ES CERAMICS TECHNOLOGY BERHAD
Registration No. 200301024697 (627117-P)

Stability. Strategy. Sustainability.

Annual Report **2025**

22ND ANNUAL GENERAL MEETING

TIME:
10.00 a.m.

DATE:
Tuesday, 21 October 2025

VENUE:
Suite III, IV and V, Level 2,
Mercure Kuala Lumpur Glenmarie,
Jalan Kontraktor U1/14, Seksyen U1,
40150 Shah Alam, Selangor

INSIDE THIS REPORT

CORPORATE OVERVIEW

Corporate Information	02
Corporate Structure	03
Directors' Profile	04
Profile of Key Senior Management	06
5 Years Financial Highlights	07

GOVERNANCE AND SUSTAINABILITY

Management Discussion and Analysis	08
Sustainability Statement	12
Overview Statement on Corporate Governance	37
Additional Compliance Information	47
Nominating Committee Report	48
Remuneration Committee Report	50
Audit Committee Report	51
Statement on Risk Management and Internal Control	53

FINANCIAL

Financial Statements	56

OTHER INFORMATION

List of Properties	111
Analysis of Shareholdings	114
Notice of the Twenty-Second Annual General Meeting	116

PROXY FORM

Go paperless to help our environment. Instantly access an online copy of this Annual Report through your mobile device by scanning this QR code.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK PAUL WONG BAAN CHUN, J.P.
Independent Non-Executive Chairman

WONG FOOK LIN
Executive Director

TAN BOON SING
Executive Director

KONG SAU KIAN
Independent Non-Executive Director

ASHLEY TAN SAN LI
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman
Kong Sau Kian
(Independent Non-Executive Director)

Members
Datuk Paul Wong Baan Chun, J.P.
(Independent Non-Executive Director)

Ashley Tan San Li
(Independent Non-Executive Director)

NOMINATING COMMITTEE

Chairman
Kong Sau Kian
(Independent Non-Executive Director)

Members
Datuk Paul Wong Baan Chun, J.P.
(Independent Non-Executive Director)

Ashley Tan San Li
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

Chairman
Kong Sau Kian
(Independent Non-Executive Director)

Members
Datuk Paul Wong Baan Chun, J.P.
(Independent Non-Executive Director)

Ashley Tan San Li
(Independent Non-Executive Director)

SECRETARY

Seow Fei San
(MAICSA 7009732)
SSM Practising Certificate
No. 201908002299

REGISTERED OFFICE

802, 8th Floor, Block C
Kelana Square, 17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

Tel : 03-7803 1126
Fax : 03-7806 1387
Email : eadvisory@epsilonas.com

REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
197101000970 (11324-H)

Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Tel : 03-2783 9299
Email : is.enquiry@vistra.com

AUDITORS

Crowe Malaysia PLT
201906000005
(LLP0018817-LCA & AF 1018)
Chartered Accountants

Suite 50-3, Setia Avenue
No. 2, Jalan Setia Prima S U13/S
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan

Tel : 03-3343 0730
Fax : 03-3344 3036

PRINCIPAL BANKERS

RHB Bank Berhad
433 & 435 Jalan Silibin
Taman Silibin
30100 Ipoh
Perak

AmBank (M) Bhd / AmIslamic Bank Bhd
399 & 401 Jalan Silibin
Taman Seri Tahan
30100 Ipoh
Perak

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad

Sector : **Industrial Products & Services**
Stock Name : **ESCERAM**
Stock Code : **0100**

CORPORATE STRUCTURE

ES Ceramics Technology Berhad

Registration No. 200301024697 (627117-P)
(Incorporated in Malaysia)

PRINCIPAL ACTIVITY:
Investment Holding

100%

EASY SUN SDN. BHD.
199801003694 (459820-A)
(Incorporated in Malaysia)

PRINCIPAL ACTIVITIES:
Designing, developing and manufacturing of specialty advanced ceramics products

100%

EUROCERAMIC TECHNOLOGIES CO., LTD.
(Incorporated in Thailand)

PRINCIPAL ACTIVITIES:
Manufacturing of high quality ceramic dipping formers and marketing and distribution of ceramic hand formers for the rubber gloves industry

100%

FOCUS MAXWELL SDN. BHD.
(IN VOLUNTARY WINDING UP)
201901031712 (1341042-X)
(Incorporated in Malaysia)

PRINCIPAL ACTIVITY:
Investment holding

30%

70%

EVERMIX CONCRETE SDN. BHD.
199601006200 (378546-H)
(Incorporated in Malaysia)

PRINCIPAL ACTIVITIES:
Manufacturing and supply of chemical products and construction materials, including ready-mix concrete

60%

EVER GAIN CONCRETE SDN. BHD.
202401011177 (1557027-D)
(Incorporated in Malaysia)

PRINCIPAL ACTIVITIES:
Engaging in the wholesale and retail sale of ready-mix concrete and other construction materials

DIRECTORS' PROFILE

DATUK PAUL WONG BAAN CHUN, J.P.

Independent Non-Executive Chairman

65

Male

Malaysian

Datuk Paul Wong was first appointed to the Board on 2 May 2023 and was subsequently redesignated as Chairman of the Company on 30 May 2023. He is a fellow member of the Association of Chartered Certified Accountants ("ACCA") since 1994 and his professional background evolve around finance, treasury and corporate work on mergers and acquisitions, corporate restructuring exercise with an international practice.

Prior to his appointment as a Director of the Company, Datuk Paul Wong has held various key financial positions in public companies (both listed and non-listed) on the Bursa Malaysia with subsidiaries listed in other commonwealth countries, involved in investment holding, real estate and property development, plantations, hospitality, stock broking, manufacturing and trading.

Datuk Paul Wong was a Chief Executive Officer ("CEO") of a public listed company in Singapore, listed on Catalyst SGX-ST, primarily involve in hospitality, leisure and property development. He was instrumental in turning around the group businesses in Australia and Malaysia upon his appointment as CEO. Datuk Paul Wong also sits on board of several hospitality companies, both locally and internationally.

He is also a member of the Audit Committee, Nominating Committee and Remuneration Committee.

Datuk Paul Wong attended all the four (4) Board meetings held during the financial year ended 31 May 2025.

WONG FOOK LIN

Executive Director

59

Male

Malaysian

Mr. Wong was appointed to the Board on 9 May 2025. He had earlier served as an Executive Director of the Company from 17 February 2005 until his retirement on 25 October 2024.

He was the Group Chief Executive Officer ("CEO") of ES Ceramics Technology Berhad ("ES") since 19 June 2008 before he relinquished the role as CEO and subsequently being reappointed as the Executive Director. He also serves as a director of several subsidiaries of ES.

Mr. Wong is a member of the Chartered Institute of Management Accountants, United Kingdom and the member of the Malaysian Institute of Accountants ("MIA"). He has more than 26 years of working experience in financial management.

He is a substantial shareholder of the Company and a member of the Long Term Incentive Plan Committee.

Mr. Wong attended both (2) Board meetings held during the financial year ended 31 May 2025 prior to his retirement on 25 October 2024.

TAN BOON SING

Executive Director

61

Male

Malaysian

Mr. Tan was appointed to the Board of the Company on 25 July 2023. Mr. Tan was appointed as Executive Director of the Company and its subsidiaries in 2007 and subsequently redesignated as Independent Director in 2019 before his resignation in year 2021.

He holds a Bachelor Degree in Accounting from the National University of Singapore in 1988. Upon graduation, he worked briefly in Singapore before returning to Malaysia in 1992 and has since year 1993 involved in the ceramics formers business.

Mr. Tan started Evermix Concrete Sdn. Bhd., a subsidiary of the Company as a ready mix concrete supplier in 1996 and held the position of Managing Director till today.

Mr. Tan attended all the four (4) Board meetings held during the financial year ended 31 May 2025.

Directors' Profile (Cont'd)

KONG SAU KIAN

Independent Non-Executive Director

61

Male

Malaysian

Mr. Kong was appointed to the Board on 31 January 2023. He is a member of the Malaysian Institute of Accountants ("MIA"). He graduated with a Bachelor of Accounting (Honours) from University of Malaya in 1988. Subsequently, he joined KPMG Peat Marwick, an international accounting firm until 1992 where his exposure includes audit of wide range of industries, corporate restructuring, acquisition audit and other special assignment.

He is the Chairman of the Audit Committee, Nominating Committee and Remuneration Committee.

Mr. Kong is presently an Executive Director of LBI Capital Berhad, Non-Independent Non-Executive Director of Asia Brands Berhad and Independent Non-Executive Director of SSF Home Group Berhad.

Mr. Kong attended all the four (4) Board meetings held during the financial year ended 31 May 2025.

ASHLEY TAN SAN LI

Independent Non-Executive Director

30

Female

Malaysian

Ms. Ashley Tan was first appointed to the Board on 31 January 2023 as alternate director to Dato' Kamal YP Tan. She ceased to hold the position on 26 April 2023 following the resignation of Dato' Kamal YP Tan. She was subsequently appointed on even date as an Independent Non-Executive Director.

Ms. Ashley Tan graduated with a Bachelor of Commerce (Accounting) from University of Sydney in 2017. She solidified her expertise in the area of audit at InterContinental Hotels Group, BDO Australia, Lasseters International Holdings Limited and Envictus International Holdings Limited. She is currently the Corporate Development Executive of Envictus International Holdings Limited, a company listed on the Singapore Stock Exchange where she handles the yearly group audit of the company.

She is also a member of the Audit Committee, Nominating Committee and Remuneration Committee.

She attended two (2) out of four (4) Board meetings held during the financial year ended 31 May 2025.

Notes:

- *With the exception of Mr. Kong, none of the directors hold any directorship in other public companies.*
- *None of the directors have any family relationship with each other and/or major shareholder of the Company.*
- *None of the directors have any conflict of interest or potential conflict of interest with the Group.*
- *None of the directors have any conviction for offences other than traffic offences within the past 5 years and none of them have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*
- *The Directors' holding in shares of the Company are disclosed in the Analysis of Shareholdings section of the Annual Report.*

PROFILE OF KEY SENIOR MANAGEMENT

WONG FOOK LIN

Executive Director

59

Male

Malaysian

Profile as set out on page 4 of this Annual Report.

TAN BOON SING

Executive Director

61

Male

Malaysian

Profile as set out on page 4 of this Annual Report.

SIT CHIEW MING, SHIRLEY

Account & Finance Manager

49

Female

Malaysian

Ms. Shirley joined the Group in April 2007 as an Account Executive and was promoted to the present position in year 2014. She also sits as the member of the Long Term Incentive Plan Committee.

She earned her Bachelor of Commerce Degree majoring in Accounting and Finance from Flinders University in Adelaide, South Australia. Prior to joining the Group, she has more than 9 years of experience in diversified fields and industries through her employment with several companies after completing her studies.

LIM SOO GOO, SANDRA

General Manager (Operation)

44

Female

Malaysian

Ms. Sandra was appointed as the General Manager of Evermix Concrete Sdn. Bhd. ("Evermix") in November 2021. Since then, she is responsible for coordinating the operational activities of Evermix to achieve optimal efficiency as well as embarking on standardisation, systemisation and automation of operation processes. She is also responsible for providing critical support services to ensure smooth operational performance while focusing on cost control and value-added service to meet customer expectations.

She started her career with GTR Ceramic Sdn. Bhd. as Product Manager in July 2001 and left the company in July 2003. She then began her career in Evermix in September 2003 as Quality Assurance/Quality Control (QA/QC) Manager where she focused on the overall QA/QC management to ensure product quality conformance, product certification as required by government agency (CIDB), engaging research and development efforts and continuous process improvement. Her role then also involved continually monitoring performance and development of operation team members with a view to enhancing operational effectiveness and sustainability.

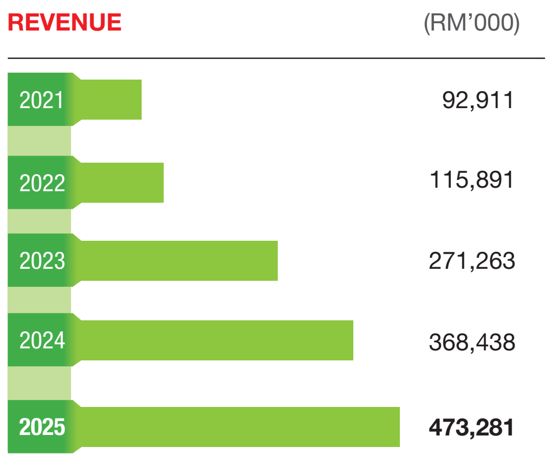
Sandra graduated with a Malaysian Certificate of Education from high school SM (P) Bukit Kuda Klang in 1998.

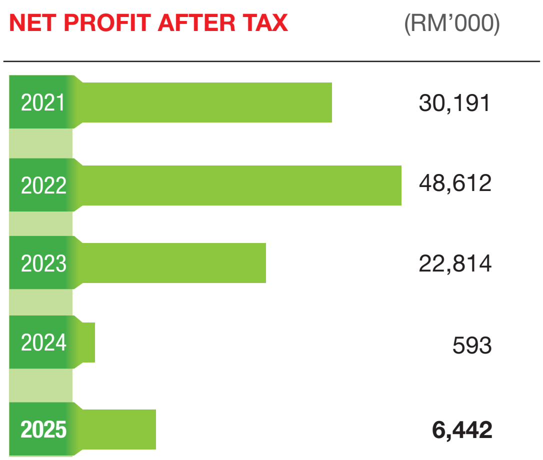
Notes:

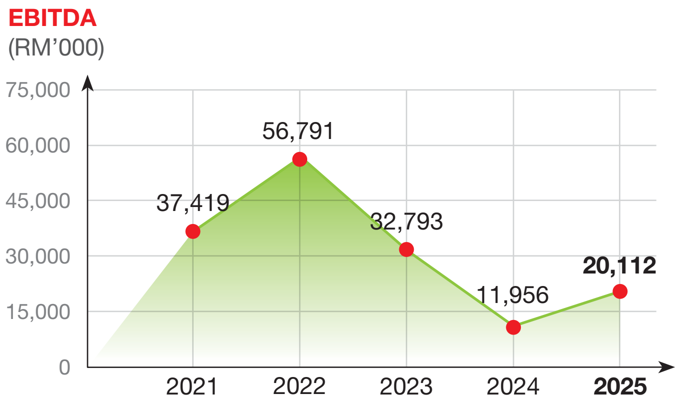
- *Except for Mr. Wong and Mr. Tan who are also the Directors of the Company, the other key senior management personnel does not hold any directorship in public companies and the Company.*
- *None of the above key senior management personnel have any family relationship with any director and/or major shareholder of the Company.*
- *None of the above key senior management personnel have any conflict of interest or potential conflict of interest with the Group.*
- *None of the above key senior management personnel have any conviction for offences other than traffic offences within the past 5 years and none of them has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

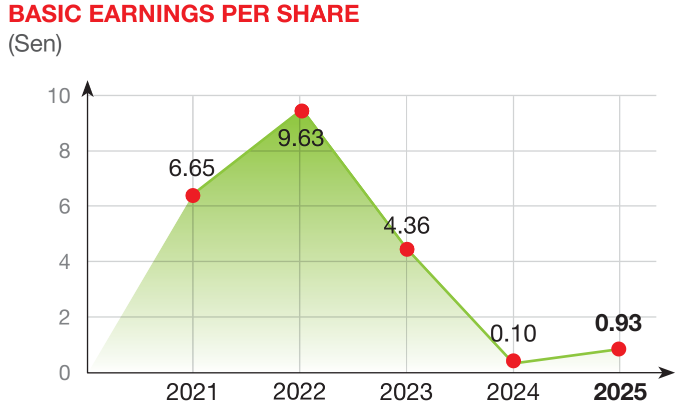
5 YEARS FINANCIAL HIGHLIGHTS

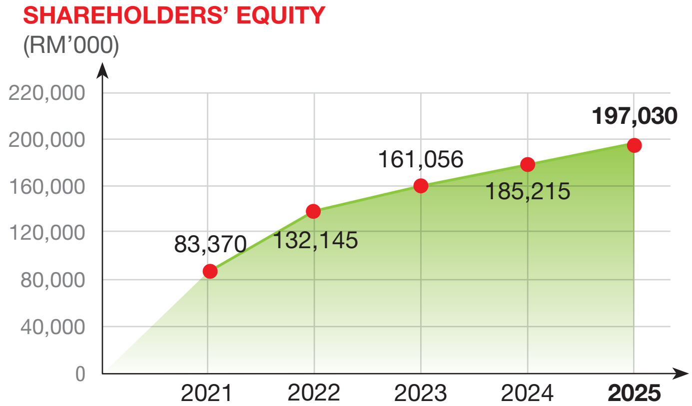
Year Ended 31 May	2021	2022	2023	2024	2025
Operating Results (RM'000)					
Revenue	92,911	115,891	271,263	368,438	**473,281**
EBITDA	37,419	56,791	32,793	11,956	**20,112**
Profit after taxation	30,191	48,612	22,814	593	**6,442**
Key Financial Position Data (RM'000)					
Total assets	136,235	153,152	299,084	321,886	**342,461**
Shareholders' equity	83,370	132,145	161,056	185,215	**197,030**
Share Information					
Basic earnings per share (sen)	6.65	9.63	4.36	0.10	**0.93**







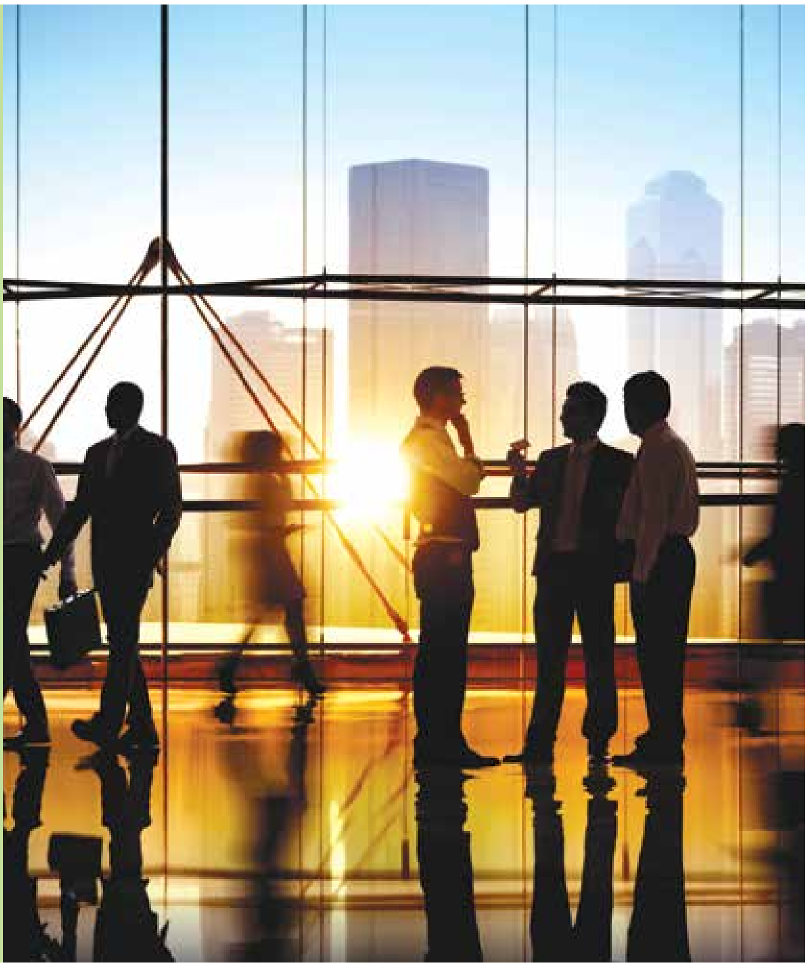




MANAGEMENT DISCUSSION AND ANALYSIS

GROUP'S BUSINESS AND OPERATIONS

The Group's business segment are segmented into manufacturing of hand formers or glove molds and building materials. The Group's former manufacturing plants are located in Ipoh, Perak, Malaysia and Sadao, Songkhla Province, Thailand. In Thailand, the factory produces mainly examination formers, surgical formers, household formers and industrial formers as well as custom made formers whereas the factory in Malaysia focuses on manufacture of examination formers. Building materials segment main office located in Klang, Selangor, Malaysia mainly produces ready-mix concrete that focus on the needs of the customers. Currently, it operates 37 batching plants across various states in Peninsular Malaysia, delivering high-quality and efficient solutions to the construction and infrastructure sectors by providing excellent service with consistent and reliable product quality at competitive price.



FINANCIAL REVIEW

FY 2025 Group Revenue increase **28.46%**

The global business environment remains challenging due to economic uncertainties and geopolitical tensions. Over production capacity in the glove industry coupled with intense competition domestically and regionally have resulted in adverse market dynamics which saw a depressed demand on the Group's hand formers products. The situation was worsened by factors such as the increase in raw material prices, natural gas, electricity tariffs and higher labour costs thus putting pressure on the margins.

For the financial year ended 31 May 2025, the Group achieved a revenue of RM473.28 million, an increase of 28.46% from RM368.44 million in the last financial year ended 31 May 2024. This was mainly driven by contribution from our building material division, accounting for 93.10% or RM440.60 million of total revenue. The building materials division registered better performance due to increased demand and better selling prices.

The Group's profit before tax stood at RM11.04 million in FY2025 (FY2024: RM1.62 million), an increase of 582.92% or RM9.42 million. The increase in profit before tax was also attributed by the gain on disposal of the 1½ storey factory in manufacturing division.

Despite a 28.96% higher revenue achieved in building material division, the profit before tax for the division was 56.39% lower as compared to RM12.58 million in FY2024. The drop in profit before tax is mainly due to impairment losses on receivables and provision for restoration cost incurred as well as higher operating expenses.

Management Discussion and Analysis (Cont'd)

OUR FINANCIAL HIGHLIGHTS

	FY2025 (RM'000)	FY2024 (RM'000)	Change (RM'000)	%
Revenue	473,281	368,438	104,843	28.46
Cost Of Sales	(431,257)	(335,878)	(95,379)	28.40
Gross Profit	42,024	32,561	9,463	29.06
Finance Cost	(1,665)	(1,463)	(202)	13.81
Profit Before Taxation	11,036	1,616	9,420	582.92
Profit After Taxation	6,442	593	5,849	986.34
Total Equity Attributable to Owners of the Company	197,030	185,215	11,815	6.38
Earnings Per Share (Sen)	0.93	0.10		

The Group registered revenue of RM473.28 million for the year ended 31 May 2025, 28.46% higher than that in the corresponding year. The higher revenue for the financial year under review was contributed mainly by the building materials division.

The group net profit attributable to shareholders was RM6.44 million, an increase of 986.34% as compared with RM0.59 million in the previous financial year.

Meanwhile, total shareholders' equity has increased from RM185 million to RM197 million and net asset per share stood at RM0.28.

CASH FLOWS, CASH AND BANK BALANCES

	FY2025 (RM'000)	FY2024 (RM'000)
Net Cash (For)/From Operating Activities	(2,120)	3,839
Net Cash From Investing Activities	3,988	13,907
Net Cash (For)/From Financing Activities	(9,152)	25,611
Net (Decrease)/Increase Cash and Cash Equivalents	(7,284)	43,357
Currency Translation Differences	(1,236)	(135)
Cash And Cash Equivalents At Beginning of The Financial Year (Excluded term deposits)	83,842	40,620
Cash And Cash Equivalents At End of The Financial Year (Excluded term deposits)	75,322	83,842

The Group continues to maintain a healthy balance sheet with cash and bank balances and term deposits of RM76.54 million as at 31 May 2025 in order to support its business and future development.

In FY 2025, the Group recorded a net cash used in operating activities of RM2.12 million, compared to a net cash generated from operating activities of RM3.84 million in FY 2024. This was mainly due to increase in trade receivables and inventories, arising from higher sales orders received in building materials division.

Management Discussion and Analysis (Cont'd)

MANAGING RISKS

The Group proactively identifying and managing risks across all business segments, underscoring our commitment to robust risk management.The operations of the Group are exposed to credit risk, foreign exchange risk, interest rate risk and liquidity risk. The Group has adopted policies on financial risk management as disclosed in the Statement on Risk Management and Internal Control.

The Group is currently facing a few major risk factors that might affect the Group's profitability. Those risks include the following:

a. Credit Risk

The Group is exposed to credit risk that leads to financial loss if trade receivables fail to pay when due. The management is monitoring and minimise the exposure to default. Credit evaluations are performed on all customers requiring credit terms. Besides to mitigate this risk, the Group is actively exploring opportunities to diversify its customer base while continuing to maintain the highest levels of customer satisfaction.

b. Fluctuation of Raw Material Prices

Any fluctuation in raw materials' prices will have a direct impact on the Group's gross profit margin. The Group has taken measures to reduce the risk of price fluctuation by working closely with suppliers to get reasonable price without compromising the quality of raw material. The Group will monitor the price closely and ensure that the quality of raw materials is not compromised.

c. Fluctuation of Foreign Currency Exchange Rate

Significant fluctuation of foreign currency exchange rate will impact on the Group's cash flow movement and profitability. The movement of the foreign currency exchange rate is closely monitored by the Group's management.

d. Labour Market

The Group's workforce is to some extent reliant on foreign workers to overcome the difficulties in employing local employees. Any future changes to the policies imposed by the Malaysia Government on employment of foreign workers will affect the Group's production and consequently, the profitability of the Group.

DIVIDENDS

No dividend was declared in FY 2025 as the Company is currently prioritising on strengthening its business and operations in order to ensure a long-term business sustainability and growth prospect.

OPERATION REVIEW

Manufacturing

The business environment for manufacturing industry remains challenging in 2025, primarily driven by over capacity of gloves production, heightened competition, rising production costs and the imposition of US trade tariffs .

With the global glove oversupply and overcapacity issues unresolved, customers remain highly price-sensitive amidst the availability of a wide selection of suppliers in the market. Even with the situation gradually improving, average selling prices (ASPs) of gloves were impacted unfavourably in early 2025 due to regional manufacturers reducing prices to gain more volumes in the markets and fluctuating US-China trade tensions affecting overall market dynamics. The Group's product underpinning glove manufacturing is poised for competitive pricing bolstered by gradual improved demand.

It is our view that cost pressures will continue to rise due to the evolution of cost structures that are no longer bound to traditional pricing matrices, which include but are not limited to raw material, labour and energy costs. As such, we must brace for the rising cost environment.

Building Material

The economy of Malaysia has been impacted by the implementation of trade tariff by the US in early 2025. First half of year 2025 saw a GDP growth of 4.4%. In fact, the GDP growth was primarily sustained by a strong domestic demand. Private sector remains the main driver of growth in the building sector.

Building of affordable homes to cater to the mass market remains the focus of property market in Malaysia. The mushrooming of data centres provide the cushioning for the building industry as investors continue to pour in investment funds for building new data centres, especially in Klang Valley and state of Johor.

For our building material division, we continue to identify the states of Peninsular Malaysia for our business expansion. In this respect, we have focused on Klang Valley, Johor, Negeri Sembilan and Penang to entrench our presence in these markets.

Management Discussion and Analysis (Cont'd)

OPERATION REVIEW (CONT'D)

Building Material (Cont'd)

Despite the challenging times posed by the US trade tariffs, our building material division continues to register growth amidst increase in market competition, with the bulk of business coming from the Klang Valley followed by Johor which is most vibrant as the effect from the investment arising from Johor-Singapore Special Economic Zone began to be felt across the residential, industrial and data centre markets.

Expansion of Sales and Service Tax (SST) on logistic business and diesel rationalisation have further eroded our margins to a certain extent.

OUTLOOK AND PROSPECTS

Manufacturing

In mid-2025, assertive and protectionist trade policies globally have had wide-ranging implications, and have added to the uncertainties and challenges faced by the Group, including inflationary pressures, fluctuating currencies, and global geopolitical tensions affecting trade.

The manufacturing sector is also contending with rising operating costs due to the implementation of higher minimum wage, as well as changes in electricity tariffs and potential new levies on foreign workers and EPF contribution for foreign employees. The recently announced tax reforms, which include the expansion of the Sales and Service Tax scope, are likely to further increase operating costs for Malaysian manufacturers.

While the industry continues its journey to recovery, we must stay on course in how we navigate our path forward. Managing production capacity and availability, maintain product quality, operational efficiencies and diversification strategies are key to addressing trade and tariff vagaries.

We would continue to implement our strategic plans to ensure that we would be ready for any opportunities when there is an upturn in the industry. We will also continue to focus on our cost rationalization to enhance operational efficiency and developing new products that address the evolving needs of our customers.

Based on the premise above, the Group is cautiously optimistic on the performance in the new financial year ahead.

Building Material

With the clarity of US trade tariff measure for Malaysia, we are anticipating a slow down in the GDP for the nation. However, the announcement of 13MP (13th Malaysia Plan) by the government has thrown some light on building industry in Malaysia over the next 5 years. In particular, the rolling out of infrastructural projects such as the LRT in Penang Island, MRT phase 3 should have ripple effect on the local building industry.

In light of the challenges posed by US trade tariff and government rationalisation plans, we will continue to micro-manage our resources to ensure our sustainability over such tumultuous time. We will focus on ensuring continued profitability of this business division.

Aligning our corporate objective in incorporating ESG as part of our business philosophy, we will explore the possibility of increasing the use of recyclable materials in the production process.

Creating a sustainable management team has been our goal as we invest in human capital to ensure succession plan is in place as the division enters its 30th year of operation in order to drive the next growth trajectory.

APPRECIATION

We wish to extend our heartfelt thanks to the very committed employees for their hard work and invaluable contributions during the year. Your resilience and hard work have enabled the Group to continue to thrive. We look forward to another successful year ahead.

Our sincere gratitude to all our valued shareholders, customers, business associates, financiers and suppliers for being with us throughout this journey. We are here today because of your confidence in us that once again allows us to reach greater heights year after year. We will continue to uphold your trust and confidence in the Company and the Group.

We believe our better days are ahead of us and look forward to your continued support.

Thank you.

SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

BUILDING A MORE EFFICIENT FUTURE WITH AUTOMATION AND INNOVATION ADVANCING FORWARD INNOVATION & AUTOMATION

This theme reflects ES Ceramics Technology Berhad's ("ES Ceramics" or "the Company") and its subsidiaries' ("the Group") commitment to progress that benefits the environment. By harnessing cutting-edge materials and technology, we create high-value, high-quality products that are central to both our services and our sustainability journey.

We are pleased to present our Sustainability Statement ("Statement") for fiscal year 2025 ("FY 2025"), covering the period from 1st June 2024 to 31st May 2025. This Statement goes beyond previous reports by providing a deeper examination of the environmental, social, and governance ("ESG") impacts of our actions and initiatives.

This year, we actively reviewed our most significant sustainability challenges to map a course for integrating responsible practices throughout all our operations. This statement emphasises our unwavering dedication to making sustainability an integral part of everything we do.

SCOPE AND BASIS OF SCOPE

This Statement covers the Group's sustainability performance and progress of our business operations in Malaysia and Thailand. The content of this report reflects our identified material sustainability agenda.

REPORTING FRAMEWORKS AND STANDARDS

This Statement has been developed according to Bursa Malaysia's ACE Market Listing Requirements ("AMLR"), guided by the National Sustainability Reporting Framework ("NSRF") and with reference to Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), Global Reporting Initiative ("GRI") Standards, Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations, Sustainability Accounting Standards Board ("SASB") Standards and the International Sustainability Standards Boards ("ISSB") Standards.

Our Board of Directors has identified key sustainability factors, known as Material Sustainability Matters that significantly affect how we operate and manage our business. This aligns with regulatory requirements outlined in AMLR Appendix 9C, Paragraph 30, Part A, and Guidance Note 11.

Specifically, within our manufacturing activities, this Statement demonstrates our commitment to conducting business responsibly and sustainably. We recognise the importance of ESG considerations in our operations.

This includes adhering to the GRI Principles for defining report content:-

Stakeholder Inclusiveness	Being responsive to stakeholders' expectations and interest.
Sustainability Context	Presenting performance in the wider sustainability context.
Materiality	Targeting impactful solutions aligned with stakeholder needs.
Completeness	Disclosing all material ESG information for stakeholder assessment.

STATEMENT OF ASSURANCE

This Statement has not been subjected to an assurance process by an independent assurance provider. Nonetheless, information and data disclosed in this Statement has been verified for accuracy by respective data owners within the Group and the Sustainability Management Team. External assurance is only required for financial year ending on or after 31 December 2025. Nonetheless, the Group remains steadfast in its commitment to achieving full compliance with sustainability reporting requirements in due course.

FEEDBACK

We are committed to continually enhancing our sustainability reporting to offer insightful insights into our ESG initiatives and achievements. Your feedback on this Statement and its content is invaluable to us, as are your suggestions for ongoing improvements in our sustainability reporting. We invite all our valued stakeholders to share their thoughts and ideas with us. Feel free to reach out via email at www.esceramics.com.my. Your input drives our progress towards a more sustainable future.

ABOUT ES CERAMICS

Vision: To be the indispensable associate to the manufacturers of latex gloves, always bearing with us a culture of quality refinement - nurturing not only our products but also to our society and mother earth.

Mission: To produce creative textures and designs with practicality for the evolving market demands, with high emphasis on consistent product quality, timely delivery and lean costings.

From a humble start in 1998, ES Ceramics has become a leading Malaysian manufacturer of high-quality ceramic formers for the glove industry. At the inception, the Group primarily focused on the production of examination formers and over the years has evolved into expanding its product offerings to include surgical, household, industrial, balloon, and specialty formers.

Today, ES Ceramics is one of renowned former manufacturer in Malaysia and Thailand. Innovation and automation are at the forefront of our future, building upon our established reputation for quality, reliability, and excellent service. ES Ceramics understands that our formers are a crucial part of our customers' finished products. Our dedicated research and development team is constantly developing new products and processes to best suit customer needs, focusing on both product branding and functionality.

Evermix Concrete Sdn. Bhd. ("Evermix Concrete") was incorporated in 1996 with the vision of being a ready-mix concrete producer that focus on the needs of the customers, by providing excellent service with consistent and reliable product quality at competitive price.

Evermix Concrete is a very customer-centric ready-mix company that focuses on meeting the needs of our customers. We strive to provide better service as we appreciate the support of our customers, hence our strong belief in Near-Customer, Near- Market business policy.

Since inception, we have grown organically and to meet our Near-Customer, Near-Market policy, we focus on extensive distribution of our concrete batching plants to be comprehensive in market coverage across KL & the State of Selangor to serve our customers better. We also provide flexibility by setting up site plants to meet the requirement of projects. We are committed to the well-being of our customers. This has enabled us to meet the needs of our customers and other stakeholders which in return ensure the continuing growth and stability of the Company.

REVIEW OF OPERATIONS

The Group's review of operations is elaborated in the "Management Discussion and Analysis" section set out in this Annual Report.

Sustainability Statement (Cont'd)

OUR CONTRIBUTION TOWARDS SUSTAINABLE DEVELOPMENT

Seventeen (17) Sustainable Development Goals ("SDGs") were set by the United Nations General Assembly in 2015 to counter major global issues such as urbanisation, climate change, resource scarcity, demographic and social change and global economic condition by the year 2030 entails contributions from governments, civil society and businesses. All the countries and stakeholders, acting in collaboration, will strive to implement this plan. The 2030 Agenda for Sustainable Development shapes the journey and sustainable enhancement in Malaysia. Aligning to the aspiration of our government, we will enhance our strategies and efforts to adopt these goals progressively as part of our sustainability journey.

SUSTAINABILITY FRAMEWORK

The Group sustainability framework has been refined to align with our business strategy and is guided by the Group's vision and mission. Through our framework, we aspire to meet the needs of our stakeholders, reduce our environmental impact as well as contribute positively to the local communities where we operate. It outlines our focus areas which are: Operational Excellence, Responsible Supply Chain, Empowering Our People and the Community, and Caring for the Environment. We aim to deliver the objectives under each focus area by addressing the concerns related to each of our material matters. Accordingly, we have set targets to enable us to accelerate and monitor our sustainability performance.

OUR APPROACH TO DRIVING SUSTAINABILITY

Our approach to sustainability is based on our core values of excellence, unity in achievement, integrity, humility and building relationships, supported by policies and procedures at the Group level. We consistently embed sustainability into the core of our business. The following value-added sustainability framework forms the basis of the Group's steps to strengthen our approach to sustainability.

SUSTAINABILITY GOVERNANCE

The Group's sustainability governance structure is integrated into our corporate governance framework. As the Group aims to ensure sustainability is embedded across all aspects of our organisation, the responsibilities of our Board and its committees have been broadened to encompass sustainability elements, as reflected in their respective terms of reference. The Board of Directors ("the Board") is ultimately responsible for the Group's strategic direction on sustainability while being supported by the respective Board Committees by virtue of delegation.

While the Board sets the direction for the Group's sustainability performance, they have empowered the Audit Committee to closely monitor the risk management and internal control systems, including risks related to sustainability. We ensure sustainability is seamlessly integrated within our risk management framework. It is consistently debated and assessed during Audit Committee meetings, especially when updating the Group's risk profile.

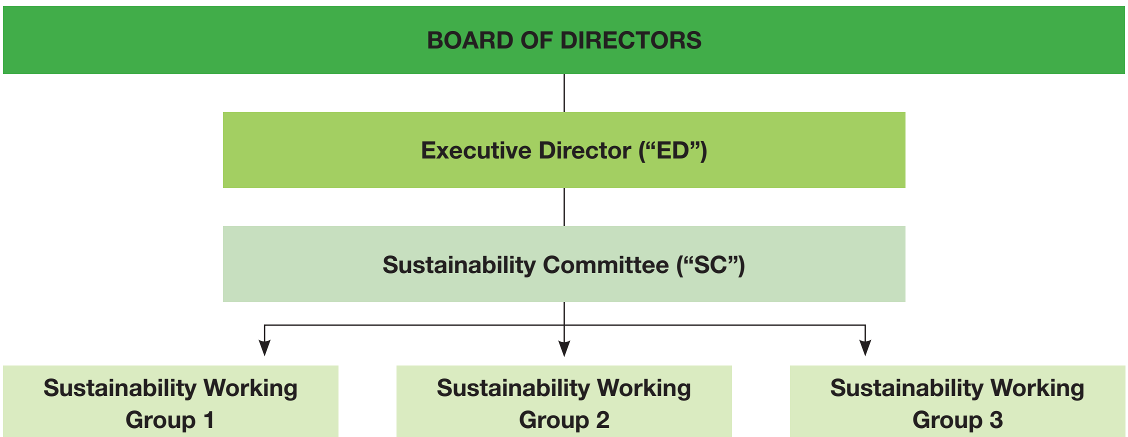
Our Sustainability Committee ("SC"), chaired by one of the Executive Director ("ED") as the champion of sustainability initiatives, actively supports the Audit Committee with regular updates on both risks and sustainability aspects. Once the Committee deliberates, their findings and recommendations are escalated to the Board for further decision-making. Leading the charge for sustainability, the ED is backed by a dedicated team of senior management, all working together to implement strategies and achieve sustainable performance for the Group.

As a Public Listed Company, ES Ceramics is committed to high standards of corporate governance ("CG") practices, adhering to the guidelines set forth by the Malaysian Code on Corporate Governance ("MCCG") 4th Edition. Our Board of Directors plays a crucial role in ensuring sustainability becomes an integral part of our strategic direction.

Recognising the importance of transparency and accountability, we have established a dedicated SC. This Committee, supported by working groups across the organisation, oversees the development, implementation, and effective management of all sustainability initiatives. The ED regularly updates the Board on key ESG risks and opportunities, ensuring everyone stays informed and engaged.

Effective governance of our sustainability agenda is paramount. It allows us to seamlessly integrate sustainability practices into our business operations while remaining true to our principles and standards. The leadership of the SC demonstrates the Company's unwavering commitment to building a sustainable future.

The Board strive to continuously be equipped with the necessary knowledge regarding the management of sustainability (including climate-related risks and opportunities) to drive informed decision making by attending periodic capacity building programmes. The Board is also cognisant of ensuring that the required competencies in relation to sustainability are periodically assessed to strengthen board leadership and oversight of sustainability matters.



The Sustainability Committee comprises the subsidiaries' management and members of the Senior Management, while the Sustainability Working Group consists of various department heads within the Group.

Sustainability Statement (Cont'd)

RESPONSIBILITIES OF SUSTAINABILITY COMMITTEE ("SC")

SC	RESPONSIBILITIES
Board of Directors	• Leads sustainability efforts for the Group, including developing strategy and targets, assessing materiality, and managing climate risks and opportunities. Promotes sustainability integration across the Group and its businesses, fostering a strong sustainability culture. • Overseeing the implementation of sustainability strategies and targets and approve the annual Sustainability Statement.
Executive Director	• Approves key sustainability plans, including strategies, targets, policies, and the materiality assessment. • Oversees the integration of sustainability and climate considerations into the Group's Enterprise Risk Management ("ERM") framework. • Manages and monitors critical sustainability issues, encompassing climate-related risks and opportunities. • Tracks progress towards sustainability goals and identifies areas for improvement. • Advises the Board on sustainable strategies and monitors their implementation.
Sustainability Committee	• Crafts sustainability strategies and policies, seeking Board committee approval. • Drives consistent implementation across all business segments and locations. • Assesses overall sustainability risks and opportunities, prioritising climate-related aspects. • Evaluates and refines the materiality assessment process and outcomes. • Reviews and provides feedback on the sustainability statement before Board approval. • Develops and recommends sustainability-linked KPIs for performance evaluation of the Board and senior management. • Oversees engagement with stakeholders, ensuring their concerns are incorporated into sustainability initiatives. • Recommends material sustainability matters, policies, goals, and targets for Board approval. • Monitors the implementation of sustainability policies and initiatives. • Identifies the material sustainability matters relevant to business operations. • Recommends targets, initiatives, and standard procedures to manage material sustainability matters identified. • Evaluates the implementation of the approved recommendations. • Considers the views of stakeholders in managing material sustainability matters. • Assesses the company's sustainability risks and opportunities.
Sustainability Working Group	• Links the gap between strategy and execution, ensuring local practices align with the overall sustainability agenda and targets. Assists the SC in implementing and monitoring sustainability initiatives and performance. • Monitors and reporting the progress of all sustainability initiatives and strategies to the Sustainability Committee. • Ensures the strategies planned by the Sustainability Committee are implemented.

SUSTAINABILITY STRATEGY

As a Public Listed Company

- We are pre-emptive of the sustainability matters mainly on the economic value creation for the shareholders and stakeholders.
- We plan to elevate sustainability in company governance, through engaging in direct board oversight and accountability over environmental and social issues, more diversity and special expertise on boards and linking executive and other employee compensation to sustainability goals.
- We have regular dialogues with key company stakeholders on sustainability challenges, including employees, investors, suppliers and consumers.
- We are in the progress to have balance reporting on sustainability strategies, goals and accomplishments.
- We are in progress to develop systematic performance improvements to achieve environmental neutrality and other sustainability goals across the entire value chain, including operations, supply chains and products.

As a Service Provider

- We plan to give quality products to all of the clients as they are part of our valued stakeholders.

STRATEGIES AND DIRECTIONS

Despite the challenging operating environment, ES Ceramics continues to practice prudence and stay focused on delivering quality growth, while being watchful of emerging risks. The Group is fully committed to upholding responsible financing which is reflected through its prudent infrastructure transformation as well as sustainability in its supply chain.

OUR MATERIALITY ASSESSMENT PROCESS

Objective and Scope

- The Group undertook a materiality study within the top management and middle management to determine the objectives and scope of the sustainability reporting.

Identification and Categorisation of Sustainability Matters

- Review of Internal and External Sources.
- Review current and future risks and opportunities in our markets.
- Refine our management approach.

Stakeholder Engagement

- Engage with the stakeholders to rank the sustainability matters.

Prioritisation of Material Sustainability Matters

- Assess the level of influence and dependence of each stakeholder group.
- Materiality Matrix.

Process Review

- The materiality process is undertaken as a key component of the Group's journey towards identifying sustainability matters.
- The management has reviewed and endorsed the process and outcome of the materiality which guides the Group in addressing and managing its material sustainability matters.

Validation and Approval

- Report the validated results to the Board for consideration and deliberation.
- The Board approves the process and outcome of the materiality assessment.
- Review the outcome on annual basis.

Sustainability Statement (Cont'd)

STAKEHOLDER ENGAGEMENT

ES Ceramics recognises a wide range of groups who impact or are impacted by our business. These stakeholders include shareholders, regulators, customers, employees, the community, suppliers, media, and the general public. We identified them based on their influence on and dependence from our activities.

Open communication is a priority for ES Ceramics. We engage with all our key stakeholders through both formal and informal channels. This allows us to:-

- Identify significant sustainability issues
- Gain insights into future opportunities and challenges
- Stay ahead of the curve
- Respond effectively to stakeholder needs
- Build trust and collaboration

Our various business units actively engage with their relevant stakeholders on designated platforms. All raised issues are brought to the Risk Management Committee, ensuring everyone is informed and involved. Regular stakeholder engagement is critical for our business development, relationship building, and commitment to sustainability.

A table outlining our key stakeholders, engagement methods, and their areas of interest is included below.

Key Stakeholder	Engagement Platform	Engagement Focus & Objective	Our Initiative & Achievement
Shareholders and Investment Community	**As needed** • Statutory Announcement • One-on-one and group meetings **Quarterly** • Financial reports and announcements • Investor briefings **Annually** • General Meetings • Annual reports	• Maintains proactive engagement with investors. • Communicates effectively with the investment community on various topics, including: - Sustainable and responsible investing initiatives. - Expansion plans and strategies. - Business risk assessments. - Compliance, integrity, and ethical business conduct practices.	**Initiative** • Manages timely and transparent communication. • Quarterly financial results announcement on Bursa Malaysia. • Annual public action of AGM notice in local newspapers. • Adherence to reporting deadlines.
Regulators and Government Authorities	**As needed** • Scheduled/ ad hoc meetings **Regularly** • Participation in government and regulatory events **Yearly** • Renewal of various licenses/permits	**Ensures legal and regulatory compliance** - Maintains adherence to all applicable requirements. - Interprets and applies relevant laws, regulations, and guidelines. - Fosters continuous engagement with stakeholders through formal and informal channels. - Supports initiatives like the Corporate Integrity Pledge. - Manages matters related to special industrial tariffs.	**Initiative** • Conducts training sessions for staff on updated rules and regulations. • Utilises various communication channels, such as WhatsApp groups, to disseminate compliance information. • Ensures adherence to local authority regulations through various means, including:- - Meetings and briefings. - Site visits. - Obtaining and maintaining authorisations and licenses to operate.

STAKEHOLDER ENGAGEMENT (CONT'D)

Key Stakeholder	Engagement Platform	Engagement Focus & Objective	Our Initiative & Achievement
Customers	**Immediately** • Customer support channels **Yearly** • Customer Satisfaction Survey	• Enhances customer experience. • Improves response quality and accuracy for all customer inquiries. • Gathers and utilise customer feedback. • Regularly reviews customer feedback to identify areas for improvement. • Maintains open communication and engagement.	**Initiative** • Actively responds to customer reviews through verbal communication. • Conducts internal progress meetings to address product quality and customer needs based on feedback. • Regularly reviews and updates pricing strategies to maintain market competitiveness. • Gathers customer feedback through various channels. • Analyses customer feedback to identify areas for improvement and attract new customers. • Implements cost-optimisation strategies while maintaining customer satisfaction.
Employees	**As needed** • Internal communications • Corporate announcements • Workshop and training • Employee engagement events **Annually** • Employee feedback survey • Employee appraisals	• Employee engagement and development. • Develops and manages effective performance management systems. • Administers staff remuneration and benefits packages. • Promotes employee well-being through various initiatives. • Addresses operational performance issues and maintain efficient functioning.	**Initiative** • Offers training programmes to enhance staff competencies, such as E-Invoice, Sales tax, tax audits and investigation, presentation and disclosure of information in financial statements public workshops for the finance team. • Prioritises workplace safety by providing fire safety training, drills, and necessary equipment. • Conducts employee appraisals and set performance targets/KPIs. • Organises various employee engagement activities, such as annual dinners, to boost morale and productivity. • Implements employee induction programmes. • Provides special lunch for all production staff.

Sustainability Statement (Cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

Key Stakeholder	Engagement Platform	Engagement Focus & Objective	Our Initiative & Achievement
Community	**As needed** • Strategic and ad hoc meetings/visits **Yearly** • Corporate Social Responsibility ("CSR") events • Community development programmes	• Community engagement and social responsibility. • Manages sponsorship and donation requests. • Promotes awareness and understanding of social and environmental responsibility within the organisation and among stakeholders.	**Initiative** • Contributes to charity. • Supports the activities of these community stakeholders through sponsorships and by participating in their activities.
Suppliers	**As needed** • Meetings **Annually** • Supplier assessment/ performance appraisals	• Ethical procurement and supplier management. • Maintains compliance with ethical business conduct practices throughout the supply chain. • Engages regularly with suppliers and subcontractors to understand their needs and concerns. • Effectively manages the supply chain for optimal efficiency and responsible sourcing. • Develops strategic partnerships with key suppliers for mutual benefit.	**Initiative** • Maintains regular communication with suppliers to ensure timely deliveries and adherence to requirements. • Evaluates the quality of services provided by suppliers, including material continuity and quality. • Uphold high standards of code of conduct and business ethics in all aspects of procurement. • Fosters open communication through contractor discussions. • Implements sound payment practices and ensure vendor performance meets expectations. • Conducts regular supplier assessments to evaluate ethical alignment and performance.
Media	**Ad hoc basis** • Media releases and interview • Media briefings	• Public communication and engagement. • New developments and updates for public knowledge and awareness. • Secures press coverage and media exposure for relevant information. • Continuous and meaningful communication.	**Initiative** • Conducts all engagement approaches during the year.
General Public	**Regularly** • Company Website	• Responsible Corporate Governance.	**Initiative** • Maintains the Company website at https://www.esceramics.com.my

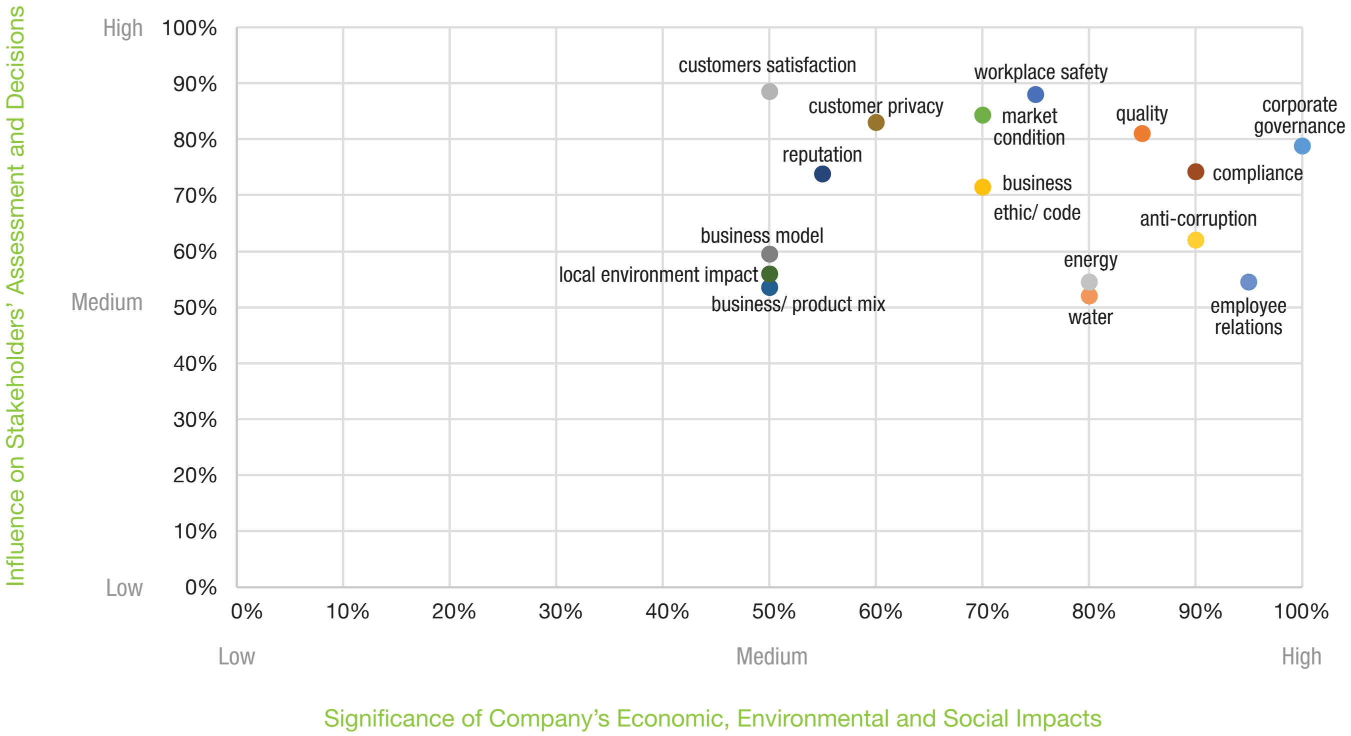
MATERIAL MATTERS

ES Ceramics understands that the materials we use and our impact on those materials can affect our ability to deliver long-term value to stakeholders. To address this, we conducted a thorough materiality assessment, involving both internal and external stakeholders to ensure their perspectives were heard. The key sustainability issues identified through this process guide our business strategy and how we allocate resources. We conduct a full assessment every three years, but we review the importance of these issues annually to stay relevant in a changing environment.

This year's limited-scale review confirmed that all 16 of our existing material matters remain aligned with both ES Ceramics' strategic goals and stakeholder expectations. We are currently benchmarking our performance against local and regional competitors. Weare also considering emerging risks and relevant frameworks, including the Bursa Malaysia Sustainability Reporting Guide (3rd Edition), GRI Standards, and SASB Standards.

The updated materiality matrix, along with the assessment process, has been reviewed by our Sustainability Committee and approved by the Board.

Materiality Matrix



The Materiality Matrix in this report highlights the most important key sustainability issues we identified. These issues form the foundation of this report, and the corresponding indicators allow us to track and measure our sustainability performance.

The materiality assessment process is crucial for shaping our sustainability strategy and defining what we report. It helps us analyse risks, improve our business practices for the future, and meet stakeholder expectations. While we conduct a full assessment every three years, we also discuss its relevance during monthly management meetings to ensure we stay current.

With a wide range of sustainability issues to consider, we prioritise those with the most significant impact. Understanding these key areas allows us to allocate our time, resources, and investments most effectively. The Materiality Matrix we developed combines stakeholder input with management insights to show the relative importance of different sustainability matters.

By assessing these material sustainability matters, we can navigate the Group towards sustainable business growth and success. This assessment helps us to identify, evaluate and prioritise risks and opportunities related to ESG factors. This allows us to capitalise on potential opportunities in today's ever-changing landscape.

Sustainability Statement (Cont'd)

MATERIAL FACTORS
(ENVIRONMENT- E, SOCIAL- S, GOVERNANCE- G)

The materiality factors are based on the priority of the organisation.

Material Matters	Why Material & Managing Materiality	Management Approach
Market Condition (G)	**Why Material** The market condition affects all businesses in every industry. **Managing Materiality** Our business segment very much depends on the market condition where we conduct a market study before engaging in any projects. We also review market reactions to diversify our products and services.	**Monthly** The marketing team maintains close rapport with the customers and obtains the information to understand the market demand. Management will review the market condition pertaining to the changes. **Regularly** Key Senior Management meets regularly to discuss and come out with an action plan.
Compliance (G)	**Why Material** Compliance with laws and regulations is one of our main requirements. **Managing Materiality** We provide adequate training and resources to ensure we meet compliance obligations.	**Annually** Staff will attend the workshop and training to get the updated laws and regulations. ISO 9001:2015 awareness training.
Procurement (G)	**Why Material** It ensures a sustainable procurement and supply of resources. **Managing Materiality** We are always on the lookout for the best quality and economical pricing in order to be competitive.	**Regularly** The procurement team is responsible for ensuring the purchased raw materials/imported products are of the best quality at affordable prices.
Corporate Governance (G)	**Why Material** To ensure that the Company protects the members, officers and management. **Managing Materiality** Governance is conducted according to various regulations and sub-committees. The Board and Management oversee the governance daily and it is reflected in quarterly reports to regulators and stakeholders.	**Regularly** Compliance with the updated rules and regulations such as MCCG, Malaysian Financial Reporting Standards ("MFRS"), Finance Bill, etc.
Data Privacy and Security (G)	**Why Material** It is important to build customer trust and loyalty. **Managing Materiality** We take necessary measures to protect the customers' privacy by having our staff trained on this matter.	**Regularly** Compliance with the Personal Data Protection Act ("PDPA") with the policy to keep customers' information private and confidential.

MATERIAL FACTORS (CONT'D)

Material Matters	Why Material & Managing Materiality	Management Approach
Business Ethics/ Code (G)	**Why Material** Maintaining business ethics is our core value. **Managing Materiality** We proactively promote and positively reinforce good behaviours to the employees.	**Regularly** Having own Code of Ethics Policy.
Business Model (G)	**Why Material** The business model plays a vital role in the challenging market condition of the market and business. **Managing Materiality** We engaged in a high-level review of the business model with the Management.	**Regularly** Expanding the new marketing channel to improve product exposure.
Product Mix (G)	**Why Material** To have a variety of products that will fit each customers' needs. **Managing Materiality** To be highly competitive, we take the initiative to create varieties of segments.	**Regularly** Products offered satisfy customers' needs.
Business Mix (G)	**Why Material** Diversification is part of our business model to stay sustainable. **Managing Materiality** We are always on the lookout for potential business synergy which creates a better value to our core business.	**As Needed** Develop new strategies with our partners.
Safety (S)	**Why Material** Impact on the safety of the workforce to avoid workplace injuries and manage product safety. **Managing Materiality** We support the ongoing training of operational teams to ensure understanding in recognising and improving as well as maintaining safe working conditions.	**Annually** By providing fire safety training and fire drill sessions. **Regularly** Keep the working environment safe with the inspected fire extinguisher, sprinkler system, and fire rescue water pump by the fire protection service provider.
Quality (S)	**Why Material** It is part of our core business value to satisfy all of our customers. **Managing Materiality** By obtaining prompt stakeholder feedback to gauge our quality. There is also a customer audit done by our customers.	**Regularly** Product quality control will be improved based on the customers' requirements.

Sustainability Statement (Cont'd)

MATERIAL FACTORS (CONT'D)

Material Matters	Why Material & Managing Materiality	Management Approach
Customer Satisfaction (S)	**Why Material** It is important for us to benchmark ourselves and to collaborate closely with customers to achieve mutual success. **Managing Materiality** We conduct customer satisfaction surveys to obtain customer feedback to stay relevant in the industry.	**Regularly** The marketing team will receive feedback from customers.
Reputation (S)	**Why Material** To get a more realistic picture of how the business is being perceived by others. **Managing Materiality** We take the initiative to enhance our reputation by providing balanced reporting.	**Annually** We participate in CSR programmes to help vulnerable groups and care about society.
Local Environment Impact (E)	**Why Material** It safeguards the environmental impact. **Managing Materiality** We monitor and review the environmental compliance strategy and performance.	**Regularly** Prevent environmental pollution by renovating the site area.

The materiality process involved several steps including:-

- Identification of potential material topics by reviewing GRI aspects, benchmarking against key corporate peers and analysing past reports, which reflects the feedback from customers, community representatives and employees generally.
- Inventory of aspects and topics most important to external stakeholders, customers and their supply chain vendors, based upon requests, surveys and ongoing engagement during the reporting period.

RISK MANAGEMENT

The Group is committed to proactive risk management. Our holistic Enterprise Risk Management ("ERM") framework goes beyond the traditional, ensuring long-term stability. Designated risk owners keep a close eye on everything, reporting to the Board for strategic decision-making. This collaborative approach keeps every risk within our comfort zone.

Material Factors	Risk & Opportunities	Our Approach
Competition	**Risk** A lesser chance to secure contracts will impact the Company's business and performance. **Opportunities** • Innovative products and eco-friendly systems could be offered to the clients to improve our core value. • Regional partnerships and collaborations. • To continuously enhance the product quality.	• Control the product quality by purchase planning and production quality checking.

RISK MANAGEMENT (CONT'D)

Material Factors	Risk & Opportunities	Our Approach
Anti-corruption	**Risk** Poor corporate governance practices may tarnish the Company reputation and image. **Opportunities** Effective corporate governance practices enhance our reputation as a trustworthy company amongst stakeholders.	• Keep anti-corruption information up to date and provide training for all employees. • Sign the anti-corruption declaration statement with all employees, customers and vendors.
Health & Safety	**Risk** Accidents and injuries in the workplace lead to productivity loss, legal repercussions such as penalties and reputational damage. **Opportunities** Strong safety culture with conducive working environment improves employees' well-being and productivity, and maintains the Company reputation.	• Fire drill training conducted in yearly basis and provides safety tools and work environment for employees.
Cybersecurity & Data Protection	**Risk** Cyber threats including breach of customers' data may lead to loss of customer trust and reputational harm. **Opportunities** Robust cybersecurity and improved data management protects critical customer data and maintains customers' trust.	• Using firewall to block unknown or unsecure website. • Set up daily backup to prevent lose data. • Set different password levels to control use to access data network.

MANAGEMENT APPROACH FOR MATERIAL MATTERS

This section aims to provide insights into the Group's sustainability commitments and practices across the three key areas of environmental, social and governance undertaken by our key business divisions.

Sustainability Statement (Cont'd)

ENVIRONMENTAL

At ES Ceramics, environmental responsibility is a top priority. We actively comply with environmental regulations to meet customer expectations and minimise our impact on the planet. We understand the importance of eco-conscious practices and are continuously developing initiatives to protect our environment. As a responsible corporation, we take action, starting right here in our workplace, because we believe small changes can make a big difference.

Climate Change – SDG 11, 12 & 13

The Group takes ownership of its environmental impact. We are actively reducing our energy use and greenhouse gas emissions to combat climate change. As a sustainability leader, we are embracing the shift to a low-carbon economy, implementing responsible practices while exploring innovative solutions.

Our goal is to minimise our environmental footprint and build operational resilience, creating long-term value for our business, stakeholders, and communities. Guided by our ESG Policy, we are committed to managing and minimising our operational impact.

1. Carbon Emission

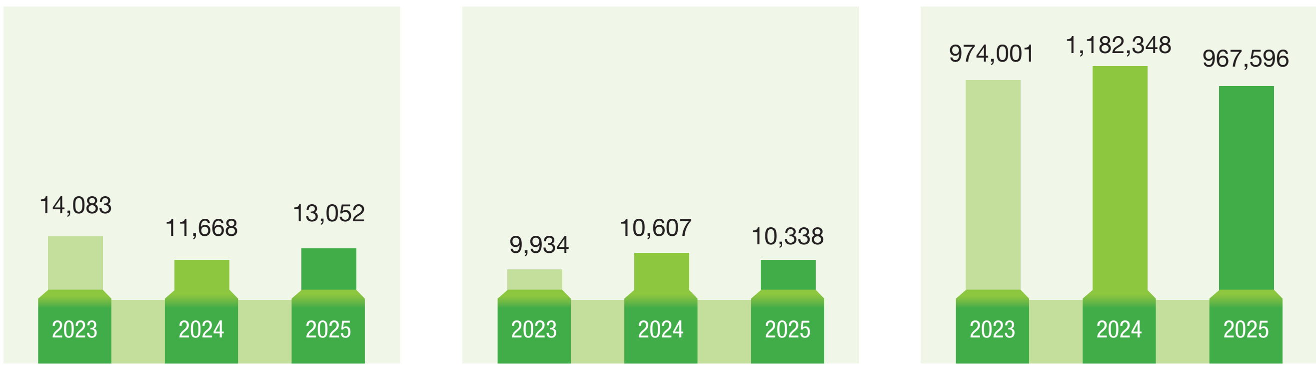
By reducing our greenhouse gas ("GHG") emissions, we are investing in a healthier planet, stronger communities, and a thriving business for the future. Climate change is a global challenge that requires united action from governments, businesses, and individuals.

In our industry, transportation emissions are a major concern. ES Ceramics takes air quality seriously and is constantly exploring ways to minimising our impact. We emphasise regular maintenance, testing, and repairs for all our vehicles and forklifts to keep them running efficiently and to ensure optimal fuel efficiency with lower emissions.

Our commitment to sustainability is reflected in our emission consumption data (see table below).

Fuel Consumption (Forklift, Lorry & Mixer Truck) Litre	FY 2023 (Restated)	FY 2024 (Restated)	FY 2025
EASY SUN SDN. BHD.	14,083	11,668	13,052
EUROCERAMIC TECHNOLOGIES CO., LTD.	9,934	10,607	10,338
EVERMIX CONCRETE SDN. BHD.	974,001	1,182,348	967,596

FUEL CONSUMPTION (Litre)



EASY SUN SDN. BHD.

EUROCERAMIC TECHNOLOGIES CO., LTD.

EVERMIX CONCRETE SDN. BHD.

Sustainability Statement (Cont'd)

Climate Change – SDG 11, 12 & 13 (Cont'd)

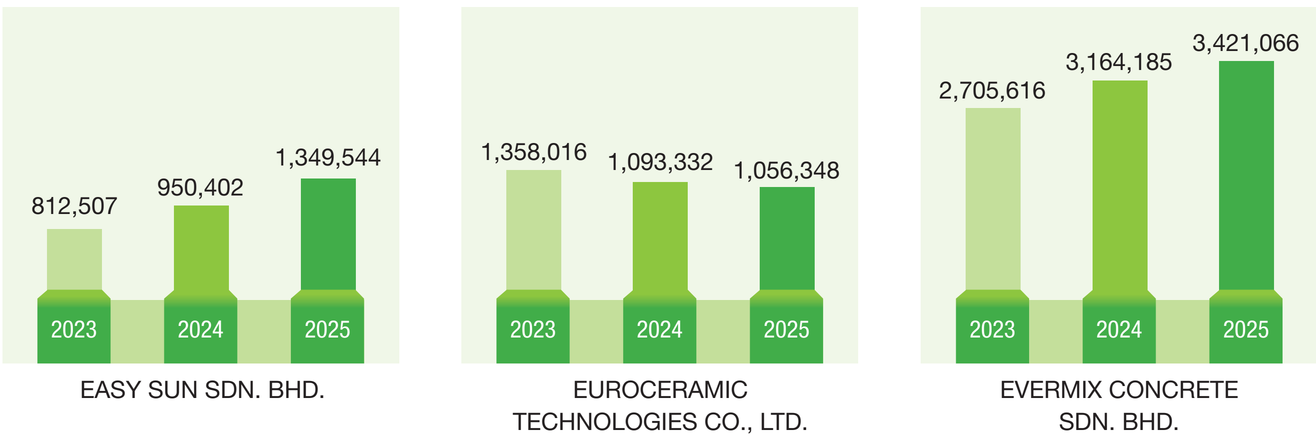
2. Energy Management (Electricity)

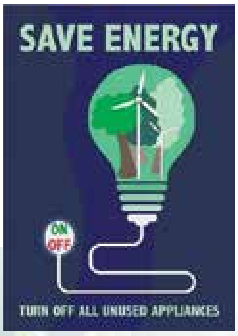
At ES Ceramics, sustainability is a priority. We believe that energy management is key to fighting climate change and reducing our environmental impact.

Key statistics on energy consumption during the reporting period are as follows:-

Electricity Consumption (kWh)	FY 2023 (Restated)	FY 2024 (Restated)	FY 2025
EASY SUN SDN. BHD.	812,507	950,402	1,349,544
EUROCERAMIC TECHNOLOGIES CO., LTD.	1,358,016	1,093,332	1,056,348
EVERMIX CONCRETE SDN. BHD.	2,705,616	3,164,185	3,421,066

ELECTRICITY CONSUMPTION (kWh)





Our electricity supply is from the local supply and we aim to minimise the energy usage in our head office by implementing the following efforts:-

- To switch off lights during certain hours of less consume.
- To switch off other electrical appliances in the office and pantry when they are not in use.
- Maintenance and replacement of electrical equipment and light fittings to maximise energy efficiency.

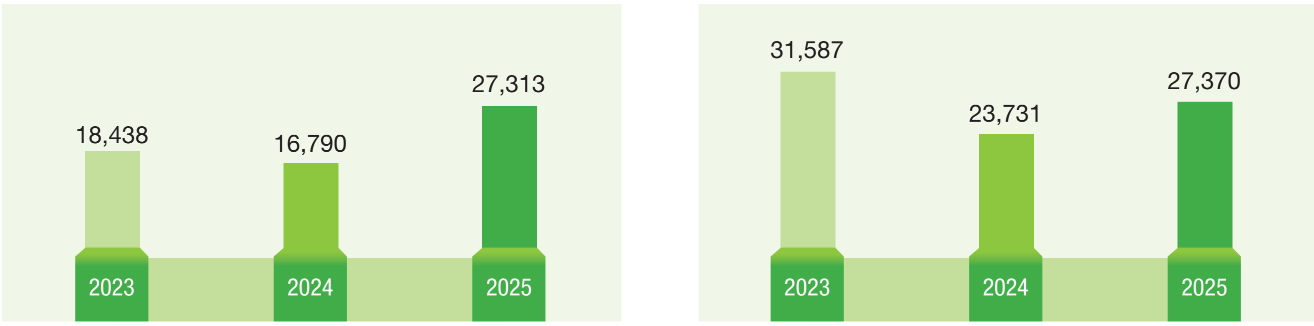
Sustainability Statement (Cont'd)

Climate Change – SDG 11, 12 & 13 (Cont'd)

3. Energy Management (Gas)

Gas Consumption (GJ)	FY 2023	FY 2024	FY 2025
EASY SUN SDN. BHD.	18,438	16,790	27,313
EUROCERAMIC TECHNOLOGIES CO., LTD.	31,587	23,731	27,370

GAS CONSUMPTION (GJ)



EASY SUN SDN. BHD.

EUROCERAMIC TECHNOLOGIES CO., LTD.

Water Management – SDG 6 & 12

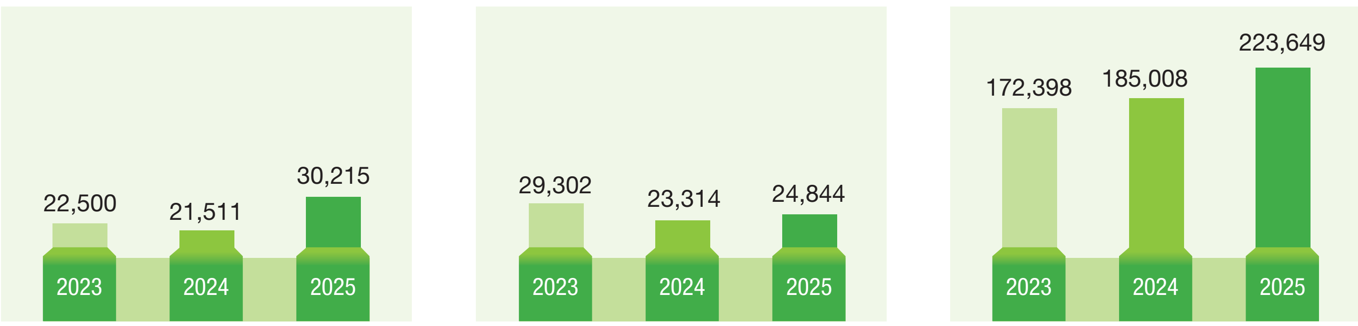
Water is a precious resource, and its global scarcity is a growing concern. As a responsible company, we prioritise sustainable water management to protect the environment and ensure its availability for our operations.

Our water management efforts prioritise manufacturing sites, where production processes often carry a higher risk to aquatic ecosystems. We actively promote water-saving practices among employees and invest in water-efficient technologies and equipment throughout our facilities. While our head office utilises the municipal water supply, we have implemented water conservation measures to align with our sustainability goals which is adjusting water pressure/outflow for toilets, washbasins, pantry, throughout our head office building and conducting checks and fixing leaks immediately, where possible. We also practice rain water harvesting for general cleaning and gardening purposes to help reduce the wastage of processed water.

The water usage below is presented for the Group.

Water Consumption (m^3)	FY 2023 (Restated)	FY 2024 (Restated)	FY 2025
EASY SUN SDN. BHD.	22,500	21,511	30,215
EUROCERAMIC TECHNOLOGIES CO., LTD.	29,302	23,314	24,844
EVERMIX CONCRETE SDN. BHD.	172,398	185,008	223,649

WATER CONSUMPTION (m^3)



EASY SUN SDN. BHD.

EUROCERAMIC TECHNOLOGIES CO., LTD.

EVERMIX CONCRETE SDN. BHD.

Waste Management – SDG 12 & 13

We are committed to practice effective waste management, making sure that resources are utilised efficiently while minimising unnecessary waste. Our approach focuses on responsible disposal methods alongside recycling initiatives to promote sustainable material use across our operations. Our waste is meticulously sorted into two categories: scheduled and non-scheduled.

- Scheduled waste is handled by Department of Environment - approved contractors, following strict regulations (Environmental Quality Act 1974 & Scheduled Waste Regulations 2005).
- Non-scheduled waste is collected by selected partners.

Licensed contractors responsibly handle the disposal of waste that cannot be recycled or reused at designated waste collection points. We emphasise proper waste handling and disposal practices in line with environmental laws and regulations. At the same time, we embrace the 3R principles – Reduce, Reuse, Recycle – by repurposing storage and shipping pallets from incoming goods whenever feasible, extending their lifespan and minimising material waste. To further eliminate unnecessary waste at the source, we cultivate a culture of sustainability among employees by promoting electronic communication, practice double-sided printing to conserve paper, as well as purchase refurbished laptops within our operations to extend the lifecycle of electronic devices, minimising electronic waste and reducing carbon footprint.

The Group has complied with the regulatory standards and guidelines in place through its adherence and actions towards cultivating its sustainability initiatives regarding its material matters.

SOCIAL

At ES Ceramics, we believe in fostering positive, long-term relationships built on mutual respect with our employees and the communities we serve. We actively create value by:-

- We ensure a safe work environment to empower our employees and protect our customers.
- We constantly strive to improve safety processes for optimal performance.
- We organise various programmes to fulfil our corporate responsibility, including, Quality, Health, Safety and environment initiatives ("QHSE"), recreational activities and employee welfare events.

Community Investment – SDG 4

We believe in a strong connection between our success and the well-being of the local community. We are committed to:-

- Sustainable growth: As we expand our business, we aim to create new job opportunities for local residents, fostering economic prosperity in the community.
- Meaningful social responsibility: We are currently evaluating impactful CSR programmes that align with the community's needs.

Diversity, Equity & Inclusion – SDG 5 & 8

ES Ceramics fosters a diverse and inclusive workplace, promoting equal employment opportunities regardless of age, gender, or ethnicity. We condemn child and forced labor and have strict policies prohibiting sexual harassment.

Sustainability Statement (Cont'd)

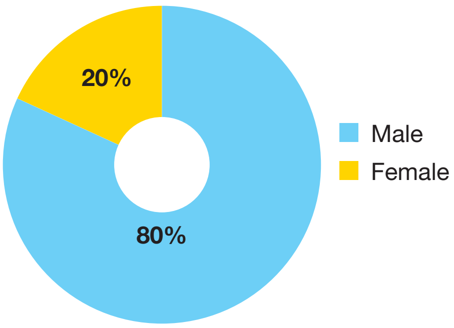
Diversity, Equity & Inclusion – SDG 5 & 8 (Cont'd)

As of May 2025, our workforce comprised 723 employees. We will provide a detailed breakdown of our workforce profile in the following section.

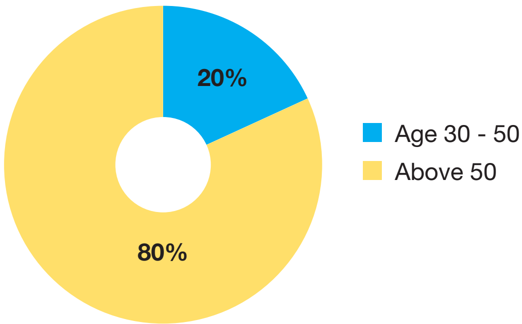
1. Directors Profile

Below is the Group's directors' gender and age distribution in percentage.

Directors by Gender



Directors by Age Group

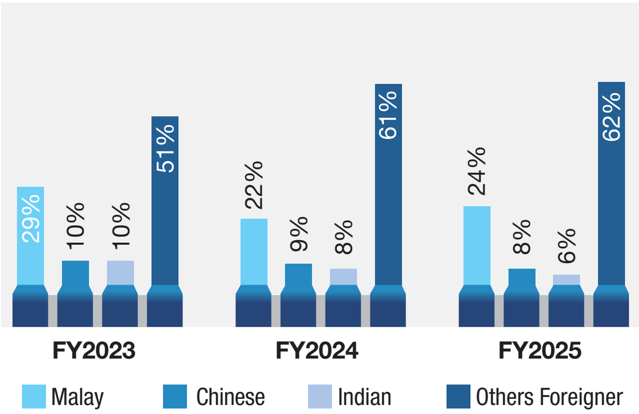


2. Employees Profile

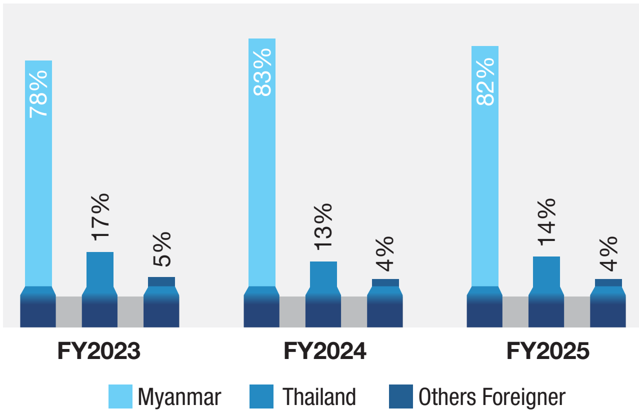
Below illustrates the distribution of Group's employees by employment ethnicity, gender and age category in percentage.

Employees By Ethnicity

Easy Sun Sdn. Bhd. and Evermix Concrete Sdn. Bhd.

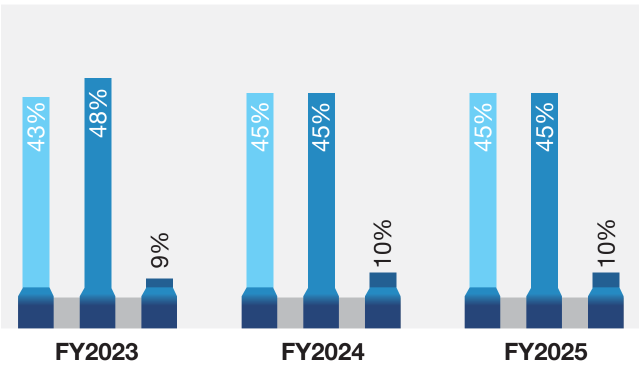


Euroceramic Technologies Co., Ltd.

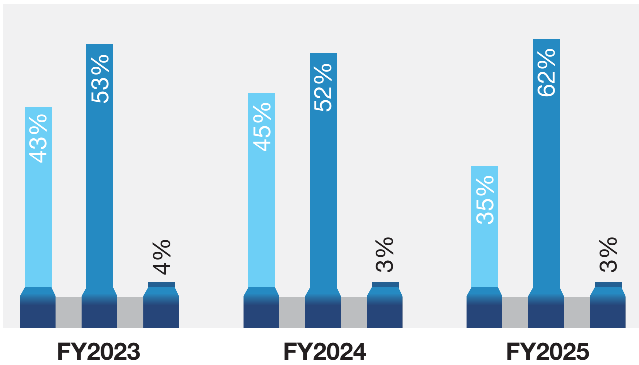


Employees by Age Group

Easy Sun Sdn. Bhd. and Evermix Concrete Sdn. Bhd.



Euroceramic Technologies Co., Ltd.

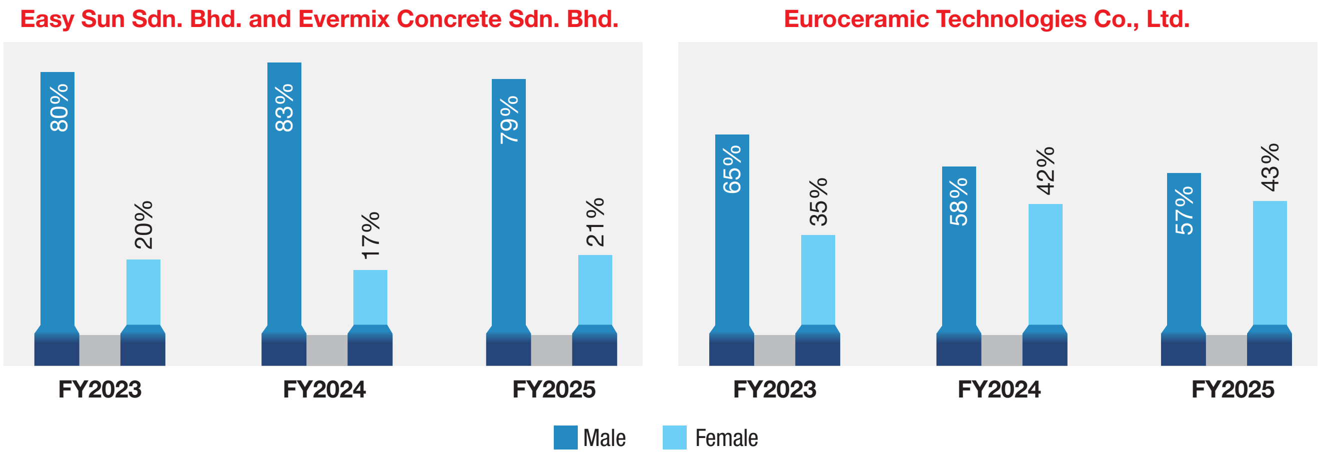


Below 30 Years | 31 - 50 Years | Above 51 Years

Diversity, Equity & Inclusion – SDG 5 & 8 (Cont'd)

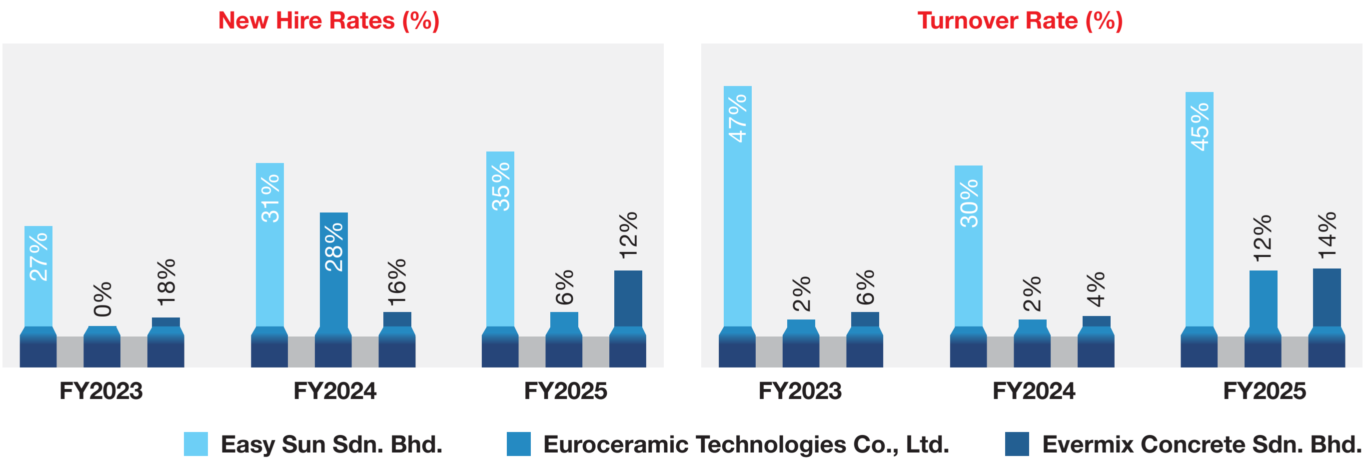
2. Employees Profile (Cont'd)

Gender Diversity of Employees



Employee Retention and Attrition

In FY2025, the Company had a voluntary turnover rate of approximately 35.5%.



Sustainability Statement (Cont'd)

Employee Management – SDG 8

We recognise our employees as our most valuable asset. Their well-being and motivation are fundamental to our long-term success. That is why we are committed to creating a positive and rewarding work environment.

- Competitive Compensation and Benefits: We offer competitive salaries and a comprehensive benefits package that includes annual leave, sick leave, hospitalisation leave, maternity/paternity leave, and more. We also recognise exceptional performance through rewards and bonuses.

- Work-Life Balance and Engagement: We believe in a healthy work-life balance and support our employees' well-being through various initiatives:-

    - Social Activities: We organise festive gatherings, lunches, and dinners to foster team spirit and positive relationships.
    - Sports Activities: We encourage employee participation in sports activities, promoting physical and mental health.
    - Continuous Learning and Development: We invest in our employees' growth by providing ongoing on-the-job training and development programmes, empowering them to excel in their roles and contribute to our long-term success.

By prioritising our employees' well-being and growth, we foster a motivated workforce that drives our company's success and achieves outstanding results.

Employee Training and Development

Beyond fair compensation, we invest in our employees' continuous learning and career development, offering relevant training programmes to equip employees with future-ready skills. Employees undergo training tailored to their job functions, while Heads of Departments ("HODs") and supervisors assess employee skills gaps through a competency matrix and request additional training as needed. This flexible approach allows us to align our training efforts with the Group's organisational goals and individual career progression. In FY 2025, we invested a sum of RM78,549 in training to strengthening our commitment to talent development.

	EASY SUN SDN. BHD.			EUROCERAMIC TECHNOLOGIES CO., LTD.			EVERMIX CONCRETE SDN. BHD.	
	FY 2023 (Restated)	FY 2024 (Restated)	FY 2025	FY 2023	FY 2024 (Restated)	FY 2025	FY 2024 (Restated)	FY 2025
Total Hours Worked	56	377.9	369.4	61	1,975	2,773	1,041	1,223
Average Training Hours Per Employee	0.8	2.2	0.9	5	5.5	3.3	7.5	10.3

Human Rights – SDG 8

We believe in empowering our people at every level to grow and develop alongside the company's transformation. We are committed to providing career development opportunities and promoting competency management. Through a comprehensive training policy, we offer both internal and external training programmes based on individual needs and succession planning. This ensures that employees have the skills and knowledge to excel in their roles and reach their full potential.

EASY SUN SDN. BHD.	FY 2023 (Restated)	FY 2024 (Restated)	FY 2025
Number of substantiated complaints concerning human rights violation	-	-	-
Number of attendees of training	13	25	33
Total training hours	10	130	116

EUROCERAMIC TECHNOLOGIES CO., LTD.	FY 2023	FY 2024 (Restated)	FY 2025
Number of substantiated complaints concerning human rights violation	-	-	-
Number of attendees of training	-	171	134
Total training hours	-	1,599	1,588

EVERMIX CONCRETE SDN. BHD.	FY 2023	FY 2024 (Restated)	FY 2025
Number of substantiated complaints concerning human rights violation	-	1,041	1,223
Number of attendees of training	-	138	119
Total training hours	-	7.5	1,588

Benefit provided for our employees:-

Leave	Medical benefits	Others
• Annual leave • Sick leave • Maternity leave up to 98 days • Paternity leave (For Malaysia) • Compassionate leave • Marriage leave • Traditional holidays (For Thailand) • Leave for military service (For Thailand)	• Medical benefits	• Marriage gift • Condolence token • Training and education assistance • Annual health screen • Zero Medical Certificate award • Farewell party/gift • Festival party/gift • Company/Reward trip

Sustainability Statement (Cont'd)

Health and Safety SDG 3 & 8

ES Ceramics prioritises employees' health and safety through a culture of awareness, improved standards, subsidiary safety committees, an emergency response team, and comprehensive safety initiatives including Personal Protection Equipment ("PPE") use, hazard labeling, equipment maintenance, training programmes, and social security and accident insurance.

Our dedication to safety resulted in zero workplace fatalities in FY 2025. This achievement reflects our commitment to a safe and healthy work environment for all employees.

	EASY SUN SDN. BHD.			EUROCERAMIC TECHNOLOGIES CO., LTD.			EVERMIX CONCRETE SDN. BHD.		
	FY 2023	FY 2024	FYE 2025	FY 2023	FY 2024	FY 2025	FY 2023	FY 2024	FY 2025
Total Hours Worked	140,400	130,000	541,782	612,425	830,709	1,317,036	-	1,549,272	1,695,096
Number of Fatalities	-	-	-	-	-	-	-	-	-
Number of Lost Time Injuries	-	-	567	-	-	-	-	8,883	247.5
Lost Time incident rate (LTIR)	-	-	209.3	-	-	-	-	-	29.2

Customer Satisfaction – SDG 8 & 9

Customer satisfaction and engagement was identified as one of the most important material issues in the marketplace dimension across all our divisions. Knowing exactly what customers expect from us improves our bottom line and strengthens our brands and reputation in the long term. We have conducted yearly customer satisfaction surveys. The feedback generated provides insights into customer expectations that enable us to develop and deliver better products and services.

Supply Chain Management SDG 8 & 9

An efficient and well-managed supply chain is essential to ES Ceramics' group success, in meeting customer demands and maintain product quality. We rely on a network of suppliers, manufacturers, and logistics partners to keep operations running smoothly. This efficiency allows us to deliver products consistently and on time, reinforcing our brand reputation and driving customer satisfaction – critical to staying competitive. It also enables us to optimise costs, balancing profitability with the demands of a dynamic market. To maintain a robust supply chain, we adhere to the ISO 9001:2015 Quality Management System, aligning our procurement procedures with international standards. This involves structured processes in selecting, evaluating, and monitoring external providers, based on a set of criteria such as the ability to meet requirements, and timely delivery.

Local Procurement

We prioritise sourcing from local suppliers, whenever feasible. By sourcing a portion of materials domestically, we reduce transportation costs and carbon emissions, support local businesses, and promote a more flexible supply chain.

Proportion of spending on local supply	FY 2023 (Restated)	FY 2024 (Restated)	FY 2025
EASY SUN SDN. BHD.	60%	73%	47%
EUROCERAMIC TECHNOLOGIES CO., LTD.	80%	80%	59%
EVERMIX CONCRETE SDN. BHD.	100%	100%	100%

GOVERNANCE

Our success is intertwined with the well-being of our stakeholders, customers, investors, employees, and communities. We recognise the impact our choices have on the environment and society, which is why our Board actively champions sustainability.

Environmental, Social, and Governance ("ESG") factors are embedded in our strategy and decision-making. This allows us to anticipate challenges and opportunities, actively engage with stakeholders to understand their priorities and tailor our actions for maximum impact. We also track our progress openly, with a dedicated leader driving sustainability across all operations.

The sustainability landscape is constantly evolving. Our Board is committed to continuous learning and refining of our approach. Regular performance reviews ensure our business remains strong and competitive, with adjustments made as needed. By working together and embracing sustainability, we tackle challenges head-on and create a brighter future for all.

Economic Performance – SDG 8

Financial Performance

ES Ceramics believe financial strength is the cornerstone of a sustainable future. Consistent financial performance allows us to ensure long-term operations and meet our obligations to stakeholders and invest in growth and explore new possibilities. We deliver value to our stakeholders. Our proven track record of financial strength since our listing makes us resilient in a changing world.

We foster a culture of continuous learning and adaptation to stay ahead. Creating ownership and commitment to our sustainability goals. Our team is actively involved, allowing for swift identification and resolution of challenges. We consider not just financial goals, but also ethical, environmental, and social aspects in our decision-making. By combining financial strength with an unwavering commitment to sustainability, ES Ceramics is building a solid foundation for long-term success.

Anti-Bribery and Anti-Corruption – SDG 16

ES Ceramics have zero tolerance for bribery and corruption. We believe in ethical business practices and upholding the highest standards. We demonstrate this commitment by established a comprehensive anti-bribery and anti-corruption policy in 2020, applicable to everyone in ES Ceramics. To reinforce this commitment, all employees received anti-bribery and anti-corruption training in FY 2025. Recognising the higher risk in procurement, we provide them with specialised training and anti-corruption safeguards. We are proud to report zero corruption incidents in FY 2025. Our commitment extends beyond internal measures.

We actively collaborate with government agencies to stay updated on regulations and ensure our practices align with sustainable growth principles. This collaborative approach strengthens our commitment to ethical business conduct.

Data Privacy and Security – SDG 16

The digital world is constantly evolving, and so is our commitment to cybersecurity. To keep your information safe, we have partnered with a trusted external IT company to strengthen our security. We use advanced security tools like antivirus software to protect against online threats and we conduct regular security assessments to identify and address any potential weaknesses. Our customer privacy is our top priority.

The Group, respect our customer privacy. We comply with the Personal Data Protection Act 2010 and have a clear privacy policy available on our website. This policy outlines how we collect, use, and protect your information. We are proud to report zero incidents of customer data breaches or privacy complaints in the past years. Customers' trust is important to us, and we will continue to prioritise the security of customers' information.

Sustainability Statement (Cont'd)

MOVING FORWARD

ES Ceramics is dedicated to building a business that is sustainable and will prosper for many generations to come. In order to achieve this, we make sure that our procedures are cutting-edge by constantly monitoring sustainability developments in the business. In order to maximise the impact of our sustainability activities, we regularly engage with stakeholders to understand their goals. We leverage our current framework for sustainability and consistently integrate best practices into all facets of our business. In an effort to continuously improve, we monitor and share our sustainability performance.

Our business strategy incorporates ESG factors. This enables us to focus on Material Sustainability Matters and take advantage of possibilities that are pertinent to our sector while proactively managing ESG risks. We continually evaluate and spot new possibilities and hazards related to ESG, enhancing our existing risk management procedures that concentrate on financial, operational, and strategic risks. We are generating long-term value for our business and all stakeholders by prioritising sustainability.

This Statement was approved by the Board on 12 September 2025.

OVERVIEW STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("Board") believes in good corporate governance practices in line with the principles and best practices specified in the Malaysian Code on Corporate Governance ("Code") and is committed to ensure that the highest standard of corporate governance is practiced throughout the Group as a fundamental objective of discharging its responsibilities to protect and enhance the interest of all stakeholders and financial performance of the Company.

The Board will continuously evaluate the status of the Group's corporate governance practices and procedures with a view to adopt and implement the recommendations of the Code wherever applicable in the best interests of the shareholders of the Company.

The Board is pleased to report herein a brief overview on application of the three (3) main principles of the Code at its best abilities. This statement is to be read together with the Corporate Governance Report 2025 ("CG Report") of the Company which is available on the Company's website at www.esceramics.com.my. The CG Report provides the details on how the Company has applied each practice as set out in the Code.

PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is responsible for the overall governance, leadership, and stewardship of the Group. It provides strategic direction, oversees development and control, and ensures effective implementation of business objectives. The Board also sets policies on acquisitions and divestments, financial management, and major capital expenditure projects, while considering significant financial matters that affect the Group.

Board Charter, Code of Conduct & Ethics, Whistleblowing Policy and Procedure, Anti-Bribery and Corruption Policy & Guidelines and Others Policies

In line with the Code, the Board is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions including those matters reserved for the Board's approval and those delegated to the Board Committees and the Management are clearly defined.

The Board has adopted a Board Charter, which provides guidance to the Board in fulfilment of its roles, duties, responsibilities and processes of the Board which are in line with the principles of good corporate governance. The Board Charter also provides guidance to Directors and Management on the functions of the Board, and its Committees. It is subject to periodical review and update in accordance with the needs of the Company to ensure consistency with the Board's strategic intent and evolving governance requirements.

The Board is committed to conducting business with integrity and in compliance with applicable laws, rules, and regulations. The Code of Conduct & Ethics provides guidance to Directors on ethical standards and behavioural considerations and/or actions as they address their duties and obligation during their appointment.

To promote transparency and accountability, the Group has in place a Whistleblowing Policy and Procedure which spelt out the procedures for reporting of any wrongful activities and wrongdoings within the Group. The Board encourages employees within the Group to report any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving resources of the Company. This reinforces the Group's commitment to integrity and good governance.

In addition, the Board has implemented the Anti-Bribery and Corruption Policy & Guidelines, in line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. This policy establishes a systematic approach to prevent bribery and corruption across the Group and ensures compliance with relevant legal and regulatory requirements in all jurisdictions where the Group operates. All Directors, employees, and persons acting on behalf of the Group are expected to uphold the highest standards of honesty and professionalism.

Overview Statement on Corporate Governance (Cont'd)

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

I. Board Responsibilities (Cont'd)

Board Charter, Code of Conduct & Ethics, Whistleblowing Policy and Procedure, Anti-Bribery and Corruption Policy & Guidelines and Others Policies (Cont'd)

The Board also acknowledges that managing conflict of interest is crucial to protect the Group from consequent damage to its activities and reputation. The Board has adopted a Conflict of Interest Policy on 22 July 2024. This policy sets out the disclosure obligations to help Directors and Key Senior Management of the Group in identifying, disclosing and managing any potential, actual or perceived conflict of interest situation. This policy aims to ensure that any conflict of interest situation is handled appropriately, promoting transparency, and fostering a culture of honesty, accountability and good governance within the Group.

The Board has also established additional governance frameworks, including the Directors' Fit & Proper Policy and the Remuneration Policy & Procedures. The Terms of Reference of the Board Committees and relevant policies are published on the Company's website at www.esceramics.com.my, in accordance with the ACE Market Listing Requirements and the Code.

Segregation of Role

There is also a clear division of roles and responsibilities between the Chairman and the Executive Directors to ensure balance of power and authority. The position of the Chairman and the Executive Directors are filled by different individuals.

The Chairman provides leadership at Board level, chairing the meetings of the Company and the Board, represents the Board to shareholders and together with the Board, reviews and approves the strategic objectives and policies of the Group.

The Executive Directors takes on the primary responsibility for managing the Group's business operations and organisational effectiveness. When implementing the business plan, the Executive Directors are responsible for making and implementing operational and corporate decisions while the Non-Executive Directors play an important role in corporate accountability by providing unbiased and independent views, advice and judgement in safeguarding the interests of the shareholders.

Company Secretary

The Board is supported by a suitably qualified, experienced and competent Company Secretary. The Company Secretary advise the Board and Board Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and the Group, as well as best practices of governance.

All members of the Board have ready, direct and unrestricted access to the advice and services of the Company Secretary. The Board is regularly kept up to date on and apprised of any regulations and guidelines.

II. Board Composition

The Group is led by an experienced Board comprising high calibre members from diverse professional backgrounds with the required skills, expertise and experience. The Board presently comprises two (2) Executive Directors and three (3) Independent Non-Executive Directors.

A brief profile of each Board member is as set out on pages 4 to 5 of this Annual Report.

The underlying factors of directors' commitment to the Company are devotion of time and continuous improvement of knowledge and skill sets. None of the Board members has more than 5 directorships in listed issuers as per stated in Rule 15.06 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements ("Listing Requirements").

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

II. Board Composition (Cont'd)

Board Independence and Effectiveness

In fostering independence, the positions of the Chairman and Executive Directors are held by different individuals with clear and distinct roles which are formally documented in the Board Charter of the Company.

The presence of independent directors fulfils a pivotal role in corporate accountability and role of the independent directors is particularly important as they provide unbiased and independent views, advice and judgement. The Independent Directors complement the Board by ensuring there is an effective check and balance in the functioning of the Board. The Independent Directors fulfil the criteria of independence as set out in the Listing Requirements.

The Independent Non-Executive Chairman and Directors are responsive to the Company's affairs and are committed in ensuring that highest corporate governance standards are adhered to. In the course of discharging their responsibilities with regard to corporate governance, the Independent Directors engage with the Management, internal auditors as well as external auditors.

Board Meetings

The Board meets regularly, at least once in every quarter, to review the Group's operations and to approve the quarterly reports and annual financial statements. Additional meeting would be convened as and when urgent issues warrant matters to be attended to.

Four (4) Board meetings were held during the financial year ended 31 May 2025. The details of Directors' attendance at the Board meetings are set out below:-

Name of Directors	Number of meetings attended
Datuk Paul Wong Baan Chun, J.P.	4 of 4
Tan Boon Sing	4 of 4
Kong Sau Kian	4 of 4
Ashley Tan San Li	2 of 4
Wong Fook Lin *(retired on 25 October 2024, reappointed on 9 May 2025)*	2 of 2

Board Committees

In order to ensure orderly and effective discharge of the functions and responsibilities of the Board, the Board has established the following committees ("Board Committees") and delegated specific responsibilities to each of them:-

- Audit Committee
- Nominating Committee
- Remuneration Committee
- Long Term Incentive Plan Committee

The Board Committees shall deal with matters within their respective terms of reference and authority delegated by the Board.

Overview Statement on Corporate Governance (Cont'd)

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

II. Board Composition (Cont'd)

Annual Assessment of Board Members

The Board through the Nominating Committee ("NC"), conducts annual assessment on effectiveness of the Board, the Board Committees and performance of the individual Directors of the Company as well as the independence of the Independent Directors.

The NC also conducted fit and proper assessment on the Director who was subject to re-election and the Director standing for re-election had also provided his confirmation. The Fit and Proper Policy in line with the Listing Requirements and Code set out the Company's approach to the assessment of the fitness and propriety of persons who hold, or who are to be appointed or elected as Directors of the Company and its subsidiaries. This policy shall be reviewed by the Board on an annual basis or at any time as it may deem necessary in accordance with the needs of the Company.

The effectiveness of the Board and Board Committees are assessed in the areas of board structure/mix, decision making and boardroom participation and activities, meeting administration and conducts, skill and competencies and roles and responsibilities whilst the performance of the individual Directors are assessed in the areas of contribution and interaction with peer, quality of the input of the Director, understanding of role, etc.

The presence of Independent Directors on the Board ensures that the interests of minority shareholders are taken into account by the Board. The structure of the Board also ensures that no single Director is dominant in the decision-making process. Currently, the Board comprises five (5) Directors, out of whom three (3) are Independent Directors. None of the Independent Directors had exceeded the nine (9) years tenure.

Outcome of the assessment and recommendation would be reported to the Board for information and decision on areas for improvement. The results of the annual assessment on Board, the Board Committees and individual Directors conducted on 25 July 2025 were satisfactory.

Based on the results of the evaluations for the financial year under review, the Board concluded that the Board as a whole and its Committee have been effective in discharging their oversight responsibilities and that each of the Director has continued to discharge their duties and responsibilities effectively. Premised on the outcome of the evaluations, the Board agreed that the current composition of the Board is appropriate, taking into accounts the current mix of skills, experience and core competencies required for the Group's businesses operations.

Details of the assessment process are set out in the CG Report.

Appointment of New Directors

All appointments of new director to the Board are properly made with an established and transparent procedure and in compliance with the relevant rules of the relevant authorities. The Board does not set specific criteria for the assessment and selection of director candidate. The Board nomination process is to facilitate and provide a guide for the NC to identify, evaluate, select and recommend to the Board the candidate to be appointed as a director of the Company.

Any appointment of additional director will be made as and when it is deemed necessary by the existing Board with due consideration given to the individual's educational and professional background, employment record, whether the individual has any special experience in a relevant area, possession of the required skill and qualification, personal accomplishments, the mix and range of expertise and experience required and the criteria of the adopted fit and proper policy for an effective Board and the need to meet the regulatory requirement such as Companies Act 2016 and Listing Requirements.

The NC is responsible to recommend identified candidate to the Board to fill vacancy arises from resignation, retirement or any other reasons or if there is a need to appoint additional director with the required skill or profession to the Board in order to close the competency gap in the Board identified by the NC. The NC is responsible in ensuring that diversity objectives are adopted in board recruitment, board performance evaluation and succession planning processes. The potential candidate may be proposed by existing director, senior management staff, shareholders or third-party referrals.

Overview Statement on Corporate Governance (Cont'd)

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

II. Board Composition (Cont'd)

Appointment of New Directors (Cont'd)

Upon receipt of the proposal, the NC is responsible to conduct an assessment and evaluation on the proposed candidate.

The assessment/evaluation process may include, at the NC's discretion, reviewing the candidate's resume, curriculum vitae, other biographical information, the candidate's qualifications and may at the NC's discretion, conduct legal and other background searches as well as formal or informal interview. The NC would also assess the candidate's integrity, wisdom, independence, ability to make independent and analytical inquiries, ability to work as a team to support the Board, understanding of the business environment and the willingness to devote adequate time and commitment to attend to the duties/functions of the Board.

Upon completion of the assessment and evaluation of the proposed candidate, the NC would make its recommendation to the Board. The Board, based on the recommendation of the NC, would evaluate and decide on the appointment of the proposed candidate(s).

The Chairman of the Board would then make an invitation or offer to the proposed/potential candidate to join the Board as a director. With the acceptance of the offer/invitation, the candidate would be appointed as director of the Company.

During the financial year, the Board had endorsed NC's recommendation to accept the appointment of Mr. Wong Fook Lin as an Executive Director of the Company based on the satisfactory assessment of his experience, credential and the fit and proper criteria set in the Company's Directors' Fit and Proper Policy.

Directors' Re-election

In accordance with the Company's Constitution, any newly appointed director shall hold office only until the next following annual general meeting and at every Annual General Meeting ("AGM") one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office provided always that all Directors shall retire from office once at least in each three (3) years. All Directors who retire from office shall be eligible for re-election.

The Directors who are subject to re-election at the next AGM shall be assessed by the NC before recommendation is made to the Board and shareholders for the re-election. Appropriate assessment and recommendation by the NC would be based on the yearly assessment conducted and the criteria of the fit & proper policy.

At the forthcoming Twenty-Second Annual General Meeting ("22nd AGM"), the Directors to be retired in accordance with the Company's Constitution are Mr. Wong Fook Lin (Article 100) and Ms. Ashley Tan San Li (Article 107). They, being eligible for re-election has given their consent for re-election at the 22nd AGM.

The Board, with the recommendation of the NC, will seek shareholders' approval at the upcoming AGM for the re-election of Mr. Wong and Ms. Ashley Tan as Directors.

Directors' Training

The Board recognises the needs to attend training to enable them to discharge their duties effectively. The training needs of each Director is assessed and proposed by the individual directors. The Directors will continue to undergo relevant training programmes to further enhance their knowledge on a continuous basis in compliance with Rule 15.08 of the Listing Requirements on Directors' Training.

The Board is also regularly updated by the Company Secretary on the latest updates and major amendments made to the Listing Requirements, Companies Act 2016 and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

Overview Statement on Corporate Governance (Cont'd)

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

II. Board Composition (Cont'd)

Directors' Training (Cont'd)

The Directors have attended the following conferences, seminars and training programmes during the financial year under review up to the date of this report:-

Name of Directors	Date	Name of Seminars/Training programmes attended
Datuk Paul Wong Baan Chun, J.P.	9-12 Dec 2024	Mandatory Accreditation Programme Part II
Wong Fook Lin	14 Nov 2024	Seminar Belanjawan 2025
Tan Boon Sing	9-12 Dec 2024	Mandatory Accreditation Programme Part II
Kong Sau Kian	4-5 Sep 2024	Mandatory Accreditation Programme Part II
Ashley Tan San Li	11-12 Jun 2025	Mandatory Accreditation Programme Part II

Gender Diversity Policy & Target

The Board acknowledges the importance of boardroom diversity. A diversity policy has been established by the Board. The Board shall have at least one woman participate on the Board at all times. The Board endeavours to have diversity of the Board as well as its workforce in terms of experience, qualification, ethnicity and age. The Board is mindful of the recommendation of the Code to have at least 30% women directors on the Board. Currently 20% of the Board members is woman, comprises 4 male Directors and 1 female Director.

The Company does not have a formal ethnic and age diversity policy. In its selection of board members, the Board provides equal opportunity to candidates who have the relevant skills, experience, competencies and other qualities vis-à-vis the Group present business portfolios and prospective investments, and those who met the criteria set out in the fit and proper policy.

III. Remuneration

Directors Remuneration Policy & Procedure

The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long term objectives and enhance shareholders' value. The Remuneration Committee is primarily responsible for recommending the remuneration policy and reward framework for Executive Directors which are aligned with the business strategy and long term objectives of the Company and also fairly guided by market norms and industry practices, to the Board for approval.

The Remuneration Committee carries out annual review of the Executive Directors' remuneration packages whereupon the recommendation will be submitted to the Board for approval. Such annual review shall ensure that the remuneration packages for the Executive Director remain sufficiently attractive to attract and retain them.

The Board has in place a Directors Remuneration Policy & Procedure to facilitate the Remuneration Committee in reviewing, considering and recommending to the Board on the remuneration packages for the Executive Directors.

The Directors' Remuneration Policy & Procedure is to be reviewed from time to time to ensure its competitiveness in order to attract, develop and retain directors to provide the necessary skills and experience to commensurate with the responsibilities of an effective Board.

The remuneration of Non-Executive Directors, which made up of directors' fees, is to be determined by the Board and to be tabled for approval by shareholders.

Overview Statement on Corporate Governance (Cont'd)

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

III. Remuneration (Cont'd)

Directors Remuneration Policy & Procedure (Cont'd)

The Directors may be remunerated by a fixed sum (for non-executive director) or by a percentage of profits (for executive directors) or otherwise as may be determined by the Board for the performance of extra services or to make any special exertions in going or residing away from their usual place of business or residence for any purpose of the Company or giving special attention to the business of the Company. Such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the directors. Such remuneration would be proposed by the Management to the Remuneration Committee for their review, consideration and recommendation to the Board for decision.

Long Term Incentive Plan Committee

The shareholders of the Company have on 16 May 2018 approved the implementation of a Long Term Incentive Plan, which consists of Employees Share Option Scheme and Share Grant Scheme. Long Term Incentive Plan Committee has been established with delegated authority to assist the Board to administer the Long Term Incentive Plan in accordance with the Long Term Incentive Plan By-Laws and the Listing Requirements.

Directors' Remuneration for the Financial Year

The Directors' remuneration for the financial year ended 31 May 2025 are as follows:-

	Company				Group			
Name of Directors	Directors' Fees (RM)	Non-fee Emoluments (RM)	Defined Contribution Plans (RM)	Share Based Payments (RM)	Directors' Fees (RM)	Non-fee Emoluments (RM)	Defined Contribution Plans (RM)	Share Based Payments (RM)
Datuk Paul Wong Baan Chun, J.P.	30,000	-	-	-	30,000	-	-	-
Wong Fook Lin	-	-	-	-	-	871,063	88,992	-
Tan Boon Sing	-	-	-	-	-	514,800	76,608	-
Kong Sau Kian	24,000	-	-	-	24,000	-	-	-
Ashley Tan San Li	24,000	-	-	-	24,000	-	-	-

PRINCIPLE B:
EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit

Audit Committee

The Group's financial reporting, audit, risk management and internal control system are reviewed by the Audit Committee ("AC") which comprises 3 members, all of whom are Independent Directors.

The detailed composition of the AC, its roles, functions, responsibilities and summary of work done by the AC are as set out in the AC Report of this Annual Report.

Overview Statement on Corporate Governance (Cont'd)

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

I. Audit (Cont'd)

Financial Reporting

The Board has a general responsibility for taking the necessary steps to safeguard and enhance the value of shareholders in the Company. The Company, through the accounts, maintains an appropriate and transparent relationship with the external auditors.

The Board is responsible to present a balanced, clear and comprehensive assessment of the Group's financial performance through the quarterly and annual financial statements to shareholders. The Board and the AC have to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and applicable approved accounting standards in Malaysia.

In presenting the financial statements, the Board has reviewed and ensured that appropriate accounting policies have been used, consistently applied and supported by reasonable judgements and estimates.

In discharging its responsibilities, the Board is assisted by the AC to ensure accuracy and adequacy of information to be disclosed.

Responsibility Statement By Directors

The Directors of the Company are responsible for ensuring the financial statements of the Group and the Company are properly drawn up in accordance with the provisions of the Companies Act 2016 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the results and cash flows of the Group and the Company for that period.

The Board is responsible for keeping proper accounting records of the Group and Company, which disclose with reasonable accuracy the financial position of the Group and the Company, and which will enable them to ensure the financial statements have complied with the provisions of the Companies Act 2016 and the applicable approved accounting standards in Malaysia.

In preparing the financial statements, the Directors have:-

a. adopted the appropriate and relevant accounting policies and applied them consistently;
b. made judgements and estimates that are reasonable and prudent;
c. ensured applicable accounting standards have been followed, and any materials departures have been disclosed and explained in the financial statements;
d. prepared the financial statements on a going concern basis; and
e. ensured that proper accounting records are kept so as to enable the preparation of the financial statements with reasonable accuracy.

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

The Board, with the recommendations by the AC, will ensure that all quarterly announcements and annual reports present a balanced and understandable assessment of the Group's financial position and prospect.

Overview Statement on Corporate Governance (Cont'd)

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

I. Audit (Cont'd)

Relationship with the Auditors

The Board on its own and through the AC established a formal and transparent arrangement for maintaining an appropriate relationship with its auditors, both external and internal. The AC seeks regular assurance on the effectiveness of the internal control systems through independent appraisal by the auditors. Liaison and unrestricted communication exist between the AC and the external auditors.

Assessment of Suitability and Independence of External Auditors

The Company has put in place the policies and procedures to assess the suitability and independence of external auditors. The AC reviews and evaluates the performance of the external auditors on annual basis through a series of questionnaires assessment, based on feedback from management and against agreed perform criteria as outlined in the audit plan. The AC was satisfied with the suitability and independence of the external auditors based on quality and competence of services delivered and sufficiency of the professional staff assigned to the annual audit for the financial year ended 31 May 2025 and has made recommendation to the Board on their re-appointment and remuneration.

Also, the external auditors had given their confirmation that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The Board at its meeting held on 25 July 2025 concurred with the AC's view on the suitability and independence of the external auditors and agreed to put forward a resolution on the re-appointment of Crowe Malaysia PLT to the shareholders for approval at the forthcoming AGM.

II. Risk Management and Internal Control Framework

The Board has overall responsibility for maintaining a sound system of internal control of the Group, including risk assessment and risk management. It covers not only financial controls but also controls relating to operations, compliance with laws and regulations as well as with internal procedures and guidelines. The Board also recognises that the system of internal control has inherent limitations and is aware that such a system can only provide reasonable and not absolute assurance against material misstatements, loss or fraud.

In recognition of the importance of having in place a structured and organised approach to identify and manage risk factors affecting the Company, a risk management and internal control framework has been established to set out principles of the Company's risk identification and management culture, which provides input of its internal control system.

The internal audit function of the Group during the financial year ended 31 May 2025 was outsourced to Smart Focus Consulting Sdn. Bhd. The internal audit function and its summary of work done during the financial period are as set out in the Audit Committee Report of this Annual Report. The details of the risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

Overview Statement on Corporate Governance (Cont'd)

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

I. Communication with Stakeholders

Dialogue between the Company and Investors

The Board values dialogue with investors and encourages investors to raise queries by contacting the Company at any time. The Company recognises the importance of the effective communication with its shareholders and investors and the Board regarding matters ranging from strategic directions, financial performance and major development of the Group to assist investors in making informed decisions.

The Company has outlined a policy on shareholders communication to ensure effective communication with its shareholders and other stakeholders. Such information is disseminated through the following channels:-

- Annual Reports;
- Circular to shareholders;
- Company's website at www.esceramics.com.my under "Investor Relations" link; and
- Various disclosures and announcement made to Bursa Securities at the Company's website or via the Bursa Securities' website at www.bursamalaysia.com.

The Company has identified a contact person as the investor contact person of the Group. Any enquiry regarding the Company and its group of companies may be conveyed to the following personnel:

Mr. Wong Fook Lin
(Executive Director)
Telephone number : 05-201 8699
Email address : ed@esceramics.com.my

II. Conduct of General Meetings

The AGM represents the principal forum for dialogue and interaction with all the shareholders of the Company where they are provided with an opportunity to raise questions pertaining to financials, operations and corporate development of the Group.

The Company values feedback from its shareholders and encourages them to actively participate in discussion and deliberations. All Board members will ensure their attendance in the AGM and the respective chairman of the Board Committees shall attend to questions raised pertaining to their duties. During the annual and other general meetings, shareholders have direct access to Board members who are on hand to answer their questions, either on specific resolutions or on the Company generally. The Chairman ensures that a reasonable time is provided to the shareholders for discussion at the meeting before each resolution is proposed.

Notice of AGM is sent to the shareholders, with explanation for certain of the proposed resolution. Shareholders who are unable to attend the AGM are advised that they can appoint proxies to attend and vote on their behalf.

COMPLIANCE WITH THE CODE

The Board strives to ensure that the Group complies with the principles and practices of the Code. The Board will endeavour to improve and enhance procedures in the Group to ensure compliance from time to time.

The application of the principles and practices of the Code are sets out in the CG Report of the Company which is available on the Company's website, www.esceramics.com.my.

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Listing Requirements, the following information is provided:-

1. Audit Fees

The amount of audit fees payable to the external auditors by the Company and by the Group for the financial year ended 31 May 2025 are RM78,000 and RM265,000 respectively.

2. Non-Audit Fees

The amount of non-audit fees payable to the external auditors by the Company for the financial year ended 31 May 2025 is RM12,000. The non-audit fees were consist of the review of the Statement on Risk Management and Internal Control and review of financial information in annual report of the Company.

3. Material Contracts involving Directors and Major Shareholders' Interest

There was no material contract entered into by the Company and its subsidiaries involving Directors or major shareholders during the financial year ended 31 May 2025 or still subsisting at the end of the financial year ended 31 May 2025.

4. Long Term Incentive Plan

The Long Term Incentive Plan, comprising Employee Share Option Scheme and Share Grant Plan, was approved by the shareholders on 16 May 2018. The Long Term Incentive Plan is for a period of 10 years effective 3 September 2018.

During the financial year, no options were offered to and exercised by, or shares were granted to and vested in directors and senior management. The details of the Employee Share Option Scheme and Share Grant Plan are set out below:-

a. The total number of options granted, exercised, cancelled and outstanding under the Employee Share Option Scheme and Share Grant Plan since its commencement up to the financial year ended 31 May 2025 (including the adjustment arising from the bonus issue) are set out below:-

	Number of Options	
Description	**Grand Total**	**Directors and Chief Executive**
Granted	42,637,000	10,200,000
Exercised	27,733,000	10,200,000
Cancelled	8,954,000	-
Outstanding	5,950,000	-

b. Percentage of options applicable to Directors and senior management under the Employee Share Option Scheme and Share Grant Plan during the financial year and since its commencement up to the financial year ended 31 May 2025 (including the adjustment arising from the bonus issue) are set out below:-

	Percentage/Number of Options	
Directors and Senior Management	**During the financial year**	**Since commencement up to 31 May 2025**
Aggregate maximum allocation	-	3.47%
Actual options granted	-	17,500,000

NOMINATING COMMITTEE REPORT

The Board of Directors of ES Ceramics Technology Berhad ("Board") is pleased to present the Nominating Committee Report comprising information on composition and activities of the Nominating Committee ("NC" or "Committee") in discharging its duties for the financial year ended 31 May 2025.

COMPOSITION

The NC comprises the following members:-

Name of Members	Designation
Kong Sau Kian	*Chairman/Independent Non-Executive Director*
Datuk Paul Wong Baan Chun, J.P.	*Member/Independent Non-Executive Director*
Ashley Tan San Li	*Member/Independent Non-Executive Director*

The NC is responsible in reviewing the Board composition and balance, assess the term of office and performance of each of AC members, the performance of the AC as well as considering the Board's succession planning and making recommendation for new appointment of Directors.

The NC meets as and when required. The decision on new appointment shall be the responsibility of the Board after considering the recommendation of the NC.

The functions of the NC are to:-

- recommend candidates for all directorships;
- recommend appointments to the Board committees;
- annually review the required mix of skills and experience and other qualities, including core competencies that the Non-Executive Directors should bring to the Board;
- review and assess the performance of the AC and each of its members and the term of office of the AC members;
- implement a process, to be carried out annually for assessing the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director; and
- conduct fit and proper assessment.

The Terms of Reference of the NC is accessible to the public on the Company's corporate website at www.esceramics.com.my.

WORK DONE BY THE COMMITTEE DURING THE FINANCIAL YEAR

During the financial year ended 31 May 2025, the following were carried out by the NC:-

1. Nomination for Appointment to the Board

The NC, in accordance with Listing Requirements and MCCG best practices, reviewed the composition of the Board and recommended the appointment of a new director.

The NC had assessed the suitability of Mr. Wong Fook Lin before recommending to the Board for appointment. In evaluating the suitability of candidate, the NC considers, inter alia, his past performance in leading the Group, knowledge and expertise, the fit and proper criteria set out in the Directors' Fit & Proper Policy, his potential contribution to the Group, the current composition of the Board and board committees, the current and future needs of the Group, boardroom diversity, the tenure of each Director, as well as any existing or potential conflict of interest that could affect his ability to discharge his role as a Director.

WORK DONE BY THE COMMITTEE DURING THE FINANCIAL YEAR (CONT'D)

2. Review of the Performance and Effectiveness of the Board, Board Committees and Individual Director

Directors' Self Evaluation

The evaluation forms were circulated to each and every Director for completion. The Directors are required to assess his/her own performance based on the questionnaire provided. The evaluation results were tabled at the NC Meeting for review by the NC. Based on the outcome of the evaluation conducted, the NC is satisfied with the performance of the individual Directors.

Evaluation on the effectiveness of the Board and Board Committees

The evaluation forms were completed by the members of the Board and the respective Board Committees. They are required to assess the performance of the Board/Committee as a whole based on the questionnaire provided. The evaluation results were tabled at the NC Meeting for review by the NC. Based on the outcome of the evaluation conducted (excluding evaluation of NC which was carried out by the Board as a whole), the NC is of the view that the Company had an effective Board and its current composition was well-balanced after taking into account the Board members' experience and exposure in various areas as well as their diverse skills and qualities.

Term of Office and Performance of the Audit Committee ("AC")

The performance of the AC and its members as assessed by each NC member (with the NC member who was also a member of the AC abstained from decision on their own self-evaluation), displayed commendable efforts and satisfactory and term of office of its members would remain status quo.

3. Assessment on Independence of Directors

The assessment on the independence of the independent directors during the financial year ended 31 May 2025 was carried out. The criteria used in assessing the independence of the independent directors are based on the definition in the Listing Requirements and whether they are able to provide objective and independent views on various issues dealt with at Board and Board Committee level.

Based on the following assessments, the NC has reported to the Board that to the best of its knowledge and belief, the independent directors were free from influence that could interfere with their ability to exercise impartial judgment on key deliberations and decisions:-

- All independent directors fulfilled the definition of 'independent director' as set out in the Listing Requirements;
- All independent directors had confirmed their independence by giving the Board a written confirmation of their independence; and
- All independent directors had acted independently on management and free from any business or other relationship.

4. Evaluation of Directors Standing for Re-election

The NC is responsible for making recommendation to the Board on the eligibility of the Directors to stand for re-election at the Annual General Meeting ("AGM").

The NC has reviewed the director who was subject to retirement by rotation under the Constitution of the Company and recommended him for re-election as Director of the Company at the forthcoming AGM upon assessment of his skill, experience and qualities required by the Company.

5. Review of the NC Report

The NC at the Board level had reviewed, considered and approved the NC Report included in the Company's Annual Report 2025.

REMUNERATION COMMITTEE REPORT

The Board of Directors of ES Ceramics Technology Berhad ("Board") is pleased to present the Remuneration Committee Report comprising information on composition and activities of the Remuneration Committee ("RC" or "Committee") in discharging its duties for the financial year ended 31 May 2025.

COMPOSITION

The RC comprises the following members:-

Name of Members	Designation
Kong Sau Kian	*Chairman/Independent Non-Executive Director*
Datuk Paul Wong Baan Chun, J.P.	*Member/Independent Non-Executive Director*
Ashley Tan San Li	*Member/Independent Non-Executive Director*

The RC was established with the role of reviewing and determining the framework or board policy for the remuneration, in all forms, of the executive directors. The Board as a whole determines the allowances of the Non-Executive Directors and the Non-Executive Chairman.

The RC meets as and when required to determine and recommend to the Board any performance related pay schemes for the executive directors and/or other persons as the RC is designated to consider by the Board and to determine the policy for and scope of service agreements for the executive and non-executive directors, termination payment and compensation commitments.

ACTIVITIES OF THE COMMITTEE

During the financial year ended 31 May 2025, the RC reviewed the yearly salary adjustment and bonus of the executive directors of the Company.

The Terms of Reference of the RC and the Directors' Remuneration Policy and Procedure are accessible to the public on the Company's corporate website at www.esceramics.com.my.

AUDIT COMMITTEE REPORT

The Board of Directors of ES Ceramics Technology Berhad is pleased to present the report of the Audit Committee for the financial year ended 31 May 2025.

The primary objective of the audit committee is to assist the board of directors in discharging its statutory duties and responsibilities relating to the corporate accounting and practices for the company and all its subsidiaries ("Group") and to ensure the adequacy and effectiveness of the Group's internal control measures.

MEMBERSHIP AND ATTENDANCE

During the financial year ended 31 May 2025, a total of four (4) Audit Committee meetings were held. The composition of the Audit Committee ("AC") and the details of attendance of the AC members are as follows:-

Name of Members	Designation	Number of meetings attended
Kong Sau Kian *	*Chairman/Independent Non-Executive Director*	4 of 4
Datuk Paul Wong Baan Chun, J.P.	*Member/Independent Non-Executive Director*	4 of 4
Ashley Tan San Li	*Member/Independent Non-Executive Director*	2 of 4

* *A member of the Malaysian Institute of Accountants*

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

In performing its duties and discharging its responsibility, the AC is guided by its terms of reference. The terms of reference are accessible to the public on the Company's corporate website at www.esceramics.com.my.

WORK DONE BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

In accordance with the terms of reference of the AC, the following works were carried out by the AC during the financial year ended 31 May 2025 in discharging its duties:-

i. Reviewed with the external auditors:-

   - the audit review memorandum in respect of financial year ended 31 May 2025;
   - the audit planning memorandum in respect of financial year ended 31 May 2025, audit strategy and scope of work for the year;
   - the results of the annual audit, their audit report and management letter together with management's responses to the findings of the external auditors; and
   - the impact of any changes to the accounting standards, the impact and adoption of new accounting standards on the Company's financial statements.

ii. Reviewed the quarterly unaudited financial results of the Group through discussions with Management before recommending for the Board's approval.

iii. Reviewed the annual financial statements of the Group with the external auditors prior to submission to the Board for their consideration and approval. The review focused particularly on changes of accounting policy, significant matters highlighted including financial reporting issues, significant and unusual events/transactions and how these matters are addressed and compliance with applicable approved accounting standards in Malaysia.

iv. Reviewed the performance and effectiveness of the services rendered by the external auditors and evaluated their suitability and independence before making recommendations to the Board and shareholders on their re-appointment.

v. Held two (2) discussions with the external auditors without the presence of management and executive directors.

Audit Committee Report (Cont'd)

WORK DONE BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR (CONT'D)

vi. Reviewed with the internal auditors:-

- the annual internal audit plan, the adequacy of scope and coverage on the activities of the Group; and
- the internal audit report presented by the internal auditors on their findings and recommendations with respect to system and control weaknesses and management responses to those recommendations and action taken or to be taken to improve the system of internal control and procedures.

vii. Reviewed the status, adequacy and effectiveness of agreed corrective action undertaken by management on issues raised and recommendations of the internal auditors.

viii. Reviewed the Statement on Risk Management and Internal Control to ensure that it is consistent with their understanding on the state of the internal control framework of the Group and recommended the same to the Board for inclusion in the Annual Report.

INTERNAL AUDIT FUNCTION AND ITS ACTIVITIES

The internal audit function, which is outsourced to an independent professional services firm, Smart Focus Consulting Sdn. Bhd., is an integral part of the assurance mechanism in ensuring the Group's system of internal control are adequate and effective. The internal auditors report directly to the AC and assist the AC in discharging its duties and responsibilities.

The internal auditors prepare and table the internal audit plan for the consideration and approval of the AC. They conduct independent reviews of the key activities with the Group's operations based on the audit plan approved by the AC. The scope of internal audit encompasses the examination and evaluation of the adequacy and effectiveness of the Company governance, system of internal control structure, and the quality of performance in carrying out assigned responsibilities to achieve the Company's stated goals and objectives. The internal auditors also performed ad hoc appraisals, inspection, investigations, examinations and reviews that may be requested by the Committee or senior management, from time to time.

During the financial year ended 31 May 2025, the internal auditors attended one (1) meeting of the Committee to report to the Committee the internal audit reports and provide their independent views on the adequacy, integrity and effectiveness of the system of internal controls after their review and recommendations to improve it.

Prior to the presentation of reports to the Committee, comments from the Management were obtained and incorporated into the internal audit findings and reports.

The internal auditors also followed-up on the implementation of the recommendations and management action plans and reported to the Committee on status of implementation.

During the year, internal audit reviews were performed on Easy Sun Sdn. Bhd. and Euroceramic Technologies Co., Ltd. based on the following areas:

- Human Resources
- Finance
- Purchasing
- Marketing
- Operations - Production

The cost incurred in maintaining the outsourced internal audit function for the financial year ended 31 May 2025 is RM23,000.

The Statement on Risk Management and Internal Control is furnished on pages 53 to 55 of the Annual Report, and this provides an overview of the state of internal controls within the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), the Board of Directors ("the Board") of ES Ceramics Technology Berhad ("ES Ceramics" or "the Company") is pleased to report on its Statement on Risk Management and Internal Control, which provides an overview of the nature and state of risk management and internal controls of the Company and its group of companies ("the Group") during the financial year under review and up to the date of approval of this statement by the Board. This statement is guided by the latest Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by the Taskforce on Internal Control with the support and endorsement of the Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance ("MCCG").

BOARD OF DIRECTOR'S RESPONSIBILITY AND ACCOUNTABILITY

The Board recognises the importance of good risk management practices and sound internal controls as a platform for good corporate governance. The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and integrity.

Due to inherent limitations in any risk management and internal control system, such a system is designed to manage the risk that may impede the achievement of the Group's business objectives rather than eliminate these risks. Therefore, the risk management and internal control system can only provide reasonable and not absolute assurance against fraud, material misstatement, losses, or errors.

The Board, through its Audit Committee ("AC") has established an ongoing process for identifying, evaluating, and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment and regulatory requirements. The process is reviewed by the Board and the AC on a periodic basis.

Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced by the Group, and in the design and operation of suitable internal controls to mitigate these risks identified. The effectiveness of internal controls was reviewed by the AC in relation to the audits conducted by internal auditors ("IA") during the financial year. Audit issues and actions taken by Management to address the issues tabled by IA were deliberated during the AC meetings. Minutes of the AC meetings which recorded these deliberations were presented to the Board.

Internal control and risk-related matters which warranted the attention of the Board were recommended by the AC to the Board for its deliberation and approval and matters or decisions made within the AC's purview were referred to the Board for its notation.

MANAGEMENT RESPONSIBILITY

Senior management is accountable to the Board for risk management and the internal control system, as well as for implementing processes to identify, evaluate, monitor, and report relevant risks. The implementation of the risk management process for the Group is the responsibility of ES Ceramics' senior management. The Risk Management Committee ("RMC") has been established in ES Ceramics to institutionalise risk management practices for its operations.

Review and ensure the effectiveness of the risk management policies and processes. Manage the relevant risks that may impede the achievement of objectives by identifying them and implementing appropriate mitigating actions. Identify significant changes to ES Ceramics risks, including emerging risks, and take appropriate actions to communicate them to the Group's Audit Committee and the Board.

The RMC which is chaired by the Executive Director to ensure the continual effectiveness, adequacy and integrity of the risk management system and that key risk matters would be recommended for escalation to the AC and the Board for deliberation and approval. The senior management of the principal subsidiary companies is tasked to identify and manage the significant risks that are affecting their respective business units. The risk management practices adopted by the Group's principal subsidiary companies are aligned to the Group's risk management practices.

The Board believes that the risk management and internal control system implemented during the year being reviewed, and up until the date of the annual report's issuance, is sufficient and efficient in protecting the shareholders' investment, the interests of customers, regulators, employees, and the Group's assets.

Statement on Risk Management and Internal Control (Cont'd)

RISK MANAGEMENT FRAMEWORK

The Board regards the management of core risks as an integral and critical part of the day-to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout the financial year under review enables the Group to make cautious, mindful and well-informed decisions through formulation and implementation of requisite action plans and monitoring regime which are imperative in ensuring the accomplishment of the Group's corporate objectives.

Day-to-day operations in respect of the financial, commercial, legal compliance and operational aspects of the Group are closely monitored by the respective Heads of Department and they are delegated with the responsibilities to identify and manage these risks within defined parameters and standards. The deliberations of risk and mitigation responses are discussed at periodic management meetings.

The management of risk is an on-going process to identify, evaluate and manage the significant risks faced by the Group. Further assurance is provided by the Internal Audit function which operates across the Group with emphasis on key operating functions within the Group. The Board periodically re-evaluates the existing risk management practices, and where appropriate and necessary, updates them accordingly.

INTERNAL AUDIT

The Board is fully aware of the importance of the internal audit function and has engaged an independent professional firm, namely Messrs. Smart Focus Group ("IA Firm") to provide independent assurance to the Board and the AC in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system.

The IA Firm adopts a risk-based approach and prepares its audit plan based on the risk profiles from the risk assessment of the business units of the Group. Scheduled internal audits are carried out based on the annual audit plan approved by the AC. The IA Firm presents the AC with the internal audit reports.

During the year under review, internal audit reviews were carried out by the Internal Audit team to address the related internal control weaknesses. The significant weaknesses identified during the reviews together with the improvement measures to strengthen the internal controls were reported accordingly.

During the year, internal audit reviews were performed on Easy Sun Sdn. Bhd. and Euroceramic Technologies Co., Ltd. based on the following areas:

- Human Resources
- Finance
- Purchasing
- Marketing
- Operations - Production

All reports from the internal audit reviews carried out were submitted and presented to the AC with the feedback and agreed corrective actions to be undertaken by Management. The progress of these corrective actions was monitored and verified by internal auditor prior submitting to the AC. The internal auditor is committed to equip the internal audit team with sufficient knowledge, skills and competencies to discharge their duties and responsibilities.

KEY ELEMENTS OF INTERNAL CONTROL

In order to achieve a sound control environment, the key elements in the framework of the Group's internal control systems are identified and categorised as follows:-

- Senior Management assumed an active management and decision-making role in the day-to-day operations of the Group
- Adequate segregation of duties and functions were practiced
- Monthly management meetings were held to review the Group's performance
- Management and the Board receive timely, relevant and reliable management and financial reports which are reviewed on a regular basis. Financial results are reviewed quarterly by the Board and the Audit Committee

Statement on Risk Management and Internal Control (Cont'd)

INTERNAL AUDIT (CONT'D)

KEY ELEMENTS OF INTERNAL CONTROL (CONT'D)

In order to achieve a sound control environment, the key elements in the framework of the Group's internal control systems are identified and categorised as follows:- (cont'd)

- Reports and relevant information were escalated to Directors to enable monitoring of Group's performance and results
- Review of Internal Audit reports by Audit Committee
- Active participation and involvement by the Executive Director in the day-to-day running of the business

QUALITY ASSURANCE

The IA develops and maintains a comprehensive quality assurance and improvement programme that encompasses all aspects of internal audit activities. The quality assurance program assesses the effectiveness of internal audit processes and identifies opportunities for improvement through both internal and external assessments. It has its own peer review mechanism to ensure consistently high-quality output for every audit engagement. The team leader is highly experienced in managing internal audit assignments.

INFORMATION AND COMMUNICATION

While the management has full responsibility for ensuring the effectiveness of internal control, which it establishes, the Board of Directors has the authority to assess the state of internal control as it deems necessary. The Board has the right to inquire about information and clarification from Management. They can also seek input from the AC, external and internal auditors, and other experts. These expenses will be covered by the Company.

ASSURANCE FROM THE MANAGEMENT

The Board has also received reasonable assurance from the Executive Director and Account and Finance Manager that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects. This assurance is based on the risk management model adopted by the Group.

CONCLUSION

Certain minor internal control improvements were identified by internal auditors during the financial year ended 31 May 2025. These were reviewed by the Audit Committee and Board and then were closely monitored by Management to ensure the integrity of internal controls and minimisation of risks. The Management will continue to take adequate measures to strengthen the control environment in which the Group operates.

The Board is committed to an effective internal control system and is of the view that there is a continuous process in evaluating and managing significant risks faced by the Group and the underlying controls to mitigate these risks. The Board will take cognisance of the continuous process for identifying, evaluating and managing the significant risks faced by the Company.

In addition to the above, the Board received assurance from the Executive Director with regard to the adequacy and effectiveness of the Group risk management and system of internal control in place throughout the financial year.

Based on the foregoing, the Board is of the opinion that the system of internal control and risk management processes are adequate to provide reasonable assurance in safeguarding shareholders' investments, the Group's assets and other stakeholders' interest. There were no major internal control weaknesses identified that may result in any material loss or uncertainties for the financial year 31 May 2025 that would require disclosure in this annual report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the ACE Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this annual report for the year ended 31 May 2025.

This Statement on Risk Management and Internal Control was approved by the Board on 12 September 2025.

FINANCIAL STATEMENTS

Directors' Report	57
Statement by Directors	61
Statutory Declaration	61
Independent Auditors' Report	62
Statements of Financial Position	66
Statements of Profit or Loss and Other Comprehensive Income	67
Statements of Changes in Equity	68
Statements of Cash Flows	70
Notes to the Financial Statements	72

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

RESULTS

	THE GROUP RM	THE COMPANY RM
Profit after taxation for the financial year attributable to:		
- Owners of the Company	6,442,476	2,132,343

DIVIDENDS

The Company paid an interim single tier tax-exempt dividend of 0.50 sen per ordinary share amounting to RM3,356,947 for the financial year ended 31 May 2024 on 13 June 2024.

The directors do not recommend the payment of any further dividends for the financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its issued and paid-up share capital from RM80,156,259 to RM85,636,509 by way of:-

(i) issuance of 1,350,000 new ordinary shares from the exercise of options under the Company's Employee Share Option Scheme at the exercise price as disclosed in Note 14(b)(i) to the financial statements which amounted to RM324,000; and

(ii) issuance of 34,375,000 new ordinary shares upon settlement of contingent consideration as disclosed in Note 14(b)(ii) to the financial statements which amounted to RM5,156,250.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(b) there were no issues of debentures by the Company.

SHARE OPTIONS

The shareholders of the Company, by a resolution passed at an Extraordinary General Meeting held on 16 May 2018, approved the Long Term Incentive Plan ("LTIP") comprising Employee Share Option Scheme ("ESOS") and Share Grant Plan. The ESOS became effective on 3 September 2018.

The principal features of the ESOS are disclosed in Note 15.2 to the financial statements.

Directors' Report (Cont'd)

SHARE OPTIONS (CONT'D)

The movements in the number of options during the financial year are as follows:-

			NUMBER OF OPTIONS OVER ORDINARY SHARES			
GRANT DATE	**EXERCISE PRICE* RM**	**EXERCISE PRICE** RM**	**BALANCE AT 1.6.2024**	**EXERCISED**	**FORFEITED**	**BALANCE AT 31.5.2025**
2025						
14 January 2019	0.200	N/A	-	-	-	-
22 January 2020	0.210	0.110	1,400,000	(1,350,000)	-	50,000
3 August 2020	0.615	0.310	10,740,000	-	(4,840,000)	5,900,000
			12,140,000	(1,350,000)	(4,840,000)	5,950,000

* *Before bonus issue*
** *After bonus issue*

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

WONG FOOK LIN (Retired on 25.10.2024, reappointed on 9.5.2025)
TAN BOON SING
DATUK WONG BAAN CHUN, J.P.
KONG SAU KIAN
TAN SAN LI

The name of director of the Company's subsidiary who served during the financial year and up to the date of this report, not including those directors mentioned above, is as follows:-

LIM MING JEE (Resigned on 24.6.2024)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares, options over unissued shares of the Company and its related corporations during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES			
	AT 1.6.2024/DATE OF REAPPOINTMENT	BOUGHT	SOLD	AT 31.5.2025
Direct interests				
WONG FOOK LIN#	69,337,975	-	-	69,337,975
TAN BOON SING	18,648,437	12,804,688	-	31,453,125
TAN SAN LI	27,100,000	5,000,000	-	32,100,000
Indirect interests				
TAN BOON SING*	11,307,813	4,726,562	-	16,034,375

* *Deemed interested through spouse's shareholdings in the Company.*
\# *Retired as an Executive Director on 25 October 2024 and reappointed as an Executive Director on 9 May 2025.*

By virtue of their shareholdings in the Company, Wong Fook Lin, Tan Boon Sing and Tan San Li are deemed to have interests in shares in its subsidiaries during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year held no interests in shares and options over unissued shares of the Company or its related corporation during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 31 to the financial statements.

Directors' Report (Cont'd)

DIRECTORS' BENEFITS (CONT'D)

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is 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 share options granted to certain directors pursuant to the ESOS of the Company.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	FROM THE COMPANY RM	FROM THE SUBSIDIARIES RM	TOTAL RM
Fees	78,000	36,000	114,000
Salaries, bonuses and other benefits	-	1,349,863	1,349,863
Defined contribution benefits	-	165,600	165,600
Estimated money value of benefits-in-kind	-	28,000	28,000
	78,000	1,579,463	1,657,463

INDEMNITY AND INSURANCE COSTS

No indemnities were given to, nor insurance effected for, the directors or officers of the Company.

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 8 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

AUDITORS

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

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

	THE GROUP RM	THE COMPANY RM
Audit fees:		
- Crowe Malaysia PLT	246,000	78,000
- Other firm	19,000	-
Non-audit fees:		
- Crowe Malaysia PLT	12,000	12,000
	277,000	90,000

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 12 SEPTEMBER 2025

Wong Fook Lin **Tan Boon Sing**

STATEMENT BY DIRECTORS

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

We, Wong Fook Lin and Tan Boon Sing, being two of the directors of ES Ceramics Technology Berhad, state that, in the opinion of the directors, the financial statements set out on pages 66 to 110 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 31 May 2025 and of their financial performance and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 12 SEPTEMBER 2025

Wong Fook Lin **Tan Boon Sing**

STATUTORY DECLARATION

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

I, Wong Fook Lin, being the director primarily responsible for the financial management of ES Ceramics Technology Berhad, do solemnly and sincerely declare that the financial statements set out on pages 66 to 110 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Wong Fook Lin, at Klang
in the State of Selangor Darul Ehsan
on this 12 September 2025

Wong Fook Lin

Before me
Lee Pei Nam (No: B186)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ES CERAMICS TECHNOLOGY BERHAD
(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 200301024697 (627117 - P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of ES Ceramics Technology Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 May 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 66 to 110.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	*How our audit addressed the key audit matter*
Impairment of goodwill Refer to Note 9 to the financial statements The carrying amount of goodwill of the Group as at the end of the reporting period amounted to RM11,673,895. Goodwill is tested for impairment annually, irrespective of whether there is any indication of impairment. We determined this to be a key audit matter as impairment test involved significant judgements and estimation uncertainty in making key assumptions about future market and economic conditions, growth rates, profit margins and discount rate applied.	Our procedures included, amongst others: • Evaluating whether the method used by the Group in measuring the recoverable amount is appropriate in the circumstances; • Making enquiries and challenging management on the key assumptions and inputs used in the measurement method; • Evaluating whether the key assumptions and inputs used are reasonable and consistent with consideration from past performance, future growth, market development, etc.; and • Performing stress tests and sensitivity analysis to assess the impacts of those key assumptions and inputs on the measurement of the recoverable amount.

Independent Auditors' Report (Cont'd)

To the members of ES Ceramics Technology Berhad
(Incorporated in Malaysia)
Registration No: 200301024697 (627117 - P)

Key Audit Matters (Cont'd)

Key Audit Matter	*How our audit addressed the key audit matter*

Valuation of inventories
Refer to Note 10 to the financial statements
 	
The Group carries significant inventories.
 	
The review and assessment of inventories write-downs due to excess quantities, obsolescence and decline in net realisable value below cost involved judgements and estimation uncertainty in forming expectations about future sales and demand.
	Our procedures included, amongst others:
	
	• Obtaining an understanding of:
	  • the Group's inventory management process;
	  • how the Group identifies and assesses inventories write-downs; and
	  • how the Group ascertains the accounting estimates for inventory write-downs.
	
	• Reviewing the ageing analysis of inventories and testing the reliability thereof;
	
	• Making inquiries of management regarding the action plans to clear slow-moving, aged and obsolete inventories;
	
	• Reviewing the net realisable value of major inventories; and
	
	• Evaluating whether the inventories have been written down to their net realisable value for inventory items with net realisable value lower than their cost.

Recoverability of trade receivables Refer to Note 11 to the financial statements As of 31 May 2025, the Group's trade receivables was RM121,206,341 net of impairment losses. Trade receivables are a major component of the financial position of the Group's total assets. We focused on this area due to judgements are required to assess the allowance for impairment losses.	Our procedures included, amongst others: • Reviewing the ageing analysis of trade receivables and testing the reliability thereof; • Reviewing subsequent cash collections for major trade receivables and overdue amounts; • Testing the adequacy of the Group's allowance for impairment losses on trade receivables by assessing management's policy; and • Reviewing the adequacy of the Group's disclosure in this area.

There are no key audit matters to report for the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Independent Auditors' Report (Cont'd)

To the members of ES Ceramics Technology Berhad
(Incorporated in Malaysia)
Registration No: 200301024697 (627117 - P)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report (Cont'd)

To the members of ES Ceramics Technology Berhad
(Incorporated in Malaysia)
Registration No: 200301024697 (627117 - P)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors is disclosed in Note 8 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Cheah Siong Hon
03538/11/2026 J
Chartered Accountant

Shah Alam

12 September 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MAY 2025

	NOTE	THE GROUP 2025 RM	THE GROUP 2024 RM	THE COMPANY 2025 RM	THE COMPANY 2024 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	4	69,302,059	69,502,018	-	-
Right-of-use assets	5	32,774,870	30,734,794	-	-
Intangible assets	6	5,613	113,575	-	-
Investment properties	7	8,070,634	8,257,546	-	-
Investments in subsidiaries	8	-	-	98,371,638	87,363,109
Goodwill on consolidation	9	11,673,895	11,673,895	-	-
		121,827,071	120,281,828	98,371,638	87,363,109
CURRENT ASSETS					
Inventories	10	10,536,428	8,915,783	-	-
Receivables	11	129,128,985	103,013,340	-	-
Prepayments		478,945	349,738	-	-
Short-term investments	12	167,143	196,623	167,143	196,623
Current tax assets		3,782,148	4,116,976	1,221	-
Cash and cash equivalents	13	76,539,919	85,011,233	30,686,948	44,800,319
		220,633,568	201,603,693	30,855,312	44,996,942
TOTAL ASSETS		342,460,639	321,885,521	129,226,950	132,360,051
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	85,636,509	80,156,259	85,636,509	80,156,259
Reserves	15	111,393,411	105,059,024	43,485,161	42,019,779
Equity attributable to owners of the Company		197,029,920	185,215,283	129,121,670	122,176,038
Non-controlling interests		40	-	-	-
TOTAL EQUITY		197,029,960	185,215,283	129,121,670	122,176,038
NON-CURRENT LIABILITIES					
Loans and borrowings	16	25,024,886	25,034,833	-	-
Lease liabilities	17	3,395,370	2,280,434	-	-
Provision for restoration costs	18	273,205	224,362	-	-
Employee benefit obligation		47,056	35,321	-	-
Deferred tax liabilities	19	5,889,915	4,046,842	-	-
		34,630,432	31,621,792	-	-
CURRENT LIABILITIES					
Payables	20	98,724,426	94,733,076	105,280	10,164,617
Loans and borrowings	16	3,791,806	3,539,914	-	-
Lease liabilities	17	2,498,862	1,251,087	-	-
Provision for restoration costs	18	27,417	96,140	-	-
Contract liabilities	21	5,204,512	5,388,295	-	-
Current tax liabilities		553,224	39,934	-	19,396
		110,800,247	105,048,446	105,280	10,184,013
TOTAL LIABILITIES		145,430,679	136,670,238	105,280	10,184,013
TOTAL EQUITY AND LIABILITIES		342,460,639	321,885,521	129,226,950	132,360,051

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

		THE GROUP		THE COMPANY	
		2025	2024	2025	2024
	NOTE	RM	RM	RM	RM
REVENUE	22	473,280,958	368,438,259	129,263	3,509,404
COST OF SALES		(431,256,747)	(335,877,728)	-	-
GROSS PROFIT		42,024,211	32,560,531	129,263	3,509,404
OTHER INCOME		8,453,025	11,188,302	2,726,578	1,193,516
SELLING AND DISTRIBUTION EXPENSES		(921,626)	(1,119,637)	-	-
ADMINISTRATIVE EXPENSES		(32,267,116)	(28,489,789)	(701,414)	(3,191,207)
OTHER EXPENSES		(1,962,436)	(7,280,111)	-	-
FINANCE COSTS		(1,664,792)	(1,462,541)	-	-
NET IMPAIRMENT LOSS ON FINANCIAL ASSETS		(2,625,067)	(3,781,080)	-	-
PROFIT BEFORE TAXATION	23	11,036,199	1,615,675	2,154,427	1,511,713
INCOME TAX EXPENSE	25	(4,593,723)	(1,023,073)	(22,084)	(79,270)
PROFIT AFTER TAXATION FOR THE FINANCIAL YEAR		6,442,476	592,602	2,132,343	1,432,443
OTHER COMPREHENSIVE INCOME/(EXPENSE):-					
Item that will be reclassified subsequently to profit or loss:					
- Currency translation differences for foreign operation		558,872	(1,415,621)	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE FINANCIAL YEAR		7,001,348	(823,019)	2,132,343	1,432,443
PROFIT AFTER TAXATION ATTRIBUTABLE TO OWNERS OF THE COMPANY		6,442,476	592,602	2,132,343	1,432,443
TOTAL COMPREHENSIVE INCOME/(EXPENSE) ATTRIBUTABLE TO OWNERS OF THE COMPANY		7,001,348	(823,019)	2,132,343	1,432,443
EARNINGS PER SHARE:	26				
- Basic (sen)		0.93	0.10		
- Diluted (sen)		0.93	0.09		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

	← NON-DISTRIBUTABLE			→	DISTRIBUTABLE			
THE GROUP	SHARE CAPITAL RM	CURRENCY TRANSLATION RESERVE RM	SHARE OPTION RESERVE RM	CAPITAL RESERVE RM	RETAINED PROFITS RM	ATTRIBUTABLE TO OWNER OF THE COMPANY RM	NON-CONTROLLING INTERESTS RM	TOTAL EQUITY RM
Balance at 1.6.2023	51,718,874	6,245,475	1,270,807	715,680	101,105,585	161,056,421	-	161,056,421
Profit after taxation for the financial year	-	-	-	-	592,602	592,602	-	592,602
Other comprehensive expense for the financial year:								
- Currency translation differences for foreign operation	-	(1,415,621)	-	-	-	(1,415,621)	-	(1,415,621)
Total comprehensive (expense)/income for the financial year	-	(1,415,621)	-	-	592,602	(823,019)	-	(823,019)
Share-based payments	-	-	(98,557)	-	-	(98,557)	-	(98,557)
Issuance of shares pursuant to Warrants	28,437,385	-	-	-	-	28,437,385	-	28,437,385
Dividends	-	-	-	-	(3,356,947)	(3,356,947)	-	(3,356,947)
Total transactions with owners	28,437,385	-	(98,557)	-	(3,356,947)	24,981,881	-	24,981,881
Balance at 31.5.2024/ 1.6.2024	80,156,259	4,829,854	1,172,250	715,680	98,341,240	185,215,283	-	185,215,283
Profit after taxation for the financial year	-	-	-	-	6,442,476	6,442,476	-	6,442,476
Other comprehensive income for the financial year:								
- Currency translation differences for foreign operation	-	558,872	-	-	-	558,872	-	558,872
Total comprehensive income for the financial year	-	558,872	-	-	6,442,476	7,001,348	-	7,001,348
Share-based payments	-	-	(491,461)	-	-	(491,461)	-	(491,461)
Issuance of shares pursuant to ESOS (Note 14(b)(i))	324,000	-	(175,500)	-	-	148,500	-	148,500
Issuance of shares upon settlement of contingent consideration (Note 14(b)(ii))	5,156,250	-	-	-	-	5,156,250	-	5,156,250
Acquisition of a subsidiary	-	-	-	-	-	-	40	40
Total transactions with owners	5,480,250	-	(666,961)	-	-	4,813,289	40	4,813,329
Balance at 31.5.2025	85,636,509	5,388,726	505,289	715,680	104,783,716	197,029,920	40	197,029,960

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

Statements of Changes in Equity (Cont'd)

For the Financial Year Ended 31 May 2025

THE COMPANY	SHARE CAPITAL RM	NON-DISTRIBUTABLE SHARE OPTION RESERVE RM	DISTRIBUTABLE RETAINED PROFITS RM	TOTAL EQUITY RM
Balance at 1.6.2023	51,718,874	1,270,807	42,772,033	95,761,714
Profit (representing total comprehensive income) for the financial year	-	-	1,432,443	1,432,443
Share-based payments	-	(98,557)	-	(98,557)
Issuance of shares pursuant to Warrants	28,437,385	-	-	28,437,385
Dividends	-	-	(3,356,947)	(3,356,947)
Total transaction with owners	28,437,385	(98,557)	(3,356,947)	24,981,881
Balance at 31.5.2024/1.6.2024	80,156,259	1,172,250	40,847,529	122,176,038
Profit (representing total comprehensive income) for the financial year	-	-	2,132,343	2,132,343
Share-based payments	-	(491,461)	-	(491,461)
Issuance of shares pursuant to ESOS (Note 14(b)(i))	324,000	(175,500)	-	148,500
Issuance of shares upon settlement of contingent consideration (Note 14(b)(ii))	5,156,250	-	-	5,156,250
Total transaction with owners	5,480,250	(666,961)	-	4,813,289
Balance at 31.5.2025	85,636,509	505,289	42,979,872	129,121,670

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

		THE GROUP		THE COMPANY	
	NOTE	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Profit before taxation		11,036,199	1,615,675	2,154,427	1,511,713
Adjustments for:-					
Amortisation of intangible assets		108,983	393,762	-	-
Bad debts written off		-	122,227	-	-
Deposit forfeited		3,750	-	-	-
Depreciation of investment properties		186,912	190,053	-	-
Depreciation of property, plant and equipment		6,334,264	5,843,371	-	-
Depreciation of right-of-use assets		2,737,716	2,456,547	-	-
Employee benefit obligation		11,735	5,447	-	-
Fair value changes on remeasurement of contingent consideration		-	2,775,441	-	2,775,441
Fair value loss/(gain) on financial instruments mandatorily measured at fair value through profit or loss		29,480	(19,177)	29,480	(19,177)
Impairment loss on property, plant and equipment		-	3,679,990	-	-
Impairment loss on receivables		2,792,846	6,811,764	-	-
Impairment loss on right-of-use assets		-	1,868,520	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss		1,401,298	1,257,481	-	-
Interest expense on lease liabilities		261,092	199,478	-	-
Loss/(Gain) on derecognition of lease		12,817	(3,177)	-	-
Loss on loss of control of a subsidiary		70,000	-	10	-
Plant and equipment written off		-	193,916	-	-
Unrealised loss/(gain) on foreign exchange		1,428,181	(447,797)	241,608	(50,786)
Bad debts recovered		(11,258)	(1,153,705)	-	-
Dividend income		(9,263)	(9,404)	(129,263)	(3,509,404)
Gain on disposal of investment properties		-	(123,120)	-	-
Gain on disposal of plant and equipment		(2,259,957)	(741,057)	-	-
Gain on disposal of right-of-use assets		(1,730,603)	(5,410,539)	-	-
Gain on settlement of contingent consideration payable		(1,554,220)	-	(1,554,220)	-
Interest income of financial assets that are not at fair value through profit loss		(1,954,411)	(1,748,935)	(1,172,359)	(1,123,529)
Reversal of impairment loss on receivables		(167,779)	(3,030,684)	-	-
Reversal of provision of restoration costs		(125,969)	-	-	-
Share-based payments		(491,461)	(98,557)	-	-
Waiver of amount owing to directors		-	(691,104)	-	-
Operating profit/(loss) before working capital changes		18,110,352	13,936,416	(430,317)	(415,742)
Change in:-					
Contract liabilities		(183,783)	(112,295)	-	-
Inventories		(1,620,645)	827,943	-	-
Receivables		(28,862,411)	842,039	-	-
Payables		14,058,767	(6,892,696)	8,080	(4,348)
Cash from/(for) operations		1,502,280	8,601,407	(422,237)	(420,090)
Income tax paid		(1,970,402)	(4,466,778)	(42,701)	(70,081)
Income tax refunded		-	1,152,203	-	-
Interest expenses paid		(1,652,369)	(1,448,300)	-	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES AND BALANCE CARRIED FORWARD		(2,120,491)	3,838,532	(464,938)	(490,171)

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

Statements of Cash Flows (Cont'd)

For the Financial Year Ended 31 May 2025

		THE GROUP		THE COMPANY	
		2025	2024	2025	2024
	NOTE	RM	RM	RM	RM
BALANCE BROUGHT FORWARD		(2,120,491)	3,838,532	(464,938)	(490,171)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Acquisition of right-of-use assets	28	(348,945)	-	-	-
Acquisition of subsidiary, net of cash and cash equivalents acquired		40	-	-	-
Additional investment in an existing subsidiary		-	-	(11,500,000)	-
(Addition to)/Withdrawal of term deposits with tenure more than 3 months		(49,092)	8,090,180	-	7,072,672
Dividend income received		9,263	9,404	129,263	3,509,404
Interest income received		1,954,411	1,748,935	1,172,359	1,123,529
Net cash outflow from loss of control of a subsidiary	27	(2,130)	-	-	-
Proceeds from disposal of investment properties		-	1,330,000	-	-
Proceeds from disposal of plant and equipment		5,633,681	791,452	-	-
Proceeds from disposal of right-of-use assets		1,776,063	7,200,000	-	-
Purchase of investment properties		-	(1,124,800)	-	-
Purchase of property, plant and equipment	28	(4,985,317)	(4,138,049)	-	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		3,987,974	13,907,122	(10,198,378)	11,705,605
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Decrease in term deposits pledged as security		-	1,066,190	-	-
Decrease in banker's acceptance	28	(400,000)	-	-	-
Dividend paid		(3,356,947)	-	(3,356,947)	-
Drawdown of term loans	28	-	962,852	-	-
Proceeds from issuance of shares		148,500	28,437,385	148,500	28,437,385
Repayment of hire purchase obligations	28	(1,792,246)	(1,262,252)	-	-
Repayment of lease liabilities	28	(2,028,345)	(1,639,096)	-	-
Repayment of term loans	28	(1,722,800)	(1,953,702)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(9,151,838)	25,611,377	(3,208,447)	28,437,385
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(7,284,355)	43,357,031	(13,871,763)	39,652,819
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		83,842,387	40,620,351	44,800,319	5,096,714
CURRENCY TRANSLATION DIFFERENCES		(1,236,051)	(134,995)	(241,608)	50,786
CASH AND CASH EQUIVALENTS CARRIED FORWARD	13	75,321,981	83,842,387	30,686,948	44,800,319

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

1. GENERAL INFORMATION

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

The registered office of the Company is located at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS 7/26, 47301 Petaling Jaya, Selangor Darul Ehsan. Its principal place of business is located at Lot 207429, Jalan Seramik Chepor 11/5, Kawasan Perusahaan Seramik Chepor, 31200 Chemor, Perak Darul Ridzuan.

The Company is principally an investment holding company. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

The financial statements of the Company and of the Group are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 12 September 2025.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
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 above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

2.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18: *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19: *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
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 10 and MFRS 128: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred
Amendments to MFRS 121: *Lack of Exchangeability*	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

2. BASIS OF PREPARATION (CONT'D)

2.2 The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except as follows:-

MFRS 18: *Presentation and Disclosure in Financial Statements* will replace MFRS 101: *Presentation of Financial Statements* upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Critical Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date and the key assumptions are disclosed in Note 9 to the financial statements.

(b) Impairment of Property, Plant and Equipment, Right-of-use Assets and Investment Properties

The Group determines whether property, plant and equipment, right-of-use assets and investment properties are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as discounted cash flows. The carrying amount of property, plant and equipment as at the reporting date are disclosed in Notes 4, 5 and 7 to the financial statements.

(c) Valuation of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 10 to the financial statements.

(d) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date are disclosed in Note 11 to the financial statements.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.1 Critical Accounting Estimates and Judgements (Cont'd)

Critical Judgement Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended or not terminated.

(b) Share-based Payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimating of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

3.2 Financial Instruments

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial Liabilities

Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.2 Financial Instruments (Cont'd)

(d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

3.3 Goodwill

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

3.4 Investments in Subsidiaries

Investments in subsidiaries including the share options granted to employees of the subsidiaries, which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

3.5 Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	1% - 5%
Factory equipment	10% - 20%
Furniture and fittings	10%
Laboratory equipment	10%
Motor vehicles	20%
Office equipment	10% - 20%
Plant and machinery	5% - 20%

3.6 Investment Properties

Investment properties are initially measured at cost. Subsequent to initial recognition, the investment properties are stated at cost less accumulated depreciation and impairment losses.

Depreciation on buildings is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation period is:-

Buildings	50 years

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.7 Right-of-use Assets and Lease Liabilities

(a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

3.8 Research and Development Costs

Research and development costs that do not meet the criteria for capitalisation are recognised as an expense when they are incurred.

3.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determine on the first-in, first-out method and comprises all cost of purchase plus other costs incurred in bringing the inventories to their present location and condition.

3.10 Intangible Assets

Intangible assets, other than goodwill, are initially measured at cost. The cost of intangible assets recognised in a business combination is their fair values as the date of acquisition. Subsequent to the initial recognition, the intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible Assets with Definite Useful Lives

The intangible assets are amortised using the straight-line method to allocate their depreciable amounts over the following periods:-

Trademark	20 years
Unfulfilled supply contracts	1 - 2 years

4. PROPERTY, PLANT AND EQUIPMENT

THE GROUP 2025 CARRYING AMOUNT	AT 1.6.2024 RM	ADDITIONS RM	DISPOSALS RM	RECLASSI-FICATION RM	DEPRE-CIATION RM	CURRENCY TRANSLATION DIFFERENCES RM	AT 31.5.2025 RM
Freehold land	19,438,056	-	-	-	-	18,089	19,456,145
Buildings	15,621,378	-	-	-	(421,641)	35,293	15,235,030
Factory equipment	2,675,634	119,785	(423,585)	-	(446,824)	49,653	1,974,663
Furniture and fittings	2,534,986	74,440	(73,733)	(1)	(461,228)	974	2,075,438
Laboratory equipment	26,847	-	-	-	(7,131)	-	19,716
Motor vehicles	2,217,838	857,587	(106,069)	-	(806,309)	94,157	2,257,204
Office equipment	875,103	16,647	-	(3,842)	(68,502)	195	819,601
Plant and machinery	26,112,176	8,073,849	(2,770,337)	3,843	(4,122,629)	167,360	27,464,262
	69,502,018	9,142,308	(3,373,724)	-	(6,334,264)	365,721	69,302,059

2024 CARRYING AMOUNT	AT 1.6.2023 RM	ADDITIONS RM	DISPOSALS RM	WRITTEN OFF RM	DEPRE-CIATION RM	IMPAIRMENT LOSS RM	CURRENCY TRANSLATION DIFFERENCES RM	AT 31.5.2024 RM
Freehold land	19,484,183	-	-	-	-	-	(46,127)	19,438,056
Buildings	18,262,158	90,952	-	-	(492,025)	(2,147,041)	(92,666)	15,621,378
Factory equipment	3,102,518	-	(5,861)	-	(285,871)	-	(135,152)	2,675,634
Furniture and fittings	2,817,385	38,824	-	-	(318,578)	-	(2,645)	2,534,986
Laboratory equipment	33,978	-	-	-	(7,131)	-	-	26,847
Motor vehicles	1,191,988	1,719,704	(38,296)	-	(649,796)	-	(5,762)	2,217,838
Office equipment	834,578	258,372	-	-	(217,276)	-	(571)	875,103
Plant and machinery	25,505,777	6,758,397	(6,238)	(193,916)	(3,872,694)	(1,532,949)	(546,201)	26,112,176
	71,232,565	8,866,249	(50,395)	(193,916)	(5,843,371)	(3,679,990)	(829,124)	69,502,018

THE GROUP 31.5.2025	AT COST RM	ACCUMULATED DEPRECIATION RM	ACCUMULATED IMPAIRMENT LOSS RM	CARRYING AMOUNT RM
Freehold land	19,456,145	-	-	19,456,145
Buildings	25,094,982	(8,565,395)	(1,294,557)	15,235,030
Factory equipment	14,838,281	(12,863,618)	-	1,974,663
Furniture and fittings	4,300,458	(2,225,020)	-	2,075,438
Laboratory equipment	88,944	(69,228)	-	19,716
Motor vehicles	6,162,080	(3,904,876)	-	2,257,204
Office equipment	3,268,415	(2,448,814)	-	819,601
Plant and machinery	69,111,252	(40,358,713)	(1,288,277)	27,464,262
	142,320,557	(70,435,664)	(2,582,834)	69,302,059
31.5.2024				
Freehold land	19,438,056	-	-	19,438,056
Buildings	25,924,168	(8,155,749)	(2,147,041)	15,621,378
Factory equipment	15,100,675	(12,425,041)	-	2,675,634
Furniture and fittings	4,402,803	(1,867,817)	-	2,534,986
Laboratory equipment	88,944	(62,097)	-	26,847
Motor vehicles	5,788,627	(3,570,789)	-	2,217,838
Office equipment	3,255,948	(2,380,845)	-	875,103
Plant and machinery	64,638,596	(36,993,471)	(1,532,949)	26,112,176
	138,637,817	(65,455,809)	(3,679,990)	69,502,018

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

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

(a) The carrying amounts of property, plant and equipment charged as security for credit facilities granted to the subsidiaries are as follows:-

	THE GROUP 2025 RM	THE GROUP 2024 RM
Freehold land	19,454,015	19,435,926
Buildings	14,803,864	15,182,738
Motor vehicles	1,329,478	1,470,902
Plant and machinery	8,132,902	5,628,944
	43,720,259	41,718,510

(b) The carrying amounts of property acquired under term loans facilities are as follows:-

	THE GROUP 2025 RM	THE GROUP 2024 RM
Freehold land	14,900,000	14,900,000
Buildings	12,654,921	12,912,001
	27,554,921	27,812,001

(c) The carrying amounts of plant and equipment acquired under hire purchase financing which remained outstanding as at the end of the reporting period are as follows:-

	THE GROUP 2025 RM	THE GROUP 2024 RM
Motor vehicles	1,329,478	1,470,902
Plant and machinery	8,132,902	5,628,944
	9,462,380	7,099,846

These assets have had been pledged as security for the hire purchase payables of the Group as disclosed in Note 16 to the financial statements.

5. RIGHT-OF-USE ASSETS

THE GROUP 2025 CARRYING AMOUNT	AT 1.6.2024 RM	ADDITIONS RM	DISPOSAL RM	DERECOG-NITION RM	MODIFI-CATION RM	DEPRECIATION RM	AT 31.5.2025 RM
Leasehold land	27,227,795	348,945	(45,460)	-	-	(546,284)	26,984,996
Office and hostels	242,957	114,479	-	(4,650)	105,447	(140,391)	317,842
Site plant	3,264,042	3,725,307	-	(13,077)	546,801	(2,051,041)	5,472,032
	30,734,794	4,188,731	(45,460)	(17,727)	652,248	(2,737,716)	32,774,870

2024 CARRYING AMOUNT	AT 1.6.2023 RM	ADDITIONS RM	DISPOSAL RM	DERECOG-NITION RM	REASSESSMENT/ MODIFICATION RM	DEPRECIATION RM	IMPAIRMENT LOSS RM	AT 31.5.2024 RM
Leasehold land	31,631,687	-	(1,789,461)	-	-	(745,911)	(1,868,520)	27,227,795
Office and hostels	169,650	153,238	-	(2,517)	43,656	(121,070)	-	242,957
Site plant	2,592,577	2,041,181	-	(68,089)	287,939	(1,589,566)	-	3,264,042
	34,393,914	2,194,419	(1,789,461)	(70,606)	331,595	(2,456,547)	(1,868,520)	30,734,794

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

5. RIGHT-OF-USE ASSETS (CONT'D)

THE GROUP 31.5.2025	AT COST RM	ACCUMULATED DEPRECIATION RM	ACCUMULATED IMPAIRMENT LOSS RM	CARRYING AMOUNT RM
Leasehold land	31,391,513	(3,597,027)	(809,490)	26,984,996
Office and hostels	599,890	(282,048)	-	317,842
Site plant	9,090,762	(3,618,730)	-	5,472,032
	41,082,165	(7,497,805)	(809,490)	32,774,870
31.5.2024				
Leasehold land	32,473,216	(3,376,901)	(1,868,520)	27,227,795
Office and hostels	417,243	(174,286)	-	242,957
Site plant	6,322,926	(3,058,884)	-	3,264,042
	39,213,385	(6,610,071)	(1,868,520)	30,734,794

(a) The Group has lease contracts for leasehold land, office and hostels and site plant used in its operation. Their lease terms range from 2 to 99 (2024 - 2 to 99) years.

(b) The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(c) The Group has several lease contracts that include extension option. This option is negotiated by management to provide flexibility in managing the portfolio of leased asset and align with the Group's business needs. The directors exercise judgement in determining whether this extension option is reasonably certain to be exercised.

(d) Included in leasehold land was a total carrying amount of RM12,717,659 (2024 - RM27,074,996) which has been pledged to licensed banks as security for credit facilities granted to the Group as disclosed in Note 16 to the financial statements.

6. INTANGIBLE ASSETS

THE GROUP	TRADEMARK RM	UNFULFILLED SUPPLY CONTRACTS RM	TOTAL RM
COST:-			
At 1.6.2023	1,403,406	966,240	2,369,646
Currency translation differences	(53,854)	-	(53,854)
At 31.5.2024/1.6.2024	1,349,552	966,240	2,315,792
Currency translation differences	21,120	-	21,120
At 31.5.2025	1,370,672	966,240	2,336,912
ACCUMULATED AMORTISATION:-			
At 1.6.2023	(1,259,135)	(599,469)	(1,858,604)
Addition during the financial year	(68,728)	(325,034)	(393,762)
Currency translation differences	50,149	-	50,149
At 31.5.2024/1.6.2024	(1,277,714)	(924,503)	(2,202,217)
Addition during the financial year	(67,246)	(41,737)	(108,983)
Currency translation differences	(20,099)	-	(20,099)
At 31.5.2025	(1,365,059)	(966,240)	(2,331,299)
CARRYING AMOUNT:-			
At 31.5.2024	71,838	41,737	113,575
At 31.5.2025	5,613	-	5,613

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

7. INVESTMENT PROPERTIES

THE GROUP 2025 CARRYING AMOUNT	AT 1.6.2024 RM	DEPRE- CIATION RM	AT 31.5.2025 RM
Buildings	8,257,546	(186,912)	8,070,634

2024 CARRYING AMOUNT	AT 1.6.2023 RM	ADDITION RM	DISPOSAL RM	DEPRE- CIATION RM	AT 31.5.2024 RM
Buildings	8,529,679	1,124,800	(1,206,880)	(190,053)	8,257,546

	AT COST RM	ACCUMULATED DEPRECIATION RM	AT AMOUNT RM
31.5.2025			
Buildings	8,995,397	(924,763)	8,070,634
31.5.2024			
Buildings	8,995,397	(737,851)	8,257,546

(a) The fair values of investment properties were measured based on appraisals performed using the market comparison approach at RM8,935,411 (2024 - RM10,352,329). The appraised values were derived from observable prices per square foot for comparable properties in similar locations (i.e. Level 2).

(b) Included in buildings was a total carrying amount of RM2,844,360 (2024 - RM2,911,156) which has been pledged to licensed banks as security for credit facilities granted to the Group as disclosed in Note 16 to the financial statements.

8. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY 2025 RM	 2024 RM
Unquoted shares, at cost:		
- in Malaysia	86,230,753	74,730,763
- outside Malaysia	8,099,119	8,099,119
Employees share options granted to employees of subsidiaries	4,041,766	4,533,227
	98,371,638	87,363,109

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held By Parent 2025 %	2024 %	Principal Activities
Easy Sun Sdn. Bhd.	Malaysia	100	100	Design, development and manufacture of specialty advanced ceramic products.
Euroceramic Technologies Co., Ltd. ^	Thailand	100	100	Manufacturing of high quality ceramic dipping formers and marketing and distribution of ceramic hand formers for the rubber glove industry.
Focus Maxwell Sdn. Bhd.*	Malaysia	-	100	Investment holding.
Evermix Concrete Sdn. Bhd.	Malaysia	70	70	Manufacturing and supply of chemical products and construction materials, including ready-mix concrete.
Indirect holding through Euroceramic Technologies Co., Ltd.:-				
Evermix Concrete Sdn. Bhd.	Malaysia	30	30	Manufacturing and supply of chemical products and construction materials, including ready-mix concrete.
Indirect holding through Evermix Concrete Sdn. Bhd.:-				
Ever Gain Concrete Sdn. Bhd.#	Malaysia	60	60	Wholesale and retail sale of ready-mix concrete and other construction materials.

^ *audited by auditors other than Crowe Malaysia PLT.*

* *the subsidiary was placed under members' voluntary liquidation during the year, and no audit report was issued for the subsidiary for the financial year ended 31 May 2025. The results of the subsidiary (prior to liquidation) were consolidated based on management accounts.*

consolidated based on management accounts. This approach was adopted as the size of this subsidiary is considered insignificant to the Group.

9. GOODWILL ON CONSOLIDATION

	THE GROUP 2025 RM	2024 RM
COST:-		
At 31 May	12,351,792	12,351,792
ACCUMULATED IMPAIRMENT LOSSES:-		
At 31 May	(677,897)	(677,897)
	11,673,895	11,673,895

The carrying amount of goodwill allocated to cash-generating unit ("CGU") is as follows:-

	THE GROUP 2025 RM	2024 RM
Evermix Concrete Sdn. Bhd.	11,673,895	11,673,895

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

9. GOODWILL ON CONSOLIDATION (CONT'D)

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGU. The recoverable amount of a CGU is determined based on value-in-use calculation using cash flow projections from the financial budgets and forecast approved by the management covering a five-years period.

		THE GROUP	
		2025	**2024**
1.	Discount rate	13.16%	14.08%
	The discount rate is on a pre-tax basis that reflects current market assessment of time value of money and the risk specific to the CGU.		
2.	Growth rate	5.50%	5.60%
	This is based on the management forecasts after incorporating changes in pricing and direct costs based on past experience and the expectations of future changes in the market.		
3.	Gross margin	10.47%	13.00%
	Net cash projections for the relevant cash flow period are extrapolated based on past gross profit generated by the CGU divided by the gross revenue generated.		

In assessing the value-in-use, the management believes that there is no reasonably possible change in the above key assumptions applied that is likely to cause the carrying amount of the CGU to materially exceed its recoverable amount.

10. INVENTORIES

	THE GROUP	
	2025 RM	**2024 RM**
At cost:-		
Raw materials	9,527,984	7,677,986
Work-in-progress	240,543	406,194
Finished goods	767,901	831,603
	10,536,428	8,915,783
Recognised in profit or loss:-		
Inventories recognised as cost of sales	348,496,246	335,877,728

There were no inventories valued at net realisable value.

11. RECEIVABLES

	THE GROUP	
	2025 RM	**2024 RM**
Trade receivables:		
- Unrelated parties	131,225,736	103,327,849
- Accumulated impairment losses	(10,019,395)	(7,394,328)
	121,206,341	95,933,521
Other receivables:		
- Unrelated parties	7,922,644	7,079,819
	129,128,985	103,013,340

11. RECEIVABLES (CONT'D)

The currency profile of receivables is as follows:-

	THE GROUP 2025 RM	THE GROUP 2024 RM
Ringgit Malaysia	126,064,361	98,685,545
Thai Baht	1,685,041	1,529,901
United States Dollar	1,379,583	2,797,894
	129,128,985	103,013,340

Trade Receivables

Trade receivables are unsecured, and non-interest bearing and generally on 30 to 120 (2024 - 30 to 90) days terms. Other credit terms are assessed and approved on a case-by-case basis.

The Group uses past due information to assess the credit risk of trade receivables. The analysis by past due status is as follows:-

	THE GROUP 2025 RM	THE GROUP 2024 RM
Not past due	86,881,897	63,436,853
1 to 30 days past due	20,763,892	14,925,463
31 to 90 days past due	9,244,834	9,316,086
More than 90 days past due	4,315,718	8,255,119
	121,206,341	95,933,521

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 180 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Such lifetime expected credit losses are calculated using a provision matrix based on historical observed default rates (adjusted for forward-looking estimates). The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the diversity of customer base.

	NOT PAST DUE RM	1 TO 30 DAYS PAST DUE RM	31 TO 90 DAYS PAST DUE RM	MORE THAN 90 DAYS PAST DUE RM	CREDIT-IMPAIRED RM	TOTAL RM
As at 31 May 2025						
Gross carrying amount	86,883,775	20,765,754	9,244,834	7,067,962	7,263,411	131,225,736
Loss allowance	1,878	1,862	-	2,752,244	7,263,411	10,019,395
As at 31 May 2024						
Gross carrying amount	63,846,575	15,301,228	9,985,002	11,713,813	2,481,231	103,327,849
Loss allowance	409,722	375,765	668,916	3,458,694	2,481,231	7,394,328

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

11. RECEIVABLES (CONT'D)

Trade Receivables (Cont'd)

The average credit loss rates were based on the payment profile of revenue over a period of 12 (2024 - 12) months and the corresponding historical credit losses experienced during the period. The rates were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The changes in the accumulated impairment losses are as follows:-

	THE GROUP	
	2025	**2024**
	RM	**RM**
Balance at 1 June 2024/2023	7,394,328	3,613,248
Addition during the financial year	2,792,846	6,811,764
Reversal during the financial year	(167,779)	(3,030,684)
Balance at 31 May	10,019,395	7,394,328

The credit risk concentration profile by geographical areas of trade receivables is as follows:-

	THE GROUP	
	2025	**2024**
	RM	**RM**
Malaysia	118,894,379	92,948,354
Thailand	1,646,294	1,506,648
Sri Lanka	665,668	1,478,519
	121,206,341	95,933,521

Other Receivables

Other receivables are unsecured and non-interest bearing.

The amounts owing by unrelated parties include advance payments made to suppliers amounting to RM137,848 (2024 - RM238,920) which will be offset against future purchases and refundable deposits amounting to RM7,200,328 (2024 - RM5,892,821).

12. SHORT-TERM INVESTMENTS

	THE GROUP/THE COMPANY	
	2025	**2024**
	RM	**RM**
Quoted investments, at fair value:		
- in Malaysia	167,143	196,623

The fair values of quoted investments were directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

The currency profile of short-term investments is as follows:-

	THE GROUP/THE COMPANY	
	2025	**2024**
	RM	**RM**
Ringgit Malaysia	167,143	196,623

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

13. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Highly liquid investment	30,756,065	42,206,944	28,341,266	38,831,073
Term deposits with licensed banks (fixed rate)	13,942,848	10,078,973	2,321,198	2,450,412
Cash and bank balances	31,841,006	32,725,316	24,484	3,518,834
	76,539,919	85,011,233	30,686,948	44,800,319

Cash and cash equivalents are placed with reputable financial institutions with low credit risk. Accordingly, their expected credit losses are not considered to be material and hence, have not been recognised.

The term deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.50% to 4.38% (2024 - 2.80% to 5.63%) per annum. The term deposits have maturity periods ranging from 1 to 12 (2024 - 2 to 12) months.

The currency profile of cash and cash equivalents is as follows:-

	THE GROUP		THE COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Euro	-	2	-	-
Ringgit Malaysia	50,718,324	57,618,784	28,359,787	42,343,501
Thai Baht	10,819,056	4,412,433	-	-
United States Dollar	15,002,539	22,980,014	2,327,161	2,456,818
	76,539,919	85,011,233	30,686,948	44,800,319

For the purpose of statements of cash flows, cash and cash equivalents are presented net of pledged deposits and tenure more than three months as follows:-

	THE GROUP		THE COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and cash equivalents	76,539,919	85,011,233	30,686,948	44,800,319
Term deposits with tenure more than 3 months (fixed rate)	(1,217,938)	(1,168,846)	-	-
	75,321,981	83,842,387	30,686,948	44,800,319

14. SHARE CAPITAL

	THE GROUP/THE COMPANY			
	2025	2024	2025	2024
	NUMBER OF SHARES		RM	RM
Issued and Fully Paid-up				
Balance at 1 June 2024/2023	671,389,489	529,202,564	80,156,259	51,718,874
Issuance of shares pursuant to ESOS	1,350,000	-	324,000	-
Issuance of shares pursuant to Warrants	-	142,186,925	-	28,437,385
Issuance of shares upon settlement of contingent consideration	34,375,000	-	5,156,250	-
Balance at 31 May	707,114,489	671,389,489	85,636,509	80,156,259

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

14. SHARE CAPITAL (CONT'D)

(a) 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 regard to the Company's residual assets.

(b) During the financial year, the Company increased its issued and paid-up share capital from RM80,156,259 to RM85,636,509 by way of:-

(i) issuance of 1,350,000 new ordinary shares from the exercise of options under the Company's Employee Share Option Scheme at exercise price of RM0.110 per option which amounted to RM324,000; and

(ii) issuance of 34,375,000 new ordinary shares upon settlement of contingent consideration at RM0.150 per share which amounted to RM5,156,250.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

15. RESERVES

	THE GROUP		THE COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable reserves:-				
Capital reserve (Note 15.1)	715,680	715,680	-	-
Share option reserve (Note 15.2)	505,289	1,172,250	505,289	1,172,250
Currency translation reserve (Note 15.3)	5,388,726	4,829,854	-	-
	6,609,695	6,717,784	505,289	1,172,250
Distributable reserve:-				
Retained profits	104,783,716	98,341,240	42,979,872	40,847,529
	111,393,411	105,059,024	43,485,161	42,019,779

15.1 Capital Reserve

In accordance with the prevailing laws and regulations applicable to the foreign subsidiary in Thailand, a discretionary dedicated capital, which includes a general reserve fund and an enterprise expansion fund, should be maintained by the subsidiary. The Board of Directors of the subsidiary determines the amount of the annual appropriations to the dedicated capital. Such appropriations are reflected in the subsidiary's statement of financial position under equity. The appropriations will not be available for distribution to shareholders once appropriated, but may be used to set off losses or be converted into paid-up capital.

15.2 Share Option Reserve

The shareholders of the Company, by a resolution passed at an Extraordinary General Meeting held on 16 May 2018, approved the Long Term Incentive Plan ("LTIP") comprising Employee Share Option Scheme ("ESOS") and Share Grant Plan. The ESOS became effective on 3 September 2018.

The principal features of the ESOS are as follows:-

(i) At any point of time when the offer is made, the maximum number of shares to be issued shall not exceed 30% of the total number of issued shares (excluding treasury shares, if any) of the Company during the duration of the LTIP.

15. RESERVES (CONT'D)

15.2 Share Option Reserve (Cont'd)

(ii) An employee (including executive directors) of the Group shall be eligible to participate in the ESOS if, as at the date of offer, the following eligibility criteria is fulfilled:-

(a) the employee is at least 18 years of age and is not an undischarged bankrupt;
(b) the employee is in employment within the Group and has not serve a notice to resign nor received a notice of termination; and
(c) is under such categories and criteria that the LTIP Committee may from time to time decide at its absolute discretion.

(iii) All non-executive directors who have been appointed to the board shall be eligible to participate in the ESOS in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and subject to the Constitution of the Company.

(iv) The ESOS shall be valid for a duration of 10 years from the effective date.

(v) The exercise price shall be determined based on the weighted average market price of shares for the 5 market days immediately preceding the date of offer with a discount of not more than 10%.

(vi) The employees' entitlement to the options is vested upon acceptance of the offer by the grantee, which shall be no later than 30 days from the date of offer.

(vii) The new shares to be allotted and issued upon exercise of any options granted under the scheme will, upon allotment and issuance, rank pari passu in all respects with the existing shares save in the Company and except that the new shares so allotted and issued will not be entitled to any rights, dividends, allotment and/ or other distribution declared, made or paid, the entitlement date of which precedes the date of exercise of the options.

The option prices and the details in the movement of the options granted are as follows:-

				← Number of Options over Ordinary Shares →			
Date of offer	Exercise Price*	Exercise Price**	Remaining Contractual Life of Options	At 1.6.2024	Exercised	Forfeited	At 31.5.2025
14 January 2019	0.200	N/A	3.3 years	-	-	-	-
22 January 2020	0.210	0.110	3.3 years	1,400,000	(1,350,000)	-	50,000
3 August 2020	0.615	0.310	3.3 years	10,740,000	-	(4,840,000)	5,900,000
				12,140,000	(1,350,000)	(4,840,000)	5,950,000

				← Number of Options over Ordinary Shares →		
Date of offer	Exercise Price*	Exercise Price**	Remaining Contractual Life of Options	At 1.6.2023	Forfeited	At 31.5.2024
14 January 2019	0.200	N/A	4.3 years	-	-	-
22 January 2020	0.210	0.110	4.3 years	1,500,000	(100,000)	1,400,000
3 August 2020	0.615	0.310	4.3 years	11,580,000	(840,000)	10,740,000
				13,080,000	(940,000)	12,140,000

* *Before bonus issue*

** *After bonus issue*

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

15. RESERVES (CONT'D)

15.2 Share Option Reserve (Cont'd)

The options which forfeited during the financial year were due to the resignation of employees.

For options exercised during the financial year, the weighted average share price at the date of exercise was RM0.191 (2024 - Nil).

The number of options vested and exercisable as at 31 May 2025 was 5,950,000 (2024 - 12,140,000) and have an exercise price in the range of RM0.110 to RM0.310 (2024 - RM0.110 to RM0.310) and a remaining contractual life of 3.3 (2024 - 4.3) years. These options expire on 2 September 2028 and are exercisable if the employee remains in service.

No person to whom the share option has been granted above has any right to participate by virtue of the option in any share issue of any other company.

The fair values of the share options granted were estimated using the Black Scholes Model, taking into account the terms and conditions upon which the options were granted. The fair value of the share options measured at grant date and the assumptions used are as follows:-

	Option A	Option B	Option C
Grant date	14.1.2019	22.1.2020	3.8.2020
Fair value at grant date (RM)	0.090	0.130	0.192 - 0.207
Weighted average share price (RM)	0.160	0.220	0.287
Exercise price* (RM)	0.200	0.210	0.615
Exercise price** (RM)	N/A	0.110	0.310
Expected volatility (%)	65.10	63.53	187.09
Option life (years)	9.60	8.60	7.60
Expected dividends (%)	3.950	2.780	4.812
Risk-free interest rate (%)	4.130	3.330	2.490

* *Before bonus issue*
** *After bonus issue*

The expected volatility reflects the assumption that historical volatility is indicative of future trends but may not necessarily be the actual outcome. No other features of the share options granted were incorporated into the measurement of fair value.

15.3 Currency Translation Reserve

The currency translation reserve arose from the translation of the financial statements of its foreign subsidiary.

16. LOANS AND BORROWINGS

	THE GROUP 2025 RM	THE GROUP 2024 RM
Secured		
Hire purchase payables (fixed rate)	8,474,488	6,109,743
Term loans (floating rate)	20,179,156	21,688,925
Term loan (fixed rate)	163,048	376,079
Banker's acceptance (fixed rate)	-	400,000
	28,816,692	28,574,747
Disclosed as:		
- Current liabilities	3,791,806	3,539,914
- Non-current liabilities	25,024,886	25,034,833
	28,816,692	28,574,747

(a) Hire purchase payables are secured against the assets acquired as disclosed in Note 4 to the financial statements.

(b) Term loans are secured by way of:-

(i) legal charges over certain properties belonging to the Group as disclosed in Notes 4, 5 and 7 to the financial statements;
(ii) a corporate guarantee by the Company;
(iii) a joint and several guarantee by certain directors;
(iv) a personal guarantee by a director; and
(v) a guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad.

(c) The effective interest rates of loans and borrowings as at 31 May 2025 ranged from 2.24% to 4.67% (2024 - 2.24% to 6.77%) per annum.

Hire purchase payables are repayable over 2 to 5 years. The repayment analysis is as follows:-

	THE GROUP 2025 RM	THE GROUP 2024 RM
Minimum hire purchase payments:		
- Within 1 year	2,649,732	1,694,263
- Later than 1 year and not later than 2 years	2,515,478	1,694,263
- Later than 2 years and not later than 5 years	4,247,006	3,432,446
- Later than 5 years	-	47,380
Total contractual undiscounted cash flows	9,412,216	6,868,352
Future finance charges	(937,728)	(758,609)
Present value of hire purchase payables:		
- Within 1 year	2,235,722	1,390,056
- Later than 1 year and not later than 2 years	2,233,779	1,472,387
- Later than 2 years and not later than 5 years	4,004,987	3,200,458
- Later than 5 years	-	46,842
	8,474,488	6,109,743

The fair values of hire purchase payables are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair values measured are considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximate to the effective interest rates of hire purchase payables.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

16. LOANS AND BORROWINGS (CONT'D)

Term loans are repayable over 1 to 16 years. The repayment analysis is as follows:-

	THE GROUP 2025 RM	THE GROUP 2024 RM
Gross loan instalments:		
- Within 1 year	2,471,042	2,353,578
- Later than 1 year and not later than 2 years	2,302,287	2,202,714
- Later than 2 years and not later than 5 years	6,656,156	5,724,414
- Later than 5 years	17,310,791	18,162,176
Total contractual undiscounted cash flows	28,740,276	28,442,882
Future finance charges	(8,398,072)	(6,377,878)
Present value of term loans:		
- Within 1 year	1,556,084	1,749,858
- Later than 1 year and not later than 2 years	1,455,788	1,599,289
- Later than 2 years and not later than 5 years	4,401,576	4,196,926
- Later than 5 years	12,928,756	14,518,931
	20,342,204	22,065,004

The fair values of term loans are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair values measured are considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximate to the effective interest rates of term loans.

The currency profile of loans and borrowings is as follows:-

	THE GROUP 2025 RM	THE GROUP 2024 RM
Ringgit Malaysia	28,523,213	28,574,747
Thai Baht	293,479	-
	28,816,692	28,574,747

17. LEASE LIABILITIES

	THE GROUP 2025 RM	THE GROUP 2024 RM
Gross lease liabilities:		
- Within 1 year	2,725,728	1,406,199
- Later than 1 year and not later than 2 years	2,003,432	1,234,627
- Later than 2 years and not later than 5 years	1,559,560	1,191,162
Total contractual undiscounted cash flows	6,288,720	3,831,988
Future finance charges	(394,488)	(300,467)
	5,894,232	3,531,521
Disclosed as:		
- Current liabilities	2,498,862	1,251,087
- Non-current liabilities	3,395,370	2,280,434
	5,894,232	3,531,521

17. LEASE LIABILITIES (CONT'D)

The currency profile of lease liabilities is as follows:-

	THE GROUP	
	2025 RM	2024 RM
Ringgit Malaysia	5,894,232	3,531,521

The incremental borrowing rates applied to lease liabilities as at 31 May 2025 ranged from 4.65% to 7.92% (2024 - 3.40% to 7.92%) per annum.

18. PROVISION FOR RESTORATION COSTS

	THE GROUP	
	2025 RM	2024 RM
At 1 June 2024/2023	320,502	192,800
Provision made during the financial year	96,068	119,043
Provision reversed during the financial year	(125,969)	-
Unwinding of discount factor	10,021	8,659
At 31 May	300,622	320,502
Disclosed as:		
- Current liabilities	27,417	96,140
- Non-current liabilities	273,205	224,362
	300,622	320,502

Under certain lease arrangements, the Group has an obligation to dismantle and restore those leased site plant at the end of the lease terms to an acceptable condition consistent with the lease agreements.

The provisions are estimated using the assumption that decommissioning, removal and restoration will only take place upon expiry of the lease terms ranging from 2 to 6 (2024 - 2 to 6) years. The discount rate and inflation rate used to determine the obligation as at the reporting date ranged from 3.07% to 3.65% and 2.07% to 2.97% (2024 - 3.28% to 3.65% and 2.17 to 3.14%) respectively.

While the provisions are based on the best estimate of future costs and the economic lives of the affected assets, there is uncertainty regarding both the amount and timing of incurring these costs. All the estimates are reviewed on an annual basis or more frequently, when there is indication of a material change.

19. DEFERRED TAX LIABILITIES

THE GROUP 2025	AT 1.6.2024 RM	RECOGNISED IN PROFIT OR LOSS (NOTE 25) RM	AT 31.5.2025 RM
Deferred Tax Liabilities			
- Property, plant and equipment	544,831	1,904,000	2,448,831
- Right-of-use assets	2,764,600	(34,096)	2,730,504
- Investment properties	727,394	(16,814)	710,580
- Intangible assets	10,017	(10,017)	-
	4,046,842	1,843,073	5,889,915

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

19. DEFERRED TAX LIABILITIES (CONT'D)

2024	AT 1.6.2023 RM	RECOGNISED IN PROFIT OR LOSS (NOTE 25) RM	AT 31.5.2024 RM
Deferred Tax Liabilities			
- Property, plant and equipment	2,426,831	(1,882,000)	544,831
- Right-of-use assets	2,822,013	(57,413)	2,764,600
- Investment properties	744,088	(16,694)	727,394
- Intangible assets	88,026	(78,009)	10,017
	6,080,958	(2,034,116)	4,046,842

20. PAYABLES

	THE GROUP		THE COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables:				
- Unrelated parties	91,963,403	78,009,153	-	-
Other payables:				
- Contingent consideration	-	6,710,470	-	6,710,470
- Unrelated parties	6,761,023	6,656,506	105,280	97,200
	6,761,023	13,366,976	105,280	6,807,670
Dividends payable	-	3,356,947	-	3,356,947
	98,724,426	94,733,076	105,280	10,164,617

The currency profile of payables is as follows:-

	THE GROUP		THE COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	96,403,797	91,819,148	105,280	10,164,617
Thai Baht	2,213,871	2,913,928	-	-
United States Dollar	106,758	-	-	-
	98,724,426	94,733,076	105,280	10,164,617

Trade and other payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Trade Payables

Trade payables are unsecured, non-interest bearing and generally on 30 to 120 (2024 - 30 to 120) days terms.

Other Payables

Other payables are unsecured and non-interest bearing. The amount owing is to be settled in cash. The amount owing to unrelated parties mainly consist of sundry payables and accruals for operating expenses which are generally due within 30 to 90 (2024 - 30 to 90) days.

21. CONTRACT LIABILITIES

	THE GROUP 2025 RM	THE GROUP 2024 RM
At 1 June 2024/2023	5,388,295	5,500,590
Revenue recognised from opening contract liabilities	(5,351,503)	(5,460,652)
Advances received for future performance obligations	5,167,720	5,348,357
At 31 May	5,204,512	5,388,295

The currency profile of contract liabilities is as follows:-

	THE GROUP 2025 RM	THE GROUP 2024 RM
Ringgit Malaysia	566,587	332,468
Thai Baht	146,483	132,724
United States Dollar	4,491,442	4,923,103
	5,204,512	5,388,295

The Group generally satisfies its performance obligations at a point in time upon delivery of goods. Any consideration received or due in advance before a performance obligation is satisfied is presented as contract liabilities. The amount will be recognised as revenue when the performance obligations are satisfied of which the revenue will be recognised.

22. REVENUE

	THE GROUP 2025 RM	THE GROUP 2024 RM	THE COMPANY 2025 RM	THE COMPANY 2024 RM
Revenue from contracts with customers:				
- Sales of goods	473,271,695	368,428,855	-	-
Other source of revenue:				
- Dividend income	9,263	9,404	129,263	3,509,404
	473,280,958	368,438,259	129,263	3,509,404

(a) The information on the disaggregation of the Group's revenue is disclosed in Note 32 to the financial statements. The information on the disaggregation of the Company's revenue has not been disclosed as the Company derives revenue mainly from dividend income received from subsidiaries.

(b) The information about the performance obligations in contracts with customers is summarised below:-

Nature of Goods	Timing and Method of Revenue Recognition	Significant Payment Terms	Variable Considerations	Warranty and Obligation for Returns or Refunds
Sales of goods	When the goods are delivered and accepted by customers	Credit period of 30 to 120 days from invoice date	Not applicable	Not applicable

(c) The information of the revenue from other sources is summarised below:-

Dividend Income

Dividend income is recognised when the right to receive dividend payment is established.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

23. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):-

	THE GROUP		THE COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Amortisation of intangible assets	108,983	393,762	-	-
Auditors' remuneration:				
- Audit fees:				
- Crowe Malaysia PLT				
- current financial year	246,000	234,000	78,000	78,000
- underprovision in the previous financial year	16,000	-	-	-
- Other firm	19,000	19,000	-	-
- Non-audit fees:				
- Crowe Malaysia PLT	12,000	12,000	12,000	12,000
Bad debts written off	-	122,227	-	-
Deposit forfeited	3,750	-	-	-
Depreciation of investment properties	186,912	190,053	-	-
Depreciation of property, plant and equipment	6,334,264	5,843,371	-	-
Depreciation of right-of-use assets	2,737,716	2,456,547	-	-
Directors and employees benefits expense (Note 24)	26,365,447	24,472,911	78,000	82,500
Fair value changes on remeasurement of contingent consideration	-	2,775,441	-	2,775,441
Fair value loss/(gain) on financial instruments mandatorily measured at fair value through profit or loss	29,480	(19,177)	29,480	(19,177)
Impairment loss on property, plant and equipment	-	3,679,990	-	-
Impairment loss on right-of-use assets	-	1,868,520	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- Banker's acceptance	5,508	9,782	-	-
- Hire purchase payables	417,262	181,063	-	-
- Term loans	938,000	1,031,456	-	-
- Unwinding of discount on provision for restoration costs	10,021	8,659	-	-
- Others	30,507	26,521	-	-
Interest expense on lease liabilities	261,092	199,478	-	-
Lease expense:				
- Short-term leases	45,814,194	32,892,586	-	-
- Low-value assets	15,231	14,183	-	-
Loss/(Gain) on derecognition of lease	12,817	(3,177)	-	-
Loss on loss of control of a subsidiary	70,000	-	10	-
Net impairment loss on financial assets:				
- Impairment loss on receivables	2,792,846	6,811,764	-	-
- Reversal of impairment loss on receivables	(167,779)	(3,030,684)	-	-
Net loss/(gain) on foreign exchange:				
- Realised	374,366	(108,142)	-	-
- Unrealised	1,428,181	(447,797)	241,608	(50,786)
Plant and equipment written off	-	193,916	-	-
Research and development expenses	6,396	4,238	-	-
Bad debts recovered	(11,258)	(1,153,705)	-	-
Dividend received from:				
- Subsidiaries	-	-	(120,000)	(3,500,000)
- Short-term investment	(9,263)	(9,404)	(9,263)	(9,404)
Gain on disposal of investment properties	-	(123,120)	-	-
Gain on disposal of property, plant and equipment	(2,259,957)	(741,057)	-	-
Gain on disposal of right-of-use assets	(1,730,603)	(5,410,539)	-	-
Gain on settlement of contingent consideration	(1,554,220)	-	(1,554,220)	-
Interest income of financial assets that are not at fair value through profit or loss	(1,954,411)	(1,748,935)	(1,172,359)	(1,123,529)
Rental income	(863,988)	(521,166)	-	-
Reversal of provision of restoration costs	(125,969)	-	-	-
Waiver of amount owing to directors	-	(691,104)	-	-

24. DIRECTORS AND EMPLOYEES BENEFITS EXPENSE

	THE GROUP		THE COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company				
Executive directors:				
- Other short-term employee benefits	1,349,863	1,344,207	-	-
- Defined contribution benefits	165,600	189,920	-	-
- Fees	36,000	48,000	-	-
Non-executive directors:				
- Fees	78,000	78,000	78,000	78,000
	1,629,463	1,660,127	78,000	78,000
Director of A Subsidiary				
Executive director:				
- Fees	-	12,000	-	-
	1,629,463	1,672,127	78,000	78,000
Employees				
- Share-based payments	(491,461)	(98,557)	-	-
- Other short-term employee benefits	24,011,180	21,640,691	-	4,500
- Defined contribution benefits	1,216,265	1,258,650	-	-
	24,735,984	22,800,784	-	4,500
	26,365,447	24,472,911	78,000	82,500

Included in the employees benefits expense were the remuneration paid to key management personnel amounting to RM526,406 (2024 - RM482,688).

25. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax:				
- for the financial year	2,634,203	2,736,644	22,085	46,133
- under/(over)provision in the previous financial year	3,532	(180,732)	(1)	33,137
	2,637,735	2,555,912	22,084	79,270
Deferred tax (Note 19):				
- for the financial year	(116,927)	(1,803,116)	-	-
- under/(over)provision in the previous financial year	1,960,000	(231,000)	-	-
	1,843,073	(2,034,116)	-	-
Real property gains tax	112,915	501,277	-	-
	4,593,723	1,023,073	22,084	79,270

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

25. INCOME TAX EXPENSE (CONT'D)

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate is as follows:-

	THE GROUP		THE COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before taxation	11,036,199	1,615,675	2,154,427	1,511,713
Tax at the statutory tax rate of 24%	2,648,688	387,762	517,062	362,811
Tax effects of:-				
Non-deductible expenses	1,240,222	1,401,493	163,505	763,352
Non-taxable income	(1,558,433)	(1,637,753)	(658,482)	(1,080,030)
Deferred tax assets not recognised during the financial year	360,282	844,662	-	-
Differential in tax rates of foreign subsidiary	(173,483)	(62,636)	-	-
Under/(Over)provision in the previous financial year:				
- current tax	3,532	(180,732)	(1)	33,137
- deferred tax	1,960,000	(231,000)	-	-
Real property gains tax	112,915	501,277	-	-
	4,593,723	1,023,073	22,084	79,270

The future availability of deductible temporary differences for which no deferred tax assets have been recognised are as follows:-

	THE GROUP		THE COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables	9,780,605	6,819,980	-	-
Property, plant and equipment	(268,153)	(931,240)	-	-
Unrealised (loss)/gain on foreign exchange	(1,186,573)	397,011	-	-
Unabsorbed capital allowances	(2,403,503)	(4,036,793)	-	-
Unutilised tax losses:				
- expires year of assessment 2034	(2,383,830)	(2,383,830)	-	-
- expires year of assessment 2035	(2,172,245)	-	-	-
	1,366,301	(134,872)	-	-

The foreign subsidiary in Thailand was granted promotional privileges under the Investment Promotional Act, B.E. 2520 for manufacturing ceramic hand formers according to the promotion certificates issued by the authorities. The main promotional privileges are as follows:-

(a) Exemption from corporate income tax on net profit from promoted activities for the approved period and exemption of loss carried forward from operations incurred during the income tax exemption period to offset with net earnings for a period of 5 years, commencing from the expiry date of the income tax exemption period;

(b) Exemption from corporate income tax on dividends received from the profits of the promoted operations throughout the corporate income tax exemption period;

(c) Exemption from import duty of imported raw materials and supplies for production for export for a period of five years (commencing from the first import date); and

(d) Permission to deduct cost of public utilities at the rate of 25% in addition to normal depreciation charges.

26. EARNINGS PER SHARE

The earnings per share is calculated by dividing the Group's profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year as follows:-

	THE GROUP 2025	THE GROUP 2024
Profit after taxation for the financial year (RM)	6,442,476	592,602
Number of shares in issue at 1 June 2024/2023	671,389,489	529,202,564
Effect of shares issued pursuant to Warrants	-	92,606,496
Effect of shares issued pursuant to ESOS	1,028,219	-
Effect of share issued upon settlement of contingent consideration	22,320,206	-
Weighted average number of shares for computing basic earnings per share	694,737,914	621,809,060
Number of shares under ESOS and Warrants deemed to have been issued for no consideration	119,267	5,795,817
Weighted average number of shares for computing diluted earnings per share	694,857,181	627,604,877
Basic earnings per share (sen)	0.93	0.10
Diluted earnings per share (sen)	0.93	0.09

27. LOSS OF CONTROL OF A SUBSIDIARY

On 14 January 2025, the directors of the Group determined that the Group had lost control of its subsidiary, Focus Maxwell Sdn. Bhd. ("FMSB"), as FMSB was placed under Members' Voluntary Liquidation and the Group no longer retained control over its board of directors.

The following summarises amounts of assets transferred at the date of loss of control:-

	THE GROUP 2025 RM	THE GROUP 2024 RM	THE COMPANY 2025 RM	THE COMPANY 2024 RM
Investment in subsidiaries	-	-	10	-
Current tax assets	67,870	-	-	-
Cash and bank balances	2,130	-	-	-
Carrying amount of net asset transferred	70,000	-	10	-
Loss on loss of control of a subsidiary	(70,000)	-	(10)	-
Less: Cash and bank balances	(2,130)	-	-	-
Net cash outflow from loss of control of a subsidiary	(2,130)	-	-	-

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

28. NOTES TO STATEMENTS OF CASH FLOWS

	THE GROUP 2025 RM	2024 RM
Purchase of Property, Plant and Equipment		
Cost of property, plant and equipment acquired	9,142,308	8,866,249
Acquired through hire purchase arrangements	(4,156,991)	(4,728,200)
Net cash disbursed	4,985,317	4,138,049
Acquisition of Right-of-use Assets		
Cost of right-of-use assets acquired	4,188,731	2,194,419
Acquired by means of leases	(3,743,718)	(2,075,376)
Provision of restoration costs	(96,068)	(119,043)
Net cash disbursed	348,945	-
Banker's Acceptance		
Balance at 1 June 2024/2023	400,000	400,000
Net cash flow changes	(400,000)	-
Balance at 31 May (Note 16)	-	400,000
Term Loans		
Balance at 1 June 2024/2023	22,065,004	23,055,854
Drawdowns	-	962,852
Repayments	(1,722,800)	(1,953,702)
Balance at 31 May (Note 16)	20,342,204	22,065,004
Hire Purchase Payables		
Balance at 1 June 2024/2023	6,109,743	2,643,795
Additions	4,156,991	4,728,200
Repayments	(1,792,246)	(1,262,252)
Balance at 31 May (Note 16)	8,474,488	6,109,743
Lease Liabilities		
Balance at 1 June 2024/2023	3,531,521	2,837,429
Additions	3,743,718	2,075,376
Derecognition	(4,910)	(73,783)
Reassessment/Modification	652,248	331,595
Repayments	(2,028,345)	(1,639,096)
Balance at 31 May (Note 17)	5,894,232	3,531,521

28. NOTES TO STATEMENTS OF CASH FLOWS (CONT'D)

	THE GROUP 2025 RM	THE GROUP 2024 RM
The total cash outflow for leases is as follows:-		
Operating Activities		
Lease expenses relating to (Note 23):		
- Short-term leases	45,814,194	32,892,586
- Low-value assets	15,231	14,183
Interest portion of lease liabilities (Note 23)	261,092	199,478
Investing Activities		
Acquisition of right-of-use assets	348,945	-
Financing Activities		
Principal portion of lease liabilities	2,028,345	1,639,096
	48,467,807	34,745,343

29. FINANCIAL GUARANTEE CONTRACTS

The Company has entered into financial guarantee contracts to provide financial guarantees to financial institutions for the credit facilities granted to certain subsidiaries up to a total limit of RM49,937,438 (2024 - RM59,480,438). The total utilisation of those credit facilities as at 31 May 2025 amounted to RM24,350,914 (2024 - RM27,582,445). No maturity analysis is presented for the financial guarantee contracts as the entire amount could be called at any time in the event of default by the subsidiaries.

The probability of the subsidiaries defaulting on the credit lines is remote, the financial guarantee contracts have not been recognised as the fair values on initial recognition are not expected to be material.

	THE COMPANY 2025 RM	THE COMPANY 2024 RM
Contractual undiscounted cash flows	24,350,914	27,582,445

30. CONTINGENT LIABILITIES

Bank guarantee

	THE GROUP 2025 RM	THE GROUP 2024 RM
Bank guarantee extended to the Group	805,843	1,420,383

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

31. RELATED PARTY TRANSACTIONS

Significant transactions with related parties during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Key management personnel compensation:				
- Other short-term employee benefits	1,811,559	1,766,680	-	-
- Defined contribution benefits	230,310	250,135	-	-
- Fees	114,000	138,000	78,000	78,000
	2,155,869	2,154,815	78,000	78,000
Plant maintenance charged by a related party [a]	-	14,315	-	-
Purchase of goods from a related party [a]	-	20,390,240	-	-
Rental of machinery charged by a related part [a]	-	1,494,138	-	-
Sub contractor wages charged by a related party [a]	-	509,946	-	-
Dividends received from subsidiaries	-	-	(120,000)	(3,500,000)
Proceed from disposal of a property to a related party [a]	-	(1,330,000)	-	-

[a] *Being a company in which a close family member of a director of the Group has a substantial financial interest.*

32. SEGMENT REPORTING

The Group

Operating Segments

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:-

(i) Investing: Investment holding.

(ii) Glove equipment: Manufacturing and distribution of ceramic hand formers.

(iii) Construction: Manufacturing and supply of chemical products and construction materials, including ready-mix concrete.

Except as indicated above, no other operating segments have aggregated to form the above reportable segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with external parties.

32. SEGMENT REPORTING (CONT'D)

The Group (Cont'd)

Operating Segments (Cont'd)

2025	INVESTING RM	GLOVE EQUIPMENT RM	CONSTRUCTION RM	CONSOLIDATION ADJUSTMENTS AND ELIMINATION RM	TOTAL RM
Revenue					
External revenue	9,263	32,994,253	440,602,646	(325,204)	473,280,958
Inter-segment revenue	120,000	-	-	(120,000)	-
Total revenue	129,263	32,994,253	440,602,646	(445,204)	473,280,958
Represented by:-					
Revenue recognised at a point of time					
Dividend income	129,263	-	-	(120,000)	9,263
Sales of hand formers	-	32,994,253	-	(325,204)	32,669,049
Sales of ready-mix concrete	-	-	440,602,646	-	440,602,646
	129,263	32,994,253	440,602,646	(445,204)	473,280,958
Results					
Segment profit	966,307	13,256,602	6,336,808	(9,813,137)	10,746,580
Finance costs	-	(554,995)	(1,109,797)	-	(1,664,792)
Finance income	1,172,388	522,379	259,644	-	1,954,411
Profit before taxation	2,138,695	13,223,986	5,486,655	(9,813,137)	11,036,199
Income tax expense					(4,593,723)
Profit after taxation for the financial year					6,442,476
Assets					
Segment assets	129,227,859	130,017,700	190,354,578	(110,921,646)	338,678,491
Unallocated asset:					
- Current tax assets					3,782,148
Total assets					342,460,639
Included in the measurement of segment assets are:					
Additions to non-current assets other than financial instruments are:					
- Property, plant and equipment	-	14,821,452	6,090,152	(11,769,296)	9,142,308
- Right-of-use assets	-	348,945	3,839,786	-	4,188,731
Liabilities					
Segment liabilities	105,280	22,280,567	116,896,429	(294,736)	138,987,540
Unallocated liabilities:					
- Current tax liabilities					553,224
- Deferred tax liabilities					5,889,915
Total liabilities					145,430,679

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

32. SEGMENT REPORTING (CONT'D)

The Group (Cont'd)

Operating Segments (Cont'd)

2025	INVESTING RM	GLOVE EQUIPMENT RM	CONSTRUCTION RM	CONSOLIDATION ADJUSTMENTS AND ELIMINATION RM	TOTAL RM
Other information					
Amortisation of intangible assets	-	67,246	-	41,737	108,983
Deposit forfeited	-	-	3,750	-	3,750
Depreciation of investment properties	-	-	116,856	70,056	186,912
Depreciation of property, plant and equipment	-	3,256,479	4,296,080	(1,218,295)	6,334,264
Depreciation of right-of-use assets	-	322,520	2,273,567	141,629	2,737,716
Fair value loss on financial instruments	29,480	-	-	-	29,480
Impairment loss on receivables	-	-	2,792,846	-	2,792,846
Interest expenses	-	554,995	1,107,395	-	1,662,390
Loss on loss of control of a subsidiary	10	-	-	69,990	70,000
Unrealised loss on foreign exchange	241,608	1,186,573	-	-	1,428,181
Bad debts recovered	-	-	(11,258)	-	(11,258)
Gain on disposal of property, plant and equipment	-	(12,319,857)	(528,119)	10,588,019	(2,259,957)
Gain on disposal of right-of-use assets	-	(1,730,603)	-	-	(1,730,603)
Reversal of impairment loss on receivables	-	(167,779)	-	-	(167,779)

2024	INVESTING RM	GLOVE EQUIPMENT RM	CONSTRUCTION RM	CONSOLIDATION ADJUSTMENTS AND ELIMINATION RM	TOTAL RM
Revenue					
External revenue	9,404	26,780,099	341,648,756	-	368,438,259
Inter-segment revenue	3,500,000	2,310,136	-	(5,810,136)	-
Total revenue	3,509,404	29,090,235	341,648,756	(5,810,136)	368,438,259
Represented by:-					
Revenue recognised at a point of time					
Dividend income	3,509,404	-	-	(3,500,000)	9,404
Sales of hand formers	-	29,090,235	-	(2,310,136)	26,780,099
Sales of ready-mix concrete	-	-	341,648,756	-	341,648,756
	3,509,404	29,090,235	341,648,756	(5,810,136)	368,438,259
Results					
Segment profit/(loss)	378,241	(5,025,476)	13,244,486	(7,267,970)	1,329,281
Finance costs	-	(579,789)	(882,752)	-	(1,462,541)
Finance income	1,123,896	404,598	220,441	-	1,748,935
Profit/(Loss) before taxation	1,502,137	(5,200,667)	12,582,175	(7,267,970)	1,615,675
Income tax expense					(1,023,073)
Profit after taxation for the financial year					592,602

32. SEGMENT REPORTING (CONT'D)

The Group (Cont'd)

Operating Segments (Cont'd)

2024	INVESTING RM	GLOVE EQUIPMENT RM	CONSTRUCTION RM	CONSOLIDATION ADJUSTMENTS AND ELIMINATION RM	TOTAL RM
Assets					
Segment assets	132,502,269	122,915,801	155,066,796	(92,716,321)	317,768,545
Unallocated asset:					
- Current tax assets					4,116,976
Total assets					321,885,521
Included in the measurement of segment assets are:					
Additions to non-current assets other than financial instruments are:					
- Investment properties	-	-	1,124,800	-	1,124,800
- Property, plant and equipment	-	3,469,085	7,996,814	(2,599,650)	8,866,249
- Right-of-use assets	-	-	2,194,419	-	2,194,419
Liabilities					
Segment liabilities	10,168,937	28,158,466	98,475,402	(4,219,343)	132,583,462
Unallocated liabilities:					
- Current tax liabilities					39,934
- Deferred tax liabilities					4,046,842
Total liabilities					136,670,238
Other information					
Amortisation of intangible assets	-	68,728	-	325,034	393,762
Bad debts written off	-	122,227	-	-	122,227
Depreciation of investment properties	-	-	120,493	69,560	190,053
Depreciation of property, plant and equipment	-	3,092,553	3,134,098	(383,280)	5,843,371
Depreciation of right-of-use assets	-	429,412	1,788,352	238,783	2,456,547
Impairment loss on property, plant and equipment	-	3,679,990	-	-	3,679,990
Impairment loss on receivables	-	287,174	6,524,590	-	6,811,764
Impairment loss on right-of-use assets	-	1,868,520	-	-	1,868,520
Interest expenses	-	579,789	877,170	-	1,456,959
Plant and equipment written off	-	193,916	-	-	193,916
Bad debts recovered	-	-	(1,153,705)	-	(1,153,705)
Fair value gain on financial instruments	(19,177)	-	-	-	(19,177)
Gain on disposal of investment properties	-	-	(123,120)	-	(123,120)
Gain on disposal of property, plant and equipment	-	(2,160,423)	(598,507)	2,017,873	(741,057)
Gain on disposal of right-of-use assets	-	-	(5,410,539)	-	(5,410,539)
Reversal of impairment loss on receivables	-	(202,003)	(2,828,681)	-	(3,030,684)
Unrealised gain on foreign exchange	(50,786)	(397,011)	-	-	(447,797)

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

32. SEGMENT REPORTING (CONT'D)

Geographical Information

In presenting information about geographical areas, segment revenue is based on the geographical location of customers whereas segment assets are based on the geographical location of assets.

THE GROUP	EXTERNAL REVENUE 2025 RM	EXTERNAL REVENUE 2024 RM	NON-CURRENT ASSETS 2025 RM	NON-CURRENT ASSETS 2024 RM
Algeria	-	354,939	-	-
China	27,353	-	-	-
Germany	164,964	-	-	-
Malaysia	458,395,940	359,168,766	101,693,086	102,562,442
Mexico	308,392	-	-	-
Sri Lanka	1,540,646	1,669,050	-	-
Thailand	8,569,945	6,096,988	20,133,985	17,719,386
United States	4,273,718	1,148,516	-	-
	473,280,958	368,438,259	121,827,071	120,281,828

Major customers

The major customer that contributed 10% or more to the Group's revenue are as follows:-

	THE GROUP EXTERNAL REVENUE 2025 RM	THE GROUP EXTERNAL REVENUE 2024 RM	SEGMENT
Customer I [(a)]	51,753,530	21,002,924	Construction

[(a)] *The identity of the major customer has not been disclosed as permitted by MFRS 8 Operating Segments.*

33. CAPITAL COMMITMENTS

	THE GROUP 2025 RM	THE GROUP 2024 RM
Construction of investment properties	1,154,787	-

34. FINANCIAL RISK MANAGEMENT

The activities of the Group and of the Company are exposed to certain financial risks, including credit risk, liquidity risk, currency risk, interest rate risk and other price risk. The overall financial risk management objective is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

34. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk

The Group's and the Company's exposure to credit risk arises mainly from receivables and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statements of financial position. The Company is also exposed to credit risk in respect of its financial guarantees provided for credit facilities granted to certain subsidiaries. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 29 to the financial statements.

The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an on-going basis, setting and monitoring counterparties' limits and credit terms. The quantitative information about such credit risk exposure is disclosed in Note 11 to the financial statements. As the Group and the Company only deal with reputable financial institutions, the credit risk associated with deposits placed with them is minimal.

Liquidity Risk

The Group's and the Company's exposure to liquidity risk relates to their ability to meet obligations associated with financial liabilities as and when they fall due.

In addition, the Company's liquidity risk exposure resulting from the financial guarantee contracts represent the total utilisation of the credit facilities by certain subsidiaries as at the end of the reporting period.

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP 2025	INTEREST RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 - 5 YEARS RM	OVER 5 YEARS RM
Non-derivative Financial Liabilities						
Loans and borrowings	2.24 - 4,67	28,816,692	38,152,492	5,120,774	15,720,927	17,310,791
Lease liabilities	4.65 - 7.92	5,894,232	6,288,720	2,725,728	3,562,992	-
Payables	-	98,724,426	98,724,426	98,724,426	-	-
		133,435,350	143,165,638	106,570,928	19,283,919	17,310,791
2024						
Non-derivative Financial Liabilities						
Loans and borrowings	2.24 - 6.77	28,574,747	35,711,234	4,447,841	13,053,837	18,209,556
Lease liabilities	3.40 - 7.92	3,531,521	3,831,988	1,406,199	2,425,789	-
Payables	-	94,733,076	94,733,076	94,733,076	-	-
		126,839,344	134,276,298	100,587,116	15,479,626	18,209,556

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

34. FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-(Cont'd)

THE COMPANY	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM
2025			
Non-derivative Financial Liabilities			
Payables	105,280	105,280	105,280
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries *	-	24,350,914	24,350,914
	105,280	24,456,194	24,456,194
2024			
Non-derivative Financial Liabilities			
Payables	10,164,617	10,164,617	10,164,617
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries *	-	27,582,445	27,582,445
	10,164,617	37,747,062	37,747,062

* *The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.*

Currency Risk

The Group's and the Company's exposure to currency risk arises mainly from transactions entered into by individual entities within the Group in currencies other than their functional currencies. The major functional currencies within the Group are Ringgit Malaysia ("RM") and Thai Baht ("THB"), whereas the major foreign currencies transacted are United States Dollar ("USD") and Thai Baht ("THB"). The gross carrying amounts of foreign currency denominated monetary items at the end of the reporting period are as follows:-

	DENOMINATED IN THB		DENOMINATED IN USD	
THE GROUP	2025 RM	2024 RM	2025 RM	2024 RM
Receivables (Note 11)	1,685,041	1,529,901	1,379,583	2,797,894
Cash and cash equivalents (Note 13)	10,819,056	4,412,433	15,002,539	22,980,014
Loans and borrowings (Note 16)	(293,479)	-	-	-
Payables (Note 20)	(2,213,871)	(2,913,928)	(106,758)	-
	9,996,747	3,028,406	16,275,364	25,777,908
THE COMPANY				
Cash and cash equivalents (Note 13)	-	-	2,327,161	2,456,818

34. FINANCIAL RISK MANAGEMENT (CONT'D)

Currency Risk (Cont'd)

The Group and the Company observe the movements in exchange rates and act accordingly to minimise their exposure to currency risk. Such exposure is also partly mitigated in the following ways:-

(i) The Group's foreign currency sales and purchases provide a natural hedge against fluctuations in foreign currencies.

(ii) The Group and the Company maintain part of their cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss (and equity) to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	INCREASE/ (DECREASE) IN PROFIT 2025 RM	INCREASE/ (DECREASE) IN PROFIT 2024 RM
THE GROUP		
Appreciation of THB against RM by 10%	759,753	230,159
Depreciation of THB against RM by 10%	(759,753)	(230,159)
Appreciation of USD against RM by 10%	1,236,928	1,959,121
Depreciation of USD against RM by 10%	(1,236,928)	(1,959,121)
THE COMPANY		
Appreciation of USD against RM by 10%	176,864	186,718
Depreciation of USD against RM by 10%	(176,864)	(186,718)

Interest Rate Risk

The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely term deposits, loans and borrowings and lease liabilities.

The Group and the Company observe the movements in interest rates and always strive to obtain the most favourable rates available for new financing or during repricing. It is also the Group's and the Company's policy to maintain a mix of fixed and floating rate financial instruments as follows:-

	THE GROUP		THE COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed rate instruments				
Financial assets (Note 13)	13,942,848	10,078,973	2,321,198	2,450,412
Financial liabilities (Notes 16 and 17)	(14,531,768)	(10,417,343)	-	-
Floating rate instruments				
Financial liabilities (Note 16)	(20,179,156)	(21,688,925)	-	-

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

34. FINANCIAL RISK MANAGEMENT (CONT'D)

Interest Rate Risk (Cont'd)

As the Group and the Company do not account for their fixed rate financial instruments at fair value through profit or loss, any change in interest rates at the end of the reporting period would not affect their profit or loss (and equity). For floating rate financial instruments measured at amortised cost, the following table demonstrates the sensitivity of profit or loss (and equity) to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	THE GROUP	
	(DECREASE)/ INCREASE IN PROFIT 2025 RM	(DECREASE)/ INCREASE IN PROFIT 2024 RM
Increase in interest rates by 100 basis points	(153,362)	(164,836)
Decrease in interest rates by 100 basis points	153,362	164,836

Other Price Risk

The Group's and the Company's exposure to other price risk arises mainly from quoted investments. The Group and the Company manage their investments on an individual basis by continuously evaluating the price movements, investment returns and the general industrial conditions relevant to the investees.

The following table demonstrates the sensitivity of profit or loss (and equity) to reasonably possible price movements in quoted investments at the end of the reporting periods, with all other variables held constant:-

	THE GROUP/THE COMPANY	
	INCREASE/ (DECREASE) IN PROFIT 2025 RM	INCREASE/ (DECREASE) IN PROFIT 2024 RM
Increase in price by 10%	12,703	14,943
Decrease in price by 10%	(12,703)	(14,943)

35. CAPITAL RISK MANAGEMENT

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to shareholders and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group considers its total equity (including non-controlling interests) and total interest-bearing debts to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as total interest-bearing debts divided by total equity as follows:-

	THE GROUP	
	2025 RM	2024 RM
Loans and borrowings	28,816,692	28,574,747
Lease liabilities	5,894,232	3,531,521
Total interest-bearing debts	34,710,924	32,106,268
Total equity	197,029,960	185,215,283
Total capital	231,740,884	217,321,551
Debt-to-equity ratio	0.18	0.17

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

36. FINANCIAL INSTRUMENTS

36.1 Classification of Financial Instruments

	THE GROUP		THE COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial Assets				
Fair Value Through Profit or Loss				
Short-term investments	167,143	196,623	167,143	196,623
Amortised Cost				
Receivables	121,790,809	96,881,599	-	-
Cash and cash equivalents	76,539,919	85,011,233	30,686,948	44,800,319
	198,330,728	181,892,832	30,686,948	44,800,319
Financial Liabilities				
Fair Value Through Profit or Loss				
Contingent consideration	-	6,710,470	-	6,710,470
Amortised Cost				
Loans and borrowings	28,816,692	28,574,747	-	-
Lease liabilities	5,894,232	3,531,521	-	-
Payables	98,724,426	88,022,606	105,280	3,454,147
	133,435,350	120,128,874	105,280	3,454,147

36.2 Gains or Losses Arising From Financial Instruments

THE GROUP	2025 RM	2024 RM
Financial Assets		
Fair Value Through Profit or Loss		
Net (losses)/gains recognised in profit or loss by:		
- mandatorily required by MFRS 9	(20,217)	28,581
Amortised Cost		
Net losses recognised in profit or loss	(670,656)	(2,032,145)
Financial Liabilities		
Fair Value Through Profit or Loss		
Net gains/(losses) recognised in profit or loss by:		
- mandatorily required by MFRS 9	1,554,220	(2,775,441)
Amortised Cost		
Net losses recognised in profit or loss	(1,360,770)	(1,222,301)

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 31 May 2025

36. FINANCIAL INSTRUMENTS (CONT'D)

36.2 Gains or Losses Arising From Financial Instruments (Cont'd)

THE COMPANY	2025 RM	2024 RM
Financial Assets		
<u>Fair Value Through Profit or Loss</u>		
Net (losses)/gains recognised in profit or loss by:		
- mandatorily required by MFRS 9	(20,217)	28,581
<u>Amortised Cost</u>		
Net gains recognised in profit or loss	1,172,359	1,123,529
Financial Liabilities		
<u>Fair Value Through Profit or Loss</u>		
Net gains/(losses) recognised in profit or loss by:		
- mandatorily required by MFRS 9	1,554,220	(2,775,441)

36.3 Fair Value Information

The methods used in determining the fair values of financial instruments recognised on the statements of financial position are disclosed in Notes 12 and 16 to the financial statements.

LIST OF PROPERTIES

Title/Location	Description/ Existing Use	Registered Owner	Age of Building (Years)	Land/ Built-Up Area	Tenure	Net Book Value as at 31.05.2025 (RM)	Original Cost (RM)
Lot 128227, PN 37786, Mukim Hulu Kinta, Daerah Kinta, Perak	Factory Building for storage	Easy Sun Sdn. Bhd.	19	Land area - 21,280 sq ft Built up - 12,744 sq ft	100-year leasehold (Expiring on 21.03.2085)	71,453	1,423,785
Lot 128228, PN 37787 & Lot 128229, PN 37788 Mukim Hulu Kinta, Daerah Kinta, Perak	Three Block Factory with an annexed two storey office building for production of formers or other products	Easy Sun Sdn. Bhd.	24	Land area - 42,561 sq ft Built up - 37,340 sq ft	100-year leasehold (Expiring on 21.03.2085))	142,906	2,455,855
Lot 207429, PN 115490, Mukim Hulu Kinta, Daerah Kinta, Perak	Two block factory with an annexed three-storey office and two block of two-storey hostel	Easy Sun Sdn. Bhd.	5	Land area - 382,549 sq ft	60-year leasehold (Expiring on 26.10.2053)	17,797,453	19,372,504
Lot 128276, PN 37835, Mukim Hulu Kinta, Daerah Kinta, Perak	Single storey factory with a double storey office	Easy Sun Sdn. Bhd.	3	Land area - 26,102 sq ft Built up - 18,393 sq ft	60-year leasehold (Expiring on 22.03.2045)	2,275,329	2,483,362
Lot 118753 & 118754, PN 76017 & PN 76018, Mukim Hulu Kinta, Daerah Kinta, Perak	Two adjoining units intermediate single-storey terrace house	Easy Sun Sdn. Bhd.	7	Land area - 2,992 sq ft Gross Floor Area - 2,416 sq ft	99-year leasehold (Expiring on 29.07.2082)	255,379	285,360
Lot 118752, PN 76016, Mukim Hulu Kinta, Daerah Kinta, Perak	An intermediate unit single-storey terrace house	Easy Sun Sdn. Bhd.	7	Land area - 1,496 sq ft Gross Floor Area - 1,288 sq ft	99-year leasehold (Expiring on 29.07.2082)	134,488	150,150
Lot 118723, PN 75987, Mukim Hulu Kinta, Daerah Kinta, Perak	An intermediate unit single-storey terrace house	Easy Sun Sdn. Bhd.	5	Land area - 1,496 sq ft Gross Floor Area - 1,288 sq ft	99-year leasehold (Expiring on 29.07.2082)	270,296	291,150
Lot 85754, PN 8854, Mukim Hulu Kinta, Daerah Kinta, Perak	An intermediate unit double-storey terrace house	Easy Sun Sdn. Bhd.	4.5	Land area - 796 sq ft	96-year leasehold (Expiring on 17.04.2076)	160,871	172,200
B1-3 & B2-3, Plaza Damas 3, No. 63, Jalan Sri Hartamas 1, Taman Sri Hartamas, 50480 Kuala Lumpur	A Double-Storey Retail Shop Unit	Evermix Concrete Sdn. Bhd.	14	Floor area - 3,308.84 sq ft	Freehold	4,022,568	4,718,060

List of Properties (Cont'd)

Title/Location	Description/ Existing Use	Registered Owner	Age of Building (Years)	Land/ Built-Up Area	Tenure	Net Book Value as at 31.05.2025 (RM)	Original Cost (RM)
Lot 9443 Seksyen 20, GRN 207643, Bandar Serendah, Hulu Selangor, Selangor	Industrial Land	Evermix Concrete Sdn. Bhd.	29	Land area - 46,145 sq ft	Freehold	887,920	887,920
PT 73979, HSD 153785, Mukim Kapar, Daerah Klang, Selangor	Industrial Land	Evermix Concrete Sdn. Bhd.	10	Land area - 63,873 sq ft	Freehold	6,605,910	6,605,910
PT 13037, HSM 13849, Batu 12, Jalan Klang-Banting, Mukim Teluk Panglima Garang, Daerah Kuala Langat, Selangor	Industrial Land	Evermix Concrete Sdn. Bhd.	10	Land area - 86,574 sq ft	Freehold	6,311,391	6,311,391
PT 13039, HSM 13851, Batu 12, Jalan Klang-Banting, Mukim Teluk Panglima Garang, Daerah Kuala Langat, Selangor	Industrial Land	Evermix Concrete Sdn. Bhd.	10	Land area - 2,163 sq ft	99-year leasehold (Expiring on 09.09.2113)	151,227	156,059
PT 53614, HSD 191336, Mukim Petaling, Daerah Petaling, Selangor	Bungalow Land	Evermix Concrete Sdn. Bhd.	21	Land area - 4,500 sq ft	99-year leasehold (Expiring on 26.08.2102)	192,163	242,701
PT 53615, HSD 191337, Mukim Petaling, Daerah Petaling, Selangor	Bungalow Land	Evermix Concrete Sdn. Bhd.	21	Land area - 4,493 sq ft	99-year leasehold (Expiring on 26.08.2102)	174,949	220,959
PT 53616, HSD 191338, Mukim Petaling, Daerah Petaling, Selangor	Bungalow Land	Evermix Concrete Sdn. Bhd.	21	Land area - 4,099 sq ft	99-year leasehold (Expiring on 26.08.2102)	136,610	172,537
PT 53617, HSD 191339, Mukim Petaling, Daerah Petaling, Selangor	Bungalow Land	Evermix Concrete Sdn. Bhd.	21	Land area - 4,006 sq ft	99-year leasehold (Expiring on 26.08.2102)	146,608	184,975
Lot 11290, PN 78737, Mukim Ijok, Daerah Kuala Selangor, Selangor	Industrial Land	Evermix Concrete Sdn. Bhd.	15	Land area - 34,918 sq ft	99-year leasehold (Expiring on 23.08.2108)	627,998	752,840
Lot 130450, PN 86944, Mukim Klang, Daerah Klang, Selangor	Industrial Land	Evermix Concrete Sdn. Bhd.	14	Land area - 105,874 sq ft	99-year leasehold (Expiring on 11.09.2105)	4,936,190	5,574,276
PT 150192, HSD 157102, Mukim Klang, Daerah Klang, Selangor	A Three-Storey Intermediate Shop/ Office Lot	Evermix Concrete Sdn. Bhd.	8	Lot area - 1,680 sq ft Built up - 4,800 sq ft	99-year leasehold (Expiring on 12.09.2115)	1,320,090	1,480,198

List of Properties (Cont'd)

Title/Location	Description/ Existing Use	Registered Owner	Age of Building (Years)	Land/ Built-Up Area	Tenure	Net Book Value as at 31.05.2025 (RM)	Original Cost (RM)
J-28-12A, Tower J, Seri Mutiara Ville, Persiaran Sepang Cyber 11, 63000 Cyberjaya, Selangor.	Serviced Apartment	Evermix Concrete Sdn. Bhd.	10	Built-up area - 935 sq ft	Freehold	543,657	562,400
J-28-16, Tower J, Seri Mutiara Ville, Persiaran Sepang Cyber 11, 63000 Cyberjaya, Selangor.	Serviced Apartment	Evermix Concrete Sdn. Bhd.	10	Built-up area - 935 sq ft	Freehold	543,657	562,400
						Thai Baht (THB)	**Thai Baht (THB)**
138 Moo 5 Kanchanawanich Road, Samnakkham, Sadao, Songkhla Thailand	Factory and Office	Euroceramic Technologies Co., Ltd	16	28,828.8 Sq/ Meter Land Area 11,732 Sq/ Meter Built up Area	Freehold	9,044,802 17,767,892	9,044,802 71,131,130

ANALYSIS OF SHAREHOLDINGS
AS AT 4 SEPTEMBER 2025

Class of shares	: Ordinary Shares ("Shares")
Issued Shares	: 707,114,489 Shares
Voting rights	: One vote per shareholder on a show of hands or one vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	27	0.337	596	0.000
100 to 1,000	793	9.908	376,537	0.053
1,001 to 10,000	3,211	40.117	19,650,220	2.779
10,001 to 100,000	3,232	40.380	119,789,949	16.941
100,001 to less than 5% of issued shares	739	9.233	480,170,687	67.906
5% and above of issued shares	2	0.025	87,126,500	12.321
Total	**8,004**	**100.000**	**707,114,489**	**100.000**

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	No. of Shares held			
Name	Direct	%	Indirect	%
Wong Fook Lin	69,337,975	9.806	-	-
Lim Ming Jee	49,062,500	6.938	-	-

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

	No. of Ordinary Shares held			
Name	Direct	%	Indirect	%
Wong Fook Lin	69,337,975	9.806	-	-
Tan Boon Sing	31,453,125	4.448	16,034,375*	2.268
Ashley Tan San Li	32,100,000	4.540	-	-

*Note: * Deemed interest by virtue of Section 59(11)(c) of the Companies Act 2016 via his spouse's interest.*

DIRECTORS' OPTIONS UNDER THE EMPLOYEE SHARE OPTION SCHEME AND SHARE GRANT PLAN AS PER REGISTER OF DIRECTORS' OPTION HOLDINGS

	No. of Ordinary Shares held			
Name	Direct	%	Indirect	%
Wong Fook Lin	-	-	-	-
Tan Boon Sing	-	-	-	-
Datuk Paul Wong Baan Chun, J.P.	-	-	-	-
Kong Sau Kian	-	-	-	-
Ashley Tan San Li	-	-	-	-

Analysis of Shareholdings (Cont'd)

As at 4 September 2025

THIRTY LARGEST SHAREHOLDERS

(Without aggregating securities from different securities account belonging to the same registered holder)

No.	Name	No. of Shares	% of Issued Share Capital
1	LIM MING JEE	49,062,500	6.938
2	WONG FOOK LIN	38,064,000	5.383
3	TAN SAN LI	32,100,000	4.540
4	TAN BOON SING	31,453,125	4.448
5	WONG FOOK LIN	31,273,975	4.423
6	PRIMUS EQUITIES & ASSETS SDN. BHD.	23,000,000	3.253
7	STELLA TEO MOI LIN	16,034,375	2.268
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOK YOON LIM	14,809,700	2.094
9	TAN SAN MAY	13,500,000	1.909
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PIONG TECK YEN	6,227,700	0.881
11	LIM KIM SWEE	5,634,500	0.797
12	AZUDDIN BIN DAUD	5,580,100	0.789
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP CHENG CHON (E-KLG)	5,291,000	0.748
14	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GOALKEY SYSTEM SDN BHD (MY14 61)	4,726,300	0.668
15	WONG VOON HANN	4,650,000	0.658
16	HOE YUEN FATT	3,875,100	0.548
17	LEE KOK HOONG	3,808,140	0.539
18	KOK YOON LIM	3,656,200	0.517
19	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR SONG XIAN WERN (PB)	3,285,500	0.465
20	CHAN KON LOONG	3,000,000	0.424
21	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AGROBULK HOLDINGS SDN. BHD.	3,000,000	0.424
22	LAU YOKE YENG @ LOW YOKE YING	2,745,700	0.388
23	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIA HUE ENG	2,700,000	0.382
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VUN BOON ONN	2,690,000	0.380
25	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR OU CHIN HUA (MF00785)	2,600,000	0.368
26	YEN KHANG BENG	2,570,200	0.363
27	KHOO SIANG HSI @ KHOO CHEN NAN	2,501,860	0.354
28	LOW GUAN THEONG	2,300,000	0.325
29	ONG TEONG YEW	2,144,900	0.303
30	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TANG & CO SDN BHD	2,044,000	0.289

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting ("22nd AGM") of ES Ceramics Technology Berhad ("Company") will be held at Suite III, IV and V, Level 2, Mercure Kuala Lumpur Glenmarie, Jalan Kontraktor U1/14, Seksyen U1, 40150 Shah Alam, Selangor on Tuesday, 21 October 2025 at 10.00 a.m. to transact the following businesses:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 May 2025 and the Reports of Directors and Auditors thereon. *(Please refer Note 1)*

2. To approve the payment of Directors' fees of up to RM150,000 to the non-executive directors for their services from 22 October 2025 until the next Annual General Meeting of the Company. *Ordinary Resolution 1*

3. To re-elect the following Directors retiring in accordance with the Company's Constitution:-

   i. Mr. Wong Fook Lin [Article 100] *Ordinary Resolution 2*
   ii. Ms. Tan San Li [Article 107] *Ordinary Resolution 3*

4. To appoint Auditors of the Company and authorise the Directors to determine their remuneration. *Ordinary Resolution 4*

5. To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-

(A) AUTHORITY TO ALLOT SHARES

"THAT subject always to the Companies Act 2016 ("Act") and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Section 75 of the Act to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being." *Ordinary Resolution 5*

(B) PROPOSED SHARE BUY-BACK AUTHORITY

"THAT subject to the Companies Act 2016 ("Act"), provisions of the Company's Constitution and the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant approvals, the Directors of the Company be and are hereby authorised to purchase the Company's ordinary shares ("Shares") through Bursa Securities, subject to the following:- *Ordinary Resolution 6*

(a) The maximum number of Shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time;

(b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits of the Company;

(c) The authority conferred by this resolution will be effective upon passing of this resolution and will continue in force until:-

   (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which this resolution was passed, at which time the authority shall lapse, unless the authority is renewed by an ordinary resolution passed at the next AGM, either unconditionally or conditionally; or

   (ii) the expiry of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 34(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

   (iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

Notice of Twenty-Second Annual General Meeting (Cont'd)

whichever occurs first;

(d) Upon completion of the purchase(s) of the Shares by the Company, the Shares shall be dealt in the following manner as the Directors of the Company may decide:-

(i) cancel the Shares so purchased; or
(ii) retain the Shares so purchased as treasury shares; or
(iii) retain part of the Shares so purchased as treasury shares and/or cancel the remainder; or
(iv) distribute the treasury shares as dividends to shareholders; or
(v) resell the treasury shares or any of the shares in accordance with the relevant rules of Bursa Securities; or
(vi) transfer the treasury shares, or any of the shares for the purposes of or under an employees' share scheme; or
(vii) transfer the treasury shares, or any of the shares as purchase consideration; or
(viii) cancel the treasury shares or any of the treasury shares; or
(ix) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe.

THAT the Directors of the Company be and are hereby authorised to take all such steps and enter into all agreements, arrangements and guarantees with any party or parties as are necessary to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares."

6. To transact any other business of which due notice shall have been received.

BY ORDER OF THE BOARD

SEOW FEI SAN (CCM Practising Certificate No. 201908002299)
Secretary

Petaling Jaya
29 September 2025

Notes:

1. *The shareholders' approval on the Audited Financial Statements are not required pursuant to the provisions of Section 340(1) of the Companies Act 2016 ("Act"), hence, the matter will not be put for voting.*

2. *Only depositors whose names appear on the Record of Depositors as at 14 October 2025 shall be regarded as members and entitled to attend, speak and vote at the AGM.*

3. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company and a Member may appoint any persons to be his proxy.*

4. *A Member shall be entitled to appoint up to two (2) proxies to attend and vote at the AGM. Where a Member appoints two (2) proxies, the appointment shall be invalid unless the Member specifies the proportions of his holding to be represented by each proxy. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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 appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.*

Notice of Twenty-Second Annual General Meeting (Cont'd)

6. *The instrument appointing a proxy must be deposited physically or by electronic means in the following manner, not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof:*

   (a) *In hard copy form*
   The proxy form must be deposited at the Share Registrar's office at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, deposited in the drop box located at Unit G-1, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (b) *By electronic means*
   The proxy form can be electronically lodged with the Company via TIIH Online website at https://srmy.vistra.com.

7. *Explanatory Notes:*

Ordinary Resolution 1
Directors' Fees

Pursuant to Section 230(1) of the Act, the fees of the directors payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

Accordingly, specific shareholders' approval will be sought at the Twenty-Second AGM for the payment of directors' fees to non-executive directors of up to RM150,000, for their services from 22 October 2025 until the next AGM. This amount is estimated on the basis that there is no increase in the number of non-executive directors and directors' fees.

The Board will seek shareholders' approval at the next AGM in the event the amount of directors' fees approved under Ordinary Resolution 1 is insufficient due to an increase in Board size and/or the number of meetings.

Details of the Directors' fees of the non-executive directors for the financial year ended 31 May 2025, are disclosed in the Overview Statement on Corporate Governance as contained in the 2025 Annual Report.

Ordinary Resolutions 2 and 3
Re-election of Directors

In accordance with the Company's Constitution, any newly appointed director shall hold office only until the next following annual general meeting. At every Annual General Meeting ("AGM"), one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office provided always that all Directors shall retire from office once at least in each three (3) years. All Directors who retire from office shall be eligible for re-election.

The Board endorsed the Nominating Committee's ("NC") assessment in determining the eligibility of the Directors standing for re-election at the 22nd AGM and having been satisfied with the Directors' performances, accepted the NC's recommendation to seek shareholders' approval for the re-election of the retiring Directors at the 22nd AGM. The retiring Directors, being eligible for re-election, have given their consent for re-election.

Ordinary Resolution 5
Authority to Allot Shares

The proposed Ordinary Resolution 5, if passed, will empower the Directors of the Company to allot and issue not more than 10% of the total number of issued shares of the Company subject to the approvals of the relevant governmental and/or regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company.

This authorisation, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The authority, if granted, will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placement of shares, for purpose of funding future investment project(s), working capital, repayment of bank borrowings and/or acquisitions, or strategic opportunities involving equity deals, which may require the allotment of new shares.

As at the date of printing of this Annual Report, no new share was issued by the Company pursuant to the authority granted to the Directors at the 21st AGM held on 25 October 2024 and the said authority will lapse at the conclusion of the 22nd AGM.

Ordinary Resolution 6
Proposed Share Buy-Back Authority

The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total retained earnings of the Company. Further information on the Proposed Share Buy-Back Authority is set out in the Statement to Shareholders dated 29 September 2025 which is despatched together with Company's 2025 Annual Report.

ES Ceramics Technology Berhad
Registration No. 200301024697 (627117-P)

PROXY FORM

I/We ____
(FULL NAME IN BLOCK)

of ____
(ADDRESS, INCLUDING EMAIL ADDRESS)

being a member/members of ES CERAMICS TECHNOLOGY BERHAD (“Company”) hereby appoint ____________________

____ of
(FULL NAME)

____
(ADDRESS, INCLUDING EMAIL ADDRESS)

or failing him/her, ____
(FULL NAME)

of ____
(ADDRESS, INCLUDING EMAIL ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING as *my/our proxy, to vote for *me/us and on *my/our behalf at the Twenty-Second Annual General Meeting (“**22nd AGM**”) of the Company to be held at Suite III, IV and V, Level 2, Mercure Kuala Lumpur Glenmarie, Jalan Kontraktor U1/14, Seksyen U1, 40150 Shah Alam, Selangor on Tuesday, 21 October 2025 at 10.00 a.m., or at any adjournment thereof, in the manner as indicated below.

** strike out whichever is not desired*

	FOR	AGAINST
Ordinary Resolution 1 - Payment of Directors’ Fee		
Ordinary Resolution 2 - Re-Election of Mr. Wong Fook Lin as Director		
Ordinary Resolution 3 - Re-Election of Ms. Tan San Li as Director		
Ordinary Resolution 4 - Appointment of Auditors		
Ordinary Resolution 5 - Authority to Allot Shares		
Ordinary Resolution 6 - Proposed Share Buy-Back Authority		

Please indicate with an “X” in the appropriate places. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion.

Dated this ____________ day of ______________ 2025

No. of ordinary shares held	
CDS Account No.	
Proportion of shareholdings to be represented	1st Proxy: 2nd Proxy:
Contact Number	

____
Signature of Member / Common Seal

Notes:

1. *Only depositors whose names appear on the Record of Depositors as at 14 October 2025 shall be regarded as members and entitled to attend, speak and vote at the AGM.*
2. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company and a Member may appoint any persons to be his proxy.*
3. *A Member shall be entitled to appoint up to two (2) proxies to attend and vote at the AGM. Where a Member appoints two (2) proxies, the appointment shall be invalid unless the Member specifies the proportions of his holding to be represented by each proxy. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.*
5. *The instrument appointing a proxy must be deposited physically or by electronic means in the following manner, not less than forty eight (48) hours before the time appointed for holding the AGM or any adjournment thereof:*
   (a) *In hard copy form*
   The proxy form must be deposited at the Share Registrar’s office at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, deposited in the drop box located at Unit G-1, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
   (b) *By electronic means*
   The proxy form can be electronically lodged with the Company via TIIH Online website at https://srmy.vistra.com.

Please fold here to seal

AFFIX
STAMP

ES CERAMICS TECHNOLOGY BERHAD
c/o Tricor Investor & Issuing House Services Sdn. Bhd.

Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Please fold here to seal

ES Ceramics Technology Berhad
Registration No. 200301024697 (627117-P)

Lot 207429, Jalan Seramik Chepor 11/5, Kawasan Perusahaan Seramik Chepor, 31200 Chemor, Perak
Tel: (+605) 201 8699