all our stakeholders.

Barring any unforeseen circumstances, the Board is optimistic about the Group's performance and leveraging on its competitive advantages expects the Group's expansion to contribute positively to its financial performance in the future.

Dividend

On 21 May 2024, the Company declared a first interim single-tier dividend of 0.67 sen per ordinary share in respect of the financial year ended 2024 (FY2024), amounting to RM6.6 million, which was paid on 15 August 2024 to the shareholders of the Company whose names appear in the Record of Depositors on 29 July 2024.

CORPORATE STRUCTURE

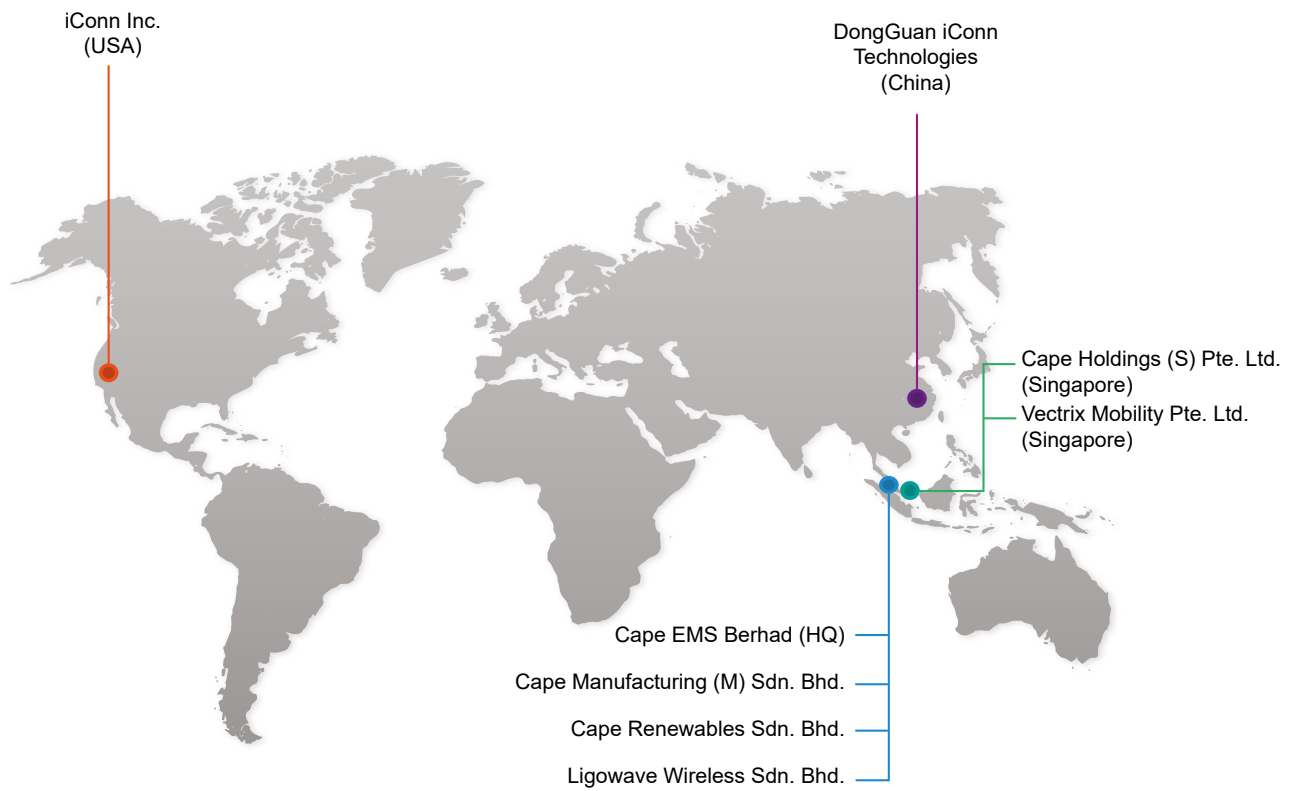


Cape EMS Berhad

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



OUR GLOBAL FOOTPRINT



- Product Development & EMS
- International Procurement Centre & Trading
- Collaborative Design & Engineering and Intelligent Manufacturing Network
- Engineering and Procurement



BOARD OF DIRECTORS



Male

63 years

Malaysian

Attendance at Board
Meetings for FPE 2025

9/10

Datuk Mohd Rabin Bin Basir

Independent Non-Executive Chairman

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 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 period.

BOARD OF DIRECTORS (CONT'D)



Female

58 years

Malaysian

Attendance at Board
Meetings for FPE 2025

10/10

Ms. Tee Kim Chin

Managing Director/Group Chief Executive Officer

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 period.

BOARD OF DIRECTORS (CONT'D)



Female

48 years

Malaysian

Attendance at Board
Meetings for FPE 2025

10/10

Ms. Tee Kim Yok

Non-Independent Executive Director

Ms. Tee Kim Yok ("**Ms. Ivy Tee**") joined the Company on 23 November 2020 and is primarily responsible for government liaison, 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 period.

BOARD OF DIRECTORS (CONT'D)



Male

62 years

American

Attendance at Board
Meetings for FPE 2025

9/10

Mr. Alex Miranda Juntado

Non-Independent Executive Director

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. Juntado 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.

He does not hold any directorship 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 period.

BOARD OF DIRECTORS (CONT'D)



Male

68 years

Malaysian

Attendance at Board
Meetings for FPE 2025

10/10

Mr. Yau Yin Wee

Independent Non-Executive Director

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 then was 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 ("**Bursa Securities**"). In 2023, he was appointed as an Independent Non-Executive Chairman of Smart Asia Chemical Berhad and an Independent Non-Executive Director for Axteria Group Berhad which is listed on the Main Market of Bursa Securities 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 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 period.

BOARD OF DIRECTORS (CONT'D)



Male

71 years

Malaysian

Attendance at Board
Meetings for FPE 2025

10/10

Mr. Chen Kok Seng

Independent Non-Executive Director

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 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 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 period.

BOARD OF DIRECTORS (CONT'D)



Male

51 years

Malaysian

Attendance at Board
Meetings for FPE 2025

10/10

Mr. Koh Beng San

Independent Non-Executive Director

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 the Audit Committee and as a member of the 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 and the Chairman of the Audit Committee of Renaissance United Limited, a company listed on the Main Market of Singapore Stock Exchange. 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 period.

KEY SENIOR MANAGEMENT PROFILE



Male

56 years

Malaysian

Mr. Leong Lup Yan

Group Chief Financial Officer

Mr. Leong Lup Yan ("**Mr. Leong**") became the Chief Financial Officer of the Group on 20 November 2024. He is a member of the MIA and 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.

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 period.

KEY SENIOR MANAGEMENT PROFILE (CONT'D)



Male

63 years

Taiwanese

Mr. Wu, Jung-Wai

Chief Technology Officer

Mr. Wu, Jung-Wai ("**Mr. Wu**") was appointed as Chief Technology Officer of the Company on 2 May 2023. He is responsible for enhancing product quality and performance through meticulous customer and internal product design reviews. He also oversees the research and development ("**R&D**") and engineering teams within the organisation. He holds a Bachelor of Science degree in Mechanical Engineering from Tamkang University, Taiwan, and a Master of Science degree in Mechanical Engineering from Marquette University, USA.

He began his career in 1988 as an Engineer at Control Data Corporation. In 1989, he joined China Electronics Corporation (CEC) until 2001 where he held various roles within the organisation, including Engineer, Quality Assurance Manager, Engineering Manager, Director of Sales and Engineering, and Vice General Manager.

From 2001 to 2004, he was Senior Director/Vice President at JDS Uniphase Corporation, contributing to the establishment and oversight of Active Devices operations. From 2004 to 2007, he served as Chief Operating Officer at Global Lighting Technologies, managed high-performance Micro-Lens Liquid Crystal Display modules for renowned clients such as Apple and Honeywell.

From 2007 to 2014, he co-founded and managed Appotronics Corp. in Shenzhen, China, which specialise in semiconductor light source technology for projectors and stage lighting. Under his leadership, the company secured over 200 patents and developed a customer base in the USA, Europe, China, and Korea. The company's success was underscored by the prestigious Champion Award at the 2010 China Entrepreneurship Competition and its subsequent public offering in Shenzhen.

From 2014 to 2016, Mr. Wu was the Executive Director of Atron Pte. Ltd. in Singapore, where he focused on developing medical modules. He executed a comprehensive overhaul of the business, improving engineering, quality assurance, manufacturing, and supply chain systems. He also introduced fresh talent to strengthen the company's capabilities.

From 2017 to 2022, he transitioned to academia, serving as a Professor at Tamkang University, Taiwan. During this time, he also contributed his expertise as a lecturer in Entrepreneurship and Corporate Management at Fu-Jen University.

In 2020, Mr. Wu co-founded Sounds Great Co. Ltd., a start-up that revolutionised semiconductor speakers with innovative Motion Chip technology. His breakthrough enabled speakers to be significantly reduced in size while maintaining exceptional sound quality. As a major intellectual property inventor with over 50 company patents, he led the Company's R&D and operational functions.

He is also a published author and actively participates in various industry associations. He is widely recognised as an Outstanding Alumni of Tamkang University, Taiwan.

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 period.

KEY SENIOR MANAGEMENT PROFILE (CONT'D)



Male

63 years

Malaysian

En. Salehaldin Bin Nasron

Senior Vice President

En. Salehaldin Bin Nasron ("**En. Salehaldin**") joined the Company in 2020 and currently serves as Senior Vice President, overseeing the Group's corporate affairs, human resources and administration, corporate governance and compliance, sustainability, as well as safety, security, health, and environmental matters. He obtained a Master of Business Administration from the University of Manchester, United Kingdom, in 2012.

En. Salehaldin began his career in 1985 as an Accountant in the Finance Division of Goodyear Malaysia Berhad. Throughout his tenure, he advanced through various roles, including Manager of Treasury Operations, Accounting Manager, Corporate Accounting Manager, Comptroller, and General Manager of Finance and Information System Development, specialising in accounting, finance, and company secretarial functions.

Between 2003 and 2006, he served as Financial Advisor and Controller at PT Goodyear Indonesia Tbk., a subsidiary of The Goodyear Tire and Rubber Company, USA. In this role, he managed financial accounting, costing, credit control, and budgeting.

From 2006 to 2008, he was the Chief Financial Officer for Cognis Oleochemicals (M) Sdn. Bhd., a joint venture between Cognis GmbH Germany and Golden Hope Plantations Berhad of Malaysia. Based in Kuala Lumpur, he oversaw finance, purchasing, and information technology ("IT") operations across Asia-Pacific region.

In 2008, he joined PT Lotte Chemical Titan Nusantara in Indonesia as Finance Director, where he managed the company's finance operations. The following year, he became Treasurer at Lotte Chemical Titan (M) Sdn. Bhd., focusing on treasury and credit control. Over time, he held several key positions within the company, including Vice President of Corporate Affairs (2010), Treasurer and Vice President of Corporate Affairs (2012), Treasurer and Vice President of Government Affairs (2014), and later, Treasurer and Vice President of Corporate Affairs (2015). In 2017, he joined Lotte Chemical Titan Corporation Sdn. Bhd. as Vice President of Corporate Affairs and Chief Information Officer. His responsibilities expanded in 2018 to include human resources, administration, IT, and plant government affairs.

In 2020, he joined the Group as Corporate Affairs Director and was subsequently redesignated as Vice President of Corporate Affairs in 2021, overseeing corporate communications, government relations, and corporate governance across the Group.

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 minor traffic offences, if any) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial period.

KEY SENIOR MANAGEMENT PROFILE (CONT'D)



Male

54 years

Malaysian

Mr. Teo Hui Seng

Vice President of Business Strategy and Development

Mr. Teo Hui Seng ("**Mr. Teo**") joined the Group in 2013 and currently serves as Vice President of Business Strategies 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. Teo began his career in 1993 at Matsushita Audio Video (M) Sdn. Bhd., where he started as a Purchasing Assistant and eventually progressed to 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. 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. 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 Strategies 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 period.

SUSTAINABILITY STATEMENT

1.0 INTRODUCTION

At Cape EMS Berhad (“**CEB**” or “**the Company**”) and its subsidiaries (collectively known as “**the Group**”), sustainability is fundamental to how we operate and grow. We believe that true success is achieved by balancing the needs of the planet, people, and profit. As a leading player in the Electronic Manufacturing Services sector, we recognize that our long-term viability and the well-being of our 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 efforts to make a positive and lasting impact. We are dedicated to minimizing our environmental footprint (Planet) and enriching the lives of our employees, customers, and communities (People) while driving business growth and profitability (Profit) responsibly and ethically.

By aligning our operations with these three pillars of sustainability, we aim to ensure that the Company remains a trusted corporate leader that creates value for all stakeholders while contributing to a better, more sustainable world. Through our focus on GIAT and our dedication to the interconnected aspects of the planet, people, and profit, we are committed to building a resilient future for generations to come.

Reporting Framework

CEB is pleased to present its Sustainability Statement (“**Statement**”) outlining the framework, scope, and boundary for the sustainability report, providing a clear structure to define the parameters and limits within which the organization’s sustainability performance will be evaluated and communicated. This ensures consistency and transparency for stakeholders, such as shareholders, suppliers, customers, employees, and regulatory bodies.

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

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

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

Scope of the Statement

The scope defines the topics and areas to be covered in the sustainability report, ensuring that all relevant environmental, social, and governance (ESG) aspects are addressed.

- **Environmental Impact:** Energy consumption, water management, greenhouse gas emissions, waste management, carbon reduction.
- **Social Impact:** Topics include employee well-being, community engagement, labor practices, diversity and inclusion, human rights, and a conducive workplace.
- **Governance:** Corporate governance structures, ethical business practices, compliance with laws and regulations, and board diversity.
- **Economic Impact:** Financial performance, value creation, and long-term financial sustainability, including the organization’s impact on local economies.

SUSTAINABILITY STATEMENT (CONT'D)

1.0 INTRODUCTION (CONT'D)

Boundary of the Statement

The boundary establishes the physical, organizational, and operational limits for which sustainability performance will be reported.

- **Organizational Boundaries:** The report will cover the parent company and all subsidiaries that are under the direct control of the organization. Any joint ventures, partnerships, or affiliates where the organization has insignificant influence will be excluded.
- **Operational Boundaries:** The report will account for all activities across the organization's operations, including:
 - o Direct Operations: Facilities owned or controlled by the organization.
 - o Indirect Operations: Activities such as the supply chain, outsourcing partners, and products or services supplied by external entities.
- **Geographic Boundaries:** The report will include sustainability data for all regions where the organization operates, with specific emphasis on key locations and facilities that have the most significant impact or where major risks arise (e.g., high carbon emissions regions or areas with significant community involvement).

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 utilized, 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

An annual material matters assessment was undertaken to revisit the material matters where we systematically identify and evaluate the company's significant Economic, Environmental, Social, and Governance ("EESG") impacts as well as stakeholders' needs and expectations. The material assessment process involves assessing a broad spectrum of potential risks and opportunities arising from the sustainability impact of our operations and activities while embracing the Group's unwavering commitment to sustainability and ethical practices through the principles of the Triple Bottom Line, emphasizing Planet, People, and Profit. These core values guide our strategies, operations, and aspirations, ensuring that we create value not only for our shareholders but for society and the environment as well.

For the financial period ended 30 June 2025 ("FPE 2025"), 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.

The process and outcome of the materiality assessment have been reviewed and approved by senior management and endorsed by the Board.

ENGAGING WITH OUR STAKEHOLDERS

The Group has a broad range of stakeholder groups that affect, or are affected by, the Group and our activities. Our key stakeholder groups include shareholders, financiers, customers, suppliers and service providers, employees, authorities and regulators, industry peers, and the surrounding community. They were identified based on their different levels of influence over and dependence on our business.

As a Group, we facilitate regular constructive channels of communication with all our key stakeholder groups. Our yearly materiality survey helps us identify relevant material issues and provide insights into emerging opportunities and risks whilst responding to their needs more effectively.

For the financial period ended 30 June 2025 ("FPE 2025"), we continue to prioritise engaging key stakeholders through multiple channels, and a summary of their issues and concerns is outlined in the table as below:

Key Stakeholders	Methods and Frequency of Engagement	Areas of Interest or Concerns	Our Response
Shareholders	As needed - Press releases Quarterly - Financial reports and announcements Annually - Annual Reports	- Group's overall performance - Business strategies and plans - Dividend payout	Timely updates on business, financial, and strategic performance
Financiers	As needed - One-on-one and group meetings Quarterly - Investor briefings Annually - General Meetings	- Mitigation and adaptation to climate change - Good management and corporate governance	- Monitor sustainability performance and targets - Uphold good governance practices across the Group and the supply chain
Customers	Ongoing - Customer support channels (i.e., website) Annually - Public engagement events (i.e., roadshows) - Customer Satisfaction Survey	- High-quality products and services - Customer experience (i.e., speed of customer service response)	Adhere to quality standards (i.e., ISO 9001)

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
Suppliers and Service Providers	Ongoing - Supplier audits on key material suppliers Annually - Supplier assessment	- Supply chain management - Business development - Pricing	Ensure transparent and ethical procurement practices
Employees	Ongoing - Internal communications - Staff benefits Annually - Employee feedback surveys - Employee appraisals - Townhalls	- Work-life balance - Health and Safety at the Workplace - Career development and upskilling opportunities	- On-the-job training - Promote transparent communication with employees
Authorities and Regulators	Ongoing - Participation in government and regulatory events As needed - Scheduled/ad-hoc meetings	- Regulatory compliance, including environmental and social compliance - Corporate governance practices	Adoption of practices outlined in the Malaysian Code on Corporate Governance
Industry Peers	As needed Strategic and ad-hoc meetings/ visits	Topics, trends, challenges, and relevant opportunities	Adhere to Governance Sustainability Policy – Fair Business Practices
Surrounding Community	Annually Community impact programmes	Healthy and sustainable built environment	Investment in welfare to improve community well-being

MANAGING MATERIAL SUSTAINABILITY MATTERS

The twelve (12) sustainability material topics have been identified and plotted in the following materiality matrix with Supply Chain Management, Material Sourcing & Efficiency, Product Quality, Conducive Workplace, Ethical Business Practice, Community Engagement, and Employee Well-Being falling in the 'high materiality' segment, which represents the greatest significance to Cape's long-term business value and stakeholders' interest.

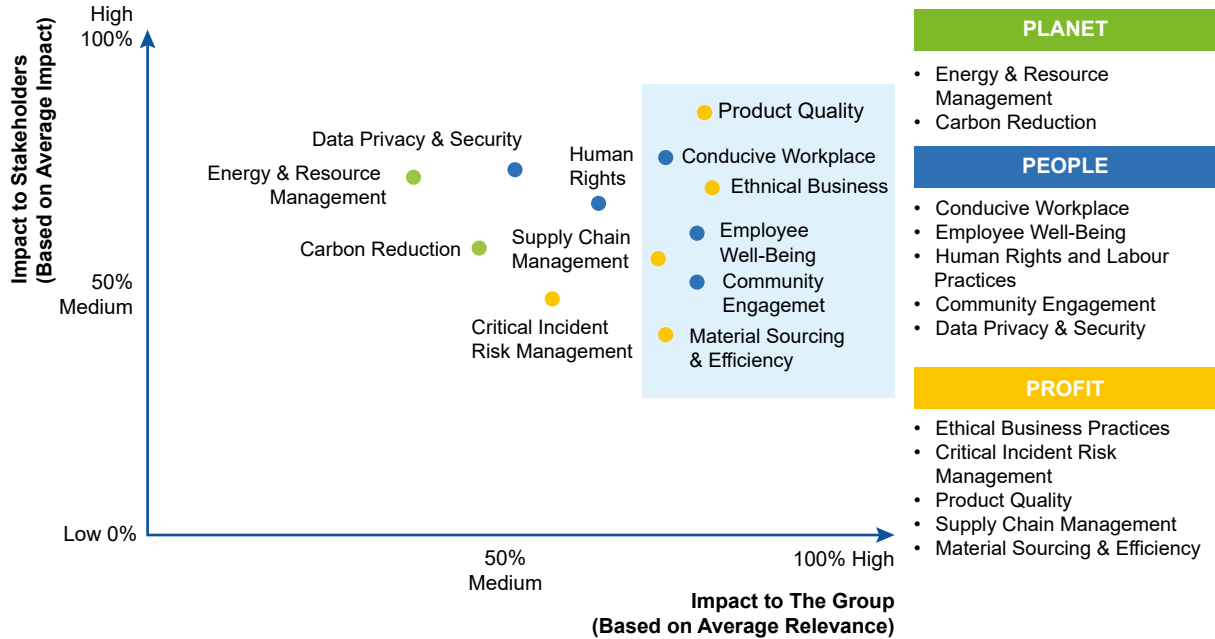
It is important to note that the Group will still address and manage sustainability material topics that scored below 70% Importance to CEB based on average relevance, where at this juncture it does not seem like an area of interest to the stakeholders with the highest weightage group (Stakeholder Prioritisation) – employees and customers. The Group will still exercise its judgement to determine the balance between resources invested in, and the expected outcome of, the management of its risk and capitalising on opportunities that may arise.

SUSTAINABILITY STATEMENT (CONT'D)

2. MATERIALITY ASSESSMENT (CONT'D)

MANAGING MATERIAL SUSTAINABILITY MATTERS (CONT'D)

The Group's material matrix is illustrated below.



SUSTAINABILITY STRATEGIES AND UN SDG MAPPING

The Group's strategic initiatives are strongly aligned with the relevant United Nations Sustainable Development Goals (UN SDGs), concentrating on areas where the Group can have a significant impact towards addressing global goals. The Group has identified thirteen UN SDGs and mapped them to the three pillars of sustainability - Planet, People, and Profit - and 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	Energy & Resource Management	Political instability, trade disputes, or natural disasters can disrupt supplies	Processes for both design and production that prioritize resource efficiency, durability, and recyclability can help The Group reduce raw material consumption and waste, improving both bottom line and environmental footprint	Designing products that are durable, modular, and easily repairable helps reduce waste and the need for frequent replacements, lowering the overall carbon footprint of manufacturing and consumption
	Carbon Reduction	Carbon reduction strategies, such as transitioning to renewable energy, require significant upfront investment	Carbon taxes systems provide financial incentives for businesses to reduce emissions. These market-based mechanisms can spur innovation, create new markets, and generate revenue that can be reinvested into clean energy projects	Enhancing the efficiency of industrial processes by adopting advanced technologies (e.g., heat recovery systems, efficient motors) helps reduce energy consumption and resource waste in manufacturing

SUSTAINABILITY STATEMENT (CONT'D)

2. MATERIALITY ASSESSMENT (CONT'D)

SUSTAINABILITY STRATEGIES AND UN SDG MAPPING (CONT'D)

	Material Topics	Risks	Opportunities	Sustainability Strategies
People	Conducive Workplace	A workplace that demands high performance without offering adequate support or work-life balance can lead to employee burnout and chronic stress	Engaging employees by providing them with the autonomy to make decisions, offering opportunities for growth, and encouraging input fosters a sense of ownership and responsibility	Promote diversity, equity, and inclusion (DEI) initiatives to create a welcoming environment for employees of all backgrounds. This includes offering diversity training and establishing a safe space for all voices to be heard
	Employee Well-Being	A workplace that tolerates bullying, harassment, discrimination, or a lack of trust can negatively affect employees' mental and emotional well-being	Build a workplace that values inclusivity, diversity, and respect for all employees. A supportive culture where employees feel appreciated, heard, and valued can significantly enhance well-being	Create opportunities for feedback through regular performance reviews, surveys, and open-door policies, allowing employees to express their concerns and suggest improvements
	Human Rights and Labour Practices	Inability to uphold human rights or exploit labor may face public backlash, protests, and negative media coverage, damaging brand reputation	Ability to champion human rights and ethical labor practices will attract consumers who prioritize sustainability and ethical business conduct, increasing loyalty and brand value	Engage with suppliers regularly to assess their compliance with human rights and labor standards
	Community Engagement	The community might perceive the engagement as self-serving or exploitative which can lead to protests, or negative media coverage	Effective community engagement helps build trust and credibility, fostering long-term relationships with local stakeholders	Create long-term partnerships with local businesses, schools, or other community organizations to ensure the continuity of sustainability efforts
	Data Privacy & Security	Unauthorised personnel who have access to sensitive data may misuse it, whether intentionally or unintentionally	Prioritizing data privacy and security can build stronger, more trustworthy relationships with customers	Conduct regular risk assessments and audits to identify vulnerabilities in systems and data handling processes, ensuring that security measures evolve with emerging threats and compliance requirements

SUSTAINABILITY STATEMENT (CONT'D)

2. MATERIALITY ASSESSMENT (CONT'D)

SUSTAINABILITY STRATEGIES AND UN SDG MAPPING (CONT'D)

	Material Topics	Risks	Opportunities	Sustainability Strategies
Profit	Ethical Business Practices	Upholding ethical standards may create tension between profitability and ethical responsibility	Ability to commit to ethical practices such as fair labour, sustainability and transparency often build a strong, positive brand image	Strive to actively promote and foster ethical behaviour at every level of organization in daily operations
	Critical Incident Risk Management	Poor coordination or inconsistent communication during a crisis can worsen the situation, leading to confusion, delays, or further reputational damage	Proactive risk management helps identify potential threats before they escalate, allowing organizations to take preventive measures or mitigate the consequences of an incident	Develop and regularly update business continuity and disaster recovery plans that prioritize the long-term sustainability of operations, resources, and stakeholder relationships
	Product Quality	Failing to implement effective quality control systems can lead to defects in products, inconsistent quality, or safety issues	Delivering consistently high-quality products fosters strong customer loyalty and encourages repeat business	Actively gather and analyze customer feedback to identify areas for improvement in product quality
	Supply Chain Management	Raw material price increases, fluctuating exchange rates, or volatile commodity prices can drastically impact costs	Collaborative relationships with suppliers and partners can lead to joint problem-solving, shared resources, and innovations	Build a more resilient and sustainable supply chain by identifying and managing environmental, social, and economic risks
	Material Sourcing & Efficiency	Natural disasters, geopolitical instability, pandemics, or labor strikes can disrupt the availability and cost of materials	Building strong, long-term relationships with key suppliers can improve material availability, reduce costs, and increase reliability	Identify local or regional suppliers who provide materials that meet quality and sustainability standards

In alignment to:



SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & 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 period ended 30 June 2025 ("FPE 2025"), the total energy consumption recorded was 48,287.60 GJ.

Indicator	Unit	FYE2022	FYE2023	FPE2025
Energy Consumption				
Total energy consumption	Gigajoules	40,346.10	43,126.89	48,287.60

As part of our efforts to support clean energy generation and achieve a zero-emission goal by 2040, we successfully installed a 1,108 MWp 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 25 June 2024, and the electricity generated from the solar system is tabulated below.



Indicator	2024							
	Unit	June	July	August	September	October	November	December
Solar System Electricity Generation								
Generated Electricity	kWh	14,630	120,870	107,250	100,822	60,010	87,600	113,800

Indicator	2025						
	Unit	January	February	March	April	May	June
Solar System Electricity Generation							
Generated Electricity	kWh	94,920	121,900	113,820	124,040	112,090	107,300

The Group had completed the HVAC efficiency system project, which includes CHWP, CWP & CT optimization, AHU optimization, and new chiller installation for our Senai 227 Factory in line with its cost-saving efforts and potential "green" contribution towards the environment. The optimization project has improved the overall power consumption by approximately 2,100,000 kWh/year, which is equivalent to a reduction of 2,800 tonnes of carbon dioxide annually.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & 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 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 80,983 m3 (equivalent to 80.983 megalitres) of water across operations for the financial period ended 30 June 2025 (“FPE 2025”).

Indicator	Unit	FYE2022	FYE2023	FPE2025
Water Consumption				
Total volume of water used	Megalitres	59.319	62.521	80.983

Waste Management

The types of waste generated in the Group 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
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., SW 104, SW109, SW110, SW305, SW307, SW409, and SW422.

Hazardous Waste	Unit	FYE2022	FYE2023	FPE2025
Total waste generated	Metric tonnes	36.86	94.69	150.35
Total waste diverted from disposal	Metric tonnes	34.56	74.52	126.04
Total waste directed to disposal	Metric tonnes	6.32	13.22	6.07

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.1 PLANET (CONT'D)

3.1.1 Energy and Resource Management (Cont'd)

Waste Management (Cont'd)

CEB practices waste segregation when handling non-hazardous waste (i.e., recyclable materials) generated from production. During the financial period ended 30 June 2025 (“**FPE 2025**”), 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	FYE2022	FYE2023	FPE2025
Total waste generated	Metric tonnes	100.89	37.88	6.097
Total waste diverted from disposal	Metric tonnes	2.92	37.88	6.097
Total waste directed to disposal	Metric tonnes	97.97	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	FYE2022	FYE2023	FPE2025
Total waste generated	Metric tonnes	137.75	132.57	156.44
Total waste diverted from disposal	Metric tonnes	37.48	112.40	132.14
Total waste directed to disposal	Metric tonnes	104.29	13.22	6.07

As a Group, we strive to have a positive impact on the environment and are committed to reducing 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.
- On-site vendor assessment for Scheduled Wastes to ensure the appointed vendor complies with the Scheduled Wastes Regulation.
- Engaging Scheduled Waste’s vendor that implements the cradle-to-cradle concept (emphasizing more on recycling and recovery process instead of incineration).
- Briefing on the 3R concept (i.e., Reduce, Reuse & Recycle).

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 of 25% renewable share of the energy mix by 2025, 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 & PERFORMANCE (CONT'D)

3.1 PLANET (CONT'D)

3.1.2 Carbon Reduction (Cont'd)

The Group operations utilize energy in the form 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 the financial period ended 30 June 2025 ("FPE 2025") is as follows:

Utility Categories	Energy Consumption (kJ)
Electricity	48,287,599,200.00
Diesel in facilities	7.07
Diesel (company vehicles)	2,021.90
Petrol (company vehicles)	9,577.01
Total	48,287,610,805.98

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 the diesel and petrol consumption of owned vehicles	o 3.14 kgCO ₂ e/LT (for diesel)
		o 2.75 kgCO ₂ e/LT (for petrol)
Scope 2	Purchased electricity	o 0.88 kgCO ₂ e/kWh

The total emissions generated as of FPE 2025 are summarised below:

Utilities	Usage	Total emission KgCO ₂ e	Reference
Electricity	13,413,222 kWh	11,803,635	ISCC 205
Diesel in facilities	69.77 L	219	ISCC 205
Diesel (company vehicles)	7,116.62 L	62,657	ISCC 205
Petrol (company vehicles)	64,994.99 L	259,923	JRC Scientific and Technical Report (WTT Appendix 1) by JRC European Commission

The total emissions by Scope 1, Scope 2, and Scope 3 as of FPE 2025 are summarised below:

Indicator	Unit	FYE2022	FYE2023	FPE2025
Carbon Emission				
Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ -e	124.07	117.58	322.80
Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ -e	9,862.38	10,542.13	11,803.64
Scope 3 emissions in tonnes of CO ₂ e (i.e., business travel and employee commuting)	tCO ₂ -e	N/A	N/A	1,477.30

N/A: Not Available

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.1 PLANET (CONT'D)

3.1.2 Carbon Reduction (Cont'd)

The Group has installed solar photovoltaic ("PV") systems at our PLO 227A operational facility and a new energy-saving cooling system for our Senai 227 Factory, to reduce Scope 2 emissions, and started gathering information to track employee commute and business travels for Scope 3 emissions reporting.

For Scope 3 (employee commuting), a short survey was designed to collect information on our commuting habits among employees. The Group launched a survey to estimate the:

- Travel methods such as owning a vehicle (motorcycle & car).
- Approximate total daily distance travelled each day to work and back.

A total of 128 employees responded to the survey, representing 16.52% of the total workforce.

Typical methods of Transport for employees

Method of transport	Number of employees in the sample	Estimated total number of employees in Cape's group	Percentage of employees in the sample
Motorcycle	13	61	1.68%
Car	115	132	14.84%
Shuttle bus	0	582	0%
Total	128	775	16.52%

Distance and emission for employee commuting

Method of transport	Total annual distance of the sample (KM)	Total annual emission (MT CO2e) of the sample
Motorcycle	509,496	101.90
Car	6,877,000	1,375.40
Total	7,386,496	1,477.30

Note: A Calculation Tool from the GHG Protocol Technical Guidance for Scope 3 helped calculate the emissions of each respondent based on each employee working an average of 299 days.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE

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 and 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	FYE2022	FYE2023	FPE2025
Number of work-related fatalities	Number	Zero	Zero	Zero
Lost Time Incident Rate ("LTIR")	Rate	0.22	0.58	0.78
Total hours worked	Hours	2,480,240	2,078,400	3,582,536
Number of lost-time injuries	Number	1	2	14

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.2 PEOPLE (CONT'D)

3.2.1 Conducive Workplace

Health and safety training

During the financial period ended 30 June 2025 ("FPE 2025"), health and safety training is 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, prioritizing their safety and health and that of others. Policies and procedures addressing safety and health are also communicated to employees regularly.

As of FPE 2025, 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	FYE2022	FYE2023	FPE2025
Number of employees trained on health and safety standards	Number	138	615	744

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 2022 to FPE 2025.

Indicator	Unit	FYE2022	FYE2023	FPE2025
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.

Regular inspections are carried out to ensure our living spaces are hygienic, spacious, and well-ventilated, meeting or exceeding health and safety standards.

In August 2024, we conducted a fire drill, both morning and night sessions, to help residents familiarize themselves with emergency procedures and ensure safe evacuation in case of fire. Participants practiced proper evacuation techniques and received hands-on experience in operating fire extinguishers. The drill was a success, with all participants responding promptly and following safety protocols effectively. This is part of our continuous efforts to maintain a safe living environment for our workers.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.2 PEOPLE (CONT'D)

3.2.2 Human Rights and Labour Practices (Cont'd)

Worker's Accommodations (Cont'd)



In September, we carried out several health and safety initiatives. We conducted pest treatment at the hostels to target a broader range of pests, followed by larvicide activities to prevent mosquito breeding. Then, we completed fogging in all the hostel's common areas to further control mosquito populations and reduce the risk of diseases.



In addition to these safety initiatives, we conduct monthly unit inspections to ensure that the hostels remain clean and in good condition. We also regularly service water filters to provide all tenants with access to safe, clean drinking water. We are equally committed to workers' occupational health and safety. As part of this, we organize community activities such as "gotong-royong" to raise awareness and promote preventive measures against Aedes mosquitoes and dengue.



SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.2 PEOPLE (CONT'D)

3.2.2 Human Rights and Labour Practices (Cont'd)

Worker's Accommodations (Cont'd)

Through these ongoing efforts, we aim to create not only a safe workspace but also a healthy and supportive living environment for all our workers.

Below is a summary of the total number of foreign workers as of June 2025:

Total Foreign Workers as of June 2025:

Nationality	Number of Workers
Indonesia	326
Myanmar	116
Bangladesh	34
India	3
Pakistan	3
Nepal	70
Total	552

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 & 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 2025, we have a total of seven hundred and sixty-seven (767) employees, coming from diverse backgrounds in terms of genders, age groups, nationalities, and ethnicities, as presented as follows: -

2025											
Employee Category											
	Board		Top Mgmt.		Senior & Middle Mgmt.		Executive		Non-Executive		Grand Total
Total	8		6		48		134		571		767
Gender											
Male	5	63%	5	83%	33	69%	69	51%	253	44%	365 48%
Female	3	38%	1	17%	15	31%	65	49%	318	56%	402 52%
Age Group											
> 50 years	7	88%	4	67%	16	33%	13	10%	7	1%	47 6%
30-50 years	1	13%	2	33%	29	60%	51	38%	139	24%	222 29%
< 30 years	0	0%	0	0%	3	6%	70	52%	425	74%	498 65%
Nationality											
Local	7	88%	4	67%	47	98%	133	99%	55	10%	246 32%
Foreign	1	13%	2	33%	1	2%	1	1%	516	90%	521 68%
Ethnicity											
Malay	1	13%	1	17%	12	25%	94	70%	51	9%	159 21%
Chinese	6	75%	5	83%	28	58%	28	21%	3	1%	70 9%
Indian	0	0%	0	0%	7	15%	11	8%	1	0%	19 2%
Others	1	13%	0	0%	1	2%	1	1%	516	90%	519 68%
Disability											
Malay	0	0%	0	0%	0	0%	0	0%	0	0%	0 0%
Chinese	0	0%	0	0%	0	0%	0	0%	0	0%	0 0%
Indian	0	0%	0	0%	0	0%	0	0%	0	0%	0 0%
Others	0	0%	0	0%	0	0%	0	0%	0	0%	0 0%

Employee Attrition Rate

For the financial period ended 30 June 2025 ("FPE 2025"), the employee attrition rate is 10.50%.

Child Labour

The Group does not use or tolerate the hiring of child labor under any circumstances. The Company abides and strictly complies with international child labor conventions and child labor 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 labor in any of our operations. These include bonded labor, slave labor, indentured labor, and human trafficking.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.2 PEOPLE (CONT'D)

3.2.3 Employee Well-Being

Company events

Team Building

To foster unity and cohesion among employees, CEB has conducted nine batches (245 employees involved) of the team building program, each spanning 3 days and 2 nights, at Christee Suites Hotel Melaka from June 2024 until October 2024.

The program, conducted by a professional consultant, comprises a series of activities aimed at fostering understanding among employees and creating synergy to enhance overall team performance. Its primary objectives are to improve team cohesion, strengthen communication, and boost overall productivity within the department.

Each activity in the program is designed with specific objectives and moral values to achieve overarching goals. For instance, during the Straw Balance activity, participants had to communicate effectively to complete the task. This highlights the critical role of communication within an organization, as it is essential for the effective exchange of information.

Additionally, the “Explore Fun” activity is specifically designed to enhance participants’ leadership skills during the team-building event. This activity allows participants to demonstrate and develop their leadership abilities as they navigate various tasks around the Melaka town area.

Overall, for batches 1 to 9 of the team building program, the consultant provided highly positive feedback on the participants. The consultant noted that, following the completion of the modules, participants demonstrated exceptional commitment to each task and challenge, and exhibited significant improvements in teamwork and mutual trust.



Participants engaged in both the Straw Balance and the outdoor Explore Fun activities as part of the team building program.

Training and Development

Training and development are crucial components of organizational 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 76 training sessions and seminars have been conducted, contributing to a total of 11,972 training man-hours. This equates to an average of 12.90 training hours per employee. The total expenditure for these training activities amounted to RM309,935.

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.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.2 PEOPLE (CONT'D)

3.2.3 Employee Well-Being

Training and Development (Cont'd)

A list of training programs attended by our employees is listed below:

In-House Training:

1. Developing and Managing Key Performance Indicators (KPIs)
2. Understanding and Awareness of RBA version 8.0
3. Cleanroom Technology for The Manufacturing Industry
4. Supplier Quality Management
5. Forklift safety training
6. Effective safety and health committee
7. 8D problem solving
8. Understanding and implementing the new revision of APQP with a control plan
9. Statistical process control(SPC)
10. Basic First Aid, CPR, and AED training
11. Domestic Inquiry
12. Team Building
13. Awareness of Mental Health
14. Understanding Mental Health
15. Diabetes, Hypertension, and High Cholesterol
16. Introduction to OSHA and Hazards in the Workplace
17. Understanding and Implementation of ESD Controls in the EMS Industry
18. Root Cause Analysis
19. 8D: Eight Disciplines of Problem Solving
20. Effective Communication at the Workplace
21. Failure Mode and Effects Analysis (FMEA)
22. Forklift Training
23. Plan-Do-Check-Act
24. Effective Preventive Maintenance at Workplace

Public Training:

1. Seminar Pematuhan kepada Kualiti Alam Sekeliling 1974
2. MIA Webinar Series: ChatGPT Prompt Engineering for Financial Professionals (Beginner Level)
3. Patent 2 Profit
4. MIA Webinar Series: E-Invoicing Latest Update
5. Ergonomic Trained Person Level 1
6. Seminar Hari KKP dan Pekerja Sedunia 2024
7. Cultivating Sustainability: Strategies for Workplace Safety, Mental Health, and Integrity
8. Occupational Safety and Health Coordinator Competency
9. Company (Amendment) Act 2024
10. SMETA Basic Training
11. Train The Trainer
12. Share Buy Back: A Regulatory Perspective
13. IATA Dangerous Goods Regulations
14. Free Trade Agreement (FTA) Seminar
15. Radiation Safety Awareness Course
16. Shipping Lithium Batteries
17. Occupational Health Conference 2024: The Future of OSH Trends & Transformation in Occupational Health (OH)
18. Case Study-Based MFRS Webinar: Case Studies in Practical Business Combinations and Changes in Controlling Interest
19. E-Invoice Implementation Seminar
20. Case Study-Based MFRS Webinar: Technical Updates Affecting Financial Reporting
21. IMDG General Awareness

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.2 PEOPLE (CONT'D)

3.2.3 Employee Well-Being

Training and Development (Cont'd)

Public Training: (Cont'd)

22. Tax Seminar on Budget 2025
23. Certified Environment Professional in Scheduled Wastes Management (CePSWaM)
24. Kursus Pasukan Keselamatan (ERT) BOMBA
25. Stress Management Workshop for Industry
26. Macroergonomic Workplace Assessment (MerWA) for Industrial Hygiene & Ergonomic Compliance
27. Cultivating Strategies for Workplace Safety, Mental Health, and Integrity
28. Occupational Psychological First Aid
29. Preventing, Controlling, and Managing Infectious Disease ISO 45006:2023
30. Occupational Noise-Related Hearing Disorder (ONRHD) and Noise Control Part 1
31. Protecting Your Organisation from Financial Crimes: Is Your Board Aligned with AMLA?
32. National Sustainability Reporting Framework & Latest Bursa Listing Requirements
33. Seminar License Manufacturing Warehouse (LMW)
34. Ergonomic Trained Person – Level 2
35. FTA Workshop: MITI and Customs Compliance Requirements for Exporters on Free Trade Agreement (FTA)
36. System Management Program

Internal Training:

1. 3R Awareness
2. Scheduled Wastes Awareness
3. Static Electricity & Ionizer Seminar
4. Lessons Learnt Session
5. First Aider Refresher
6. Safe Chemical Handling and Storage
7. Chemical Spill Kit and Spillage
8. Back to Basics (safety)
9. Briefing for HIRARC Barrier Bay
10. Fire Safety Awareness
11. Implementation of HIRARC at the Workplace
12. Understanding of SDS & Chemical Labelling
13. PPE Awareness
14. Noise Awareness and Hearing Conservation
15. Refresher Safety Briefing & HIRARC
16. Chemical Contact & First Aid
17. Security Protocol Refresher
18. ABMS Refresher Training
19. Employee Handbook Refresher Training
20. Briefing Session on Accident
21. Worksy User Training
22. River Awareness Program
23. PTW System Implementation
24. Awareness of Mental Health

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & 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 FPE 2025 are as below:

Indicator	Unit	FYE2022	FYE2023	FPE2025
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	217,888	305,940	291,215
Total number of beneficiaries of the investment in communities	Number	4	9	10

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:

Jamuan Raya 2024

On 8 May 2024, CEB celebrated Jamuan Raya 2024, a group-wide Hari Raya gathering across its Senai, Tebrau, and Kempas factories. The event embodied unity, bringing together employees of all backgrounds in the spirit of festivity and appreciation.

A ketupat weaving competition set the stage for friendly rivalry, with participants showcasing their creativity and skill using colourful ribbons while honouring a cherished tradition. Meanwhile, a lavish buffet spread delighted employees with festive delicacies, enjoyed amidst lively conversations that strengthened workplace bonds.

Adding to the occasion, many non-Muslim employees embraced the cultural spirit by donning traditional Malay attire, a meaningful gesture of respect and inclusivity. The event radiated warmth and camaraderie as employees from various departments reconnected and exchanged festive greetings.

More than just a festive gathering, Jamuan Raya 2024 reaffirmed Cape EMS Berhad's commitment to inclusivity, appreciation, and strong workplace bonds, making it a memorable celebration for all.



Safety, Health, and Environment (SHE) Week 2024

SHE Week 2024 was successfully conducted from 18 to 28 November 2024, focusing on the theme "Impacts of Climate Change on Occupational Safety and Health." The event served as a crucial platform for educating employees on climate-related workplace hazards and reinforcing safety measures.

Throughout the campaign, training sessions covered key workplace concerns, including fire safety, chemical handling, scheduled waste management, hearing conservation, and mental health awareness. These sessions emphasized emergency preparedness, risk mitigation, and employee well-being in high-risk environments.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.2 PEOPLE (CONT'D)

3.2.4 Community Engagement (Cont'd)

Safety, Health, and Environment (SHE) Week 2024 (Cont'd)

In addition to safety training, the event featured health and wellness initiatives such as blood donation, health screenings, and doctor consultations, allowing employees to monitor their health through blood pressure, cholesterol, and glucose level checkups. Competitions and a fire drill were also organized, providing an interactive approach to learning and ensuring the practical application of safety knowledge.

The success of SHE Week 2024 reaffirmed the company's dedication to fostering a safe and healthy workplace. The campaign served as a timely reminder of the importance of proactive risk management, equipping employees with the knowledge and resources needed to navigate evolving occupational challenges.



Caring for our Wetlands: Mangrove Tree Planting Activity

On November 9, 2024, 29 of our passionate employees volunteered for a Mangrove Tree Planting Activity at Taman Negara Johor Tanjung Piai. This initiative, part of the company's CSR sustainability efforts, focused on coastal restoration and environmental conservation, while also supporting government programs aimed at preventing coastal erosion and safeguarding ecosystems.

The event began with a sowing activity, during which 32 mangrove seedlings were carefully prepared in polybags for future planting, ensuring a steady supply of young trees to maintain mangrove coverage. Additionally, volunteers planted 30 mature mangrove saplings, reinforcing the shoreline against erosion and extreme weather. The event also included a cleanup effort, where volunteers collected waste from the mangrove midzone, helping to restore the ecosystem's health.

Beyond environmental impact, this event promoted teamwork and environmental awareness, reinforcing the company's commitment to sustainability and conservation while inspiring continued efforts to protect Malaysia's coastal ecosystems.



SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.2 PEOPLE (CONT'D)

3.2.4 Community Engagement (Cont'd)

2025 Ramadan Community Outreach at Asrama Kebajikan Ar Rayyan

To celebrate the spirit of Ramadan, the ESG Initiatives Committee members and volunteering employees brought warmth, color, and connection to the children of Asrama Kebajikan Ar Rayyan through the Ramadan Community Outreach. Volunteers and committee members kicked off the day with team bonding and prep work, getting hands-on with *iftar* arrangements and housekeeping. Highlights included painting the front gate and making *kuih Raya* together with the children, handover of essential goods, and cash donation.



Cape EMS Sponsors 40th Chinese Language & Arts Competition

Cape EMS was the main sponsor for the 40th Segamat District Chinese Primary School (Cape Cup) Mandarin Speech and Writing Competition, as well as the Teachers' Day Drawing Competition. Co-organized by the Segamat Chinese School Teachers' Association and hosted by SJK (C) Tampoi, the event brought together students from 39 Chinese primary schools across Segamat to showcase their language proficiency and creativity through both speech and writing. The competition included preliminary and final rounds for the speech segment and a writing examination, culminating in an award ceremony to honour excellence and outstanding performances in each category.



SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.2 PEOPLE (CONT'D)

3.2.4 Community Engagement (Cont'd)

Cape EMS Sponsors 40th Chinese Language & Arts Competition (Cont'd)

During the financial period ended 30 June 2025 ("FPE 2025"), we have also contributed to several other organisations as listed below:

Beneficiary	Amount (RM)
JBDrums Centre	6,400
Persatuan Kebudayaan Tarian Singa Nan Yi	30,000
Johor Bahru Chinese Chamber of Commerce and Industry	100,000
Persatuan Kebajikan Sinar Harapan, Johor Bahru, Johor	13,000
Malaysian International Chamber of Commerce and Industry (Johor)	34,000
Institute of Corporate Directors Malaysia (ICDM)	15,000
Dewan Perniagaan dan Perindustrian Kebangsaan Malaysia	80,000
Ar Rayyan Orphanage	2,965
Persatuan Guru-Guru Sekolah Cina Selatan	7,350
Kechara Supports Local Schools and Communities Across Malaysia	2,500
Total	291,215

During the financial period ended 30 June 2025 ("FPE 2025"), employees of CEB participated in community programs. i.e., Blood Donation Drive and Mangrove Tree Planting Activity.

Indicator	Unit	FYE2022	FYE2023	FPE2025
Employees participated in community impact programmes.	Number	N/A	91	139
Total hours spent on community impact programs	Hours	N/A	9	16

3.2.5 Data Privacy and Security

In today's digital age, data privacy and security have become critical priorities for organizations of all sizes and industries. With the increasing volume of sensitive information being collected, stored, and processed, coupled with the rising threat of cyberattacks and data breaches, organizations must adopt a proactive and comprehensive approach to safeguard their data and maintain the trust of their customers, employees, and stakeholders.

To ensure robust data privacy and security, the Group has implemented a multi-layered strategy that encompasses policies, technologies, and employee awareness. This includes adhering to legal and regulatory requirements, or other relevant frameworks, and establishing clear data governance practices. The Group has also invested in advanced security technologies, such as encryption, firewalls, and intrusion detection systems, to protect data from unauthorized access and cyber threats.

Equally important is fostering a culture of security within the organization by training employees on best practices, such as recognizing phishing attempts and using strong passwords. Regular audits, risk assessments, and incident response planning are also essential to identify vulnerabilities and respond effectively to potential breaches. By prioritizing data privacy and security, the Group can not only mitigate risks but also enhance its reputation and build long-term trust with its stakeholders.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.2 PEOPLE (CONT'D)

3.2.5 Data Privacy and Security (Cont'd)

As of 30 June 2025, security enhancements carried out by the Group IT Department included:

Timeline	Details
February 2024	Email confidentiality notice header to remind employees to exercise caution whenever they receive emails from external parties, and email confidentiality at the footer to remind recipients of the confidential information contained in the email and their obligation to handle the email appropriately.
March 2024	Cloud Email Protection deployment to establish multilayer security and protection against threats such as spam and malware, unwanted attachments, malicious links, account takeover attempts, phishing, and impersonation. The protection also includes AI-powered phishing & impersonation protection to protect against attempts to deceive employees into providing sensitive information or pretending to be someone else to gain trust and manipulate employees for malicious purposes. Office 365 Multi-Factor Authentication (MFA) is an effort to strengthen security for employees who have the right to access Office 365. By adding extra layers, this reduces the risk of unauthorized access to sensitive information.
June 2024	One Time Password (OTP) generator application to support Multifactor Authentication for employees to access into company VPN, ensuring users must present multiple authentications instead of relying only on passwords to enhance authentication security.
July 2024	Centralize management for Wi-Fi connections within the company's laptops/workstations to ensure connected to the allocated Wi-Fi with dedicated firewall access control to enhance security and consistent Wi-Fi connectivity. Implemented the E-ticketing system to keep track of IT-related issues and requests, concurrently digitalize and introduce a user-friendly incident tracking system with systematic execution and resolution time.
August 2024	Perform a scheduled Penetration Test to identify open ports and provide justification upon the result to ensure unused ports are not left open.

As of 30 June 2025, 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	FYE2022	FYE2023	FPE2025
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	Zero	Zero	Zero

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.3 PROFIT

3.3.1 Ethical Business Practice

In 2024, CEB reinforced its dedication to ethics and integrity, crucial for building stakeholder trust and enhancing our reputation. We have introduced key initiatives to bolster and enforce our ethical standards across all operations.

By strengthening our policies and clearly outlining our commitments, we are well-positioned to navigate today's business complexities. This approach ensures that our long-term profitability and sustainability are grounded in robust ethical practices.

Anti-Bribery Management System ("ABMS")

Cape EMS Berhad achieved ISO 37001:2016 ABMS certification in June 2023 and obtained a successful renewal for 2024, underscoring our commitment to the highest ethical standards.

We have strengthened our due diligence processes to effectively prevent and address bribery and corruption, ensuring alignment with our values of Governance, Integrity, Accountability, and Transparency (GIAT) across all employees, suppliers, and partners.

This renewal, along with our enhanced measures, reaffirms our dedication to ethical practices and the trust of our stakeholders.

Anti-Bribery and Corruption ("ABC") Policy

In line with our ISO 37001:2016 certification, CEB has continuously refined our Anti-Bribery and Corruption (ABC) Policy, with updates on 15 March 2023 and 1 March 2024. These revisions enhance our compliance framework and extend our zero-tolerance stance on bribery to include all levels of the organization — Top Management, employees, suppliers, and business associates.

Key updates were communicated company-wide via SharePoint and online channels, with a particular focus on Heads of Department (HODs). These efforts reflect our commitment to robust governance and continuous improvement, reinforcing trust among our shareholders and stakeholders.

Code of Conduct and Ethics ("CoCE")

Cape EMS Berhad has continuously enhanced its Code of Conduct and Ethics (CoCE) Policy to ensure alignment with our core values and ethical standards among all employees, business associates, suppliers, and third-party intermediaries. Key initiatives include regular briefings on the CoCE Policy, mandatory Non-Disclosure Agreements (NDAs) for internal employees, and ongoing efforts to promote a culture of integrity, transparency, and ethical responsibility throughout our value chain.

Whistleblowing Policy

In 2024, Cape EMS Berhad reaffirms its commitment to the highest standards of integrity and ethical conduct through our Whistleblowing Policy. This policy provides a secure channel for employees and stakeholders to report illegal, unethical, or questionable practices without fear of retaliation.

We are pleased to report that no cases of bribery or corruption have been identified or reported this year. To maintain this record, we are strengthening our enforcement of the Whistleblowing Policy and actively refreshing employee awareness of legal violations and potential consequences. These ongoing improvements reinforce our dedication to ethical behavior and compliance across the Group.

Indicator	Metrics	FYE 2021	FYE 2022	FYE 2023	FPE 2025
Confirmed incidents of corruption	Number of cases	Zero	Zero	Zero	Zero

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.3 PROFIT (CONT'D)

3.3.1 Ethical Business Practice (Cont'd)

Corruption Risk Assessment and Training

Cape EMS Berhad ensures robust execution and monitoring of its Anti-Bribery and Corruption (ABC) Policy, including comprehensive coverage of the Anti-Bribery Management System (ABMS) during new employee inductions. Annual refresher training maintains a thorough understanding of these principles among all Directors and employees.

In 2024, we enhanced our anti-corruption measures with focused training on ABMS elements, including whistleblowing policy awareness, integrated into our induction programs. In May 2024, we further reinforced our commitment with a comprehensive Anti-Bribery and Corruption awareness session led by the Malaysian Anti-Corruption Commission (MACC) and an Integrity Pledge ceremony with Senior Management and Heads of Department.



Indicator	Metrics	FYE 2021	FYE 2022	FYE 2023	FPE 2025
Percentage of operations assessed for corruption-related risks	%	NA	90%	100%	100%

NA – Not Applicable

Additionally, the Corporate Governance and Compliance Team conducted an ABMS training for all levels of employees in September 2024. These initiatives underscore our dedication to embedding the highest standards of integrity across the organization.

Indicator	Metrics	FYE 2021	FYE 2022	FYE 2023	FPE 2025
Management	%	NA	79%	82%	88%
Executive	%	NA	23%	24%	28%
Non-Executive/ Technical Staff	%	NA	8%	8%	15%

NA – Not Applicable

Due Diligence

In 2024, Cape EMS Berhad expanded its due diligence framework to include internal employees, suppliers, business associates, and customers. We enforce stringent selection criteria and conduct regular audits to ensure compliance with our ethical standards and regulations. Ongoing efforts include training on implementation steps and documentation to solidify these practices across our operations.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.3 PROFIT (CONT'D)

3.3.2 Critical Incident Risk Management

In 2024, Cape EMS Berhad refined its Critical Incident Risk Management approach with a robust and documented Incident and Emergency Response Management Procedure. This comprehensive procedure is designed to systematically evaluate, identify, and manage critical incidents and emergencies effectively.

We continuously monitor and assess our incident management framework to ensure it meets the highest standards of preparedness and responsiveness. Our proactive approach guarantees that we address potential risks promptly and effectively, reinforcing our commitment to operational resilience and safeguarding stakeholder interests.

3.3.3 Product Quality

Quality management is integral to our sustainability strategy. The Group aims to ensure that our products and services meet the highest quality standards and contribute positively to environmental and social sustainability. By embedding quality into every aspect of our operations, we ensure that we are not only meeting regulatory requirements but also enhancing customer satisfaction and minimizing environmental impact.

Quality Objectives

- **Customer Satisfaction:** Strive for a customer satisfaction rate of 90% through the continuous improvement of product/service quality.
- **Defects:** Aim for a defect rate of less than 1% in our products/services.
- **Reduce Waste:** Implement processes to reduce waste generated from quality control processes to 1% from 2% by June 2025.

Quality Management Practices

- **Quality Assurance:** Implement stringent quality assurance processes to ensure that products/services meet established standards.
- **Employee Training:** Invest in regular training programs for employees, focusing on quality control and sustainable practices.
- **Supplier Audits:** Conduct regular audits for suppliers to ensure they meet our quality and sustainability standards.
- **Feedback Mechanism:** Establish a robust feedback mechanism to gather insights from customers about quality and areas for improvement.

Customer Satisfaction

Minimising customer complaints is essential for improving customer satisfaction and fostering loyalty. The Group has put in place the following strategies to achieve this goal;

Identify Root Causes

- **Analyze Complaints:** Regularly review and categorize complaints to identify patterns or common issues.
- **Use Feedback:** Gather insights from customers' feedback to understand specific areas that need improvement.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.3 PROFIT (CONT'D)

3.3.3 Product Quality (Cont'd)

Enhance Customer Communication

- **Clear Information:** Ensure all product information, policies, and services are communicated. This includes pricing, delivery times, and return policies.
- **Regular Updates:** Keep customers informed about their orders and any potential issues that may arise, such as delays.

Focus on Quality

- **Product/Service Quality:** Consistently improve the quality of offerings based on customer feedback and quality assurance measures.
- **Testing and Reviews:** Implement rigorous testing and reviews before launching new products or services to ensure they meet customer expectations.

Improve Customer Service

- **Training Programs:** Equip customer service representatives with comprehensive training to handle inquiries and complaints effectively.
- **Empower Employees:** Allow staff to resolve issues independently when possible, making the process smoother and faster for customers.

Proactive Problem Solving

- **Anticipate Issues:** Identify potential problems before they affect customers and take steps to mitigate them, such as timely communication about stock issues.
- **Follow-Up:** After resolving a complaint, follow up to ensure the customer is satisfied with the solution.
 - o **Specialists:**
 - Conduct testing, audits, and oversee compliance to internal and external quality standards.
 - Develop QA procedures and monitor their implementation.
 - o **Quality Control (QC) Department**
 - **Quality Control Manager:** Focuses specifically on monitoring and testing to ensure product quality throughout the production process.
 - **QC Inspectors:** Perform inspections and tests on products to ensure they meet quality specifications before they are shipped or sold.
 - o **Quality Assurance (QA) Department**
 - **Quality Assurance Manager:** Oversees quality assurance operations, ensuring that manufacturers and processes meet quality standards.
 - **QA Engineers/Specialists:** Conduct testing audits, and oversee compliance with internal and external quality standards. They often develop QA procedures and monitor their implementation.

In summary, through a thorough analysis of customer feedback and internal processes, it is evident that addressing these concerns is crucial not only for restoring customer trust but also for improving our overall service delivery.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.3 PROFIT (CONT'D)

3.3.3 Product Quality (Cont'd)

Moving forward, we will be intensifying the following actions:

1. **Enhanced Communication:** Establish clear lines of communication to keep customers informed about their inquiries and complaints.
2. **Quality Control Improvements:** Review and strengthen our quality assurance processes to minimize product-related complaints.
3. **Training and Development:** Invest in regular training for staff to equip them with the necessary skills to handle customer complaints more effectively.

By taking these steps, we aim to enhance customer satisfaction, reduce complaint frequency, and foster long-term loyalty. We must view customer feedback as an opportunity for improvement rather than a setback.

Continuous monitoring and evaluation will ensure that we remain responsive to customer needs and can swiftly adapt to any emerging issues.

3.3.4 Supply Chain Management

The supply chain plays a critical role in helping companies become more sustainable by minimizing environmental harm and supporting social equality. The efforts to create a more sustainable supply chain are often part of a broader effort to achieve the company's ESG goals.

The benefits of supply chain sustainability include reduced costs, better continuity of supply, and a stronger company reputation.

Here are a few strategies to improve supply chain sustainability:

Reduce Emissions from Transportation and Logistics

Reducing transportation emissions is a key way to improve supply chain sustainability. Businesses can do this by ordering materials, parts, and products more efficiently. For example, placing one large order with a vendor instead of several smaller orders likely helps decrease the number of vehicles on the road, planes in the sky, and ships in the sea, resulting in fewer greenhouse gas emissions. We will maintain a sufficient safety stock level or buffer inventory of critical materials to ensure that we have enough supply to cover any unexpected supply disruptions, such as delays in shipments or sudden increases in demand.

Increase the Use of Recycled Materials

Recycling is fundamental to the circular economy, which involves effectively sharing, repairing, reusing, and recycling materials and products. We are working closely with all our local suppliers to create more sustainable supply chains that can contribute to the circular economy by reusing and recycling materials, especially packaging materials.

Implement Sustainable Procurement Policies

A sustainable procurement policy helps companies make sustainable choices when sourcing materials and goods. We strive to support the local economy through local procurement whenever possible. However, due to our customers' requirements, some of the components and parts are purchased from the customers themselves. We wish to highlight that the total procurement that was sourced locally for FPE 2025 is 63%.

The company will evaluate the suppliers with various criteria. Only those with a score of 65% or above will be recommended for management approval.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY INITIATIVES & PERFORMANCE (CONT'D)

3.3 PROFIT (CONT'D)

3.3.4 Supply Chain Management (Cont'd)

Conduct regular supplier audits and assessments to evaluate supplier practices, processes, and documentation to ensure their compliance with applicable regulations and standards, which is an essential tool for manufacturers to maintain consistent product quality and not impact the materials supply due to quality rejects.

Explore alternative sourcing strategies such as dual or multi-sourcing for critical materials, as having multiple suppliers can be useful in case one supplier faces disruptions.

Indicator	Unit	FYE 2022	FYE 2023	FPE 2025
Proportion of spending on local suppliers	Percentage	37%	62%	63%
Number of local suppliers	Number	264	306	428
Number of non-local suppliers	Number	74	110	241

3.3.5 Material Sourcing & Efficiency

The importance of sustainability in material sourcing and efficiency within an organization is becoming increasingly critical, driven by environmental concerns, consumer demand for responsible practices, regulatory requirements, and the need for long-term cost savings.

Efficient material sourcing ensures that The Group is only using the materials it needs, reducing unnecessary expenditures and increasing the speed of production. This helps businesses streamline operations, reducing delays and improving delivery timelines.

Some strategies that The Group will adopt to improve material sourcing & efficiency are as below:

Developing long-term relationships with key suppliers will be The Group's first step to secure better pricing, reliable quality, and favorable payment terms, and it will also consider tiered supplier structures to prioritize high-value, strategic suppliers.

The Group will also look into developing contingency plans for material sourcing in the event of disruptions (e.g., alternative suppliers or local production capabilities). The Group will also consider sending employees to training programmes to improve their understanding of material sourcing, procurement processes, and inventory management. This will enhance the decision-making capabilities of our team.

SUSTAINABILITY STATEMENT (CONT'D)

4. PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2025
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	88.00
Executive	Percentage	28.00
Non-executive/Technical Staff	Percentage	10.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.78
Bursa C5(c) Number of employees trained on health and safety standards	Number	744
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	13,413.22
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	1,968
Executive	Hours	5,256
Non-executive/Technical Staff	Hours	2,366
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	20.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	50
Executive	Number	125
Non-executive/Technical Staff	Number	180
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	6.00
Management Between 30-50	Percentage	57.00
Management Above 50	Percentage	37.00
Executive Under 30	Percentage	52.00
Executive Between 30-50	Percentage	38.00
Executive Above 50	Percentage	10.00
Non-executive/Technical Staff Under 30	Percentage	75.00
Non-executive/Technical Staff Between 30-50	Percentage	24.00
Non-executive/Technical Staff Above 50	Percentage	1.00
Gender Group by Employee Category		
Management Male	Percentage	70.00
Management Female	Percentage	30.00
Executive Male	Percentage	51.00
Executive Female	Percentage	49.00
Non-executive/Technical Staff Male	Percentage	44.00
Non-executive/Technical Staff Female	Percentage	56.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	63.00
Female	Percentage	37.00
Under 30	Percentage	0.00
Between 30-50	Percentage	13.00
Above 50	Percentage	87.00
Bursa (Supply chain management)		

SUSTAINABILITY STATEMENT (CONT'D)

4. PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2025
Bursa C7(a) Proportion of spending on local suppliers	Percentage	63.00
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	291,215.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	10
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	80.983000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	156.44
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	132.14
Bursa C10(a)(iii) Total waste directed to disposal	Metric tonnes	6.07
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	322.80
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	11,803.64
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	1,477.30

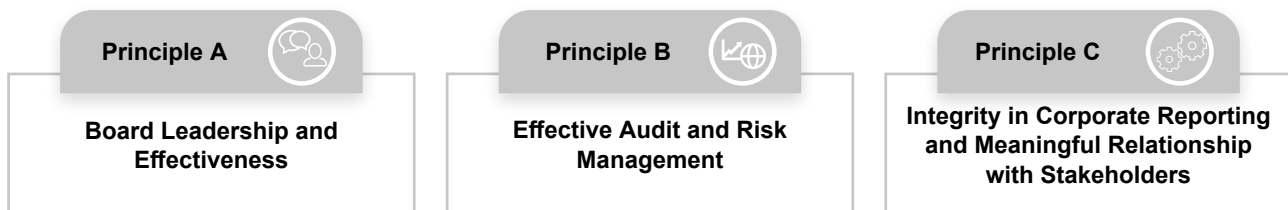
CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the “**Board**”) of Cape EMS Berhad (“**CEB**” or the “**Company**”) recognises the importance of maintaining high standards of good corporate governance (“**CG**”) and is fully committed to practising high standards of CG in the best interest of the Company and its stakeholders, and to protect and enhance shareholders’ value and the performance of the Company and its subsidiaries (the “**Group**”).

The Board presents this CG Overview Statement (the “**Statement**”) to provide shareholders and investors with an overview of the CG practices adopted by the Company for the financial period ended 30 June 2025 (“**FPE 2025**”).

This Statement should also be read in conjunction with the CG Report 2025 of the Company (“**CG Report**”), which is available on the Company’s corporate website at www.cape-group.com.my as well as the announcement made via Bursa Malaysia Securities Berhad (“**Bursa Securities**”) at <https://www.bursamalaysia.com/>.

The application of CG practices in this Statement was guided by the following three (3) key principles and practices to achieve the intended outcome to the extent of compliance with the recommendation of good CG as set out in the Malaysian Code on Corporate Governance (“**MCCG**”) and Bursa Malaysia CG Guide (4th Edition).



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Intended Outcome 1.0

Every company is headed by a board, which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.

- 1.1 The Board recognises the key role it plays in charting the strategic direction of the Company for providing effective leadership to the Group and is accountable and responsible for the performance and affairs of the Company. The Board is also responsible for effective oversight over the Management of the Group’s businesses, financial performance, risk management, and internal control systems and ensures effective implementation of strategies, policies, processes, and systems to facilitate the setting of strategic direction, achievement of corporate goals for creating and delivering long-term sustainable value.

The Board has adopted a Charter for the Board of Directors (“**Board Charter**”) to delineate the roles and responsibilities of the Board, Board Committees, and the Management in carrying out their stewardship role and discharging their duties towards the Group as well as boardroom activities.

The Management of the Group is led by the Managing Director/Group Chief Executive Officer (“**MD/GCEO**”) with the assistance of the Executive Directors and Senior Management of the Company. The MD/GCEO provides reports to the Board on the overall business operations and strategic aims of the Company, ensuring that the Directors are informed of current operations, challenges, and strategic plans of the Group. During the Audit Committee (“**AC**”) meetings and Board meetings, the MD/GCEO briefs the Directors on issues encountered and the Group’s strategy plans for the Board to be kept abreast on the conduct, business activities, and developments. The Chairman of the Sustainability and Risk Management Committee (“**SRMC**”) provides updates to the Board on the Group’s risk management, sustainability strategies, business plans, and key initiatives to achieve sustainability outcomes. The Board plays a key role in advising Management on the formulation of short-term and long-term business strategies in alignment with the Company’s values and standards. The Group Chief Financial Officer and the Executive Directors also update the Board on the Group’s financial position, cash flow, and liquidity, facilitating discussions on resource deployment to meet the Company’s objective. Overall, the Board’s discussions and advice guide the Company in making well-informed decisions for its sustainable growth.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome 1.0 (Cont'd)

1.1 (Cont'd)

In the discharge of the Board's duties and responsibilities, the Board has delegated certain duties and authorities to four (4) Board Committees namely, the AC, Nominating Committee ("**NC**"), Remuneration Committee ("**RC**"), and SRMC to assist the Board in discharging its responsibilities, overseeing the Company's affairs and in the deliberation of issues within their respective functions and Terms of Reference ("**TOR**"), which outlined clearly their objectives, duties, and powers. The Chairman of each Board Committee will report to the Board on the outcome of the Board Committee's meetings and resolutions, which would also include the key issues deliberated at the Board Committee's meetings.

- 1.2 The Board is chaired by Datuk Mohd Rabin Bin Basir (the "**Board Chairman**"), the Independent Non-Executive Chairman, who provides effective leadership, strategic direction, and necessary governance to the Group. During Board meetings, the Chairman plays an active role in ensuring that all Directors are given an opportunity and sufficient time to contribute to discussions, encourage active participation, and ensure that all matters on the agenda are addressed.
- 1.3 The positions of the Board Chairman and MD/GCEO of the Company are held by different individuals. The Board Chairman is primarily responsible for instilling good corporate governance practices, leadership, and effectiveness of the Board as a whole, while the MD/GCEO has the overall responsibilities over the business operations and day-to-day management of the Group and the implementation of the Board's policies and decisions. These divisions of responsibilities are set out in the Company's Board Charter.
- 1.4 The Board Chairman does not hold membership in any Board Committee of the Company in line with the best practices as advocated by the MCCG to ensure independence and objectivity during the Board meetings and Board Committee meetings.
- 1.5 During FPE 2025, 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.

Throughout FPE 2025, the Company Secretaries and/or the representatives of the Company Secretaries attended all Board and Board Committees' meetings and provided valuable advice, updates, and guidance to both the Board and Management on regulatory and company secretarial matters. By staying updated through continuous training and industry updates, they have enhanced their professional knowledge and expertise. The Board is satisfied with the performance and support provided by the Company Secretaries in fulfilling their functions and duties.

- 1.6 The agenda for the Board or Board Committees' meetings together with relevant reports and information for the proposal papers for the Board or Board Committees' consideration, are strived to be circulated to all the Directors at least five (5) business days in advance to enable the Directors to have sufficient time to review the material and to obtain additional information or clarification as needed before the meeting. The minutes of Board or Board Committees' meetings are circulated to the respective Chairman of the meetings on time for review before they are confirmed and adopted by members of the Board or Board Committee at their respective meetings.

During FPE 2025, the Board convened a total of ten (10) Board meetings, including three (3) special Board meetings to deliberate on the Company's audited and interim financial statements, business plan, and development, the internal auditors' report, the report from the Chairman of Board Committees, and to discuss other strategic and important matters. During the Board meetings, the Board reviewed the operations, budget, financial position, and performance of the Group and other strategic issues that may affect the Group's business. The NC was satisfied that the Directors, to the best of their ability, have devoted sufficient time and effort to attend Board and/or Board Committee meetings for FPE 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome 1.0 (Cont'd)

1.6 (Cont'd)

The attendance of Directors for the Board and Board Committee meetings during FPE 2025 is set out below:-

Directors	Meeting Attendance				
	Board	AC	NC	RC	SRMC
MD/GCEO					
Tee Kim Chin	10/10	-	-	-	2/2
Non-Independent Executive Director ("NIED")					
Tee Kim Yok	10/10	-	-	-	-
Alex Miranda Juntado	9/10	-	-	-	-
Lim Chue Wan (Resigned on 30 September 2024)	5/5*	-	-	-	-
Independent Non-Executive Director ("INED")					
Datuk Mohd Rabin Bin Basir (Board Chairman)	9/10	-	-	-	-
Yau Yin Wee	10/10	8/8	1/1	4/4	-
Koh Beng San	10/10	8/8	1/1	4/4	2/2
Chen Kok Seng	10/10	8/8	-	4/4	2/2
Tan Sik Hui (Senior INED) (Resigned on 28 March 2025)	8/8*	-	1/1	-	-

Remark:-

(-) means not a member.

(*) Reflects the number of meetings held during FPE 2025 before resignation as Director

The Board Committee meetings for AC, NC, RC, and SRMC were conducted separately from the Board meeting during FPE 2025 to enable objective and independent discussion during the meetings.

Intended Outcome 2.0

There is a demarcation of responsibilities between the board, board committees, and management.

There is clarity in the authority of the board, its committees, and individual directors.

- 2.1 The Board is guided by a Board Charter which outlines the functions, roles, authority and responsibilities of the Board, Board Committees and Management as well as the matters reserved for the Board. The Board Charter shall be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

The Board Charter is published and is available on the Company's website at www.cape-group.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome 3.0

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency, and fairness.

The board, management, employees, and other stakeholders are clear on what is considered acceptable behaviour and practice in the Company.

- 3.1 The Company has established the Code of Conduct and Ethics Policy and Standard Operating Procedure (“**SOP**”) (“**Code**”) to uphold the highest standards of ethical business conduct, which outlines the principles and standards of behaviour expected from Directors and employees. The Code emphasises integrity, professionalism, and trust, ensuring that all representatives of the Group adhere to ethical practices in their roles. This reflects the Board’s commitment to fostering a culture of accountability and ethical responsibility across the organisation.

Additionally, in compliance with the amendments of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and guided by the principles of the Ministerial Guidelines and Paragraph 15.29 of MMLR of the Bursa Securities concerning the anti-bribery, the Company has also established and implemented an Anti-Bribery and Corruption Policy and SOP (“**ABC Policy**”) which governs the prevention of corruption and unethical practices within the Company. The channel for reporting unlawful or unethical behaviour is available through the Anti-Money Laundering Policy and SOP (“**AML Policy**”) and Whistleblowing Policy and SOP (“**WB Policy**”) of the Group. The Group’s contractors, sub-contractors, consultants, agents, representatives, and any other parties performing work or services for or on behalf of the Group shall observe and comply with the Code and the ABC Policy when performing such work or services. The Code, the AML Policy, the WB Policy, and the ABC Policy are available on the Company’s website at www.cape-group.com.my.

- 3.2 The Board has adopted the WB Policy to detect and prevent fraud, enabling employees and Directors to report violations or wrongdoing through established channels without fear of retaliation, provided they act in good faith. Only genuine concerns should be reported under the whistleblowing procedures. The report should be made in good faith with a reasonable belief that the information and any allegations made are substantially true, and the report is not made for personal gain. Malicious and false allegations will be viewed seriously and treated as gross misconduct and may lead to dismissal if proven. The AML Policy and WB Policy foster an environment in which integrity and ethical behaviour are maintained. The Board shall be apprised of any reports that are serious or of grave repercussions. During FPE 2025, the Group has not received any report made by any whistleblower.

Intended Outcome 4.0

The Company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

- 4.1 The Board, together with the Management, acknowledges its responsibility for governing sustainability within the Company, covering areas such as health, safety, environment, social, and governance. They ensure that sustainability is integrated into the strategic direction of the Group and its operations, including setting the Company’s strategies, priorities, and targets. The Board ensures that sustainability considerations are factored into its duties, which include developing and implementing company strategies, business plans, major action plans, and risk management.
- 4.2 The Group Sustainability Oversight Committee (“**GSOC**”) oversees sustainability performance across all departments and reports to the SRMC and Board. GSOC also drives Environment, Social, and Governance (“**ESG**”) initiatives and manages material sustainability matters in collaboration with MD/GCEO, setting implementation plans and targets. The Board has entrusted Executive Directors and GSOC with the formulation, implementation, and effective management of the Group’s sustainability strategies, securing Board approval, and strengthening the sustainability framework through business operation reviews. Additionally, Management has assured the Board that the Group’s strategic plan aligns with long-term value creation and sustainability goals.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome 4.0 (Cont'd)

4.2 (Cont'd)

The GSOC representative presented internal practices to the SRMC, which conducts an annual material matters assessment with the Board to address sustainability risks and opportunities. This assessment helps prioritise risks and opportunities within the economic, ESG context, and informs the formulation of a sustainable strategy aligned with targeted goals.

During FPE 2025, the Group conducted a materiality assessment with internal and external stakeholders to identify twelve (12) sustainability areas, each assigned specific targets to work towards achieving sustainability goals. These matters include energy and resources management, carbon reduction, conducive workplace, employee well-being, human rights and labour practice, community engagement, data privacy and security, ethical business practice, critical incident risk management, product quality, supply chain management, and material sourcing and efficiency.

The Company recognises stakeholders' engagement as integral to its sustainability commitments in terms of building relationships and trust and implementing corporate sustainability strategies and programs. The feedback from stakeholders plays a valuable role in continuously improving sustainability measurement and reporting standards. The Group encourages all stakeholders to provide their feedback and comments.

While the Group has assessed sustainability issues, the Board acknowledges that there is room for further improvement in integrating practices and disclosing information. Detailed information on the Group's sustainability strategies and efforts in addressing material risks and opportunities can be found in the Sustainability Statement within the Annual Report in respect of the FPE 2025 ("**Annual Report 2025**").

- 4.3 The Board is kept abreast of sustainability issues that are relevant to the Group's business and operations. While no formal sustainability training was attended during FPE 2025, the Director and Management actively monitor industry developments, regulatory changes, and emerging ESG trends through research and discussions.

By maintaining a strong focus on sustainability awareness, the Board ensures it is well-equipped to provide strategic direction and oversight on ESG matters, reinforcing the Group's commitment to suitable business practice and long-term value creation.

- 4.4 To further promote the Board's accountability towards the Group's sustainability management, NC has included the governance of sustainability as an additional performance evaluation criterion for the Board in FPE 2025 by setting sustainability-related questionnaires in the annual peer and self-assessment form. Such criteria encompass several considerations surrounding sustainability management, including the performance of the Board and Senior Management to oversee and support the implementation of sustainability strategies within the ESG context, the development of the sustainability programme, monitoring of sustainability management progress, as well as knowledge concerning the sustainability risks and opportunities that the Group is exposed to. Based on the results of the performance assessment on sustainability, the Board and Management were proactively involved in the development of sustainability targets and addressing sustainability risk by implementing sustainability policy and plan during FPE 2025.

- 4.5 The Board does not appoint any Chief Sustainability/ESG Officer; however, the MD/GCEO, assisted by a Senior Vice President responsible for sustainability, led the management of sustainability during FPE 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION

Intended Outcome 5.0

Board decisions are made objectively in the best interests of the Company, taking into account diverse perspectives and insights.

- 5.1 The Board Charter sets out that the NC of the Company is responsible for assisting the Board in the development and implementation of the policies on the nomination and appointment of Directors and Senior Management to achieve the long-term sustainability of the Group following the TOR of the NC. The details of the composition of the NC during FPE 2025, up to the reporting date, are as follows:-

Designation	Name of NC Member	Directorship
Chairperson	Tan Sik Hui (Ceased as Chairperson on 28 March 2025)	Senior INED
Chairman	Yau Yin Wee (Redesignated as Chairman on 30 May 2025)	INED
Member	Koh Beng San	INED
Member	Chen Kok Seng (Appointed as member on 30 May 2025)	INED

The TOR of NC details the roles and responsibilities of the NC and is accessible on the Company's website at www.cape-group.com.my.

Summary activities of the NC

During FPE 2025, the NC held one (1) meeting, and their summary of works is as follows:-

- Annual assessment of the five (5) Independent Directors and their tenure;
- 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;
- Review 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 TOR of the AC;
- Reviewed and assessed the overall Board and the Board Committees' performance and effectiveness;
- Reviewed the training programs attended by the Directors and assessed the Directors' training needed for FPE 2025;
- Reviewed and considered the current women's representation on the Board;
- Reviewed the tenure of each Director and recommended to the Board for the re-election of Ms. Tee Kim Chin, Mr. Chen Kok Seng, and Mr. Koh Beng San ("**Retiring Directors**"), who are due for retirement by rotation following the provisions of the Constitution of the Company; and
- Reviewed the Succession Planning for the Senior Management of the Company.

Under the MMLR of Bursa Securities, the Directors are mindful that they shall receive appropriate continuous training to broaden their perspectives and to keep abreast with the latest developments in statutory requirements and regulatory guidelines, where appropriate, in line with the changing business environment, and enhance their business acumen and professionalism for the furtherance of their duties to the Group. For the Group to remain competitive, the Board ensures that the Directors continuously enhance their skills and expand their knowledge to meet the challenges of the Board.

Upon assessing the training needs of the Directors, the Board recognised that continuing education would be the way forward in ensuring its members are continually equipped with the necessary skills and knowledge to meet the challenges ahead. During FPE 2025, the Directors have attended at least one (1) training programme.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome 5.0 (Cont'd)

5.1 (Cont'd)

The training programmes and seminars attended by the Directors for FPE 2025 were as follows:-

Directors	Seminars/Conferences/Training Programmes Attended	Date Attended
Datuk Mohd Rabin Bin Basir	Workshop on the Strengthening of the Operational Framework of Non-Governmental Organizations in Malaysia	6 to 8 November 2024
	ICDM: Protecting Your Organisation from Financial Crimes: Is Your Board Aligned with AMLA?	21 March 2025
Tee Kim Chin	Board Ethics: Growing Concerns From New Technology, Stakeholder Interests, & Conflict of Interest	16 October 2024
	Introduction to Corporate Directorship: Foundation of Effective Board Leadership	21 November 2024
	ICDM: Protecting Your Organisation from Financial Crimes: Is Your Board Aligned with AMLA?	21 March 2025
Tee Kim Yok	Domestic Inquiry Techniques	5 to 6 September 2024
	Corporate Team Building	8 to 9 October 2024
	ICDM: Protecting Your Organisation from Financial Crimes: Is Your Board Aligned with AMLA?	21 March 2025
Alex Miranda Juntado	ICDM: Protecting Your Organisation from Financial Crimes: Is Your Board Aligned with AMLA?	21 March 2025
Yau Yin Wee	Unlocking Opportunities in Malaysia Budget 2025 – Tax Measures, Incentives, and E-Invoicing Solutions	20 November 2024
	ICDM: Protecting Your Organisation from Financial Crimes: Is Your Board Aligned with AMLA?	21 March 2025
Koh Beng San	e-Invoicing Latest Updates	18 April 2024
	Companies (Amendment) Act 2024 New	29 April 2024
	Understanding Requirements of BNM & SSM on Beneficial Ownership of Legal Persons	4 July 2024
	Preparation and Presentation of Consolidated Financial Statements	19 September 2024
	ICDM: Protecting Your Organisation from Financial Crimes: Is Your Board Aligned with AMLA?	21 March 2025
Chen Kok Seng	Webinar on Driving Sustainability in the Plastics Industry	27 March 2024
	Occupational Safety & Health Coordinator Training Programme	11 to 13 June 2024
	MIDA-MPMA Conference on Government Facilitation and Assistance for Circular and Low-Carbon Economy	26 June 2024
	Plus Xnergy-MPMA Seminar on Renewable Energy and ESG	25 September 2024
	ICDM: Protecting Your Organisation from Financial Crimes: Is Your Board Aligned with AMLA?	21 March 2025

The Board is fully cognisant of the importance of continuous development and remains committed to fostering a culture of ongoing training and professional growth.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome 5.0 (Cont'd)

- 5.2 The current Board comprises seven (7) members, with a majority of four (4) being INEDs, including one (1) Independent Non-Executive Chairman. The current Board composition is in line with the MCCG's recommendation to have at least half of the Board comprise INEDs. The presence of INEDs makes a positive contribution and development of the Company's strategy and policies through their independent, constructive, and informed judgment, safeguarding the interest of the stakeholders in ensuring that the high standard of conduct and integrity is maintained, as well as mitigating any potential conflict of interest concerning related party transactions.
- 5.3 None of the INEDs 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. If the Board intends to retain an Independent Director beyond nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process as recommended in the MCCG.
- 5.4 The Board has not adopted a policy that limits the tenure of its INEDs to nine (9) years, being a step-up practice.
- 5.5 The Company ensures a formal and transparent process for the appointment and re-election of Directors while promoting Board diversity. The Board is supported by a diverse Board and Senior Management. The appointment and re-election of Directors, Senior Management, and the Board diversity are done following Paragraphs 6.3 and 15 of the Board Charter and also the TOR of NC of the Company governing the Board, both of which are available on the Company's website. The Board has adopted a Directors' Fit and Proper Policy. This policy outlines the prescribed criteria for consideration by NC and the Board for appointment and re-appointment of Directors. The fit and proper criteria of a Director include, but are not limited to, character, integrity, experience, competence as well as time, and commitment. The Directors' Fit and Proper Policy is made available on the Company's website at www.cape-group.com.my.

The details of diversity in the age, gender, race or ethnicity, and nationality of the existing Board and Key Senior Management ("KSM") as of 30 June 2025, are set out below:-

Board Diversity FPE 2025

During the FPE 2025, the Board reviewed the board structure of the Company, particularly on the size and composition, to determine if the Board has sufficient diversity with independent elements and fits the Company's objectives and strategic goals. Below is the diversity in the age, gender, race/ethnicity, and nationality of the existing Board as of 30 June 2025:-

	Age Group			Gender	
	45 – 55	56-65	66 – 75	Male	Female
Number of Directors	2	3	2	5	2

	Race/Ethnicity			Nationality	
	Malay/ Bumiputera	Chinese	Others	Malaysian	Foreigner
Number of Directors	1	5	1	6	1

The Board has conducted the annual review of its size and composition in conjunction with the performance evaluation for the individual directors.

The appointment of Directors and Senior Management staff is based on fit and proper criteria, which follow the selection criteria set by the NC. The NC is responsible for leading the process for the nomination of new candidates for appointment and making the necessary recommendations to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome 5.0 (Cont'd)

5.5 (Cont'd)

The Board, through the NC, will consider all nominations to the Board, taking into consideration the mix of skills, competencies, experience, integrity, personal attributes, and time commitment required to effectively fulfill his/ her role as a director. Diversity in terms of age, gender, and cultural background is also considered during the selection process. The composition of the Board is well-balanced to address any business challenges and to drive the business of the Group to greater heights.

In line with Paragraph 15.06 of MMLR of Bursa Securities, none of the Board members holds more than five (5) directorships in public listed companies to ensure that it would not unduly affect their time commitment and responsibilities to the Board for the FPE 2025.

KSM Diversity FPE 2025

The KSM of the Group comprises employees with qualifications, skills, and experience necessary to achieve the goals and objectives of the Group. All KSM Management is assessed yearly.

Below is the diversity in terms of age, gender, race/ethnicity, and nationality of the existing KSM as of 30 June 2025, :-

	Age Group			Gender	
	35 - 45	46-55	56- 65	Male	Female
Number of KSM	-	1	3	4	-

	Race/Ethnicity			Nationality	
	Malay/ Bumiputera	Chinese	Others	Malaysian	Foreigner
Number of KSM	1	3	-	3	1

- 5.6 The TOR of the NC provides that the Board does not solely rely on recommendations from existing Board members, Management, or shareholders of the Company in identifying candidates for appointment of Directors. The Board shall endeavor to utilise independent sources or any other sources to identify a suitably qualified candidate to fulfill Board positions. The role of the NC is to assess their suitability based on the relevant criteria and skills matrix as may be set by the NC from time to time.

During the FPE 2025, there were no appointments of new directors to the Board.

The Company is a corporate member of the Institute of Corporate Directors Malaysia ("ICDM") and all Directors of the Company are members of ICDM. In the future, the Board may utilise a variety of independent sources, including directors' registry, industry and professional associations, open advertisements, and independent search firms, as well as ICDM.

- 5.7 During FPE 2025, the NC reviewed the performance and contribution of the Directors who are due for retirement and re-election at the forthcoming 2025 Annual General Meeting ("AGM"), based on the annual Board evaluation results tabled. The Board is satisfied and supports the recommendation made by the NC to table the proposals to re-elect the retiring Directors for shareholders' consideration and approval at the 2025 AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome 5.0 (Cont'd)

- 5.8 The NC was previously chaired by Ms. Tan Sik Hui, the Senior INED. Following her resignation as the Senior INED of the Company on 28 March 2025, she has concurrently ceased to be the Chairperson of the NC with effect from 28 March 2025.

On 30 May 2025, Mr. Yau Yin Wee was redesignated as Chairman of NC and Mr. Chen Kok Seng was appointed as a new member of NC.

- 5.9 During FPE 2025, the Board maintained a balanced composition with female representation at 28.57%. While this is slightly below the 30% target recommendation, the Board remains committed to improving gender diversity and will continue to consider gender as an important factor in future Board appointments in line with the Company's Gender Diversity Policy.
- 5.10 The Board has established its Gender Diversity Policy in the Board Charter under Paragraph 15 of the Board Charter. The Board Charter and the Gender Diversity Policy are made available on the Company's website at www.cape-group.com.my.

Intended Outcome 6.0

Stakeholders can form an opinion on the overall effectiveness of the Board and individual Directors.

- 6.1 The Board, through the NC, conducted the following annual assessments and evaluation of the performance to determine the effectiveness of the Board and Board Committees as well as each Director and the independence of the Independent Directors for FPE 2025. The process was carried out via digital self and peer assessment forms completed by the Directors on the following evaluations:-
- (a) Reviewed the size and composition of the Board and made recommendations to the Board as regards any changes that may, in their view, be beneficial to the Company and Group;
 - (b) Reviewed the effectiveness of the Board as a whole, Board Committees, and the contribution of individual Directors;
 - (c) Reviewed the terms of office and effectiveness of the AC as a whole and the performance of individual AC members; and
 - (d) Reviewed and assessed the independence of INED.

Based on the performance evaluation for FPE 2025, 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

III. REMUNERATION

Intended Outcome 7.0

The level and composition of remuneration of Directors and Senior Management take into account the Company's desire to attract and retain the right talent on the Board and Senior Management to drive the Company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

- 7.1 The RC is chaired by an INED who oversees the Group's remuneration affairs. The composition of the RC is as follows:-

Designation	Name of RC Member	Directorship
Chairman	Yau Yin Wee	INED
Member	Koh Beng San	INED
Member	Chen Kok Seng	INED

The RC has been entrusted by the Board to support and facilitate the remuneration affairs of the Group. The role of RC is to implement its policies and procedures ("**Remuneration Policy**") on remuneration, including reviewing and recommending matters relating to the remuneration of the Directors and KSM of the Group.

The Board established the Remuneration Policy to determine the remuneration package of Directors and KSM, considering the Company's demands, complexities, performance, and required skills and experience. 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.

The Remuneration Policy is published on the Company's website at www.cape-group.com.my and is reviewed periodically to ensure its relevance and effectiveness in line with business and regulatory developments.

- 7.2 The Board has established and adopted the TOR of RC, which deals with its authority and duties, and is accessible at the Company's website at www.cape-group.com.my.

During FPE 2025, the RC performed its duty to assess annually the remuneration package of MD/GCEO, Executive Director, and KSM, as well as fees and benefits payable to Non-Executive Directors.

Intended Outcome 8.0

Stakeholders can assess whether the remuneration of Directors and Senior Management is commensurate with their performance, taking into consideration the Company's performance.

- 8.1 The detailed disclosure on a named basis of the remuneration of individual Directors and the breakdown of the remuneration of each Director from the Company and the Group for FPE 2025 is disclosed in the CG Report of the Company for FPE 2025.
- 8.2 The Company has disclosed the KSM's remuneration component in bands of RM50,000 but not on a named basis as the Board considers the information sensitive and proprietary since the Group's business operates in a competitive market. Besides, the issue of personal security is also taken into consideration and may be wrongly used or quoted by certain parties. The top four (4) KSMs' remuneration in bands of RM50,000 is set out in the CG Report of the Company for FPE 2025.
- 8.3 The detailed remuneration of each KSM on a named basis will not be disclosed for confidentiality purposes.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Intended Outcome 9.0

There is an effective and independent AC.

The Board can objectively review the AC's findings and recommendations.

The Company's financial statement is a reliable source of information.

- 9.1 The AC is chaired by Mr. Koh Beng San, an INED, while the Board is led by Datuk Mohd Rabin Bin Basir, who serves as the Independent Non-Executive Chairman. The separation of these roles ensures a clear distinction between the leadership of the Board and the AC, thereby safeguarding the integrity, independence, and objectivity of the Board's review of the AC's findings and recommendations.
- 9.2 None of the AC members was a former key audit partner of the Company's auditors. In line with the MCCG, the Board has adopted the TOR of AC that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. The TOR of AC is available at the Company's website at www.cape-group.com.my.
- 9.3 The AC has in place procedures to continuously monitor and undertake an annual assessment of the suitability, objectivity, and independence of the External Auditors as well as to make subsequent recommendations to the Board on the appointment, re-appointment, or termination of the External Auditors in compliance with its TOR. During the FPE 2025, the AC conducted an assessment on the suitability, objectivity, and independence of the External Auditors, UHY Malaysia PLT ("UHY"), and was satisfied with their audit quality, performance, competency and adequacy of resources provided to the Group. Accordingly, the Board, having considered AC's recommendation, proposed the re-appointment of UHY as the External Auditors of the Company for shareholders' approval at the forthcoming 2025 AGM, with their term to continue until the conclusion of the next AGM of the Company.

The AC met with UHY once during FPE 2025, in the absence of MD/GCEO, Executive Directors, and Management, to maintain transparent communication between the AC and UHY.

- 9.4 The AC consists entirely of INEDs, ensuring impartial oversight and robust checks and balances on audit and financial matters. The composition of the AC is as follows:-

Designation	Name of AC Member	Directorship
Chairman	Koh Beng San	INED
Member	Yau Yin Wee	INED
Member	Chen Kok Seng	INED

- 9.5 The NC conducted the following reviews of the AC for FPE 2025:-

- its composition following the MMLR of Bursa Securities;
- the terms of office of AC members; and
- the performance of AC and its members.

Mr. Koh Beng San, the Chairman of the AC, is a Fellow Member of the Association of Chartered Certified Accountants (ACCA), a member of the Malaysian Institute of Accountants (MIA), an ASEAN Chartered Public Accountant (ASEAN CPA) member, and an Associate Member of the Chartered Tax Institute of Malaysia (CTIM). With his qualifications and past experiences in finance and accounting-related services, he has fulfilled the requirements under Paragraph 7.1(a)(ii) of Practice Note 13 of MMLR. Although the other two (2) members of the AC are not members of any professional accounting bodies, their vast experiences in other industries add valuable insights to the financial reporting process and deliberation on financial matters and the internal control system. All AC members remained updated on accounting and auditing developments through briefings from the External Auditors' continuous professional development initiatives.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. AUDIT COMMITTEE (CONT'D)

Intended Outcome 9.0 (Cont'd)

- 9.5 Based on the assessment, the Board is satisfied that the AC Chairman and members possess the relevant skills, competencies, and comprehension to effectively perform the assigned responsibilities and duties. The AC has reviewed and provided advice on the financial statements, which provide a true and fair view of the Company's financial position and performance.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Intended Outcome 10.0

The company makes informed decisions about the level of risk it wants to take and implements the necessary controls to pursue its objectives.

The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.

- 10.1 The Board Charter sets out that the Board is responsible for the system's internal control and risk management of the Group. The Board, through the SRMC, monitors risks and internal control. The Board has established a Risk Management Framework.
- 10.2 The Board, through the SRMC, monitors risks and internal control via an Enterprise Risk Management Framework, which is a comprehensive report tabling the current status, action taken, and conclusion of the key risks identified at least twice a year.
- 10.3 The SRMC currently comprises the following members, of which the majority are Independent Non-Executive Directors:-

Designation	Name of SRMC Member	Directorship
Chairman	Chen Kok Seng	INED
Member	Koh Beng San	INED
Member	Tee Kim Chin	MD/GCEO

Intended Outcome 11.0

Companies have an effective governance, risk management, and internal control framework, and stakeholders can assess the effectiveness of such a framework.

- 11.1 The Board has delegated the responsibility to assess the adequacy and integrity of the Group's internal control and risk management systems to SRMC. The internal audit function is carried out by an outsourced professional service firm, Axcelasia Sdn. Bhd. (formerly known as Tricor Axcelasia Sdn. Bhd.) ("**Axcelasia**"). Axcelasia reports directly to the AC on the internal audit findings and recommendations. The internal audit function is independent, and the internal audit assignments are performed with impartiality, proficiency, and due professional care. The internal audit review of the Group's operations encompasses an independent assessment of the Company's compliance with its internal controls, and recommendations are made for further improvement. During FPE 2025, the AC reviewed and assessed the scope, functions, competency, and resources of the outsourced internal auditor and that they have the necessary authority to carry out their work.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Intended Outcome 11.0 (Cont'd)

11.2 The outsourced internal audit function is led by its Managing Director, Mr. Chang Ming Chew who is a Fellow Member of the Association of Chartered Certified Accountants (ACCA), a Member of the Malaysian Institute of Accountants (MIA), a Chartered Member of the Institute of Internal Auditors ("IIA") Malaysia, Certified Internal Auditor and Certified Information Systems Auditor. Mr. Chang Ming Chew has over twenty (20) years of wide-ranging professional experience that includes statutory audit, transaction reporting for Initial Public Offering ("IPO"), share registration & IPO processing, internal audit, risk management, Information Technology/cybersecurity advisory, operational risk and control review, financial due diligence, management consulting, and corporate governance advisory. He is also actively involved in providing training on corporate liability to companies of various sizes, from publicly listed to small and medium enterprises. He was assisted by the team in the internal audit reviews conducted in the FPE 2025. All the internal audit personnel involved are free from any relationships or conflicts of interest, which could impair their objectivity and independence, as well as guided by the International Professional Practices Framework issued by the IIA Malaysia in carrying out the internal audit function.

The AC is satisfied that the outsourced internal auditors have maintained a high degree of independence and professionalism in carrying out their duties.

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

I. COMMUNICATION WITH STAKEHOLDERS

Intended Outcome 12.0

There is continuous communication between the Company and stakeholders to facilitate mutual understanding of objectives and expectations.

Stakeholders can make informed decisions concerning the business of the Company, and its policies on governance, the environment, and social responsibility.

12.1 The Board recognises the importance of transparency and accountability and effective communication with shareholders, stakeholders, and investors. As such, the Board is committed to ensuring timely and accurate dissemination of information. The Company has designated the Chairperson, Senior Independent Director, MD/GCEO, or Group Chief Financial Officer as authorised spokespersons for engagements with the investment community, regulators, and media.

The corporate website serves as a key communication platform, providing access to corporate updates, announcements, financial reports, and investor-related information. Additionally, all material disclosures, including quarterly reports and press releases, are published on Bursa Securities' website for public access. The annual report remains a key channel of communication, offering a comprehensive overview of the Group's financial performance, business activities, and corporate governance practices.

The AGM serves as the primary forum for direct engagement with shareholders, enabling them to seek clarification on financial and operational matters. Minutes of the general meeting, including key discussions and responses, are made available on the corporate website within 30 business days. The Company also conducts periodic analyst briefings and interviews with the MD/GCEO to provide business updates and strengthen investor relations.

Through these initiatives, the Board ensures that all stakeholders receive relevant and accurate information, reinforcing trust and confidence in the Company.

12.2 The Company has not implemented integrated reporting due to a lack of internal resources needed to develop and implement the necessary reporting processes and tools. The Company recognises the value of integrated reporting but has determined that it needs to focus its current resources on other strategic priorities at this time.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. CONDUCT OF GENERAL MEETINGS

Intended Outcome 13.0

Shareholders can participate, engage the Board and Senior Management effectively, and make informed voting decisions at general meetings.

13.1 The AGM is the principal forum for dialogue with individual shareholders and investors, gathering views and answering questions on all issues relevant to the Group's business activities and prospects.

In line with Practice 13.1 of the MCGG, the notice convening the 2024 AGM was given to the shareholders at least twenty-eight (28) days before the 2024 AGM, to give shareholders sufficient time to prepare themselves to attend the 2024 AGM or to appoint a proxy to attend and vote on their behalf. Each item of special business included in the notice of the AGM will be accompanied by an explanatory statement on the effects of the proposed resolution. In addition to sending the notice, the Company also published the 2024 AGM Notice on its website.

13.2 All the Directors of the Company attended the 2024 AGM of the Company, which was held on 12 June 2024 by way of fully virtual and entirely via Remote Participation and Voting ("RPV") facilities at Tricor Investor & Issuing House Services Sdn. Bhd. In compliance with the MCGG, the Chair of the AC, NC, RC, and SRMC has provided meaningful responses to questions addressed to them. There were questions and clarifications to the shareholders and/or proxies during the 2024 AGM.

13.3 At its virtual 2024 AGM, the Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolution. The 2024 AGM proceedings and poll voting were conducted fully virtual and entirely via RPV facilities at Tricor Investor & Issuing House Services Sdn. Bhd. The Administrative Guide with detailed registration and voting procedures were shared with the shareholders and the same were also published on the Company's website.

13.4 Chairman of the Board, all the Directors, and the Chairman of the Board Committees as well as the external auditors attended the 2024 AGM of the Company. Shareholders and proxies were provided with sufficient opportunity to pose questions during the 2024 AGM via RPV facilities at Tricor Investor & Issuing House Services Sdn. Bhd. and all the questions have received detailed explanations.

13.5 A fully virtual 2024 AGM was conducted smoothly on 12 June 2024, where shareholders were able to participate and pose questions to the Board/Senior Management. The questions posed by the shareholders were read and responded by the Directors to all the participants of the 2024 AGM. Nonetheless, the Board would consider to display questions posed by shareholders on the screen for all the meeting participants' reference for future general meetings.

13.6 The Minutes of the 2024 AGM, which include the questions raised by shareholders together with the responses by the Company and the outcome of the voting results, were uploaded and made available on the Company's website within thirty (30) business days after the 2024 AGM.

The Statement and the CG Report are made in accordance with a resolution of the Board that was approved via the Board Meeting held on 22 October 2025.

AUDIT COMMITTEE REPORT

The Board of Directors ("**Board**") of Cape EMS Berhad ("**Company**") is pleased to present the Audit Committee ("**AC**") Report which provides insights as to the manner the AC discharged its functions for the Company and its subsidiaries ("**Group**") during the financial period ended 30 June 2025 ("**FPE 2025**"). This report is prepared in compliance with Paragraph 15.15(1) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") as well as adopted the best practices as advocated in the Malaysian Code on Corporate Governance ("**MCCG**").

The principle objectives of AC are to assist the Board in discharging its statutory duties and responsibilities concerning corporate governance, internal control systems, accounting, audit process and financial reporting practices of the Group, and to ensure proper disclosure to the shareholders of the Company.

COMPOSITION OF AC

The Company's AC consists of three (3) members who are exclusively Independent Non-Executive Directors ("**INEDs**"). The AC meets the requirements of Paragraph 15.09(1)(a) and (b) of the MMLR of Bursa Securities and Practice 9.4 of the MCCG. All of the INEDs satisfied the test of independence under MMLR of Bursa Securities.

As at the date of this AC Report, the AC comprises the following members:-

Names	Designation	Directorship
Koh Beng San	Chairman	INED
Yau Yin Wee	Member	INED
Chen Kok Seng	Member	INED

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, thereby fulfilling the financial expertise requisite pursuant to Paragraph 15.09(1)(c)(i) of the MMLR of Bursa Securities.

The Company also complies with Paragraph 15.10 of the MMLR of Bursa Securities in which the AC's Chairman is an INED, and Practice 1.4 of the MCCG in which the AC's Chairman is not the Chairman of the Board. In addition, no alternate Director is appointed as a member of the AC pursuant to Paragraph 15.09(2) of the MMLR of Bursa Securities. The other AC members possess a wide range of necessary skills and they are also 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 FPE 2025, the AC had convened eight (8) AC meetings. Details of the attendance of the AC members are as follows:-

Names	Attendance
Koh Beng San	8/8
Yau Yin Wee	8/8
Chen Kok Seng	8/8

The Group Managing Director/Group Chief Executive Officer, Executive Directors and Group Chief Financial Controller were invited to attend all the AC meetings to provide clarification and information on the financial performance, audit issues and relevant issues pertaining to the Group's operations.

The External Auditors and/or Internal Auditors, where necessary, were invited to the AC meetings to present their reports and provide explanations and answer queries, with the Company Secretary in attendance. Throughout the FPE 2025, the AC met with the External Auditors at five (5) meetings to present the Audit Planning Memorandum, Audit Status Memorandum, their reports and Audited Financial Statements for FPE 2025. The Internal Auditors, Axcelasia Sdn. Bhd. (formerly known as Tricor Axcelasia Sdn. Bhd.) ("**Axcelasia**") attended four (4) meetings during FPE 2025 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 following meetings. All deliberations and recommendations contained in the AC minutes were subsequently presented to the Board for discussions and decisions.

AUDIT COMMITTEE REPORT (CONT'D)

TERMS OF REFERENCE (“TOR”)

The authority as well as the duties and responsibilities of the AC are set out in its TOR and the AC is guided by its TOR to discharge their responsibilities and duties. The TOR will be periodically reviewed by the AC and the Board to ensure it is aligned with the updated and latest regulatory requirements. The TOR of the AC is made available on the Company's website at www.cape-group.com.my pursuant to Paragraph 15.11 of the MMLR of Bursa Securities.

SUMMARY OF WORK

In line with the TOR of the AC, the following works were carried out by the AC for FPE 2025 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 as well as 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 focusing 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) Oversight of 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 internal audit function. The AC was satisfied with the competence and independence of Internal Auditors in performing their scope of duties in FPE 2025;
- (b) Reviewed 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)

In line with the TOR of the AC, the following works were carried out by the AC for FPE 2025 and up to the date of this Report in discharging their oversight roles, duties and responsibilities:- (Cont'd)

(iii) Oversight of External Audit

- (a) Conducted four (4) private sessions with External Auditors on 26 February 2024, 16 April 2024, 19 November 2024 and 25 February 2025 respectively, to discuss any issues arising from audits without the presence of the Executive Directors and Management;
- (b) Reviewed the Audit Status Memorandum prepared by the External Auditors on 26 February 2024 and 16 April 2024 in respect of the audit for the financial year ended 31 December 2023 covering updates on the status and findings on the areas of audit emphasis by the External Auditors;
- (c) Reviewed the Audit Planning Memorandum prepared by the External Auditors on 19 November 2024, covering the scope and nature of the statutory audit of the Company's and the Group's financial statements prior to the audit engagements;
- (d) Reviewed the Audit Status Memorandum prepared by the External Auditors on 25 February 2025 in respect of the audit for the financial period as at 31 December 2024, as well as discussed with the External Auditors on the audit status update as at 26 March 2025, 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;
- (e) 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
- (f) 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 or the Company 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 FPE 2025, the AC concluded that none of the Directors and key senior management have any COI and/or potential COI with the Group and the Company.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK (CONT'D)

In line with the TOR of the AC, the following works were carried out by the AC for FPE 2025 and up to the date of this Report in discharging their oversight roles, duties and responsibilities:- (Cont'd)

(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; and
- (b) Reviewed the Letter of Representation on the Review of the Statement on Internal Control and Risk Management from the Sustainability and Risk Management Committee to the External Auditor.

(vi) Others

- (a) Reviewed the proposed declaration of the first interim single-tier dividend for the FPE 2025 and recommended to the Board for approval on 21 May 2024, after having considered the satisfaction of the solvency tests on the Company's Financial Position and the Financial Projections undertaken by the Management;
- (b) 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
- (c) Reviewed any whistle-blower reports and there was no whistle-blower report received during the FPE 2025.

TRAINING

During the financial period under review, all of the AC members have attended various seminars, training programs, and conferences. The list of training attended was disclosed in the Corporate Governance Overview Statement of this Annual Report.

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	1,515,684	811,000
Non-audit services*	20,000	20,000
Total	1,535,684	831,000

Note:-

*: Non-audit services include the following:

- i) tax compliance and advisory services;
- ii) limited review services;
- iii) due diligence in relation to corporate exercises; and
- iv) accountants' reports for the Group's Initial Public Offering exercise.

AUDIT COMMITTEE REPORT (CONT'D)

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, a professional services company, to conduct internal audits based on the approved risk-based internal audit plan for years 2024 and 2025. This plan was presented to the AC on 26 February 2024 and 25 February 2025 respectively for deliberation and approval. The Internal Auditors reports to the AC directly and supports 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 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 Managing Director, Mr. Chang Ming Chew, a Certified Internal Auditor and Certified Information Systems Auditor; and a Fellow Member of the Association of Chartered Certified Accountants (FCCA), Professional Member of the Institute of Internal Auditors Malaysia, and Member of Malaysian Institute of Accountant, who brings extensive experience and expertise in the field of the 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 four (4) AC meetings for FPE 2025. The functional areas and operating processes examined by the Internal Auditors include:-

- Production Management; and
- Quality Assurance and Quality Control Function.

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 associated with the outsourced internal audit function for FPE 2025 amounted to RM52,500.

REVIEW OF THE PERFORMANCE OF THE AC

The Board, through its Nominating Committee, had performed an annual review and assessment of the term of office and performance of the AC to assess their effectiveness in carrying out its duties as set out in the TOR. The Board was satisfied that the AC has effectively discharged its duties in accordance with the TOR for the FPE 2025.

This AC Report is made in accordance with a resolution of the Board that was approved via the Board Meeting held on 22 October 2025.

STATEMENT ON INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Directors (“**Board**”) of Cape EMS Berhad (“**Company**”) is pleased to present this Statement on Risk Management and Internal Control (“**Statement**”) which is prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), Malaysian Code of Corporate Governance 2021 and has considered the mandatory contents outlined in the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” published by Bursa Securities.

This Statement outlines the risk management and internal control systems of the Company and its subsidiaries (“**Group**”) during the financial period ended 30 June 2025 (“**FPE 2025**”).

GOVERNANCE FOR RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its role to maintain a system of internal control that will provide a reasonable assurance that the assets of the Group and the Company are safeguarded against loss from unauthorised sale or disposition and to give a proper account of the assets and that all transactions are properly authorised and that the transactions are recorded as necessary to enable the preparation of true and fair view of the financial statements of the Company. In this regard, the Group has a risk management and internal control framework, and the Board is ultimately responsible for its effectiveness and adequacy. Given the inherent limitations in any system of risk management and internal control. Such a system can only manage and minimise risk to an acceptable level but not eliminate all risks. Accordingly, the Group’s risk management and internal control system can only provide reasonable but not absolute assurance against material misstatements, losses, or malpractices.

The Board is responsible for reviewing the adequacy and operating effectiveness of the risk management and internal control system. This includes ensuring that there are processes for the systematic identification, analysis, evaluation, management, monitoring, and reporting of the significant financial and non-financial risks facing the Group. The Board is also responsible for ensuring that there is an annual review of the framework.

The Board sets the risk appetite within which the Board expects Management to operate as Management carries out the processes of the Group’s risk management framework, including managing and monitoring risks. The Board also reviews the Group’s principal business risks and ensures appropriate internal controls and mitigating measures are in place to manage these risks.

With regard to risk management, the Board is assisted by the Sustainability and Risk Management Committee (“**SRMC**”), which comprises a majority of Independent Directors. The Board delegates certain authority and responsibilities to the SRMC, including the responsibility to oversee and recommend risk management strategies, policies, and appetite to the Board for its approval.

The SRMC oversees the risk management process, including the identification, assessment, management, monitoring, and reporting of risks facing the Group, including business risks, risks relating to major acquisitions or divestments, as well as environmental, social, and governance-related risks (such as health and safety, data governance and privacy, and climate-related risks). It is also the role of the SRMC to ensure key risk registers and risk dashboards are maintained for significant risks and that they remain relevant and have considered the latest developments in the Group’s internal business processes, business strategies, or external environment.

The Senior Management, led by the Managing Director/Group Chief Executive Officer and the Executive Directors, leads the Group’s various business functions and operations in executing risk strategies and policies and managing risks within the risk appetite approved by the Board. The Senior Management is responsible for the periodic identification and assessment, as well as reviews and updates, of risks facing the Group and its business and operations. In addition to providing regular updates to the Board and the SRMC on the Group’s overall risk positions through risk registers and risk dashboards, Senior Management also highlights any significant risks or emerging risks to the Board, as appropriate.

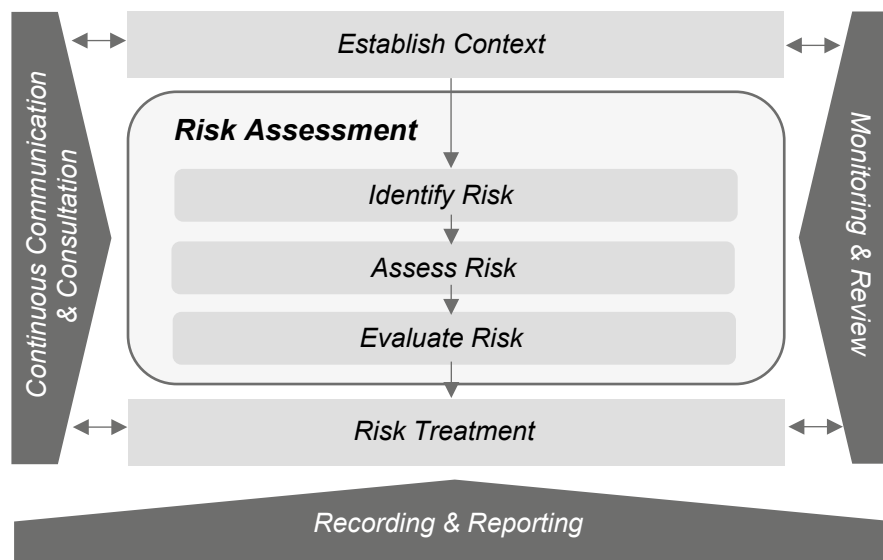
RISK MANAGEMENT PROCESSES

The Company has a risk management process that guides 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 INTERNAL CONTROL AND RISK MANAGEMENT (CONT'D)

RISK MANAGEMENT PROCESSES (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 ensured that all business risks are prudently identified, analysed and effectively management.



As illustrated, while implementing risk identification and assessment, Senior Management takes into account the short, medium, and long-term business objectives, strategies, and plans, considering broad risk categories of, amongst others, strategic risks, operational risks, sustainability risks including environmental and social risks, and financial risks. Risk mitigation and management plans, which may include risk targets, are developed with reference to the Board-approved risk appetites. The risks identified, the risk ratings (i.e. risk likelihood, impact, and levels), and their respective mitigation and management plans are documented in risk registers to facilitate risk monitoring across time. Key risks are reported to the Board and the SRMC via risk dashboards which present the overview position and performance of the Group's risk management.

SUMMARY OF RISK MANAGEMENT ACTIVITIES

- (i) Management implemented the Group's risk management framework, which was reviewed by 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 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 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 reviews the performance relating to the management of key risks identified, including via a review of key risk indicators.

Key risks of the Group's business, including any emerging or current risks, are disclosed in the Company's Management Discussion and Analysis in this Annual Report.

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

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 overall business direction is guided by its short and long-term business objectives. The Group's company strategy, business plans, and budget are generally developed by Management on an annual basis and proposed to the Board for review and approval. The responsibility to carry out the approved company strategy and business plans in accordance with the budget lies with the Senior Management who leads the Group's respective functions and departments in the implementation of relevant activities and initiatives in the day-to-day business operations.

The Board reviews the performance against the Company strategies and business plans during quarterly Board meetings, deliberates on the progress, and intervenes with the development of remedial actions where necessary. The Board, through the Audit Committee ("AC"), also reviews the Group's financial position and performance quarterly.

(ii) Governance and Organisation Structure

The Group has an established organisation structure, supported by a corporate governance structure that specifies clear lines of roles and responsibilities for the respective governance bodies namely the Board and the Board Committees, including AC, SRMC, Nominating Committee, and Remuneration Committee. The roles and responsibilities of the Board and Board Committees are stipulated in the formalised Board Charter and Terms of Reference for the respective Board Committees.

The Board provides stewardship in the management of the Company's affairs including setting the company strategy considering long-term business sustainability. The Board is supported by the Board Committees whose responsibilities and authorities are mainly delegated by the Board while the Board remains ultimately responsible. The Managing Director/Group Chief Executive Officer and the Executive Directors are primarily responsible and accountable to the Board with respect to the day-to-day management and operations of the Group's business, including driving the implementation of company strategies and achievement of business targets as approved by the Board.

(iii) Delegation of Authority and Limits

The Group has a set of delegation of authority and limits to clearly delineate the boundaries of the authority and powers of the respective bodies and functions within the Group's governance structure. The delegation of authority and limits have also considered elements such as checking, balancing and separation of powers to ensure there is a balance between effective business operations and risk controls.

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

The Group has established a set of Core Values surrounding the key topics of governance, integrity, accountability, and transparency which guide how the Group does business. To provide further guidance on the business practices and conduct of the Directors and employees of the Group, the Board has established and formalised a Code of Conduct and Ethics.

The Code of Conduct and Ethics addresses topics including corporate responsibility and social responsibility, ethics and integrity, quality services, as well as compliance obligations. It also covers issues on good governance and ethics such as managing conflict of interest, anti-bribery and anti-corruption, guidance on the use of gifts, hospitality, and entertainment, anti-money laundering, prohibition of insider trading and fraud, protecting the Company's assets and data confidentiality, no abuse of authority or power, and others. In addition, the Code of Conduct and Ethics also covers social and environmental elements including ensuring workplace safety and health and the effective use of natural resources.

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

INTERNAL CONTROL SYSTEM (CONT'D)

(iv) Core Values, Code of Ethics, and Governance Policies (Cont'd)

Other governance policies such as the Anti-Bribery and Corruption Policy, Anti-Money Laundering Policy, and Sustainability Policy are also in place to provide more detailed guidance to the Group's business and employees on specific topics.

All Directors and employees are communicated on the Code of Conduct and Ethics and other key policies upon their employment with the Group.

(v) Operational Policies and Procedures

The Group has established and formalised relevant standard operating policies and procedures for its key operations and functions. Amongst others, the standard operating policies and procedures help the Group to achieve the following:-

- (a) enable efficiency in the implementation of processes by employees, such as production, sales and marketing, quality control, procurement, and others, through guided procedures;
- (b) standardise processes to achieve optimal outcomes, particularly the quality of products and services the Group delivers to its customers; and
- (c) address risks including financial risks, operational risks, compliance risks, environmental risks, and safety and health risks, via internal controls built into the procedures.

The internal policies and standard operating procedures are appropriately communicated, clearly documented in manuals and are assessed and revised only when necessary by independent control functions such as risk management, compliance and internal audit to ensure improvements and in consideration of emerging or changing risk profile, new products or services, as well as, new or updated regulatory requirements. These will also be enhanced where appropriate to address any weaknesses identified through actual occurrence, changes in risk levels determined via the risk management process, as well as gaps highlighted by stakeholders including quality control, auditors, or customers.

(vi) Assurance and audit

The Group has various functions to provide different levels of assurance over the Group's products, services, and processes. With respect to the Group's production, quality control and assurance, processes are in place to perform checking on finished products and adherence to standard operating policies and procedures, safeguarding the Group's product safety and quality.

An outsourced internal audit function has been engaged by the Group to provide independent and objective assurance to the Board that established internal controls, risk management and governance processes are adequate and are operating effectively and efficiently. To ensure independence and objectivity, internal auditors report independently to the AC and have no responsibility or authority over any of the activities they review. Their scope of work and activities are guided by the annual audit plan based on the appropriate risk-based methodology approved by the AC.

On the other hand, statutory audits are carried out by the External Auditor to provide independent assurance that the financial statements fairly present, in all material aspects, the Group's financial position and performance.

Both internal and external audits are conducted at least annually, and reports are made directly to the AC which oversees the audit activities and findings and makes relevant recommendations to the Board. Internal control weaknesses, where found, will be highlighted to the AC, and relevant remedial action plans will be devised, implemented, followed up, and reported. Senior Management remains responsible for the implementation of the remedial action plans. Relevant key outcomes and progress are reported to the Board.

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

INTERNAL CONTROL SYSTEM (CONT'D)

(vii) Whistle-Blowing Policy

The Group has established and formalised a Whistle-Blowing Policy through which internal and external parties, including the general public, can make a whistleblowing report when they become aware or genuinely suspects on a reasonable belief that the Group's Director, employee, or a third party who has a business relationship with the Group has engaged or is likely to engage in any improper conduct or wrongdoing. The improper conduct or wrongdoing may include but is not limited to, fraud, manipulation of financial records, corruption, bribery, blackmailing, misappropriation of the Group's assets, abuse of power, criminal breach of trust, endangerment of employees' or public health and safety, significant breaches of the Group's policies or code of ethics, and others.

The whistleblowing mechanism functions based on strict confidentiality which also protects the identity of the whistleblower, and it does not prohibit anonymous reporting. The whistleblowing channel provides various independent reporting channels, including to the Chairman of the AC who is also an Independent Director, to ensure objectivity and independence are upheld in the process of managing whistleblowing reports. A whistleblower who makes a report in good faith is also protected from any reprisal by the Group or its personnel as a direct consequence of the disclosure.

The Whistle-Blowing Policy is publicly available on Cape EMS's corporate website.

REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

During the financial period under review, in addition to the Board's review of the Group's risk management reports, the Board has, via the AC, reviewed the works and findings of the internal audit reports and External Auditor including their assessment of the Group's internal controls system.

The Board has also received assurance from the Managing Director/Group Chief Executive Officer and the Group Chief Financial Officer that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects during FPE 2025.

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 Managing Director/Group Chief Executive Officer and the Group Chief Financial Officer, and input from the relevant parties including reports, findings, and feedback from the External Auditor and internal control reviewer, the Board is of the view that the system of risk management and internal control is adequate and operating effectively, in all material aspects, to achieve its objective and there were no significant weaknesses which resulted in material losses, contingencies, or uncertainties that would require separate disclosure in the audited financial statements. The Board is committed to ensuring the ongoing adequacy and operating effectiveness of the Group's system of risk management and internal control.

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

REVIEW OF STATEMENT BY EXTERNAL AUDITOR

Pursuant to Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditor has reviewed this Statement. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 (“**AAPG 3**”) – Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (“**MIA**”). The External Auditor has reported to the Board that based on the procedures performed and evidence obtained, nothing has come to its attention that causes the External Auditor to believe that this Statement intended to be included in the Company's Annual Report in respect of FPE 2025, in all material respects:-

- (a) has not been prepared in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; or
- (b) is factually inaccurate.

AAPG 3 does not require the External Auditor 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 auditor is 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 is made in accordance with a resolution of the Board that was approved via the Board Meeting held on 22 October 2025.

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 period, and of the financial performance and cash flows of the Group and of the Company for the financial period.

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 throughout the period;
- made judgments 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 is made in accordance with a resolution of the Board that was approved via the Board Meeting held on 22 October 2025.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS RAISED FROM THE 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.

The status of the utilisation of 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 as disclosed in IPO prospectus (RM'000)	Re-allocation (RM'000)	Actual utilisation up to date of report (RM'000)	Unutilised Amount (RM'000)
Construction of New Senai 226 Warehouse and installation of automated storage facilities	Within 48 months	53,105	-	(174)	52,931
Setting-up of new cleanroom facility and purchase of new automated production lines for EMS operations	By 27 February 2026 [^]	62,810	(36,000) ⁽³⁾	(17,934)	8,876
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) ⁽²⁾	(3,831)	-
Working capital	By 18 May 2025 [#]	20,498	38,247 ⁽¹⁾⁽²⁾⁽³⁾	(58,745)	-
Estimated listing expenses	Within 3 months	11,000	(1,479) ⁽¹⁾	(9,521)	-
Total		155,700	-	(93,534)	62,166

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

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.

⁽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.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

MATERIAL CONTRACTS

There was no material contract entered into by the Company and its subsidiaries ("**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 period ended 30 June 2025 ("**FPE 2025**") or entered into since the end of the previous financial year.

RELATED PARTY TRANSACTIONS ("RPT") AND/OR RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE

There were no material RPT or RRPT of a revenue or trading nature entered by the Group which involves the interest of Directors, chief executive and/or major shareholders during FPE 2025, other than those disclosed in Note 32 to the Audited Financial Statements for FPE 2025 of the Company. Those RPT or RRPT did not exceed the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements of Bursa Securities.

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and electronic manufacturing services. 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.

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

CHANGE OF FINANCIAL YEAR END

During the financial period, the Group and the Company changed their financial year end from 31 December to 30 June and has made up its financial statements for the 18 months period from 1 January 2024 to 30 June 2025. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial period.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial period	38,063,761	37,600,040
Attributable to:		
Owners of the parent	37,977,706	37,600,040
Non-controlling interests	86,055	-
	38,063,761	37,600,040

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the last financial year, the Company paid:

	RM
An interim single tier dividend of RM0.67 per ordinary share in respect of the financial period ended 30 June 2025 paid on 15 August 2024	6,646,400

The Directors do not propose any final dividend in respect of the financial period ended 30 June 2025.

DIRECTORS' REPORT (CONT'D)

ISSUE OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The Directors of the Company in office since the beginning of the current financial period 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

Lim Chue Wan

Tan Sik Hui

(Resigned on 30 September 2024)

(Resigned on 28 March 2025)

* Director of the Company and its subsidiaries

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

Francis Chai Sir Liang

Chong Kah Zin

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 subsidiaries) of those who were Directors at financial period end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	At 1.1.2024	Number of ordinary shares		At 30.6.2025
		Bought	Sold	
The Company				
<i>Direct interests</i>				
Datuk Mohd Rabin Bin Basir	420,000	-	-	420,000
Tee Kim Chin	374,500,000	26,746,000	(287,515,900)	113,730,100
Tee Kim Yok	65,493,900	2,040,000	(57,440,000)	10,093,900
Koh Beng San	80,000	20,000	-	100,000
Chen Kok Seng	160,000	740,000	-	900,000
Yau Yin Wee	-	22,000	-	22,000

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

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 32(b) to the financial statements.

Neither during nor at the end of the financial period, 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, other than those arising from the warrants.

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

	Group RM	Company RM
Executive Directors		
- Salaries and other emoluments	8,282,625	4,472,115
- Defined contribution plans	642,361	538,500
- Social security contributions	65,839	4,178
	8,990,825	5,014,793
Non-Executive Directors		
- Fees	475,200	475,200
- Allowances	109,040	109,040
	584,240	584,240
Total	9,575,065	5,599,033

INDEMNITY AND INSURANCE COSTS

During the financial period, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM20,000,000 and RM24,310 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 adequate allowance had been made for doubtful debts and there were no bad debts to be written off; 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 it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) 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 period 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 period.
- (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 period 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 period 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 period 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 period in which this report is made.

SUBSIDIARIES

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

SUBSEQUENT EVENTS

The subsequent events are disclosed in Note 36 to the financial statements.

DIRECTORS' REPORT (CONT'D)

AUDITORS' REMUNERATION

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

	Group RM	Company RM
Auditors' remuneration		
- Statutory audit	1,520,324	815,640
- Non-statutory audit	20,000	20,000
	1,540,324	835,640

AUDITORS

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

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 22 October 2025.

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 2025 and of the financial performance and cash flows of the Group and of the Company for the financial period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 22 October 2025.

.....
TEE KIM CHIN

.....
TEE KIM YOK

JOHOR BAHRU

STATUTORY DECLARATION

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

I, Leong Lup Yan (MIA Membership No: CA 11572), 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 22 October 2025

.....
LEONG LUP YAN

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 statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 100 to 182.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and of their financial performance and cash flows for the financial period then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional 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
1. Impairment of trade receivables As at 30 June 2025, trade receivables are a significant element of statement of financial position amounting to RM111.5 million. The details of the trade receivables are disclosed in Note 11 to the Financial Statements. 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: - customer payment profiles of past sales and corresponding historical credit losses; - specific known facts or circumstances on customers' ability to pay; - calculating the probability of default-based groupings of various customer segments with similar risk of default (by product type and customer type); and - adjusting for forward-looking factors specific to the debtors and the economic environment. The basis of management's judgement over the recoverability of billed trade receivables are disclosed in Note 2(c) to the Financial Statements.	We have evaluated management's approach and model provided for ECL and ascertained that this has been consistently applied by management. We have tested the accuracy and completeness of the data used by the management. We have assessed and considered the reasonableness of the current and forward-looking information. 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. We have examined the subsequent cash collections.
2. Acquisition Accounting of iConn Inc. Accounting for a business combination under MFRS 3 <i>Business Combinations</i> requires significant judgement in identifying and measuring the fair values of the identifiable assets and liabilities acquired and in determining whether any intangible assets meet the recognition criteria. Management initially prepared a purchase price allocation ("PPA") model that proposed recognition of several technology-related intangible assets. Following further audit assessment and challenge during the audit, management concluded that there was insufficient verifiable evidence to reliably measure those intangibles. Consequently, the excess of purchase consideration over the fair value of the identifiable net assets acquired was fully allocated to goodwill. Because of the extent of judgement involved and the material impact on goodwill and disclosures, this area was identified as a key audit matter. The basis of management's judgement over the determination of fair values of identifiable assets and liabilities acquired are disclosed in Note 2(c) to the Financial Statements	We have obtained an understanding of management's process in accounting for the acquisition and assessing compliance with MFRS 3. We have reviewed management's valuation analyses and evaluated the appropriateness of methodologies and key assumptions applied in the PPA. We have challenged management's basis for recognising identifiable intangibles, including the availability of supporting documentation and the separability and control criteria under MFRS 3. We have evaluated management's decision to withdraw the preliminary PPA and to recognise the residual difference as goodwill. We have conducted an on-site visit to iConn Inc's corporate office. We have reviewed the adequacy of related disclosures in the financial statements.

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
3. Impairment assessment on goodwill As at 30 June 2025, the carrying amount of goodwill recognised by the Group amounted to RM85.3 million, as disclosed in Note 8 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>. 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. 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.	We have obtained an understanding of the methodology adopted by the management in estimating the VIU. We have assessed and evaluated the management's key assumptions used in estimating the VIU and compared the key assumptions against historical trend. We have performed sensitivity analysis on key assumptions that will significantly affect the recoverable amounts of the CGUs. We have evaluated the adequacy of disclosures relating to goodwill, key assumptions, and sensitivity analyses in the financial statements.

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.

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF CAPE EMS BERHAD

[REGISTRATION NO.: 199901026859 (501759-M)]
(INCORPORATED IN MALAYSIA)

Report on Other Legal and Regulatory Requirements

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

Other Matters

1. 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.
2. The financial statements of the Group and of the Company for the financial year ended 31 December 2023 were audited by another firm of auditors who expressed an unmodified opinion on these statements on 16 April 2024.

UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF 1411
Chartered Accountants

DATO' KOH CHUN KIAT
Approved Number: 03071/06/2027 J
Chartered Accountant

KUALA LUMPUR
22 October 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		Group		Company	
	Note	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Assets					
Non-Current Assets					
Property, plant and equipment	4	319,107,064	239,438,444	234,430,170	184,788,266
Intangible assets	5	2,572,473	-	-	-
Investment properties	6	-	-	7,500,000	6,200,000
Investment in subsidiary companies	7	-	-	100,125,056	24,660,117
Goodwill on consolidation	8	85,320,133	6,243,746	-	-
Amount due from subsidiary companies	9	-	-	19,702,336	-
		406,999,670	245,682,190	361,757,562	215,648,383
Current Assets					
Inventories	10	53,215,775	65,503,242	39,922,821	61,025,697
Trade receivables	11	111,547,175	177,583,624	64,802,801	155,055,413
Other receivables	12	69,124,436	74,730,519	50,222,900	70,785,093
Amount due from subsidiary companies	9	-	-	14,494,512	3,071,950
Amount due from a related party	13	480,000	-	480,000	-
Tax recoverable		4,726,748	572,408	3,658,619	-
Fixed deposits with licensed banks	14	50,340,000	31,180,438	50,000,000	27,745,689
Other investments	15	1,794,321	101,832,016	1,794,321	101,832,016
Cash and bank balances		22,825,564	76,588,503	14,504,441	47,630,208
		314,054,019	527,990,750	239,880,415	467,146,066
Total Assets		721,053,689	773,672,940	601,637,977	682,794,449
Equity and Liabilities					
Equity					
Share capital	16	324,021,070	324,021,070	324,021,070	324,021,070
Exchange translation reserve		(1,526,466)	1,217,101	-	-
Revaluation reserve	17	52,854,108	26,649,646	43,710,755	26,622,167
Retained earnings		59,938,039	103,301,338	25,117,292	68,223,794
Equity attributable to owners of the parent		435,286,751	455,189,155	392,849,117	418,867,031
Non-controlling interests		288,686	(32,965)	-	-
Total Equity		435,575,437	455,156,190	392,849,117	418,867,031

STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS AT 30 JUNE 2025

		Group		Company	
	Note	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Liabilities					
Non-Current Liabilities					
Lease liabilities	18	12,939,760	9,204,060	1,494,454	6,874,634
Loans and borrowings	19	49,466,045	100,905,355	32,292,117	79,039,855
Deferred tax liabilities	20	19,191,021	14,017,516	17,538,524	14,017,096
		81,596,826	124,126,931	51,325,095	99,931,585
Current Liabilities					
Trade payables	21	42,942,979	102,531,348	28,832,481	94,158,484
Other payables	22	29,672,097	17,680,574	8,701,411	12,495,362
Amount due to subsidiary companies	9	-	-	5,786,873	5,213,936
Amount due to related parties	13	734,616	74,000	19,197	74,000
Lease liabilities	18	4,661,112	4,809,781	2,164,351	3,591,192
Loans and borrowings	19	121,859,139	63,628,070	111,959,452	48,393,859
Tax payable		4,011,483	5,666,046	-	69,000
		203,881,426	194,389,819	157,463,765	163,995,833
Total Liabilities		285,478,252	318,516,750	208,788,860	263,927,418
Total Equity and Liabilities		721,053,689	773,672,940	601,637,977	682,794,449

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

		Group		Company	
		1.1.2024 to 30.6.2025 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 30.6.2025 RM	1.1.2023 to 31.12.2023 RM
	Note				
Revenue	23	690,422,921	548,644,355	416,020,452	396,985,109
Cost of sales		(648,381,499)	(461,302,299)	(415,060,963)	(343,106,011)
Gross profit		42,041,422	87,342,056	959,489	53,879,098
Other income		16,803,020	7,814,185	20,251,896	9,307,155
Administrative expenses		(65,863,102)	(25,747,109)	(43,649,363)	(21,765,392)
Net loss on impairment of financial assets	25	(5,814,982)	-	(2,357,675)	-
Distribution costs		(4,040,818)	(728,370)	(910,327)	(118,218)
Finance costs	24	(17,713,033)	(10,980,263)	(14,235,590)	(9,042,712)
(Loss)/Profit before tax	25	(34,587,493)	57,700,499	(39,941,570)	32,259,931
Taxation	26	(3,476,268)	(13,358,243)	2,341,530	(9,246,606)
(Loss)/Profit for the financial period/year		(38,063,761)	44,342,256	(37,600,040)	23,013,325
Other comprehensive income/(loss), net of tax					
<i>Item that will not be reclassified to profit or loss</i>					
Revaluation of land and factory buildings		34,079,804	1,975,482	23,984,903	1,975,482
Tax effect on item that will not be reclassified subsequently to profit or loss		(6,614,535)	(474,116)	(5,756,377)	(474,116)
Realisation of revaluation reserve upon depreciation of revalued assets		1,260,807	534,920	1,139,938	534,920
Transfer of revaluation reserve to retained profits		(1,260,807)	(534,920)	(1,139,938)	(534,920)
<i>Item that are or may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign operation, net of tax		(2,743,567)	797,600	-	-
Other comprehensive income for the financial period/year, net of tax		24,721,702	2,298,966	18,228,526	1,501,366
Total comprehensive (loss)/income for the financial period/year		(13,342,059)	46,641,222	(19,371,514)	24,514,691

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

		Group		Company	
		1.1.2024 to 30.6.2025 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 30.6.2025 RM	1.1.2023 to 31.12.2023 RM
	Note				
(Loss)/Profit for the financial period/year attributable to:					
Owners of the parent		(37,977,706)	44,376,612	(37,600,040)	23,013,325
Non-controlling interests		(86,055)	(34,356)	-	-
		(38,063,761)	44,342,256	(37,600,040)	23,013,325
Total comprehensive (loss)/income for the financial period/year attributable to:					
Owners of the parent		(13,256,004)	46,675,578	(19,371,514)	24,514,691
Non-controlling interests		(86,055)	(34,356)	-	-
		(13,342,059)	46,641,222	(19,371,514)	24,514,691
(Loss)/Earnings per share					
Basic and diluted (loss)/earnings per share (sen)	27	(3.83)	4.96		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

Group	Attributable to owners of the parent						Non-Controlling Interests RM	Total Equity RM
	Non-distributable			Distributable				
	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 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)	
Transactions with owners:								
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 PERIOD ENDED 30 JUNE 2025

	Attributable to owners of the parent					
	Non-distributable			Distributable		
	Share Capital RM	Exchange Translation Reserve RM	Revaluation Reserve RM	Retained Earnings RM	Total RM	Non-Controlling Interests RM
Group						Total Equity RM
At 1 January 2023	100,000,000	419,501	25,683,200	68,922,306	195,025,007	- 195,025,007
Profit/(Loss) for the financial year	-	-	-	44,376,612	44,376,612	(34,356) 44,342,256
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	(534,920)	534,920	-	-
Other comprehensive income for the financial year	-	797,600	1,501,366	-	2,298,966	- 2,298,966
Total comprehensive income/(loss) for the financial year	-	797,600	966,446	44,911,532	46,675,578	(34,356) 46,641,222
Transactions with owners:						
Acquisition of a subsidiary company	-	-	-	-	-	1,391 1,391
Dividends to owner of the Company	-	-	-	(10,532,500)	(10,532,500)	- (10,532,500)
Issued for initial public offering	155,700,000	-	-	-	155,700,000	- 155,700,000
Issued for private placement	73,830,000	-	-	-	73,830,000	- 73,830,000
Shares issuance expenses	(5,508,930)	-	-	-	(5,508,930)	- (5,508,930)
Total transactions with owners	224,021,070	-	-	(10,532,500)	213,488,570	1,391 213,489,961
At 31 December 2023	324,021,070	1,217,101	26,649,646	103,301,338	455,189,155	(32,965) 455,156,190

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

	Attributable to owners of the parent			Total Equity RM
	Non-distributable		Distributable	
	Share Capital RM	Revaluation Reserve RM	Retained Earnings RM	
Company				
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 upon depreciation of revalued assets	-	(1,139,938)	1,139,938	-
Other comprehensive income for the financial period	-	18,228,526	-	18,228,526
Total comprehensive income/(loss) for the financial period	-	17,088,588	(36,460,102)	(19,371,514)
Transactions with owners:				
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
At 1 January 2023	100,000,000	25,655,721	55,208,049	180,863,770
Profit for the financial year	-	-	23,013,325	23,013,325
Realisation of revaluation reserve upon depreciation of revalued assets	-	(534,920)	534,920	-
Other comprehensive income for the financial year	-	1,501,366	-	1,501,366
Total comprehensive income for the financial year	-	966,446	23,548,245	24,514,691
Transactions with owners:				
Dividends to owner of the Company	-	-	(10,532,500)	(10,532,500)
Issued for initial public offering	155,700,000	-	-	155,700,000
Issued for private placement	73,830,000	-	-	73,830,000
Shares issuance expenses	(5,508,930)	-	-	(5,508,930)
Total transactions with owners	224,021,070	-	(10,532,500)	213,488,570
At 31 December 2023	324,021,070	26,622,167	68,223,794	418,867,031

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

		Group		Company	
	Note	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Cash Flows From Operating Activities					
(Loss)/Profit before tax		(34,587,493)	57,700,499	(39,941,570)	32,259,931
Adjustments for:					
Amortisation of intangible assets		225,471	-	-	-
Depreciation of:					
- property, plant and equipment		32,902,136	14,806,023	23,953,489	12,458,050
- right-of-use assets		5,865,148	5,388,882	3,039,691	4,625,222
Impairment losses on:					
- trade receivables	11	5,814,982	-	2,357,675	-
Gain on disposal of:					
- property, plant and equipment		(23,958)	(10,606)	-	-
Fair value gain on financial assets carried at fair value through profit or loss		(2,150,710)	(1,241,564)	(2,150,710)	(1,241,564)
Fair value (gain)/loss on investment properties		-	-	(1,300,000)	55,690
Interest expenses	24	17,713,033	10,980,263	14,235,590	9,042,712
Interest income	25	(4,300,597)	(3,063,114)	(5,866,395)	(3,317,369)
Property, plant and equipment written off		292,687	-	-	-
Unwinding interest expenses	25	-	-	4,885,935	-
Unrealised loss/(gain) on foreign exchange	25	743,734	(2,101,085)	244,872	(1,985,965)
Operating profit/(loss) before working capital changes		22,494,433	82,459,298	(541,423)	51,896,707
Changes in working capital:					
Inventories		23,501,546	(26,887,726)	21,102,876	(27,269,294)
Trade and other receivables		26,471,468	(42,981,680)	57,418,407	(41,766,045)
Trade and other payables		(78,447,040)	28,619,293	(69,972,416)	28,791,468
Related party		703,741	63,246	(54,803)	63,384
Subsidiary companies		-	-	(35,233,898)	1,948,398
		(27,770,285)	(41,186,867)	(26,739,834)	(38,232,089)
Cash generated from operations		(5,275,852)	41,272,431	(27,281,257)	13,664,618
Tax refund		14,379	736,355	14,379	-
Tax paid		(10,359,340)	(5,282,112)	(3,635,416)	(4,618,698)
		(10,344,961)	(4,545,757)	(3,621,037)	(4,618,698)
Net cash from operating activities		(15,620,813)	36,726,674	(30,902,294)	9,045,920

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

		Group		Company	
	Note	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Cash Flows From Investing Activities					
Net cash outflows for acquisition of a subsidiary company	7(b)	(22,951,826)	(49,980,300)	(24,859,089)	(49,982,387)
Fair value gain on financial assets carried at fair value through profit or loss		2,150,710	1,241,564	2,150,710	1,241,564
Increase in investment in a subsidiary company		-	-	(625,550)	(5,589,979)
Purchase of intangible assets		(2,978,826)	-	-	-
Purchase of property, plant and equipment	4(b)	(69,325,890)	(15,012,728)	(51,071,577)	(3,051,286)
Proceeds from disposal of property, plant and equipment		115,000	16,023	-	-
Interest received		4,300,597	3,063,114	4,182,525	3,317,369
Net cash used in investing activities		(88,690,235)	(60,672,327)	(70,222,981)	(54,064,719)
Cash Flows From Financing Activities					
Advances to subsidiary companies		-	-	572,937	(924,964)
Advances to related party		(480,000)	-	(480,000)	-
Decrease in fixed deposit pledged to licensed banks		3,209,748	5,805,321	-	8,272,570
Dividends paid		(6,646,400)	(5,076,500)	(6,646,400)	(5,076,500)
Interest paid		(17,713,033)	(10,980,263)	(13,328,655)	(9,042,712)
Net changes in short term borrowings		23,312,345	(5,125,914)	30,328,308	(9,439,483)
Net changes in term loans		(24,019,082)	(2,572,150)	(18,427,988)	(8,040,294)
Proceeds from issuance of share capital		-	224,021,070	-	224,021,070
Repayment of lease liabilities		(7,310,596)	(5,748,022)	(3,874,337)	(4,600,836)
Finance service reserve account		-	(166,287)	-	-
Net cash (used in)/from financing activities		(29,647,018)	200,157,255	(11,856,135)	195,168,851
Net (decrease)/increase in cash and cash equivalents		(133,958,066)	176,211,602	(112,981,410)	150,150,052
Cash and cash equivalents at the beginning of the financial period/year		202,926,125	25,408,453	177,207,913	26,704,484
Effect of exchange rate changes on cash and cash equivalents		1,516,268	1,306,070	1,098,942	353,377
Cash and cash equivalents at the end of the financial period/year		70,484,327	202,926,125	65,325,445	177,207,913

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

Note	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Cash and cash equivalents at the end of the financial period/year comprises:				
Cash and bank balances	22,825,564	76,588,503	14,504,441	47,630,208
Fixed deposits with licensed banks	50,340,000	31,180,438	50,000,000	27,745,689
Other investments	1,794,321	101,832,016	1,794,321	101,832,016
Bank overdrafts	(3,827,243)	(2,816,768)	(973,317)	-
	71,132,642	206,784,189	65,325,445	177,207,913
Less: Fixed deposits pledged with licensed banks	(225,000)	(3,434,749)	-	-
Finance service reserve account	(423,315)	(423,315)	-	-
	70,484,327	202,926,125	65,325,445	177,207,913

Cash Flows for Leases as a Lessee

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Included in operating activities				
Lease expenses relating to short-term lease	4,058,537	989,270	3,411,958	673,689
Included in financing activities				
Interest paid in relation to lease liabilities	1,692,644	1,445,015	457,172	1,214,640
Payment of lease liabilities	7,310,596	5,748,022	3,874,337	4,600,836
Total cash outflows for leases	13,061,777	8,182,307	7,743,467	6,489,165

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

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 No.7-1, Jalan 109F, Plaza Danau 2, Taman Danau Desa, 58100 Kuala Lumpur. On 9 July 2024, the Company's registered office has been relocated to No. D-09-02, Level 9, EXSIM Tower, Millerz Square @ Old Klang Road, Megan Legasi, No. 357, Jalan Kelang Lama, 58000 Kuala Lumpur. With effect from 16 December 2024, the Company's registered office has been relocated to Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The principal activities of the Company are investment holding and electronic manufacturing services. 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.

Further details of the subsidiaries 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 period.

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 period, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial period:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

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 and amendments to MFRSs 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 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
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 MFRSs and amendments to MFRSs when they become effective.

The initial application of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and the Company.

(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 PERIOD ENDED 30 JUNE 2025

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:

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.

Determining the functional currency

Certain subsidiaries 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 2025, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

2. BASIS OF PREPARATION (CONT'D)

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

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 11 to the financial statements.

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 10 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

2. BASIS OF PREPARATION (CONT'D)

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

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 20 and 26 to the financial statements.

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 20 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 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

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) Subsidiaries

Subsidiaries 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. Subsidiaries 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 subsidiaries 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 subsidiaries are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries 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. See accounting policy Note 3(m)(i) to the financial statements on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(ii) Changes in ownership interests in subsidiaries 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 subsidiaries is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

If the Group loses control of a subsidiary, the assets and liabilities of the subsidiary, 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 company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(m)(i) to the financial statements on impairment of non-financial assets.

(b) Foreign currency transactions and balances

Transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective subsidiaries 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency transactions and balances (Cont'd)

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.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(m)(i) on impairment of non-financial assets.

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment (Cont'd)

(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. 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.

(d) 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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Leases (Cont'd)

(i) As lessee (Cont'd)

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.

(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.

(e) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Intangible assets (Cont'd)

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.

(f) 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.

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.

(g) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Financial assets (Cont'd)

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade and other receivables, amount due from subsidiary companies, amount due from a related company, fixed deposits with licensed banks, other investments and cash and bank balances.

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(ii) Financial assets at fair value through other comprehensive income ("FVTOCI")

Debt instruments

A debt security is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

Financial assets categorised as FVTOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in other comprehensive income and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

The Group and the Company have not designated any financial assets as FVTOCI.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Financial assets (Cont'd)

(iii) Financial assets at fair value through profit or loss

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

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity instruments measured at FVTOCI, are subject to impairment.

The Group and the Company have not designated any financial assets at FVTPL.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases or sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

(h) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(i) 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 PERIOD ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(j) 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.

(k) 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.

(l) 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.

(m) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

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").

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) 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.

(o) 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.

(p) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(q) 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.

(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.

(r) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(r) Income taxes (Cont'd)

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.

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.

(s) 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.

(t) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(u) 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 Company uses 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 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 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 PERIOD ENDED 30 JUNE 2025

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												
30.6.2025												
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)

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

	At valuation				At cost							
	Freshhold land	Leasehold land	Factory building	Leased factory buildings	Hostel	Office premises	Plant and machinery	Equipment, furniture and fittings	Renovation and electrical installation	Motor vehicles	Capital work-in-progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	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)
Acquisition of a subsidiary company	-	-	-	1,120,337	-	-	349,896	3,084,178	-	-	-	4,554,411
Revaluation	-	(1,564,227)	(3,741,288)	-	-	-	-	-	-	-	-	(5,305,515)
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 loss												
At 1 January/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 PERIOD ENDED 30 JUNE 2025

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												
31.12.2023												
Cost												
At 1 January	6,364,175	28,562,020	68,905,207	481,880	151,861	-	126,287,415	9,674,386	10,275,682	2,710,864	562,671	253,976,161
Additions	-	-	-	-	-	494,421	14,541,044	1,058,505	2,708,934	1,144,218	1,732,614	21,679,736
Derecognition of right-of-use asset	-	-	-	(481,880)	-	-	-	-	-	-	-	(481,880)
Disposals	-	-	-	-	-	-	(365,632)	-	-	-	-	(365,632)
Revaluation	-	1,431,560	-	-	-	-	-	-	-	-	-	1,431,560
Reclassification from assets held for sale	-	8,818,441	-	-	-	-	-	-	-	-	-	8,818,441
Transfer from investment properties	-	2,600,000	7,200,000	-	-	-	-	-	-	-	-	9,800,000
Reclassification	-	-	-	-	-	-	562,671	-	-	-	(562,671)	-
Exchange translation differences	(110,373)	-	54,683	-	-	192,856	-	1,598	1,572	-	-	140,336
At 31 December	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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

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												
31.12.2023												
Accumulated depreciation												
At 1 January	-	274,584	281,189	481,880	138,106	-	26,659,960	3,540,814	3,707,169	1,427,881	-	36,511,583
Charge for the financial year	-	849,755	1,673,452	-	13,755	95,312	13,504,188	1,557,285	2,068,884	432,274	-	20,194,905
Derecognition of right-of-use asset	-	-	-	(481,880)	-	-	-	-	-	-	-	(481,880)
Disposals	-	-	-	-	-	-	(360,215)	-	-	-	-	(360,215)
Revaluation	-	(543,922)	-	-	-	-	-	-	-	-	-	(543,922)
Exchange translation differences	-	-	-	-	-	192,458	-	1,597	1,573	-	-	195,628
At 31 December	-	580,417	1,954,641	-	151,861	287,770	39,803,933	5,099,696	5,777,626	1,860,155	-	55,516,099
Accumulated impairment loss												
At 1 January/	-	-	-	-	-	-	-	-	-	44,179	-	44,179
31 December	-	-	-	-	-	-	-	-	-	-	-	-
Carrying amount												
At 31 December	6,253,802	40,831,604	74,205,249	-	-	399,507	101,221,565	5,634,793	7,208,562	1,950,748	1,732,614	239,438,444

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

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

	At valuation		At cost					Total RM
	Leasehold land RM	Factory buildings RM	Leased factory buildings RM	Plant and machinery RM	Equipment, furniture and fittings RM	Renovation and electrical installation RM	Motor vehicles RM	Capital work in progress RM
Company 30.6.2025 Cost								
At 1 January	33,900,001	59,900,000	-	112,758,443	9,642,328	9,401,927	2,917,140	228,754,793
Additions	-	-	656,605	19,086,165	1,213,685	659,354	1,138,616	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	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
Company 30.6.2025 Accumulated impairment loss								
At 1 January/ 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	234,430,170

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

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

	At valuation			At cost					
	Leasehold land	Factory buildings	Leased factory buildings	Plant and machinery	Equipment, furniture and fittings	Renovation and electrical installation	Motor vehicles	Capital work in progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Company									
31.12.2023									
Cost									
At 1 January	21,050,000	52,700,000	481,880	111,911,989	8,781,643	8,411,952	1,772,922	-	205,110,386
Additions	-	-	-	846,454	860,685	989,975	1,144,218	234,954	4,076,286
Derecognition of right-of-use asset	-	-	(481,880)	-	-	-	-	-	(481,880)
Revaluation	1,431,560	-	-	-	-	-	-	-	1,431,560
Reclassification from assets held for sale	8,818,441	-	-	-	-	-	-	-	8,818,441
Transfer from investment properties	2,600,000	7,200,000	-	-	-	-	-	-	9,800,000
At 31 December	33,900,001	59,900,000	-	112,758,443	9,642,328	9,401,927	2,917,140	234,954	228,754,793
Accumulated depreciation									
At 1 January	211,190	-	481,880	20,465,742	2,928,951	2,725,422	1,051,693	-	27,864,878
Charge for the financial year	596,180	1,203,459	-	11,952,226	1,436,686	1,602,319	292,402	-	17,083,272
Derecognition of right-of-us asset	-	-	(481,880)	-	-	-	-	-	(481,880)
Revaluation	(543,922)	-	-	-	-	-	-	-	(543,922)
At 31 December	263,448	1,203,459	-	32,417,968	4,365,637	4,327,741	1,344,095	-	43,922,348
Accumulated impairment loss									
At 1 January/31 December	-	-	-	-	-	-	44,179	-	44,179
Carrying amount									
At 31 December	33,636,553	58,696,541	-	80,340,475	5,276,691	5,074,186	1,528,866	234,954	184,788,266

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

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 land RM	Leased factory buildings RM	Office premises RM	Plant and machinery RM	Motor vehicles RM	Total RM
Group						
30.6.2025						
Net carrying amount						
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
	Leasehold land RM	Hostel RM	Office premises RM	Plant and machinery RM	Motor vehicles RM	Total RM
Group						
31.12.2023						
Net carrying amount						
At 1 January 2023	28,287,436	13,755	-	62,744,765	1,115,924	92,161,880
Additions	-	-	494,421	3,424,000	1,144,218	5,062,639
Depreciation charges	(849,755)	(13,755)	(95,312)	(4,071,161)	(358,899)	(5,388,882)
Revaluation	1,975,482	-	-	-	-	1,975,482
Reclassification from assets held for sale	8,818,441	-	-	-	-	8,818,441
Transfer from investment properties	2,600,000	-	-	-	-	2,600,000
Full settlement of lease liabilities	-	-	-	(42,954,860)	-	(42,954,860)
Exchange translation difference	-	-	398	-	-	398
At 31 December 2023	40,831,604	-	399,507	19,142,744	1,901,243	62,275,098

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

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)

Company	Leasehold land RM	Leased factory building RM	Plant and machinery RM	Motor vehicles RM	Total RM
30.6.2025					
Net carrying amount					
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

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:

	Leasehold land RM	Plant and machinery RM	Motor vehicles RM	Total RM
Company				
31.12.2023				
Net carrying amount				
At 1 January 2023	20,838,810	61,603,653	554,170	82,996,633
Additions	-	-	1,144,218	1,144,218
Depreciation charges	(596,180)	(3,810,015)	(219,027)	(4,625,222)
Revaluation	1,975,482	-	-	1,975,482
Reclassification from assets held for sale	8,818,441	-	-	8,818,441
Transfer from investment properties	2,600,000	-	-	2,600,000
Full settlement of lease liabilities	-	(42,954,860)	-	(42,954,860)
At 31 December 2023	33,636,553	14,838,778	1,479,361	49,954,692

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.

(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	
	30.6.2025	31.12.2023	30.6.2025	31.12.2023
	RM	RM	RM	RM
Aggregate costs	81,683,464	21,679,736	52,650,182	4,076,286
Less: lease liabilities	(12,357,574)	(2,817,021)	(1,578,605)	(1,025,000)
Less: term loans	-	(1,964,187)	-	-
Less: deposits and advances paid in prior financial year	-	(1,885,800)	-	-
Cash payments	69,325,890	15,012,728	51,071,577	3,051,286

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

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

(c) Assets pledged as securities to financial institutions

The carrying amount of assets pledged as securities for bank borrowings as disclosed in Note 19 to the financial statements are:

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Freehold land	7,770,000	6,253,802	-	-
Leasehold land	43,971,436	40,831,604	33,860,930	33,636,553
Factory buildings	99,010,799	74,205,249	78,989,306	58,696,541
Plant and machinery	50,497,264	46,040,404	50,497,264	46,040,404
	201,249,499	167,331,059	163,347,500	138,373,498

(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.

During the financial year ended 2023 and 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 31 December 2023 and 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:

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Freehold land	7,770,000	6,253,802	-	-
Leasehold land	43,971,436	40,831,604	33,860,930	33,636,553
Factory buildings	99,010,799	74,205,249	78,989,306	58,696,541
	150,752,235	121,290,655	112,850,236	92,333,094

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

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
Group				
<u>30.6.2025</u>				
Freehold land	Comparison approach	Difference in size	RM90 to RM120 per square feet	Higher the differential value, higher 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 PERIOD ENDED 30 JUNE 2025

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

(d) Revaluation 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
Group				
<u>31.12.2023</u>				
Freehold land	Comparison approach	Difference in size	RM70 to RM80 per square feet	Higher the differential value, higher fair value
Leasehold land	Comparison approach	Difference in size, location, time factor, site improvement, land usage, shape and tenure	RM28 to RM41 per square feet	Higher the differential value, lower fair value
Factory buildings	Cost approach	Estimated replacement cost per square feet	RM53 to RM161 per square feet	Higher estimated replacement cost, higher fair value
		Depreciation rate	2% - 10%	Higher depreciation rate, lower fair value
Company				
<u>30.6.2025</u>				
Leasehold land	Comparison approach	Different in tenure and land size.	RM41.10 to RM641 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
<u>31.12.2023</u>				
Leasehold land	Comparison approach	Difference in size, location, site improvement, infrastructure and tenure	RM28 to RM41 per square feet	Higher the differential value, lower fair value
Factory buildings	Cost approach	Estimated replacement cost per square feet	RM153 to RM155 per square feet	Higher estimated replacement cost, higher fair value
		Depreciation rate	2%	Higher depreciation rate, lower fair value

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

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

(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 under the cost model, the carrying amount would have been as follows:

	Freehold land RM	Leasehold land RM	Factory building RM
Group			
Cost			
At 1 January 2024/At 30 June 2025	6,364,175	33,540,690	53,282,960
Accumulated depreciation			
At 1 January 2024	-	11,198,306	2,547,262
Charge for the financial period	-	1,500,185	4,001,399
At 30 June 2025	-	12,698,491	6,548,661
Net carrying amount			
At 31 December 2023	6,364,175	22,342,384	50,735,698
At 30 June 2025	6,364,175	20,842,199	46,734,299
Company			
Cost			
At 1 January 2024/At 30 June 2025	-	26,028,670	37,077,753
Accumulated depreciation			
At 1 January 2024	-	881,337	1,765,548
Charge for the financial period	-	1,119,305	2,348,455
At 30 June 2025	-	2,000,642	4,114,003
Net carrying amount			
At 31 December 2023	-	25,147,333	35,312,205
At 30 June 2025	-	24,028,028	32,963,750

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

5. INTANGIBLE ASSETS

	Website RM	Homologation certification RM	Software RM	Patent RM	Total RM
Group					
30.6.2025					
Cost					
At 1 January 2024	-	-	-	-	-
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 30 June 2025	73,993	326,536	1,160,607	1,221,996	2,783,132
Accumulated amortisation					
At 1 January 2024	-	-	-	-	-
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 30 June 2025	9,251	19,044	64,759	117,605	210,659
Net carrying amount					
At 30 June 2025	64,742	307,492	1,095,848	1,104,391	2,572,473

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

6. INVESTMENT PROPERTIES

	Leasehold land RM	Leasehold building RM	Freehold land RM	Freehold building RM	Total RM
Group					
At fair value					
At 1 January 2023	2,610,000	7,190,000	-	-	9,800,000
Fair value adjustments	(10,000)	10,000	-	-	-
Transfer to property, plant and equipment	(2,600,000)	(7,200,000)	-	-	(9,800,000)
At 31 December 2023	-	-	-	-	-
Company					
At fair value					
At 1 January 2023	2,610,000	7,190,000	2,700,373	3,555,317	16,055,690
Fair value adjustments	(10,000)	10,000	(110,373)	54,683	(55,690)
Transfer to property, plant and equipment	(2,600,000)	(7,200,000)	-	-	(9,800,000)
At 31 December 2023	-	-	2,590,000	3,610,000	6,200,000
At 1 January 2024	-	-	2,590,000	3,610,000	6,200,000
Fair value adjustments	-	-	1,380,000	(80,000)	1,300,000
At 30 June 2025	-	-	3,970,000	3,530,000	7,500,000

During the financial year ended 31 December 2023, the Company opted to utilise the property for its internal operation. Consequently, this led to its reclassification to property, plant and equipment.

The investment properties have been pledged to a licensed bank for credit facilities granted to the Group and the Company as disclosed in Note 19 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:

	Company	
	30.6.2025 RM	31.12.2023 RM
Rental income	468,000	312,000
Direct operating expense		
- Income generating investment properties	25,115	12,321

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

6. INVESTMENT PROPERTIES (CONT'D)

(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:

	Level 3 Company	
	30.6.2025 RM	31.12.2023 RM
Freehold land	3,970,000	2,590,000
Freehold building	3,530,000	3,610,000
	7,500,000	6,200,000

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
Company				
<u>30.6.2025</u>				
Freehold land	Comparison approach	Difference in size	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
<u>31.12.2023</u>				
Freehold land	Comparison approach	Difference in size	RM70 to RM80 per square feet	Higher differential value, higher fair value
Freehold building	Cost approach	Estimated replacement cost per square feet	RM80 to RM161 per square feet	Higher estimated replacement cost, higher fair value
		Depreciation rate	10%	Higher depreciation rate, lower fair value

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

7. INVESTMENTS IN SUBSIDIARY COMPANIES

Details of the subsidiaries are as follows:

	Company	
	30.6.2025 RM	31.12.2023 RM
At cost		
In Malaysia		
Unquoted shares, at cost	23,074,588	23,074,588
Outside Malaysia		
Unquoted shares, at cost	77,050,468	1,585,529
	100,125,056	24,660,117

Name of company	Place of business/ Country of Incorporation	Effective interest		Principal activities
		30.6.2025 %	31.12.2023 %	
<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. ^ ("iConn")	United States of America	100	-	Virtual manufacturing providing design, engineering, procurement for electro-mechanical components and assembled products
<i>Held through iConn Inc.:</i>				
DongGuan iConn ^ Technologies	China	100	-	Research and development 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

@ Subsidiary audited by member firm of UHY International

^ Subsidiary not audited by UHY Malaysia PLT.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(a) Material partly-owned subsidiaries

Set out below are the Group's subsidiaries 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	
	30.6.2025 %	31.12.2023 %	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Vectrix Mobility Pte Ltd	40	40	(86,055)	(34,356)	288,686	(32,965)

Summarised financial information for each subsidiary 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	
	30.6.2025 RM	31.12.2023 RM
Non-current assets	1,422,140	-
Current assets	3,421,844	608,720
Current liabilities	(4,194,950)	(688,075)
Net assets/(liabilities)	649,034	(79,355)
Revenue	30,811,829	-
Loss for the financial period, representing total comprehensive loss for financial period	(215,137)	(85,890)
Net cash (used in)/from operating activities	(691,596)	608,720
Net cash from investing activities	370,371	-
Net changes in cash and cash equivalents	(321,225)	608,720

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiaries

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

	Group 30.6.2025 RM
Property, plant and equipment	3,686,339
Inventories	12,306,477
Trade receivables	12,919,728
Other receivables, deposits and prepayments	2,985,298
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)

Net cash outflows arising from acquisition of subsidiaries

	Group 30.6.2025 RM
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

	Group 30.6.2025 RM
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 8)	79,076,387

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiaries (Cont'd)

Financial year ended 31 December 2023

On 6 October 2023, the Company acquired 60% of the shares in Vectrix Mobility Pte. Ltd. for SGD600 equivalents to RM2,087, satisfied in cash. Vectrix Mobility Pte. Ltd. has not commenced its operation during the financial year ended.

(c) 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.

8. GOODWILL ON CONSOLIDATION

	Group	
	30.6.2025 RM	31.12.2023 RM
Cost		
At 1 January 2024/2023	6,243,746	6,243,746
Acquisition through business combination	79,076,387	-
At 30 June 2025/31 December 2023	85,320,133	6,243,746

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	
	30.6.2025 RM	31.12.2023 RM
Subsidiary companies		
Cape Manufacturing (M) Sdn. Bhd.	5,609,949	5,609,949
Cape Holdings (S) Pte. Ltd.	633,797	633,797
iConn Inc.	79,076,387	-
	85,320,133	6,243,746

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

8. 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
30.6.2025			
Growth rate	13.60%	5.70%	4.70%
Long-term growth rate	-	-	3.00%
Discount rate	10.73%	8.91%	10.23%
31.12.2023			
Growth rate	5.00%	5.00%	-
Long-term growth rate	2.00%	1.00%	-
Discount rate	11.81%	10.22%	-

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.

9. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

		Company 30.6.2025 RM	31.12.2023 RM
Non-Current			
Amount due from:			
Non-trade related	(b)	19,702,336	-
Current			
Amount due from:			
Trade related	(a)	4,366,100	3,071,950
Non-trade related	(b)	10,128,412	-
		14,494,512	3,071,950
Amount due to:			
Trade related	(a)	555,734	4,744,936
Non-trade related	(c)	5,231,139	469,000
		5,786,873	5,213,936

- (a) The trade related balances are unsecured, interest-free and are generally on terms of 60 days (31.12.2023: 60 days).
- (b) The non-trade balances are unsecured, interest-free, and repayable on demand, except for an amount of RM4,111,915 (31.12.2023: RM Nil), which bears interest at 3.50% to 6.00% (31.12.2023: Nil) per annum. In addition, there is a long-term loan of RM25,403,324 granted to a subsidiary, which is unsecured and measured using the time value of money method at an effective interest rate of 6.00% (31.12.2023: Nil) per annum, with repayment due in 2029.
- (c) The non-trade balances are unsecured, interest-free, and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

10. INVENTORIES

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
At cost				
Raw materials	45,391,448	61,527,462	39,318,629	59,271,981
Work-in-progress	2,286,850	2,210,793	-	-
Finished goods	4,185,802	11,271	604,192	-
Goods-in-transit	1,351,675	1,753,716	-	1,753,716
	53,215,775	65,503,242	39,922,821	61,025,697
Recognised in profit or loss:				
Inventories recognised as cost of sales	648,381,499	461,302,299	415,060,963	343,106,011

11. TRADE RECEIVABLES

	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Trade receivables	117,135,028	177,583,624	67,160,476	155,055,413
Less: Accumulated impairment losses	(5,587,853)	-	(2,357,675)	-
	111,547,175	177,583,624	64,802,801	155,055,413

The credit terms granted on sales of goods of the Group and the Company ranged from 30 days to 180 days (31.12.2023: 30 days to 180 days) and 30 days to 120 days (31.12.2023: 30 days to 180 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:

	Lifetime allowance RM	Credit impaired RM	Loss allowance RM
Group			
30.6.2025			
At 1 January 2024	-	-	-
Impairment losses recognised	4,678,312	1,136,670	5,814,982
Exchange difference	(152,456)	(74,673)	(227,129)
At 30 June 2025	4,525,856	1,061,997	5,587,853
Company			
30.6.2025			
At 1 January 2024	-	-	-
Impairment losses recognised	2,357,675	-	2,357,675
At 30 June 2025	2,357,675	-	2,357,675

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

11. TRADE RECEIVABLES (CONT'D)

Analysis of the trade receivables ageing as at the end of the reporting period are as follows:

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
30.6.2025			
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
Credit impaired			
Individually impaired	1,061,997	(1,061,997)	-
	117,135,028	(5,587,853)	111,547,175
Group			
31.12.2023			
Not past due	96,694,029	-	96,694,029
Past due			
Less than 30 days	55,354,279	-	55,354,279
31 to 60 days	10,668,838	-	10,668,838
61 to 90 days	633,416	-	633,416
More than 90 days	14,233,062	-	14,233,062
	80,889,595	-	80,889,595
	177,583,624	-	177,583,624

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

11. 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. (Cont'd)

Analysis of the trade receivables ageing as at the end of the reporting period are as follows (Cont'd):

	Gross amount RM	Loss allowance RM	Net amount RM
Company			
30.6.2025			
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
Company			
31.12.2023			
Not past due	92,894,199	-	92,894,199
Past due			
Less than 30 days	37,775,785	-	37,775,785
31 to 60 days	10,275,194	-	10,275,194
61 to 90 days	423,008	-	423,008
More than 90 days	13,687,227	-	13,687,227
	62,161,214	-	62,161,214
	155,055,413	-	155,055,413

Trade receivables that are not past due are creditworthy receivables with good payment records with the Group and the Company.

At 30 June 2025, trade receivables of the Group and of the Company of RM40,459,772 (31.12.2023: RM80,889,595) and RM18,873,165 (31.12.2023: RM62,161,214) 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 that are individually assessed to be impaired amounting to RM1,061,997 (31.12.2023: RM Nil), 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 PERIOD ENDED 30 JUNE 2025

12. OTHER RECEIVABLES

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Other receivables	18,233,866	77,943	18,232,438	-
Deposits	4,785,705	51,283,389	4,277,538	51,837,352
Prepayments	46,094,384	23,365,631	27,712,924	18,947,741
Goods and service tax receivables	10,481	3,556	-	-
	69,124,436	74,730,519	50,222,900	70,785,093

Included in the Group's and the Company's deposits are deposits paid for the acquisition of a new subsidiary amounting to RM Nil (31.12.2023: RM49,980,300).

Included in the Group's and the Company's prepayments are the following:

- (i) Advance payments to suppliers amounting to RM22,265,699 (31.12.2023: RM1,268,552) and RM7,611,727 (31.12.2023: RM512,850) respectively; and
- (ii) Advances paid for the purchase of property, plant and equipment amounting to RM16,689,159 (31.12.2023: RM2,016,219) and RM16,452,409 (31.12.2023: RMNil) respectively.

13. 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 a related party is non-trade in-nature, unsecured, bears no interest and repayable upon demand.

The amount due to related parties is non-trade in-nature, unsecured, bears no interest and repayable upon demand except for an amount of RM613,944 (31.12.2023: RM Nil) which are trade related and are generally on terms of 60 days (31.12.2023: Nil).

14. FIXED DEPOSITS WITH LICENSED BANKS

Fixed deposits with licensed banks amounted to RM225,000 (31.12.2023: RM3,434,749) and RM Nil (31.12.2023: 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 (31.12.2023: 1 to 12 months) and 1 to 12 months (31.12.2023: 1 month) period for the Group and the Company respectively.

The effective interest rates on fixed deposits with licensed banks ranged from 2.10% to 3.80% (31.12.2023: 2.10% to 2.92%) and 2.10% to 3.80% (31.12.2023: 2.10% to 2.25%) per annum for the Group and the Company respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

15. OTHER INVESTMENTS

	Group		Company	
	30.6.2025	31.12.2023	30.6.2025	31.12.2023
	RM	RM	RM	RM
At fair value through profit or loss:-				
Money market funds	1,794,321	101,832,016	1,794,321	101,832,016

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.

16. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	30.6.2025	31.12.2023	30.6.2025	31.12.2023
	Units	Units	RM	RM
Issued and fully paid				
Ordinary shares				
At beginning of the financial period/year	992,000,000	750,000,000	324,021,070	100,000,000
Issued for initial public offering	-	173,000,000	-	155,700,000
Issued for private placement	-	69,000,000	-	73,830,000
Share issuance expenses	-	-	-	(5,508,930)
At 30 June/31 December	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.

17. 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 PERIOD ENDED 30 JUNE 2025

18. Lease Liabilities

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
At 1 January	14,013,841	53,286,418	10,465,826	50,383,238
Additions	12,357,574	2,817,021	1,578,605	1,025,000
Interest expense	1,692,644	1,445,015	457,172	1,214,640
Lease payments	(9,003,240)	(7,193,037)	(4,331,509)	(5,815,476)
Acquisition of a subsidiary company	3,406,395	-	-	-
Full settlement of lease liabilities through conversion to term loan	(4,511,289)	(36,341,576)	(4,511,289)	(36,341,576)
Exchange translation differences	(355,053)	-	-	-
At 30 June/31 December	17,600,872	14,013,841	3,658,805	10,465,826
Presented as:				
Current	4,661,112	4,809,781	2,164,351	3,591,192
Non-Current	12,939,760	9,204,060	1,494,454	6,874,634
	17,600,872	14,013,841	3,658,805	10,465,826

The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period:

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Minimum lease payments				
Within 1 year	5,523,879	5,370,858	2,287,188	3,962,404
Later than 1 year and not later than 5 years	9,268,539	9,639,832	1,615,149	7,138,190
More than 5 years	6,847,922	-	-	-
	21,640,340	15,010,690	3,902,337	11,100,594
Less: Future finance charges	(4,039,468)	(996,849)	(243,532)	(634,768)
Present value of minimum lease payments	17,600,872	14,013,841	3,658,805	10,465,826
Present value of minimum lease payments				
Within 1 year	4,661,112	4,809,781	2,164,351	3,591,192
Later than 1 year and not later than 5 years	12,939,760	9,204,060	1,494,454	6,874,634
	17,600,872	14,013,841	3,658,805	10,465,826

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 effective interest rates for the leases of the Group and of the Company at the reporting date range from 3.95% to 6.63% and 3.97% to 6.63% (31.12.2023: 3.39% to 6.00% and 3.70% to 4.48%) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

19. LOANS AND BORROWINGS

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Secured				
Current				
Bank overdrafts	3,827,243	2,816,768	973,317	-
Term loans	47,842,846	15,911,329	44,536,671	11,705,632
Short-term financing	70,189,050	44,899,973	66,449,464	36,688,227
	121,859,139	63,628,070	111,959,452	48,393,859
Non-current				
Term loans	49,466,045	100,905,355	32,292,117	79,039,855
	171,325,184	164,533,425	144,251,569	127,433,714

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 (Note 4);
- (iii) Fixed deposits of the Group as disclosed in Note 14 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 period, without the prior written consent of the lenders.

For the financial period ended 30 June 2025, the Group recorded a loss after tax of RM38,068,674 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, RM30,995,190 (31.12.2023: RM Nil) 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 interest rates per annum at the end of the reporting period are as follows:

	Group		Company	
	30.6.2025 %	31.12.2023 %	30.6.2025 %	31.12.2023 %
Bank overdrafts	5.95 - 7.20	5.95 - 7.20	6.70	-
Term loans	4.45 - 6.77	4.00 - 7.89	4.45 - 6.77	4.00 - 7.89
Short-term financing	3.50 - 6.15	3.46 - 6.92	3.50 - 6.15	4.51 - 6.92

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

20. DEFERRED TAX LIABILITIES

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
At 1 January	14,017,516	8,421,751	14,017,096	7,266,903
Recognised in profit or loss	(1,440,993)	5,121,649	(2,234,948)	6,276,077
Recognised in other comprehensive income	6,614,535	474,116	5,756,376	474,116
Exchange differences	(37)	-	-	-
At 30 June/31 December	19,191,021	14,017,516	17,538,524	14,017,096

The net deferred assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Deferred tax assets	(9,372,405)	(4,642,000)	(7,957,125)	(2,348,000)
Deferred tax liabilities	28,563,426	18,659,516	25,495,649	16,365,096
	19,191,021	14,017,516	17,538,524	14,017,096

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

20. DEFERRED TAX LIABILITIES (CONT'D)

The balances in the deferred tax assets/(liabilities) are made up of temporary differences arising from:

Group	Assets		Liabilities		Net	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Accelerated capital allowances	-	-	13,261,195	9,754,367	13,261,195	9,754,367
Revaluation of assets	-	-	14,652,707	8,414,149	14,652,707	8,414,149
Unrealised foreign exchange	-	-	649,524	491,000	649,524	491,000
Unutilised tax losses	(3,451,922)	(285,000)	-	-	(3,451,922)	(285,000)
Unutilised capital allowances	(4,410,090)	(1,339,000)	-	-	(4,410,090)	(1,339,000)
Unutilised reinvestment allowances	(1,510,393)	(3,018,000)	-	-	(1,510,393)	(3,018,000)
Tax (assets)/liabilities	(9,372,405)	(4,642,000)	28,563,426	18,659,516	19,191,021	14,017,516
Set off of tax	9,372,405	4,642,000	(9,372,405)	(4,642,000)	-	-
Net tax (assets)/liabilities	-	-	19,191,021	14,017,516	19,191,021	14,017,516
Company						
Accelerated capital allowances	-	-	11,041,200	7,498,000	11,041,200	7,498,000
Revaluation of assets	-	-	13,804,925	8,411,096	13,804,925	8,411,096
Unrealised foreign exchange	-	-	649,524	456,000	649,524	456,000
Unutilised tax losses	(3,346,272)	-	-	-	(3,346,272)	-
Unutilised capital allowances	(3,432,688)	-	-	-	(3,432,688)	-
Unutilised reinvestment allowances	(1,178,165)	(2,348,000)	-	-	(1,178,165)	(2,348,000)
Tax (assets)/liabilities	(7,957,125)	(2,348,000)	25,495,649	16,365,096	17,538,524	14,017,096
Set off of tax	7,957,125	2,348,000	(7,957,125)	(2,348,000)	-	-
Net tax (assets)/liabilities	-	-	17,538,524	14,017,096	17,538,524	14,017,096

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

20. DEFERRED TAX LIABILITIES (CONT'D)

The deferred tax assets have not been recognised in respect of the following items:

	Group	
	30.6.2025 RM	31.12.2023 RM
Unutilised reinvestment allowances	-	1,526,876

The deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen from subsidiaries that have recent history of losses.

The unutilised reinvestment allowances can only be carried forward up to seven (7) consecutive years of year of assessment ("YA") upon expiry of the qualifying period of that reinvestment allowances, which is specifically until YA 2031 for the Company and YA 2041 for a subsidiary. Any such amount that would not be fully utilised after YA 2031 and YA 2041 shall be disregarded.

21. 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 (31.12.2023: 30 days to 120 days).

22. OTHER PAYABLES

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Other payables	18,822,559	6,022,574	4,049,587	2,593,922
Accruals	8,627,396	4,771,058	4,077,602	3,770,079
Deposits received	2,222,142	1,430,942	574,222	675,361
Dividend payable	-	5,456,000	-	5,456,000
	29,672,097	17,680,574	8,701,411	12,495,362

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

23. REVENUE

	30.6.2025 RM	31.12.2023 RM
Group		
Major products and services		
Industrial electronic products	460,539,124	360,617,622
Consumer electronic products	181,161,928	174,053,603
Die casting manufacturing	47,793,888	12,179,254
Supply of parts and components	927,981	1,793,876
	690,422,921	548,644,355
Primary geographical markets of the customers		
Asia	211,692,459	179,182,561
America	457,135,120	358,762,393
Europe	21,595,342	10,699,401
	690,422,921	548,644,355
Timing of revenue recognition		
- At a point in time	690,422,921	548,644,355
Company		
Major products and services		
Industrial electronic products	235,037,792	222,923,726
Consumer electronic products	180,954,507	174,053,603
Supply of parts and components	28,153	7,780
	416,020,452	396,985,109
Primary geographical markets of the customers		
Asia	168,499,162	73,065,991
America	235,877,718	319,658,201
Europe	11,643,572	4,260,917
	416,020,452	396,985,109
Timing of revenue recognition		
- At a point in time	416,020,452	396,985,109

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

24. FINANCE COSTS

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Bank charges	311,537	272,765	110,276	190,905
Bank guarantee commission	94,998	15,346	79,354	15,346
Bank overdraft interest	350,010	350,384	45,282	137,584
Bank overdraft commitment fee	-	108,627	-	108,627
Lease liabilities interest	1,692,644	1,445,015	457,172	1,214,640
Short-term financing interest	6,296,064	2,848,592	5,780,504	2,630,445
Term loans interest	8,967,780	5,939,534	6,856,067	4,745,165
Intercompany loan interest	-	-	906,935	-
	17,713,033	10,980,263	14,235,590	9,042,712

25. (LOSS)/PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, (loss)/profit before tax is derived after charging/(crediting):

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Auditors' remuneration				
- statutory audit				
- current period/year	1,520,324	1,582,340	815,640	1,499,075
- under/(over) provision in prior year	-	21,985	-	(320)
- non-statutory audit	20,000	284,869	20,000	221,015
Amortisation of intangible assets	225,471	-	-	-
Depreciation of:				
- property, plant and equipment	32,902,136	14,806,023	23,953,489	12,458,050
- right-of-use assets	5,865,148	5,388,882	3,039,691	4,625,222
Impairment losses on:				
- trade receivables	5,814,982	-	2,357,675	-
Gain on disposal of:				
- property, plant and equipment	(23,958)	(10,606)	-	-
Fair value gain on financial assets carried at fair value through profit or loss	(2,150,710)	(1,241,564)	(2,150,710)	(1,241,564)
Fair value (gain)/loss on investment properties	-	-	(1,300,000)	55,690
Interest income	(4,300,597)	(3,063,114)	(5,866,395)	(3,317,369)
Unwinding interest expenses	-	-	4,885,935	-
Foreign exchange loss/(gain):				
- realised	6,609,260	(836,535)	4,869,336	(1,136,506)
- unrealised	743,734	(2,101,085)	244,872	(1,985,965)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

26. TAXATION

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Tax expenses recognised in profit or loss				
Malaysian income tax:				
Current tax provision	5,567,966	8,130,828	-	2,819,000
(Over)/Under provision in prior years	(650,705)	105,766	(106,582)	151,529
	4,917,261	8,236,594	(106,582)	2,970,529
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,002,143)	5,525,296	(3,809,528)	6,525,724
Crystallisation of deferred tax	(200,479)	(168,923)	(187,049)	(168,923)
Under/(Over) provision in prior years	1,761,629	(234,724)	1,761,629	(80,724)
	(1,440,993)	5,121,649	(2,234,948)	6,276,077
Tax expense for the financial period/year	3,476,268	13,358,243	(2,341,530)	9,246,606

Recognised in other comprehensive income

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Revaluation of land and buildings	6,614,535	474,116	5,756,376	474,116

Malaysian income tax is calculated at the statutory tax rate of 24% (31.12.2023: 24%) of the estimated assessable profits for the financial period/year.

A reconciliation of income tax expense applicable to (loss)/profit 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	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
(Loss)/Profit before tax	(34,587,493)	57,700,499	(39,941,570)	32,259,931
At Malaysian statutory tax rate of 24%	(8,300,998)	13,848,120	(9,585,977)	7,742,383
Expenses not deductible for tax purposes	10,455,612	3,711,397	5,776,449	2,791,372
Income not subject to tax	(8,400)	(1,295,296)	-	(1,189,031)
Effect of tax rates in foreign jurisdiction	(1,107,267)	(2,091,433)	-	-
Crystallisation of deferred tax	(200,479)	(168,923)	(187,049)	(168,923)
Utilisation of previously unrecognised deferred tax assets	1,526,876	-	-	-
Deferred tax arising from reinvestment allowances	-	(516,664)	-	-
(Over)/Under provision of tax expense in prior year	(650,705)	105,766	(106,582)	151,529
Under/(Over) provision of deferred tax in prior year	1,761,629	(234,724)	1,761,629	(80,724)
Tax expense for the financial period/year	3,476,268	13,358,243	(2,341,530)	9,246,606

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

27. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial period/year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial period/year as follows:

	Group	
	30.6.2025	31.12.2023
	RM	RM
(Loss)/Profit attributable to owners of the parent	(37,977,706)	44,376,612
	Units	Units
Weighted average number of ordinary shares in issue:		
- Issued ordinary shares as at 1 January	992,000,000	750,000,000
- Effect of ordinary shares issued for initial public offering	-	140,295,890
- Effect of ordinary shares issued for private placement	-	3,591,781
Weighted average number of ordinary shares in issue as at 30 June/31 December	992,000,000	893,887,671
Basic (loss)/earnings per ordinary share (in sen)	(3.83)	4.96

(b) Diluted (loss)/earnings 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 period/year and before the authorisation of the financial statements.

28. DIVIDENDS

	Group and Company	
	30.6.2025	31.12.2023
	RM	RM
Dividends recognised as distribution to ordinary shareholders of the Company:		
Interim dividend paid in respect of the financial period ended:		
- 30 June 2025 (single tier dividend of RM0.67 per ordinary share)	6,646,400	-
Interim dividend paid in respect of the financial year ended:		
- 31 December 2023 (single tier dividend of RM0.55 per ordinary share)	-	5,076,500
- 31 December 2023 (single tier dividend of RM0.55 per ordinary share)	-	5,456,000
	6,646,400	10,532,500

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

29. STAFF COSTS

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Salaries, wages and other emoluments	78,824,036	33,816,256	46,972,128	25,984,848
Defined contribution plans	4,919,511	2,662,775	3,423,064	2,125,985
Social security contributions	2,193,593	381,172	572,241	292,711
Other benefits	3,084,614	1,464,583	1,560,006	1,370,856
	89,021,754	38,324,786	52,527,439	29,774,400

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 period/year as below:

	Group		Company	
	30.6.2025 RM	31.12.2023 RM	30.6.2025 RM	31.12.2023 RM
Directors of the Company				
Executive Directors				
Fees	172,959	529,404	-	-
Salaries, wages and other emoluments	8,109,666	3,290,500	4,472,115	3,036,500
Defined contribution plans	642,361	363,660	538,500	333,180
Social security contributions	65,839	4,635	4,178	3,476
	8,990,825	4,188,199	5,014,793	3,373,156
Non-Executive Directors				
Fees	475,200	363,700	475,200	363,700
Allowances	109,040	124,000	109,040	124,000
	584,240	487,700	584,240	487,700
Total	9,575,065	4,675,899	5,599,033	3,860,856

Past Directors of the Company

Executive Directors				
Salaries, wages and other emoluments	487,500	-	487,500	-
Defined contribution plans	64,500	-	64,500	-
Social security contributions	518	-	518	-
	552,518	-	552,518	-
Non-Executive Directors				
Fees	95,700	-	95,700	-
Allowances	25,000	-	25,000	-
	120,700	-	120,700	-
Total	673,218	-	673,218	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

29. 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 period/year as below: (Cont'd)

	Group		Company	
	30.6.2025	31.12.2023	30.6.2025	31.12.2023
	RM	RM	RM	RM
Directors of the Subsidiary				
Executive Directors				
Salaries, wages and other emoluments	1,460,906	187,232	-	-
Defined contribution plans	95,879	31,831	-	-
	1,556,785	219,063	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

30. 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 January RM	Addition RM	Financing cash flow RM	Foreign exchange movement RM	Other changes (i) RM	At 30 June/ 31 December RM
Group							
30.6.2025							
Lease liabilities	18	14,013,841	12,357,574	(7,310,596)	(355,053)	(1,104,894)	17,600,872
Term loans	19	116,816,684	-	(24,019,082)	-	4,511,289	97,308,891
Short-term borrowings	19	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
31.12.2023							
Lease liabilities	18	53,286,418	2,817,021	(5,748,022)	-	(36,341,576)	14,013,841
Term loans	19	81,083,071	-	(607,963)	-	36,341,576	116,816,684
Short-term borrowings	19	51,094,468	-	(5,125,914)	(1,068,581)	-	44,899,973
		185,463,957	2,817,021	(11,481,899)	(1,068,581)	-	175,730,498
Company							
30.6.2025							
Lease liabilities	18	10,465,826	1,578,605	(3,874,337)	-	(4,511,289)	3,658,805
Term loans	19	90,745,487	-	(18,427,988)	-	4,511,289	76,828,788
Short-term borrowings	19	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
31.12.2023							
Lease liabilities	18	50,383,238	1,025,000	(4,600,836)	-	(36,341,576)	10,465,826
Term loans	19	62,444,205	-	(8,040,294)	-	36,341,576	90,745,487
Short-term borrowings	19	47,196,291	-	(9,439,483)	(1,068,581)	-	36,688,227
		160,023,734	1,025,000	(22,080,613)	(1,068,581)	-	137,899,540

(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 PERIOD ENDED 30 JUNE 2025

31. COMMITMENT

Capital commitments not provided for in the financial statements are as follows:

	Group		Company	
	30.6.2025	31.12.2023	30.6.2025	31.12.2023
	RM	RM	RM	RM
Authorised and contracted for:-				
- Acquisition of a new subsidiary	-	27,540,000	-	27,540,000
- Equipment, furniture and fittings	-	227,624	-	227,624
- Motor vehicles	-	301,830	-	301,830
- Plant and machinery	5,096,818	721,850	2,456,818	100,850
- Renovation and electrical installation	226,200	3,849,821	-	2,704,929
	5,323,018	32,641,125	2,456,818	30,875,233

32. 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) Subsidiaries;
- (ii) Associates;
- (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	
	30.6.2025	31.12.2023	30.6.2025	31.12.2023
	RM	RM	RM	RM
Related parties				
Purchase of goods	-	94,629	-	93,589
Subsidiary companies				
Interest income on amount due from subsidiaries	-	-	(1,722,081)	(316,992)
Management fee	-	-	(1,469,647)	(857,756)
Sales of goods	-	-	(1,928,744)	-
Purchase of goods	-	-	9,135,574	13,875,738
Rental received	-	-	(468,000)	(312,000)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

32. RELATED PARTY DISCLOSURES

(c) Compensation of key management personnel

Remuneration of Directors and key management are as follows:

	Group		Company	
	30.6.2025	31.12.2023	30.6.2025	31.12.2023
	RM	RM	RM	RM
Salaries, fees and other emoluments	8,866,865	4,307,604	5,056,355	3,524,200
Defined contribution plans	642,361	363,660	538,500	333,180
Social security contributions	65,839	4,635	4,178	3,476
	9,575,065	4,675,899	5,599,033	3,860,856

33. 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 has not met the quantitative thresholds for reporting segment in 2025 and 2023.

Geographical information

Revenue information based on geographical location of customers are disclosed in Note 23 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	
	30.6.2025	31.12.2023
	RM	RM
Group		
Customer A	69,572,872	162,699,829
Customer B	*	102,909,025
Customer C	150,171,019	155,810,321
Customer D	106,217,963	*
	325,961,854	421,419,175

* The revenue is not represented equal or more than 10% of the Group's total revenue for the reporting financial period/year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

34. 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 Cost RM	At FVTPL RM	Total RM
Group			
30.6.2025			
Financial Assets			
Trade receivables	111,547,175	-	111,547,175
Other receivables	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
Financial Liabilities			
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 PERIOD ENDED 30 JUNE 2025

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

	At Amortised Cost RM	At FVTPL RM	Total RM
Group			
31.12.2023			
Financial Assets			
Trade receivables	177,583,624	-	177,583,624
Other receivables	51,361,332	-	51,361,332
Other investments	-	101,832,016	101,832,016
Fixed deposits with licensed banks	31,180,438	-	31,180,438
Cash and bank balances	76,588,503	-	76,588,503
	336,713,897	101,832,016	438,545,913
Financial Liabilities			
Trade payables	102,531,348	-	102,531,348
Other payables	17,680,574	-	17,680,574
Amount due to related parties	74,000	-	74,000
Lease liabilities	14,013,841	-	14,013,841
Loans and borrowings	164,533,425	-	164,533,425
	298,833,188	-	298,833,188
Company			
30.6.2025			
Financial Assets			
Trade receivables	64,802,801	-	64,802,801
Other receivables	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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

	At Amortised Cost RM	At FVTPL RM	Total RM
Company			
30.6.2025			
Financial Liabilities			
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
31.12.2023			
Financial Assets			
Trade receivables	155,055,413	-	155,055,413
Other receivables	51,837,352	-	51,837,352
Amount due from subsidiary companies	3,071,950	-	3,071,950
Other investments	-	101,832,016	101,832,016
Fixed deposits with licensed banks	27,745,689	-	27,745,689
Cash and bank balances	47,630,208	-	47,630,208
	285,340,612	101,832,016	387,172,628
Financial Liabilities			
Trade payables	94,158,484	-	94,158,484
Other payables	12,495,362	-	12,495,362
Amount due to subsidiary companies	5,213,936	-	5,213,936
Amount due to related parties	74,000	-	74,000
Lease liabilities	10,465,826	-	10,465,826
Loans and borrowings	127,433,714	-	127,433,714
	249,841,322	-	249,841,322

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

34. 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 period/year 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 70% and 79% 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

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 RM25,508,233 (31.12.2023: RM Nil and RM31,215,613 respectively) as at the end of the reporting period representing the outstanding banking facilities of the subsidiary company and related party which certain Directors have interest in as at the end of financial period/year.

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 and related party and repayments made by the subsidiary company and related party. As at the end of the reporting year, there was no indication that any of the subsidiary or related party 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

34. 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.

	On demand or within 1 year RM	1 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group					
30.6.2025					
Non-derivative financial liabilities					
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 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

	On demand or within 1 year RM	1 to 2 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group					
31.12.2023					
Non-derivative financial liabilities					
Trade payables	102,531,348	-	-	102,531,348	102,531,348
Other payables	17,680,574	-	-	17,680,574	17,680,574
Amount due to related parties	74,000	-	-	74,000	74,000
Lease liabilities	5,370,858	9,639,832	-	15,010,690	14,013,841
Loans and borrowings	69,800,293	75,526,491	52,600,554	197,927,338	164,533,425
	195,457,073	85,166,323	52,600,554	333,223,950	298,833,188

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

34. 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 or within 1 year RM	1 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company					
30.6.2025					
Non-derivative financial liabilities					
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 companies	5,786,873	-	-	5,786,873	5,786,873
Amount due to related 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

	On demand or within 1 year RM	1 to 2 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company					
31.12.2023					
Non-derivative financial liabilities					
Trade payables	94,158,484	-	-	94,158,484	94,158,484
Other payables	12,495,362	-	-	12,495,362	12,495,362
Amount due to subsidiary companies	5,213,936	-	-	5,213,936	5,213,936
Amount due related parties	74,000	-	-	74,000	74,000
Lease liabilities	3,962,404	7,138,190	-	11,100,594	10,465,826
Loans and borrowings	53,005,322	61,232,223	37,626,050	151,863,595	127,433,714
Financial guarantees	82,965,324	-	-	82,965,324	-
	251,874,832	68,370,413	37,626,050	357,871,295	249,841,322

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

34. 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 RM	CNY RM	Denominated in SGD RM	GBP RM	EUR RM
Group					
30.6.2025					
Trade receivables	130,437,318	-	-	353,582	-
Other receivables	40,312,876	2,274	-	-	2,185
Cash and bank 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
Group					
31.12.2023					
Trade receivables	174,979,435	-	-	1,003,635	-
Other receivables	14,869,897	-	31,189	-	-
Cash and bank balances	44,586,327	-	1,078,444	50,343	-
Trade payables	(95,225,350)	-	(3,047)	-	-
Other payables	(1,010,232)	(226,752)	(210,344)	(18,072)	-
Loans and borrowings	(23,668,036)	-	-	-	-
	114,532,041	(226,752)	896,242	1,035,906	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

34. 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 RM	Denominated in		EUR RM
		CNY RM	SGD RM	
Company				
30.6.2025				
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
31.12.2023				
Trade receivables	154,288,324	-	-	-
Amount due from subsidiary companies	1,273,092	-	627,642	-
Cash and bank balances	20,866,786	-	376	-
Trade payables	(89,753,987)	-	(3,047)	-
Other payables	(282,091)	(226,752)	(12,175)	-
Loans and borrowings	(23,668,036)	-	-	-
Amount due to subsidiary companies	(471,754)	-	-	-
	62,252,334	(226,752)	612,796	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

34. 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 currency rate	Effect on (loss)/profit before tax RM
Group		
30.6.2025		
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)
31.12.2023		
USD	Strengthened 10%	11,453,204
	Weakened 10%	(11,453,204)
CNY	Strengthened 10%	(22,675)
	Weakened 10%	22,675
SGD	Strengthened 10%	89,624
	Weakened 10%	(89,624)
GBP	Strengthened 10%	103,591
	Weakened 10%	(103,591)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

34. 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

	Change in currency rate	Effect on (loss)/profit before tax RM
Company		
30.6.2025		
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)
31.12.2023		
USD	Strengthened 10%	6,225,233
	Weakened 10%	(6,225,233)
CNY	Strengthened 10%	(22,675)
	Weakened 10%	22,675
SGD	Strengthened 10%	61,280
	Weakened 10%	(61,280)

(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 PERIOD ENDED 30 JUNE 2025

34. 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:

	30.6.2025 RM	31.12.2023 RM
Group		
Fixed rate instruments		
Financial assets		
Fixed deposit with licensed banks	50,340,000	31,180,438
Financial liabilities		
Loans and borrowings	5,976,803	7,508,099
Lease liabilities	17,600,872	14,013,841
	23,577,675	21,521,940
Floating rate instruments		
Financial liabilities		
Loans and borrowings	165,348,381	157,025,326
Company		
Fixed rate instruments		
Financial assets		
Fixed deposit with licensed banks	50,000,000	27,745,689
Financial liabilities		
Loans and borrowings	5,976,803	7,508,099
Lease liabilities	3,658,805	10,465,826
	9,635,608	17,973,925
Floating rate instruments		
Financial liabilities		
Loans and borrowings	138,274,766	119,925,615

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

34. 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 loss before tax by RM1,653,484 (31.12.2023: RM1,570,253) and increase/(decrease) the Company's loss before tax by RM1,382,748 (31.12.2023: RM1,199,256), 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 carried at fair value			Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	
Group				
30.6.2025				
Financial Assets				
Money market funds	-	1,794,321	-	1,794,321
31.12.2023				
Financial Assets				
Money market funds	-	101,832,016	-	101,832,016
Company				
30.6.2025				
Financial Assets				
Money market funds	-	1,794,321	-	1,794,321
31.12.2023				
Financial Assets				
Money market funds	-	101,832,016	-	101,832,016

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

35. 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:

	30.6.2025 RM	Group 31.12.2023 RM	30.6.2025 RM	Company 31.12.2023 RM
Lease liabilities	17,600,872	14,013,841	3,658,805	10,465,826
Loan and borrowings	171,325,184	164,533,425	144,251,569	127,433,714
	188,926,056	178,547,266	147,910,374	137,899,540
Less:				
Fixed deposits with licensed banks	(50,340,000)	(31,180,438)	(50,000,000)	(27,745,689)
Cash and bank balances	(22,825,564)	(76,588,503)	(14,504,441)	(47,630,208)
Net debt	115,760,492	70,778,325	83,405,933	62,523,643
Total equity	435,575,437	455,156,190	392,849,117	418,867,031
Net gearing ratio	0.27	0.16	0.21	0.15

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

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 period, without the prior written consent of the lenders.

For the financial period ended 30 June 2025, the Group recorded a loss after tax of RM38,068,674 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, RM30,995,190 (31.12.2023: RM Nil) 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.

36. SUBSEQUENT EVENTS

On 11 August 2025, the Company granted 148.8 million options under its Share Issuance Scheme at an exercise price of RM0.30. The fair value per option was estimated at RM0.068 based on a binomial option pricing model, resulting in a total fair value of RM10,110,997. The options vest immediately and are exercisable up to 10 August 2026. The related share-based payment expense will be recognised in the financial statements of the financial year ending 30 June 2026.

37. 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 22 October 2025.

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 2025 (RM)	Year of Acquisition	Last valuation was performed
PLO 227A, Jalan Cyber 1A, Kawasan Perindustrian Senai III, 81400 Senai, Johor Darul Ta'zim, Malaysia. HS(D) 71183, PTD 112659("PLO226D") and HS(D) 53987, PTD 87571("PLO227A"), both in Mukim Senai, Daerah Kulai, Johor	A 3-storey detached factory / Headquarters of Cape EMS Berhad for the purpose of carrying out EMS manufacturing activities & Corporate office	21	210,757.37 sq feet	313,963.28 sq feet	Leasehold PLO 226D: 60 years (expired on 17.03.2068) PLO 227A: 60 years (expired on 31.05.2069)	62,583,220.10	2018	6 October 2022
PLO 103, Jalan Cyber 5, Kawasan Perindustrian Senai III, 81400 Senai, Johor Darul Ta'zim, Malaysia. HS(D) 50668, PTD 8857, Mukim Senai, District of Kulai, State of Johor	1 unit of a single storey detached factory annexed with a storey office/warehouse and manufacturing.	16	87,123.09 sq feet	60,450.62 sq feet	Leasehold 60 years (expired on 30.05.2056)	9,749,872.12	2019	31 October 2023

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 2025 (RM)	Year of Acquisition	Last valuation was performed
No.6, Jalan Belati, Taman Perindustrian Maju Jaya, 81300 Johor Bahru, Johor Darul Ta'zim, Malaysia. 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.	26	34,530.62 sq feet	18,807.83 sq feet	Freehold	6,200,000.00	2021	31 December 2023
PLO 226B, Jalan Cyber 1A, Kawasan Perindustrian Senai III, 81400 Senai, Johor Darul Ta'zim, Malaysia. 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 (expired on 17.03.2068)	9,963,414.79	2021	31 December 2023
PLO 227B, Jalan Cyber 1A, Kawasan Perindustrian Senai III, 81400 Senai, Johor Darul Ta'zim, Malaysia. 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 (expired on 21.08.2077)	10,036,585.21	2021	31 December 2023

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 2025 (RM)	Year of Acquisition	Last valuation was performed
No.22, Jalan Temenggong 2, Kawasan Perindustrian Temenggong, 81100 Johor Bahru, Johor Darul Ta'zim, Malaysia. 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.	27	46,995.23 sq feet	39,385.37 sq feet	Freehold	6,176,122.72	2021	12 January 2022
No.6, Jalan Firma 1/5, Kawasan Perindustrian Tebrau, 81100 Johor Bahru, Johor, Malaysia. 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 aluminum die casting manufacturing.	30	PTD 53893: 65,340.2 sq feet PTD 53894: 65,340.2 sq feet PTD 53895: 88,571.0 sq feet	100,641.30 sq feet	Leasehold PTD 53893: 30 years (expired on 5 Sep 2051) PTD 53894: 30 years (expired on 5 Sep 2051) PTD 53895: 30 years (expired on 17 Jun 2053)	16,794,756.06	2022	22 September 2022

ANALYSIS OF SHAREHOLDINGS

AS AT 1 OCTOBER 2025

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	22	488	0.00
100 - 1,000	680	379,196	0.04
1,001 - 10,000	3,361	20,811,807	2.10
10,001 - 100,000	3,954	148,008,265	14.92
100,001 – less than 5% of issued shares	952	668,600,244	67.40
5% and above of issued shares	2	154,200,000	15.54
	8,971	992,000,000	100.00

SUBSTANTIAL SHAREHOLDERS (BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

No.	Name	Direct No. of Shares	%	Indirect No. of Shares	%
1.	Tee Kim Chin	119,684,700	12.06	-	-
2.	Chung Dao	91,100,000	9.18	-	-
3.	Chung Chee Yang	80,600,000	8.13	-	-

DIRECTORS' SHAREHOLDINGS (BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

Name	Direct No. of Shares	%	Indirect No. of Shares	%
Datuk Mohd Rabin Bin Basir	420,000	0.04	-	-
Tee Kim Chin	119,684,700	12.06	-	-
Tee Kim Yok	10,093,900	1.02	-	-
Alex Miranda Juntado	-	-	-	-
Yau Yin Wee	22,000	0.00	-	-
Koh Beng San	100,000	0.01	-	-
Chen Kok Seng	900,000	0.09	-	-

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 1 OCTOBER 2025

LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS BASED ON RECORD OF DEPOSITORS

No.	Name of Shareholders	Total No. of Shares Held	%
1.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chung Chee Yang	79,000,000	7.96
2.	Chung Dao	75,200,000	7.58
3.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Kim Chin	49,269,800	4.97
4.	Lim Soon Guan	30,400,000	3.06
5.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Tee Kim Chin	24,337,600	2.45
6.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Kim Chin	23,049,300	2.32
7.	Loh Kok Wai	17,637,000	1.78
8.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chung Dao	15,900,000	1.60
9.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Kim Chin	15,200,000	1.53
10.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yii Chee Sing	14,878,300	1.50
11.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Kim Yok	10,000,000	1.01
12.	Yee Fook Leong	9,822,500	0.99
13.	Malaysian Technology Development Corporation Sdn Bhd	9,001,700	0.91
14.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Toh Hooi Hak	8,909,500	0.90
15.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Leong Khai Ric	7,056,700	0.71
16.	Ho Heng Chuan	6,347,500	0.64
17.	Soh Swee See	5,100,000	0.51
18.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koh Kok Poh	4,909,700	0.49
19.	Tan Joo Khiang	4,850,000	0.49
20.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Kim Chin	4,300,000	0.43
21.	Lee Hao Tian	4,250,600	0.43
22.	Tan Hoon Thean	4,000,000	0.40
23.	Yap Kah Keong	4,000,000	0.40
24.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Toh Hooi Hak	3,600,000	0.36
25.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Skyture Capital Sdn Bhd	3,600,000	0.36
26.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Palany Andavar A/L Pitchamuthu	3,500,000	0.35
27.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lionel Leong Jihn Haur	3,410,700	0.34
28.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Er Soon Puay	3,400,000	0.34
29.	Tee Kim Chin	3,346,000	0.34
30.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Liew Ming Haow	3,170,700	0.32

NOTICE OF 2025 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2025 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 Tuesday, 25 November 2025 at 10:00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial period ended 30 June 2025 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 RM600,000.00 from 26 November 2025 until the next AGM of the Company in year 2026. **(Ordinary Resolution 1)**
3. To approve the payment of Directors’ benefits up to an amount of RM194,000.00 from 26 November 2025 until the next AGM of the Company in year 2026. **(Ordinary Resolution 2)**
4. To re-elect the following Directors who retire pursuant to Clause 84.1 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
 - (i) Ms. Tee Kim Chin; **(Ordinary Resolution 3)**
 - (ii) Mr. Chen Kok Seng; and **(Ordinary Resolution 4)**
 - (iii) Mr. Koh Beng San **(Ordinary Resolution 5)**
5. To re-appoint Messrs. UHY Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to determine their remuneration. **(Ordinary Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without any modification, to pass the following resolutions as Ordinary Resolutions:-

6. **ORDINARY RESOLUTION** **(Ordinary Resolution 7)**
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 2025 ANNUAL GENERAL MEETING (CONT'D)

7. ORDINARY RESOLUTION

(Ordinary Resolution 8)

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;

NOTICE OF 2025 ANNUAL GENERAL MEETING (CONT'D)

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."

8. 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
 30 October 2025

Notes to the Notice of the 2025 AGM:-

- (1) In respect of deposited securities, only shareholders whose names appear in the Record of Depositors on 18 November 2025 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 Sunday, 23 November 2025 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 Damanela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

- (ii) By Electronic Means

The Proxy Form must be electronically lodged by fax to +603-2094 9940/ +603-2095 0292 or by email to info@sshsb.com.my.

NOTICE OF 2025 ANNUAL GENERAL MEETING (CONT'D)

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 26 November 2025 until the next AGM of the Company in year 2026 ("Mandate Period")**

In view that the Company has changed its financial year from 31 December 2024 to 30 June 2025 on 28 April 2025, the proposed Ordinary Resolution 1, if passed, will allow the Company to pay Directors' fees of RM600,000.00 (including RM134,000.00 in arrears for the services rendered from July 2025 to 25 November 2025) to the Non-Executive Directors of the Company as the amount previously approved by the shareholders at the 2024 AGM was calculated based on a 12-month period.

This Resolution is to facilitate payment of the Directors' fees for the 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 RM194,000.00 (including RM44,000.00 in arrears for the meeting attendance from July 2025 to 25 November 2025) with effect from the Mandate Period.

The amount previously approved by the shareholders at the 2024 AGM was calculated based on a 12-month 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, 4 and 5 – Re-election of Directors**

Ms. Tee Kim Chin, Mr. Chen Kok Seng and Mr. Koh Beng San who are retiring pursuant to Clause 84.1 of the Constitution of the Company ("**Retiring Directors**"), are eligible for re-election and hence, they have offered themselves for re-election at the 2025 AGM of the Company.

In determining the eligibility of the Directors to stand for re-election at the 2025 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 period ended 30 June 2025.

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.

The Board, through the NC's recommendation, being satisfied with the performance/contribution of the Retiring Directors and the independence of the Independent Directors. Therefore, the Board would like to recommend the same be tabled to the shareholders for approval at the 2025 AGM under Ordinary Resolutions 3, 4 and 5 respectively.

The details of the Retiring Directors are available in the Directors' Profile of the Annual Report in respect of the financial period ended 30 June 2025.

NOTICE OF 2025 ANNUAL GENERAL MEETING (CONT'D)

5. Ordinary Resolution 6 – Re-appointment of Auditors

The performance and effectiveness of Messrs. UHY Malaysia PLT had been evaluated by the Audit Committee (“AC”), which included an assessment of the independence and objectivity of Messrs. UHY Malaysia PLT.

The AC, being satisfied with the performance, suitability and independence of Messrs. UHY Malaysia PLT as External Auditors, had recommended to the Board that Messrs. UHY Malaysia PLT be re-appointed at the 2025 AGM and its remuneration be determined by the Board. The Board in turn had endorsed the AC's recommendation.

6. Ordinary Resolution 7 – Authority to Issue Shares pursuant to the Act

The proposed Ordinary Resolution 7 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 7 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 8 – Proposed Renewal of Share Buy-Back

The proposed Ordinary Resolution 8, 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 30 October 2025 for further information.

STATEMENT ACCOMPANYING NOTICE OF THE 2025 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 2025 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 2025 AGM.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) or representative(s) to attend, participate, speak and vote at the 2025 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

(before completing this Form of Proxy, please refer to the notes below)

CDS Account No.	
Number of Shares Held	

*I/We _____ NRIC No./Passport No./Registration No. _____
(FULL NAME IN BLOCK LETTER)

of _____
(FULL ADDRESS)

Contact No _____ and Email Address _____

being a *member/members of **CAPE EMS BERHAD** ("Company"), do 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 2025 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 Tuesday, 25 November 2025 at 10:00 a.m., or at any adjournment thereof.

My/our proxy is to vote as indicated below:

ORDINARY BUSINESS (ORDINARY RESOLUTION)		FOR	AGAINST
Ordinary Resolution 1	To approve the payment of Directors' fees up to an amount of RM600,000.00 from 26 November 2025 until the next Annual General Meeting of the Company in year 2026		
Ordinary Resolution 2	To approve the payment of Directors' benefits up to an amount of RM194,000.00 from 26 November 2025 until the next Annual General Meeting of the Company in year 2026		
Ordinary Resolution 3	To re-elect Ms. Tee Kim Chin 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 Mr. Chen Kok Seng who retires pursuant to Clause 84.1 of the Company's Constitution and being eligible, has offered himself for re-election		
Ordinary Resolution 5	To re-elect Mr. Koh Beng San who retires pursuant to Clause 84.1 of the Company's Constitution and being eligible, has offered himself for re-election		
Ordinary Resolution 6	To re-appoint Messrs. UHY Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to determine their remuneration		
SPECIAL BUSINESS (ORDINARY RESOLUTION)			
Ordinary Resolution 7	Authority to Issue Shares pursuant to the Companies Act 2016		
Ordinary Resolution 8	Proposed Renewal of Authority for the Company to Purchase its Own Shares		

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 _____ 2025

*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 18 November 2025 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 Sunday, 23 November 2025 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 fax to +603-2094 9940/ +603-2095 0292 or by email to info@sshshb.com.my.

Personal Data Privacy

By submitting an instrument appointing proxy(ies) or representative(s) to attend, participate, speak and vote at the 2025 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 2025 Annual General Meeting dated 30 October 2025.

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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

Please fold here



CAPE EMS BERHAD
(Registration No. 199901026859 (501759-M))

PLO 227A, Jalan Cyber 1A,
Kawasan Perindustrian Senai III, 81400 Senai,
Johor Darul Ta'zim, Malaysia
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