KARYON INDUSTRIES BERHAD

Registration No.: 200301010377 (612797-T)

ANNUAL REPORT 2026

CONTENT

NOTICE OF 23RD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 23rd Annual General Meeting ("**AGM**") of Karyon Industries Berhad ("**the Company**") will be held via fully physical mode at Ponderosa Golf & Country Club, Trading Post, No. 3, Jalan Ponderosa 1, Taman Ponderosa, 81100 Johor Bahru, Johor, Malaysia on **Wednesday**, **9 September 2026** at **2.00 p.m**. for the following purposes:

AGENDA

ORDINARY BUSINESS:

1.	To receive the Audited Financial Statements for the financial year ended 31 March 2026 and the Reports of the Directors and Auditors thereon.	***Please refer to Explanatory Note 1***
2.	To approve the payment of Directors' Fees amounting to RM550,000 for the financial year ended 31 March 2026.	***Ordinary Resolution 1*** ***Please refer to Explanatory Note 2***
3.	To approve the payment of Directors' Benefits amounting to RM70,000 for the period commencing after the date of this AGM to the date of the next AGM.	***Ordinary Resolution 2***
4.	To re-elect Mr Low Chiun Yik, a Director retiring by rotation pursuant to Clause 76 (3) of the Company's Constitution and who being eligible offers himself for re-election.	***Ordinary Resolution 3***
5.	To re-elect Mr Loh Fatt Chong, a Director retiring by rotation pursuant to Clause 76 (3) of the Company's Constitution and who being eligible offers himself for re-election.	***Ordinary Resolution 4***
6.	To re-elect Mr Phang Kok Kwen, a Director retiring by rotation pursuant to Clause 76 (3) of the Company's Constitution and who being eligible offers himself for re-election.	***Ordinary Resolution 5***
7.	To approve the re-appointment of Messrs BDO PLT as the External Auditors of the Company for the financial year ending 31 March 2027 and to authorise the Directors to fix their remuneration.	***Ordinary Resolution 6***

NOTICE OF 23RD ANNUAL GENERAL MEETING
(CONT'D)

SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolutions with or without modifications:

8 **PROPOSED RETENTION OF MR PHANG KOK KWEN AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR**

Ordinary Resolution 7
Please refer to Explanatory Note 3

"**THAT** subject to the passing of Ordinary Resolution 5, Mr Phang Kok Kwen who will be served as an Independent Non-Executive Director for a cumulative term of more than 9 years on 29 January 2027, be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next AGM in accordance with the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia on 28 April 2021 ("**MCCG**")."

9. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

Ordinary Resolution 8
Please refer to Explanatory Note 4

"**THAT** subject always to the Companies Act 2016 ("**Act**"), the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the provisions of the Constitution of the Company and approval of any relevant government and/or regulatory authorities, where such approval is required, the Board of Directors of the Company ("**Board**") be and is hereby empowered pursuant to Sections 75 and 76 of the Act to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Board may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and THAT the Board be and is hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Main Market of Bursa Securities ("**the Mandate**") and THAT such authority shall continue to be in force until the conclusion of the next AGM.

10. To transact any other business for which due notice shall have been given in accordance with the Act and the Constitution of the Company.

BY ORDER OF THE BOARD

HEW JING SIAN (MAICSA 7065968)
SSM PRACTICING CERTIFICATE NO. 202008001325

AN YU QING (MAICSA NO. 7076459)
SSM PRACTICING CERTIFICATE NO. 202108000205

Secretaries

Ibrahim International Business District

30 July 2026

NOTICE OF 23RD ANNUAL GENERAL MEETING
(CONT'D)

NOTES:

1. For the purpose of determining who shall be entitled to attend this AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 1 September 2026. Only members whose names appear in the said Record of Depositors be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.

2. A member entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place. A proxy may but need not be a member of the Company.

3. A member of the Company who is entitled to attend and vote at an AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the AGM.

4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.

6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Registered Office of the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:

   i) In hard copy form
      In the case of an appointment made in hard copy form, the Form of Proxy must be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80888 Ibrahim International Business District, Johor, Malaysia.

   ii) By electronic means via email
       In the case of an appointment made via email transmission, the Form of Proxy must be received via email at admin@aldpro.com.my.

   For option (ii), the Company may request any member to deposit original executed Form of Proxy to its Registered Office of the Company before or on the day of meeting for verification purpose.

NOTICE OF 23RD ANNUAL GENERAL MEETING
(CONT'D)

8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80888 Ibrahim International Business District, Johor, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

9. Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.

10. Last date and time for lodging the Form of Proxy is **7 September 2026, Monday** at **2.00 p.m.**

11. Please bring an ORIGINAL of the following identification documents (where applicable) and present it to the registration staff for verification:

    a. Identity card (NRIC) (Malaysian); or
    b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian); or
    c. Passport (Foreigner).

12. For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please submit the Original / Duly Certified certificate of appointment executed in the manner as stated in the Form of Proxy if this has not been lodged at the Registered Office of the Company earlier. The certificate of appointment of authorised representative should be executed in the following manner:

    a. If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.
    b. If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:

        (i) at least two (2) authorised officers, of whom one shall be a director; or
        (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

EXPLANATORY NOTE:

Ordinary Business:

1. **Item 1 of the Agenda - Audited Financial Statements for the year ended 31 March 2026**

   This Agenda item is meant for discussion only and does not require a formal approval of the shareholders and hence, is not put forward for voting.

2. **Ordinary Resolution 1 - Proposed 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.

   In this respect, the Board will be seeking shareholders' approval for the payment of Directors' Fees amounting to RM550,000 for the financial year ended 31 March 2026.

NOTICE OF 23RD ANNUAL GENERAL MEETING
(CONT'D)

Special Business:

3. **Ordinary Resolution 7 – Proposed Retention of Mr Phang Kok Kwen as an Independent Non-Executive Director**

   The proposed Ordinary Resolution 7, if passed, will allow Mr Phang Kok Kwen who will be served as an Independent Non-Executive Director for a cumulative term of more than 9 years on 29 January 2027 to be retained and continue acting as an Independent Non-Executive Director of the Company to comply with Practice 5.3 of the MCCG. The full detail of the Board's justification and recommendations for the retention of Mr Phang Kok Kwen as an Independent Non-Executive Director of the Company is set out on pages 61 and 62 of the Corporate Governance Overview Statement in the Annual Report 2026.

   The Board will be seeking shareholders' approval to retain Mr Phang Kok Kwen as an Independent Non-Executive Director by way of Ordinary Resolution passed through a two-tier voting procedure as recommended under Practice 5.3 of the MCCG at the forthcoming AGM.

4. **Ordinary Resolution 8 – Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

   The Company had, during its 22nd AGM held on 10 September 2025, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 75 and 76 of the Act.

   As at the date of this Notice, the Company has not issued any new share pursuant to the Mandate which was granted at the last AGM held on 10 September 2025.

   The Proposed Ordinary Resolution 8 is to seek a renewal of the general mandate from the shareholders of the Company at the 23rd AGM to be held on 9 September 2026.

   The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

   The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the Mandate is in the best interests of the Company and its shareholders.

Voting by Poll

Pursuant to Paragraph 8.29A of the MMLR of Bursa Securities, all resolutions set out in this notice is to be voted by poll.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Loh Chen Yook
Chairman/Non-Independent Non-Executive Director

Mr Loh Fatt Chong
Non-Independent Non-Executive Director

Ms Chua Shing Yong
Independent Non-Executive Director

Mr Chua Ling Hong
Executive Director
Chief Executive Officer

Mr Phang Kok Kwen
Independent Non-Executive Director

Mr Lee Kian Hu
Independent Non-Executive Director

Ms Kok Lee Nee
Executive Director
Chief Financial Officer

Mr Low Chiun Yik
Independent Non-Executive Director

Ms Julia Tan
Independent Non-Executive Director

Mr Yeoh Eng How
Executive Director

AUDIT COMMITTEE

Mr Phang Kok Kwen (Chairman)
Mr Lee Kian Hu
Ms Julia Tan

NOMINATING COMMITTEE

Mr Lee Kian Hu (Chairman)
Mr Low Chiun Yik
Mr Phang Kok Kwen

RISK MANAGEMENT COMMITTEE

Mr Loh Fatt Chong (Chairman)
Mr Chua Ling Hong
Ms Kok Lee Nee
Mr Low Chiun Yik

REMUNERATION COMMITTEE

Mr Low Chiun Yik (Chairman)
Mr Phang Kok Kwen
Ms Chua Shing Yong

COMPANY SECRETARIES

Ms Hew Jing Sian
(MAICSA 7065968)
SSM Practising Certificate No. 202008001325

Ms An Yu Qing
(MAICSA 7076459)
SSM Practising Certificate No. 202108000205

SHARE REGISTRAR

Aldpro Corporate Services Sdn Bhd
(Registration No. 202101043817 (1444117-M))
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur, Malaysia.

Tel : 03-9770 2200
Fax : 03-9770 2239

REGISTERED OFFICE

Suite 5.11 & 5.12,
5th Floor, Menara TJB,
No. 9, Jalan Syed Mohd Mufti,
80888 Ibrahim International
Business District, Johor, Malaysia

Tel : 07-224 2823
Email : plc@cisgroup93.com

AUDITORS

BDO PLT (201906000013
(LLP0018825-LCA) & AF 0206)
Chartered Accountants
Level 8, BDO @ Menara CenTaRa,
360, Jalan Tuanku Abdul Rahman,
50100 Kuala Lumpur, Malaysia

Tel : 03-2616 2888
Fax : 03-2616 2970

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
(Registration No. 198201008390 (88103-W))
No. 50 & 52, Jalan Dedap 13,
Taman Johor Jaya,
81100 Johor Bahru, Johor, Malaysia

AmBank (M) Berhad
(Registration No. 196901000166 (8515-D))
Level 31, Selesa Tower,
Jalan Dato' Abdullah Tahir,
80300 Johor Bahru, Johor, Malaysia

STOCK EXCHANGE

Main Market of Bursa Malaysia Securities Berhad

Stock name : KARYON

Stock code : 0054

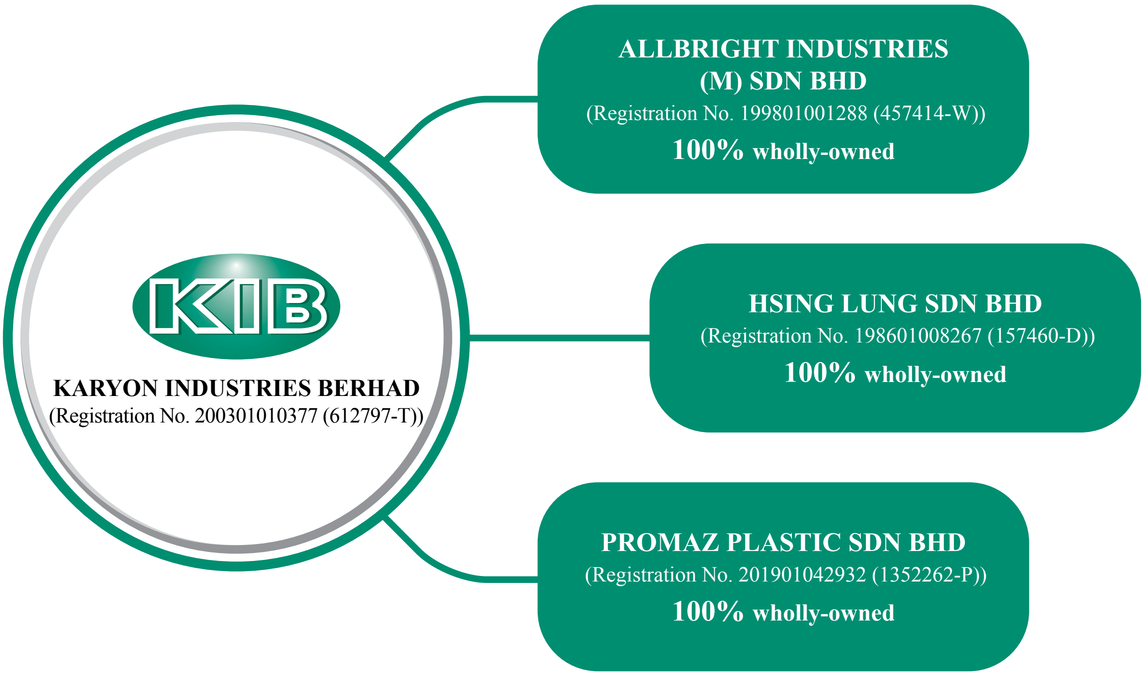
WEBSITE

www.karyongroup.com.my

CORPORATE PROFILE AND STRUCTURE

Karyon Industries Berhad ("**KIB**") was listed on the MESDAQ Market (now known as the ACE Market) of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 15 September 2004 and was subsequently transferred to the Main Market of Bursa Securities on 6 May 2014. KIB is principally engaged in investment holding and provision of management services. KIB through its subsidiaries, is principally involved in manufacturing and trading of polymeric products.

The current group structure of KIB are as follows:



Name of Company	Business Activities
Allbright Industries (M) Sdn Bhd	Manufacturing and trading of plastic additives and industrial chemical products
Hsing Lung Sdn Bhd	Manufacturing and trading of polyvinyl chloride compound and industrial chemical products
Promaz Plastic Sdn Bhd	General trading in hardware and building material

PROFILE OF DIRECTORS

LOH CHEN YOOK

Chairman/ Non-Independent Non-Executive Director

Mr Loh Chen Yook, Male, Malaysian, aged 71, was appointed to the Board of Directors ("**Board**") of KIB on 23 June 2005 and redesignated as the Chairman of the Company on 16 May 2006.

He has extensive experience in the property development, infrastructure and building construction, as well as timber logging business through his involvement in the industry for the past 46 years.

Mr Loh is a substantial shareholder and Managing Director of the ML Group of Companies. Aside from KIB, he is the Non-Independent Non-Executive Director of ENRA Group Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. Further, he also sits on the Board of the wholly-owned subsidiary of KIB, namely Allbright Industries (M) Sdn Bhd ("**AISB**").

He is the father of Mr Loh Fatt Chong, who is a Non-Independent Non-Executive Director and substantial shareholder of the Company. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

He attended all 5 Board meetings held during the financial year ended 31 March 2026.

LOH FATT CHONG

Non-Independent Non-Executive Director

Mr Loh Fatt Chong, Male, Malaysian, aged 46, was appointed to the Board of KIB on 24 November 2009. He is the Chairman of the Risk Management Committee.

Mr Loh graduated in 2002 with a degree in Commerce majoring in Accounting from Deakin University, Australia. Subsequently in 2004, he obtained a Master of Commerce specialising in Finance from the same university.

Mr Loh began his career in 2004 as Audit Assistant with Deloitte Kassim Chan (now known as Deloitte PLT) where he was responsible in conducting and managing statutory audits for Deloitte PLT's clients. He left the audit firm in 2005 and joined Karyon (Malaysia) Sdn Bhd ("**KMSB**"), a former wholly-owned subsidiary of KIB which was dissolved in 2025, as the Finance and Administration Executive. In 2006, he was appointed as the Head of Finance and Administration of KMSB, where he was responsible for all matters relating to finance and administration in KMSB, and was subsequently appointed to the Board of KMSB. He currently sits on the Board of HLSB.

He is the son of Mr Loh Chen Yook, who is also the Chairman/Non-Independent Non-Executive Director and substantial shareholder of the Company. Save for KIB, Mr Loh does not sit on the Board of any other public companies and listed companies. He has over 16 years of experience in property development activities. He is currently working on a master planning property development activity for a private limited company. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

He attended all 5 Board meetings held during the financial year ended 31 March 2026.

PROFILE OF DIRECTORS
(CONT'D)

CHUA LING HONG

Executive Director cum
Chief Executive Officer

Mr Chua Ling Hong, Male, Malaysian, aged 51, was appointed to the Board of KIB on 11 July 2006 and redesignated as the Chief Executive Officer of the Company on 26 May 2016. He is a member of the Risk Management Committee.

He graduated with a degree in Business Studies majoring in Marketing from Nanyang Technological University, Singapore in 1995.

Mr Chua started his career as Corporate Planning Executive in Bengawan Solo Pte Ltd, where he was exposed to various business functions including the marketing, human resources, production and purchasing departments. He then joined Polyvinyl Pte Ltd as the Sales and Marketing Executive which he developed and implemented sales and marketing strategies to promote the company's product which exposed him on the customer base and sales revenue functions.

In 1997, Mr Chua joined Hsing Lung Sdn Bhd ("**HLSB**"), a wholly-owned subsidiary of KIB as the Operations Manager, where he oversees the day-to-day operation of the company's manufacturing facility and responsible for the function of purchasing, marketing, quality control, product development and overall management to ensure the company's growth. He was subsequently appointed as the Director of HLSB in January 2006. In addition, Mr Chua is also involved in the day-to-day operations of AISB.

He currently also sits on the Board of the wholly-owned subsidiaries of KIB, namely HLSB, AISB and Promaz Plastic Sdn Bhd ("**PPSB**").

Mr Chua is the son of Dr Chua Kee Lam, who is the Key Senior Management of the Company and Madam Teoh Kooi Kim, the brother of Ms Chua Ling Lee, as well as the brother-in-law of Mr Yeoh Eng How who is the Executive Director of the Company, which all of whom are substantial shareholders of the Company. Save for KIB, Mr Chua does not sit on the Board of any other public companies and listed companies. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

He attended all 5 Board meetings held during the financial year ended 31 March 2026.

PROFILE OF DIRECTORS
(CONT'D)

YEOH ENG HOW

Executive Director

Mr Yeoh Eng How, Male, Malaysian, aged 48, was first appointed to the Board of KIB on 23 April 2012 as an Alternate Director to Dr Chua Kee Lam (a former director of KIB). On 1 March 2021, he resigned from his role as the Alternate Director and was appointed as the Executive Director of KIB. Mr Yeoh graduated in 2002 with a Bachelor of Chemical Engineering from University of Melbourne, Australia.

Mr Yeoh began his career as Sales Engineer with HLSB in 2002 where he was responsible to handle the marketing activities of HLSB. Subsequently in 2009, he was transferred to oversee the operations of AISB, which is responsible for the overall day-to-day operation and the functions of marketing, quality control, product development and manufacturing activities as well as research and development of the company. On 7 September 2009, Mr Yeoh was appointed as the Director of AISB, a position which he presently holds.

He is the spouse of Ms Chua Ling Lee, the son-in-law of Dr Chua Kee Lam, who is the Key Senior Management of the Company and Madam Teoh Kooi Kim, as well as the brother-in-law of Mr Chua Ling Hong who is the Executive Director of the Company, which all of whom are the substantial shareholders of the Company. Save for KIB, Mr Yeoh does not sit on the Board of any other public companies and listed companies. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

He attended all 5 Board meetings held during the financial year ended 31 March 2026.

KOK LEE NEE

Executive Director cum
Chief Financial Officer

Ms Kok Lee Nee, Female, Malaysian, aged 46, was appointed to the Board of KIB on 5 November 2018. She is also a member of the Risk Management Committee.

Ms Kok is a Chartered Accountant and a member of the Malaysian Institute of Accountants and Association of Chartered Certified Accountants ("**ACCA**") since 2005. In 2010, she was admitted as a Fellow Member of ACCA.

Ms Kok started her career with BDO Binder (now known as BDO PLT) in Malaysia in 2001 as an Audit Assistant where she was involved in conducting and managing statutory audits for BDO PLT's clients. In 2004, she left the firm and joined KIB as an Account Executive. She was promoted as the Group Accountant in 2009 and subsequently as the Group Finance Manager in December 2011. She was appointed as the Chief Financial Officer of KIB in January 2014 and appointed to the Board of KIB as Executive Director on 5 November 2018, a position which she presently holds. She is responsible for the statutory and corporate reporting of the Group.

Ms Kok also sits on the Board of the wholly-owned subsidiaries of KIB, namely HLSB, AISB and PPSB.

She does not have any family relationship with the directors and/or substantial shareholders of the Company. Save for KIB, Ms Kok does not sit on the Board of other public companies and listed companies. She has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

She attended all 5 Board meetings held during the financial year ended 31 March 2026.

PROFILE OF DIRECTORS
(CONT'D)

PHANG KOK KWEN

Independent
Non-Executive Director

Mr Phang Kok Kwen, Male, Malaysian, aged 51, was appointed to the Board of KIB on 29 January 2018. He is also the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nominating Committee.

Mr Phang is a Chartered Accountant and has been a member of the Malaysian Institute of Accountants (MIA) since November 2001. He was admitted as a member of the Association of Chartered Certified Accountants ("**ACCA**") in April 2001 and has been a Fellow Member of ACCA since April 2006. He was admitted as a member of the Chartered Tax Institute of Malaysia ("**CTIM**") in January 2004 and has been a Chartered Tax Practitioner of CTIM since November 2015. He has also been recognised as an ASEAN Chartered Professional Accountant since December 2017.

Mr Phang began his career as an Audit Assistant with K. H. Pun & Co., Chartered Accountants, in July 1995 and left the firm as a Senior Tax Manager in May 2017. He is currently the Managing Partner of KK Phang & Co., an audit firm based in Johor Bahru. As an approved company auditor and licensed tax agent, Mr Phang has extensive experience in public practice, leading and reviewing statutory audits and assurance engagements in accordance with regulatory requirements, as well as providing strategic tax compliance and advisory services.

In addition, Mr Phang previously served as a committee member of the MIA Johor Regional Office, where he was involved in the development and engagement of the accounting profession. Currently, he serves as a representative of MIA on the Interview Panel for Approved Company Auditors established by the Accountant General's Department since March 2026, where he is responsible for assessing the competence and suitability of applicants seeking approval as company auditors.

He does not have any family relationship with the directors and/or substantial shareholders of the Company. Save for KIB, Mr Phang does not sit on the Board of any other public companies and listed companies. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

He attended all 5 Board meetings held during the financial year ended 31 March 2026.

PROFILE OF DIRECTORS
(CONT'D)

CHUA SHING YONG

Independent
Non-Executive Director

Ms Chua Shing Yong, Female, Malaysian, aged 40, was appointed to the Board of KIB on 5 November 2018. She is also a member of the Remuneration Committee. Ms Chua is a Member with the Malaysian Institute of Accountants (MIA).

Ms Chua began her career in August 2006 with a local professional firm SE LAI Associates, where she was responsible for conducting statutory audit on private limited companies and left the firm as an Audit Supervisor in July 2011. She later joined an international group of advisory and professional services firm, SCS Global PAC (Singapore) as an Audit Senior from December 2011 to November 2012. From February 2013 to August 2015, she worked in a construction company as a Finance Manager. Thereafter, she worked as freelance accountant and consultant for a group of local construction companies. From November 2016 to present, she operates an accounting and secretarial firm, Ace Corporate Advisory PLT which provides accounting, tax, audit and corporate advisory services.

She does not have any family relationship with the directors and/or substantial shareholders of the Company. Save for KIB, Ms Chua does not sit on the Board of any other public companies and listed companies. She has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

She attended all 5 Board meetings held during the financial year ended 31 March 2026.

JULIA TAN

Independent
Non-Executive Director

Ms Julia Tan, Female, Malaysian, aged 34, was appointed to the Board of KIB on 10 September 2024. She is also a member of the Audit Committee.

Ms Julia is a Chartered Accountant and a Member of the Association of Chartered Certified Accountants UK (ACCA) and Malaysian Institute of Accountants (MIA).

In January 2013, Ms Julia joined Ecovis Malaysia PLT as a Tax Assistant where she was primarily responsible for providing tax compliance and tax advisory services for corporations and individuals. She subsequently left Ecovis Malaysia PLT with the position of Senior Tax Manager in May 2021.

In May 2021, Ms Julia co-founded her accounting firms, JT & CY Advisory and 8finity LLP, with her business partner which provides accounting, tax and corporate advisory services. Presently, she is the partner of JT & CY Advisory and also the Chief Operating Officer of a Singapore firm, namely 8finity X Pte Ltd, which principally involved in provision of professional services such as accounting, secretarial and tax services.

She does not have any family relationship with the directors and/or substantial shareholders of the Company. Save for KIB, Ms Julia does not sit on the Board of other public companies and listed companies. She has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

She attended all 5 Board meetings held during the financial year ended 31 March 2026.

PROFILE OF DIRECTORS
(CONT'D)

LOW CHIUN YIK

Independent
Non-Executive Director

Mr Low Chiun Yik, Male, Malaysian, aged 38, was appointed to the Board of KIB on 5 November 2018. He is also the Chairman of the Remuneration Committee, a member of the Risk Management Committee and the Nominating Committee.

Mr Low obtained a Master's degree in Accountancy and Finance from Birmingham City University, United Kingdom in 2010. His professional qualifications, certifications, accreditations and memberships include, Certification of Completion for Foundational & Professional Modules (part of Institute of Singapore Chartered Accountants ("**ISCA**") Sustainability Professional Certification Programme) issued by the ISCA, Certified Practitioner in Sustainability Accounting by ESG Malaysia, Chartered Audit Committee Director (The Institute of Internal Auditors Malaysia) and Human Resource Development Corporation (HRD Corp) Accredited Trainer.

He started his career with KPMG PLT in 2010 where he was responsible in providing internal audit and enterprise risk management services to both public and private companies. Mr Low left KPMG PLT in June 2017 and founded Galton Advisory PLT where the advisory firm is principally involved in the provision of professional services such as internal audit, enterprise risk management, corporate governance, sustainability and annual report disclosure services to public and private companies.

He does not have any family relationship with the directors and/or substantial shareholders of the Company. Save for KIB, Mr Low does not sit on the Board of any other public companies and listed companies. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

He attended 4 out of 5 Board meetings held during the financial year ended 31 March 2026.

PROFILE OF DIRECTORS
(CONT'D)

LEE KIAN HU

Independent
Non-Executive Director

Mr Lee Kian Hu, Male, Malaysian, aged 51, was appointed to the Board of KIB on 10 July 2024. He is the Chairman of the Nominating Committee and a member of the Audit Committee.

Mr Lee completed his Bachelor's Degree in Economics and Accounting from the University of Western Australia in 1997. He is also a Chartered Accountant in Malaysia and became a member of the Malaysian Institute of Accountants since 2002.

Mr Lee started his career with Surplus Strategy Sdn Bhd in 1998 as an account assistant where he was involved in handling full sets of account, company's secretarial job and business consulting. In 1999, he left Surplus Strategy Sdn Bhd and joined M.S. Wong & Co. as an audit and tax assistant where he was responsible for various audit jobs, personal and company income tax and company liquidation. Subsequently, he left M.S. Wong & Co. in 2000 and joined Ernst & Young PLT in 2001 as an audit associate, where he handled various responsibilities such as full sets of accounts and audit jobs, corporate tax computations, leading audit teams, system documentation and reviews, advisory on business law and regulations, corporate governance, as well as commercial and financial data analysis.

Mr Lee left Ernst & Young PLT in 2002 and founded Hu & Co., Chartered Accountants located at Johor Bahru in 2003. The firm specialises in providing professional advisory, solutions, and services at various levels. Over the past 20 years, Mr Lee has ventured into various business sectors such as Information Technology and Digital Marketing and has worked with numerous clients locally and globally, further enhancing his skills and expertise. Currently, he is the owner of Hu & Co., Chartered Accountants, and also serves as the Managing Director of Dash & Partners Sdn Bhd since July 2023, primarily focusing on providing business and corporate advisory, solutions and training.

He does not have any family relationship with the directors and/or substantial shareholders of the Company. Save for KIB, Mr Lee does not sit on the Board of any other public companies and listed companies. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

He attended all 5 Board meetings held during the financial year ended 31 March 2026.

PROFILE OF KEY MANAGEMENT

DR CHUA KEE LAM

Advisor

Dr Chua Kee Lam, Male, Malaysian, aged 84, was appointed to the Board of KIB on 28 April 2004 and has been the Managing Director of the Company since then. On 26 May 2016, Dr Chua had been re-designated as the Executive Deputy Chairman of the Company. On 2 August 2021, he resigned as the Executive Deputy Chairman of the Company and was appointed as an Advisor of the Company to provide advice on Research & Development as well as on financial matters. He graduated with a degree in Chemistry from Nanyang University, Singapore and subsequently he obtained a PhD in Chemistry from McMaster University Hamilton, Ontario, Canada in 1973.

He began his career in 1973 with University of Malaya as a lecturer in the Chemistry Department. In 1976, he moved to UIC-Marchon (Pte) Ltd, a joint venture company between UIC of Singapore and Marchon of UK, principally involved in the manufacturing of anionic surfactants in Singapore. He was appointed as Senior Chemist where he was in charge of quality control and product development of toiletry and detergent. He left the company in 1981 and joined Chong Shing Cable Sdn Bhd as a General Manager. He also assisted Universal Cable Bhd, a holding company of Chong Shing Cable Sdn Bhd to set up a Polyvinyl Chloride compounding plant. He subsequently resigned in 1986 and founded the 3 wholly-owned subsidiaries of the Company. Overall, he has more than 50 years of working experience in the field of chemistry.

He is the spouse of Madam Teoh Kooi Kim, the father of Mr Chua Ling Hong who is the Executive Director of the Company and Miss Chua Ling Lee, as well as the father-in-law of Mr Yeoh Eng How who is the Executive Director of the Company, which all of whom are substantial shareholders of the Company. Dr Chua does not sit on the Board of any public companies and listed companies. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Karyon Industries Berhad ("**KIB**") is principally engaged in investment holding and provision of management services. KIB was first listed on the MESDAQ Market (now known as the ACE Market of Bursa Malaysia Securities Berhad) on 15 September 2004 and was officially transferred to the Main Market of Bursa Malaysia Securities Berhad on 6 May 2014.

KIB through its subsidiaries, is principally involved in manufacturing and trading of polymeric products. The manufacturing plants of the Group are located in Plentong, Johor with a total factory land sizes of 284,071 sq. ft.

The two major wholly-owned subsidiaries of KIB are as follows:

Hsing Lung Sdn Bhd

HLSB has an established track record of over 37 years since its establishment in 1989 as a manufacturer of polyvinyl chloride compound ("**PVC**") in Malaysia with a production capacity of 36,000 metric tonnes per annum. PVC is a type of plastic material used in various applications, including wire and cable coverings, footwear, linings, gaskets and many more. In addition, HLSB is also producing various types of PVC hoses for household and industrial purpose.

Allbright Industries (M) Sdn Bhd

AISB, founded in 2000, is mainly involved in the manufacturing and trading of metallic stearates, including calcium stearate, zinc stearate, magnesium stearate, PVC stabilisers and additives.

OUR MISSION

The Group's mission is to be the preferred supplier of polymeric products in the industry and to enhance shareholders' value. In pursuing our mission, we strategise our journey by providing the highest-quality products, with sales and delivery services that continuously exceed customers' expectations and providing opportunities for employees to excel and be rewarded.

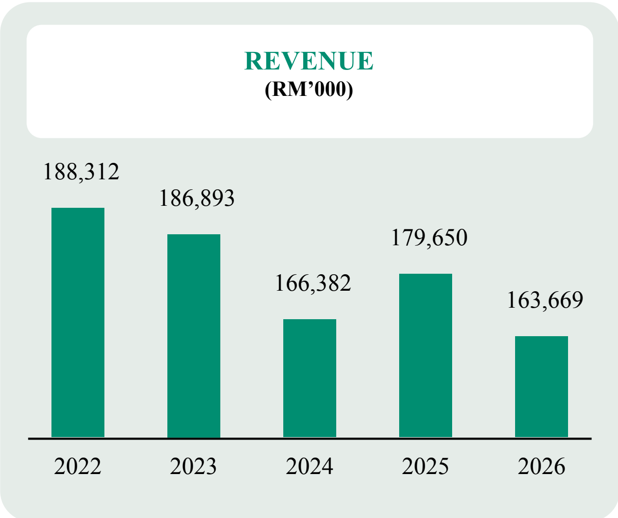
REVIEW OF FINANCIAL PERFORMANCE AND OPERATING ACTIVITIES

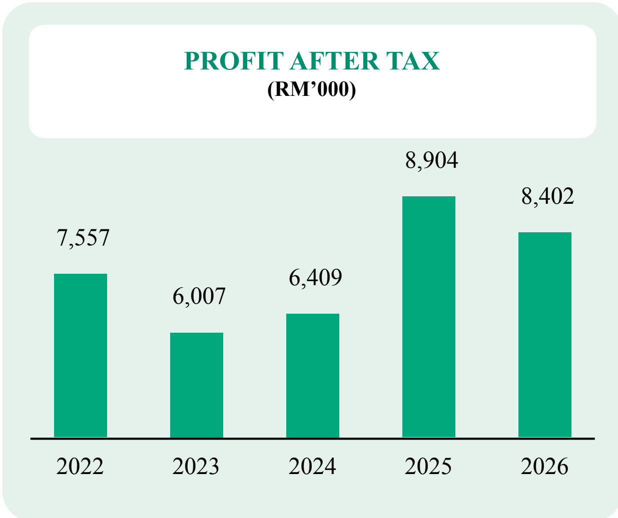
The KIB Group's financial performance and operating activities for the past five financial years ended ("**FYE**") 31 March are presented below:

Financial Summary	2022 RM	2023 RM	2024 RM	2025 RM	2026 RM
Revenue	188,312,285	186,892,572	166,382,415	179,649,924	163,668,687
Cost of Sales	164,040,792	162,678,527	143,438,951	149,333,238	135,604,792
Gross Profit	24,271,493	24,214,045	22,943,464	30,316,686	28,063,895
Profit Before Tax	10,316,668	9,009,253	9,183,054	12,755,683	10,725,573
Profit After Tax	7,556,868	6,007,088	6,408,964	8,904,127	8,401,649
Shareholders' Funds	110,893,049	115,472,998	120,216,964	127,313,383	133,574,324
Return on Shareholders' Funds	6.81%	5.20%	5.33%	6.99%	6.29%

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

REVIEW OF FINANCIAL PERFORMANCE AND OPERATING ACTIVITIES (CONT'D)





The Group recorded a revenue of RM163.67 million for the FYE 31 March 2026, representing a decrease of RM15.98 million or 8.90% compared to RM179.65 million recorded in the preceding financial year. The decrease in revenue was mainly attributable to the decrease in average selling price of polymeric products by approximately 8.04% following the decline in raw material costs during the current financial year under review. The profit before tax of the Group for the FYE 31 March 2026 had also decreased by RM2.03 million or 15.91% from RM12.76 million in the FYE 31 March 2025 to RM10.73 million which were in tandem with the decreased in the Group's revenue.

The Group's income tax expense decreased by RM1.53 million or 39.64% primarily due to lower taxable profit recorded during the financial year, utilisation of Green Investment Tax Allowance and the recognition of previously unrecognised deferred tax assets during the current financial year under review. As a result, despite a 15.91% decline in profit before tax, profit after tax decreased by only RM0.50 million or 5.62% to RM8.40 million in the FYE 31 March 2026 compared to RM8.90 million in the preceding financial year, demonstrating the positive impact of the lower effective tax expense.

In terms of geographical performance, local market remains as the Group's largest contributor for the FYE 31 March 2026 which accounted for 81.86% of the Group's revenue, while exports to other Asian countries accounted for 15.52% and the remaining 2.62% consists of trades with other countries in different continents.

The Group's financial position remains solid with net assets per share of 28 sen as at 31 March 2026. Consequent to the slight decrease in profit generated, the return on shareholders' funds has also decreased from 6.99% in the FYE 31 March 2025 to 6.29% in the FYE 31 March 2026.

The inventories of the Group have decreased by RM3.18 million or 9.72%, from RM32.70 million as at 31 March 2025 to RM29.52 million as at 31 March 2026. The decrease was due mainly to lower costs of raw materials purchased as well as lower carrying amounts of the finished goods.

REVIEW OF FINANCIAL PERFORMANCE AND OPERATING ACTIVITIES (CONT'D)

The trade and other payables of the Group have decreased by RM1.89 million or 12.37% from RM15.28 million as at 31 March 2025 to RM13.39 million as at 31 March 2026. The decrease was contributed mainly to the decrease in purchases for the FYE 31 March 2026 as a result of decline in raw material costs.

Further, the trade and other receivables of the Group have also decreased by RM2.06 million or 6.05% from RM34.07 million as at 31 March 2025 to RM32.01 million as at 31 March 2026. The decrease was contributed mainly to the decrease in trade receivables of RM2.61 million or 9.06% as a result of lower sales recorded during the FYE 31 March 2026.

The cash and cash equivalents of the Group has increased from RM17.90 million as at 31 March 2025 to RM22.73 million as at 31 March 2026. The increased of RM4.83 million or 26.98% was due to higher cash generated from operating activities and partially offset by the increase in placements of deposits with licensed banks with original maturity of more than three months, purchase of property, plant and equipment and payment of dividend.

Meanwhile, the Group's borrowings and lease liabilities owing to a financial institution have also decreased from RM8.66 million as at 31 March 2025 to RM7.64 million as at 31 March 2026 due mainly to repayment of principal. As a result, the Group gearing ratio has decreased from 0.07 times to 0.06 times.

REVIEW OF BUSINESS RISKS

The Group has established an Enterprise Risk Management ("**ERM**") Framework to guide the identification, analysis, evaluation, control/mitigation and monitoring of key risks to safeguard shareholders' investments and the Group's assets. The primary risks that the Group currently faces in its business operations include among others, the market competition and material supply. The mitigation plan for the key material risks are listed below:

- **Market competition**

  Market competition risk is caused by increased competition which may have an adverse impact on the Group, in terms of customers' growth, revenue and profitability. To mitigate this risk, the Group is continuously exploring and implementing effective ways in customer engagement to deliver customer's expectation and added value in the customer relationship. The Group is also working on expanding its customer base by more focusing on the export market, in order to entrench its position as one of the largest market players in the industry.

- **Material Supply**

  The risk to material supply arises from unforeseen shortages or lack of raw materials which may cause disruption to the production and delivery schedule. To manage this, the Group recognises the importance of establishing good relationships with existing suppliers, sourcing for new suppliers and managing its inventory stringently.

Details on the ERM framework and policy are set out in the Statement on Risk Management and Internal Control in pages 75 to 79 of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

DIVIDEND

The Group has declared and paid a total single-tier interim dividend of 0.45 sen per share for the FYE 31 March 2026. The Group does not have any formal dividend policy. Any declaration of interim dividends and recommendation of final dividends are at the discretion of the Board of Directors of KIB, in consideration of the overall market conditions, the Group's earnings, capital commitments and any other factors. The final dividend (if any) shall be subject to shareholders' approval.

PROSPECTS

The Group's operating environment is expected to remain moderately challenging in the near term, influenced by ongoing cost pressures, fluctuating raw material prices and evolving market demand. Nonetheless, the Group continues to demonstrate resilience, supported by its established customer base, disciplined cost management and ongoing operational improvements.

In line with its long-term growth strategy, the Group is undertaking capital investments to enhance its operational efficiency. These investments are expected to support future growth, improve productivity and strengthen the Group's competitive position over the long term.

In view of the above, the Board remains cautiously optimistic that the Group's performance for the financial year ending 31 March 2027 will remain satisfactory, supported by its strategic initiatives and operational enhancements.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

Karyon Industries Berhad ("KIB" or "Company") is pleased to present this Sustainability Statement ("the Statement") for the financial year ended 31 March ("FYE") 2026. As a manufacturer of polymer-based products and chemical products, we recognise Economic, Environmental, Social and Governance ("EESG") impacts of the operations of our Company and subsidiaries ("Group" or "KIB Group"), as well as the opportunities for our Group to contribute towards sustainable development. This Statement outlines how we embed sustainability across our operations, governance and value chain.

During the financial year under review, we translated our sustainability priorities into action through several key initiatives. We expanded our alignment with the United Nations Sustainable Development Goals ("UN SDGs") through the adoption of two additional goals, broadening the scope of our sustainability focus. We made meaningful progress in our transition towards cleaner energy through the integration of solar photovoltaic ("PV") systems in our manufacturing facilities, with a total installed capacity of 1,225.16 kWp. This initiative has increased our use of renewable energy and contributed to a measurable reduction in greenhouse gas ("GHG") emissions. Emissions monitoring was further strengthened through the tracking of Scope 1, Scope 2 and selected Scope 3 emissions. In parallel, occupational health and safety practices were strengthened to foster a safe and conducive working environment. These initiatives demonstrate our commitment to responsible business practices and support sustainable long-term value creation.

Reporting Scope and Boundary

KIB reports its sustainability performance during the period from 1 April 2025 to 31 March 2026, covering the Group's headquarters and the business operations of our subsidiaries, Hsing Lung Sdn Bhd ("HLSB") and Allbright Industries (M) Sdn Bhd ("AISB"), both located in Masai, Johor. Our other subsidiary, Promaz Plastic Sdn Bhd, has been excluded from the reporting boundary as it is deemed immaterial based on its limited scale of operations and contribution to the Group's overall operations and sustainability performance.

Reporting Frameworks, Standards and Guidelines

We prepared this Statement in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR"). Disclosures are also guided by the Sustainability Reporting Guide (3rd Edition) of Bursa Securities, the International Financial Reporting Standards ("IFRS") S2 and the Global Reporting Initiative ("GRI") Standards, while the UN SDGs provide a broader context in shaping sustainability priorities. Greenhouse gas ("GHG") emissions are measured using the GHG Protocol: A Corporate Accounting and Reporting Standard (2004) ("GHG Protocol").

Your Feedback Matters

Stakeholder feedback supports the continuous improvement of the Group's sustainability practices and reporting. Please direct any feedback, enquiries or suggestions to the contact provided.

Mr. Andrew Yeoh, Sustainability Officer
andrew@allbright.com.my
Tel: +607-386 3198

Ensuring Data Integrity

Information presented in this Statement is compiled through internal reporting processes and reviewed by the relevant business units and data owners across the Group. It reflects KIB Group's sustainability practices and performance for the financial year under review, providing an accurate and comprehensive representation of our initiatives and outcomes.

SUSTAINABILITY STATEMENT
(CONT'D)

OUR SUSTAINABILITY REPORTING JOURNEY

Since our inaugural statement in 2018, KIB has made a steady progress in strengthening its sustainability reporting practices. What began as foundational disclosures has evolved into a more structured and integrated approach, with enhanced tracking of key sustainability metrics and improved transparency over time. This journey reflects our growing commitment to embedding sustainability into our operations and reporting with greater consistency and rigour.

FYE 2026

- Prepared the sustainability statement in accordance with the amended Sustainability Reporting Requirements of Bursa Securities
- Expanded alignment with the UN SDGs through the adoption of two additional goals, UN SDG 3: Good Health and Well-being and UN SDG 7: Affordable and Clean Energy

FYE 2024 – FYE 2025

- Conducted a materiality re-assessment covering 17 material matters
- Enhanced Sustainability Policy and Key Performance Indicators ("KPIs")
- Commenced reporting of Scope 1 and Scope 2 GHG emissions
- Expanded emissions reporting to include Scope 3 GHG emissions, covering business travel and employee commuting
- Adopted three UN SDGs to guide sustainability priorities

FYE 2022 – FYE 2023

- Began reporting on energy consumption, water consumption and waste generation
- Reported Sustainability Statement based on Bursa Securities' Sustainability Reporting Guide (3rd Edition) and GRI Standards
- Established Anti-Bribery and Corruption ("ABC") Policy
- Aligned the key tenets of the Sustainability Policy into four pillars (Economic, Governance, Environment and Social)

FYE 2019 – FYE 2021

- Conducted a materiality re-assessment to review 11 material sustainability matters
- Adopted four UN SDGs
- Established KPIs and to track and monitor sustainability performance
- Enhanced the Code of Conduct and Ethics
- Established a Safety and Health Policy

FYE 2018

- Published the Group's inaugural sustainability statement, in accordance with the Sustainability Reporting Guide (2nd Edition) of Bursa Securities
- Established a three-tier Sustainability Governance Structure to oversee sustainability related matters
- Conducted a materiality assessment to identify 10 material sustainability matters through engagement with 6 stakeholder groups
- Established the Sustainability Policy and Whistleblowing Policy

OUR APPROACH TO SUSTAINABILITY

Sustainability Strategy

KIB's approach to sustainability begins with a clear strategy that guides decision-making across its operations, aligning business objectives with key sustainability priorities. Material matters are mapped to strategic focus areas to support consistent implementation across the Group, with sustainability considerations embedded into business practices to strengthen risk management and accountability. The strategy is structured around four core pillars, Economic, Governance, Environmental and Social, reflecting the Group's key areas of impact and focus.

Mission

To be the preferred supplier of polymeric products in the industry and to enhance shareholders' value

Strategic Thrusts

Drive sustainable revenue growth through innovation, market expansion and operational excellence	Enhance ethical transparency and accountability to sustain stakeholder trust	Promote sustainable resource use and environmental protection across operations	Empower communities through inclusive partnerships and shared value creation

Focus Areas & Material Sustainability Matters

Economic Growth	Responsible Governance	Environmental Stewardship	Social Responsibility
1. Economic Performance 2. Supply Chain Management 3. Investor Relations	1. Regulatory Compliance 2. Corporate Governance and Anti-Corruption 3. Ethics and Integrity 4. Data Privacy and Cybersecurity	1. Energy Management 2. Emissions Monitoring 3. Water Consumption 4. Waste Management	1. Product Quality and Innovation 2. Customer Satisfaction 3. Occupational Health and Safety 4. Labour Practices and Standards 5. Workforce Diversity and Inclusivity 6. Community Engagement

Alignment with the UN SDGs

Key Stakeholder Groups

Shareholders/ Investors	Government/ Statutory Bodies	Customers	Employees	Suppliers/Service Providers	Local Communities

SUSTAINABILITY STATEMENT
(CONT'D)

OUR APPROACH TO SUSTAINABILITY (CONT'D)

Implementing Our Sustainability Policy

The Group's Sustainability Policy supports the implementation of its sustainability strategy by providing a structured framework for applying responsible business practices across operations. It supports decision-making and regulatory compliance while reinforcing accountability in managing sustainability priorities.

Economic Growth

- Continuously support sustainability initiatives implemented by the Group's stakeholders across both upstream and downstream segments of the supply chain
- Ensure suppliers comply with the highest ethical standards and foster long-term partnerships with customers
- Develop new products and enhance manufacturing processes to incorporate sustainable alternatives that reduce long-term production costs
- Establish measures to ensure product quality and customer satisfaction remain consistent, alongside ongoing research and development efforts to drive product innovation

Responsible Governance

- Establish and maintain robust governance structures to oversee sustainability initiatives and ensure compliance with relevant regulations
- Foster a culture of integrity, where ethical decision-making is prioritised, and our employees are empowered to report any unethical behaviour without fear of reprisal

Environmental Stewardship

- Minimise waste production and incorporate recycling practices, as well as responsible waste management and disposal
- Minimise the use of energy, water and materials during manufacturing activities
- Comply with environmental, quality and safety regulations

Social Responsibility

- Develop measures to monitor our impact on employees' health, safety and development
- Maintain a safe and healthy working environment and provide fair treatment to employees
- Promote philanthropic actions and behaviours among the Group's employees to extend a sustainable mindset to the local community and encourage harmonious living

OUR APPROACH TO SUSTAINABILITY (CONT'D)

Global Aspirations Driving Local Impact

We align our sustainability initiatives with selected UN SDGs that are most relevant to our operations, workforce practices and governance. In FYE 2026, five SDGs were prioritised to reflect areas where the Group can contribute through its activities and internal practices.

Goal 3: Good Health and Well-being

The Group prioritises occupational health and safety across its operations to support employee well-being. In FYE 2026, noise risk assessments were conducted across operational areas, particularly within production zones involving high-decibel machinery. Psychosocial health surveys were also carried out among employees to assess workplace well-being. These measures support both physical and mental health in maintaining a safe and supportive working environment.

Goal 7: Affordable and Clean Energy

The Group continues to integrate renewable energy into its operations. In FYE 2026, solar PV systems were installed at manufacturing facilities with a total capacity of 1,225.16 kWp, contributing approximately 13.89% of the Group's total electricity consumption. This supports the transition towards cleaner energy sources and reduces reliance on grid electricity.

Goal 8: Decent Economic Growth

KIB continues to advance sustainable employment and workforce development by fostering a productive and capable workforce. With a workforce of 298 employees, the Group supports employment while enhancing workforce capabilities across its operations. This is further strengthened through ongoing investment in training and capability building to develop employee skills. During the FYE 2026, employees across all categories participated in training accumulating a total of 5,040 training hours. These efforts contribute to building a more capable workforce and supporting the Group's ability to operate efficiently and sustainably over the long term.

Goal 13: Climate Action

The Group monitors GHG emissions and adopts measures to improve energy efficiency. Scope 1, Scope 2 and limited Scope 3 emissions continue to be tracked, including emissions from business travel and employee commuting. In FYE 2026, the installation of solar PV systems contributed to the avoidance of 1,041.37 tCO_2e of Scope 2 GHG emissions.

Goal 16: Peace, Justice and Strong Institutions

Governance practices support ethical conduct, regulatory compliance and transparency across the Group. Guided by our ABC Policy, we identify and manage corruption risks and ensure compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. Training is provided across senior management, management and executive levels to reinforce integrity and accountability.

SUSTAINABILITY STATEMENT
(CONT'D)

OUR APPROACH TO SUSTAINABILITY (CONT'D)

Fostering Oversight and Accountability

The Group's sustainability governance structure supports the oversight and implementation of sustainability priorities across its operations. A three-tier governance framework defines roles and responsibilities, ensuring accountability at each level. The Board of Directors of the Company ("Board") provides strategic direction and oversees sustainability and climate related risks and opportunities. The Chief Executive Officer drives implementation by aligning business functions with sustainability priorities. This is supported by the Sustainability Business Committee, which facilitates coordination and execution across the Group.

Board of Directors

Oversees sustainability and climate related risks and opportunities to ensure alignment with KIB's strategy

Chief Executive Officer

Provides executive oversight and ensures sustainability considerations are integrated into business operations and decision making

Sustainability Business Committee

Evaluates and monitors the implementation of sustainability strategies and initiatives across KIB's operations.

Sustainability Officer

Coordinates sustainability initiatives, including data management, reporting and regulatory compliance

Factory Manager	Maintenance Manager	Production Supervisor	Finance Manager
Assistant Production Manager	Purchasing and Administration Manager	Human Resources and Administration Assistant Manager	Quality Control and Lab Manager

CONNECTING WITH OUR STAKEHOLDERS

Stakeholder engagement supports the Group's operations, particularly given our role in manufacturing and trading polymeric products where collaboration across the value chain is essential. Ongoing engagement provides insights that inform decision-making and strengthen responsiveness to evolving expectations. We engage stakeholders through structured channels and communication platforms to facilitate transparent and timely exchanges on key matters, enabling the identification and management of material issues and supporting long-term relationships.

Legend: ● Annually ● As and when required ● Daily ● Monthly ● Quarterly

Government/Statutory Bodies

Government and statutory bodies play a crucial role in enforcing compliance, safety and ethical standards, thereby supporting the Group's stability and integrity.

Key Engagement Topics

- Corporate Governance and Compliance
- Occupational and Workplace Health and Safety
- Environmental Management and Compliance
- Quality Management Systems

KIB's Response

- Conducted internal audits to assess compliance with regulatory requirements
- Implemented and maintained safety protocols in line with occupational safety regulations
- Monitored legal and regulatory developments to ensure ongoing compliance
- Maintained quality management systems in line with applicable standards

Engagement Channels

- Inspections by local and regulatory authorities
- Annual reports
- Quarterly reports
- Meetings with management and local regulatory authorities
- International Organisation for Standardisation ("ISO") system implementation
- Discussion forums
- ISO meetings
- ISO audits

SUSTAINABILITY STATEMENT
(CONT'D)

CONNECTING WITH OUR STAKEHOLDERS (CONT'D)

Shareholders/Investors

Shareholders and investors play a vital role by providing essential financial support, enabling business growth, and enhancing the Group's capacity to innovate, expand its operations and remain competitive in the market.

Key Engagement Topics

- Group financial performance
- Global and local business strategy
- Potential Market Size
- Dividend

KIB's Response

- Integrated sustainability considerations into business operations and support long-term profitability
- Developed strategies aligned with market conditions and growth opportunities
- Assessed market potential to support expansion decisions
- Reviewed financial position and dividend capacity to support shareholder returns

Engagement Channels

- Annual general meetings
- Annual reports
- Quarterly reports
- Corporate announcements
- KIB's website

Customers

Customers are integral to our business as they drive revenue and shape product development through their feedback.

Key Engagement Topics

- Efficient complaint resolution
- Customer relationship management
- Product safety and security
- Delivery punctuality
- Competitive pricing

KIB's Response

- Established an efficient system for resolving customer complaints
- Strengthened security protocols to safeguard products and sensitive information
- Maintained stringent quality control measures across manufacturing processes
- Optimised production schedule to support timely deliveries
- Conducted market analysis to support competitive pricing

Engagement Channels

- Website and social media
- Feedback sessions
- Satisfaction surveys
- Community and networking events
- Sales and technical visits
- Annual dinners
- Product knowledge

CONNECTING WITH OUR STAKEHOLDERS (CONT'D)

Suppliers and Service Providers

Suppliers and service providers are integral to our operations, supporting a reliable and efficient supply chain, maintaining product quality, and are essential to ensuring operational effectiveness.

Key Engagement Topics

- Transparent procurement practices
- Payment schedules
- Service pricing
- Delivery timelines
- Material quality and application
- Reliable supply

KIB's Response

- Engaged in transparent discussions with suppliers to align expectations and requirements
- Established clear and mutually agreed payment terms
- Negotiated pricing-based market conditions and industry benchmarks
- Collaborated with suppliers to establish realistic delivery timelines
- Implemented quality standards for raw materials and their application

Engagement Channels

- Performance evaluation and audit
- Contract negotiations
- Briefings on purchasing policies and guidelines
- Delivery schedules
- Application discussions
- Material training, application and product safety

Employees

Employees are essential to our operations, forming the workforce that drives production and directly contributes to the Group's overall success and growth.

Key Engagement Topics

- Performance management
- Learning and development
- Work-life balance
- Compensation
- Health, safety and wellbeing
- Working environment
- Safety measures and SOPs at the workplace

KIB's Response

- Conducted regular performance reviews and feedback sessions
- Provided training programmes and workshops to enhance workforce skills
- Promoted a workplace culture that supports work-life balance
- Reviewed and adjusted salaries to remain competitive within the industry
- Strengthened employee health and safety through the implementation of safety protocols

Engagement Channels

- Circulation of internal policies
- Management discussions
- Staff appraisals
- Bonuses and allowances
- In-house training and product knowledge sharing
- Safety committee meetings and trainings
- Production discussions
- Code of Conduct and Ethics
- Human Resources' policies and procedures
- Company trips
- Annual dinners
- 5S awareness campaigns

SUSTAINABILITY STATEMENT
(CONT'D)

CONNECTING WITH OUR STAKEHOLDERS (CONT'D)

Local Communities

Local communities are important to the Group, as they contribute to a supportive operating environment and play an essential role in sustaining our social license to operate.

Key Engagement Topics

- Support for community development
- Transparency and accountability
- Environmental impacts

KIB's Response

- Organised and implemented Corporate Social Responsibility ("CSR") initiatives to support community development
- Managed environmental impacts, including waste and air emissions, in compliance with regulatory requirements
- Maintained open and transparent communication with stakeholders

Engagement Channels

- Donations to educational institutions, communities and associations
- Charity programmes
- Industrial memberships

MEASURING OUR SUSTAINABILITY PROGRESS

The Group monitors sustainability performance against defined KPIs to track progress on material matters. These metrics support transparency in reporting and provide a basis for identifying areas for improvement and informing decision-making.

Legend: ● Achieved ● In Progress

Material Matters	Target	Performance	
		FYE 2025	FYE 2026
Economic Performance	To achieve an annual profit before tax of RM8.00 million.	Achieved	Achieved
Corporate Governance and Anti-Corruption	To achieve zero reported incidents of bribery and corruption.	Achieved	Achieved
Ethics and Integrity	To maintain a zero grievance or whistleblowing cases, capped at three annually.	Achieved	Achieved
Data Privacy and Cybersecurity	To maintain no breaches in data privacy and cybersecurity.	Achieved	Achieved
Energy Management	Reduce energy intensity from a baseline of 0.2558 megawatt-hours ("MWh") to 0.2353 MWh per metric tonne ("MT") of product by financial year ending 31 March 2027.	In Progress	In Progress
Customer Satisfaction	To achieve a customer satisfaction level of 75.00%[1].	Achieved	Achieved

Note:
1. *Performance is assessed based on internally defined KPI thresholds*

PRIORITISING WHAT IS MATERIAL

A materiality reassessment was conducted in FYE 2024 to identify and prioritise sustainability matters that are most relevant to the Group's operations and stakeholders, supported by the development of a materiality matrix to assess their relative importance based on stakeholder impact and business relevance. The identified material matters remain applicable to the Group's operations and sustainability priorities and continue to be adopted for FYE 2026. The Group has identified five key material matters, which are Economic Performance, Regulatory Compliance, Corporate Governance and Anti-Corruption, Product Quality and Innovation, as well as Customer Satisfaction.

Economic Growth	
01	Economic Performance
09	Supply Chain Management
14	Investor Relations

Responsible Governance	
02	Regulatory Compliance
03	Corporate Governance and Anti-Corruption
06	Ethics and Integrity
07	Data Privacy and Cybersecurity

Environmental Stewardship	
11	Energy Management
12	Emission Monitoring
13	Water Consumption
15	Waste Management

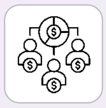
Social Responsibility	
04	Product Quality and Innovation
05	Customer Satisfaction
08	Occupational Health and Safety
10	Labour Practices and Standards
16	Workforce Diversity and Inclusivity
17	Community Engagement

SUSTAINABILITY STATEMENT
(CONT'D)

ECONOMIC GROWTH

Economic performance underpins the Group's ability to sustain operations, support business stability and deliver long-term returns. As a manufacturer of polymer-based products and chemical products, KIB's growth is driven by operational efficiency, product development and market expansion across its core business segments. A disciplined approach to financial management and resource allocation supports resilience in a competitive operating environment, while enabling the Group to pursue growth opportunities and maintain consistent performance.

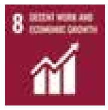
Key Stakeholders




Material Matters

- Economic Performance
- Supply Chain Management
- Investor Relations

UN SDG Alignment



Economic Performance

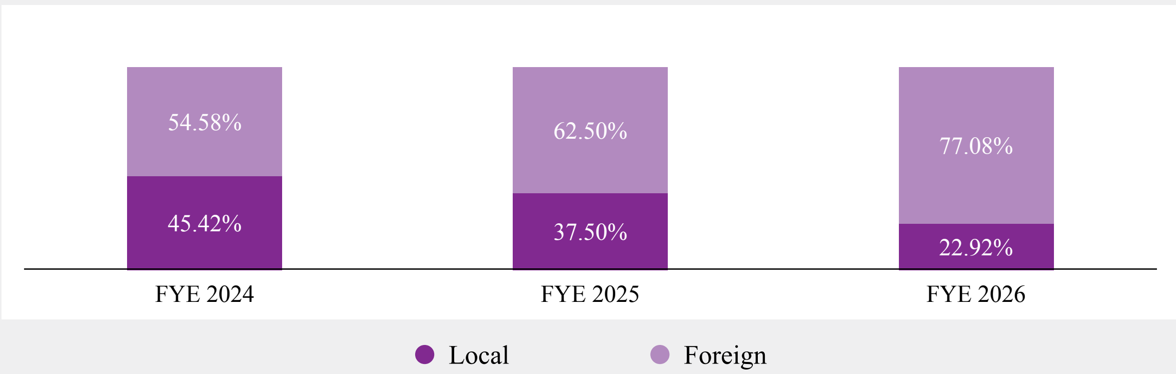
Economic performance is monitored against the Group's established KPI of achieving RM8.00 million in profit before tax, which has been in place since FYE 2019. For FYE 2026, the Group recorded a profit before tax of RM10.73 million, exceeding the KPI target set.

KPI Target	Total Amount for FYE 2026
RM8.00 million	RM10.73 million

Supply Chain Management

Supply chain management supports product quality and operational continuity across the Group's manufacturing and trading activities. The Group adopts a structured approach to supplier selection and evaluation to ensure alignment with its operational and quality requirements. Key assessment criteria include pricing, product quality, delivery reliability and supplier responsiveness.

Proportion of Procurement Spending



ECONOMIC GROWTH (CONT'D)

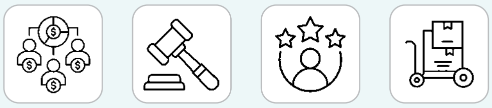
Investor Relations

The Group engages with shareholders and investors through established communication channels, including annual general meetings, corporate disclosures and periodic financial reporting. Key areas of engagement include financial performance, business strategy, market developments and dividend considerations, supporting transparency and informed decision-making.

RESPONSIBLE GOVERNANCE

KIB's governance framework provides oversight and direction across its operations, supported by established policies, management systems and a Code of Conduct that set expectations for ethical business practices. This framework supports accountability and compliance, ensuring that business activities are conducted in line with applicable regulatory requirements and internal standards.

Key Stakeholders



Material Matters

- Regulatory Compliance
- Corporate Governance and Anti-Corruption
- Ethics and Integrity
- Data Privacy and Cybersecurity

UN SDG Alignment

Regulatory Compliance

The Group maintains compliance with applicable regulatory requirements across our manufacturing and trading operations, supported by established policies, procedures and ongoing monitoring. Given the nature of our polymer and chemical products, particular focus is placed on occupational safety, product handling and regulatory adherence in operational environments. Compliance practices support effective risk management and operational consistency, particularly in areas such as workplace safety and regulatory reporting.

Key Laws and Regulations Applicable to the Group

- Companies Act 2016
- Employment (Amendment) Act 2022
- Fire Services Act 1988
- Occupational Safety and Health Act 2022
- Environmental Quality (Scheduled Wastes) Regulations 2005
- Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000
- Workers' Minimum Standards of Housing and Amenities Act 1990
- Regulations 2000
- Occupational Safety and Health (Plant Requiring Certificate of Fitness) Regulations 2024
- Occupational Safety and Health (Licensed Person) Order 2024
- Occupational Safety and Health (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2013
- Occupational Safety and Health (Safety and Health Committee) Regulations 1996
- Poisons Act 1952

RESPONSIBLE GOVERNANCE (CONT'D)

Corporate Governance and Anti-Corruption

Maintaining ethical conduct through governance policies ensures compliance with legal obligations and adherence to anti-corruption best practices across our manufacturing operations, thereby strengthening stakeholder confidence. Our ABC Policy guides the identification, prevention and management of bribery and corruption risks across the Group, ensuring that business conduct remains aligned with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. Anti-corruption training is conducted to equip employees with the knowledge and tools needed to uphold the highest standards of integrity and ethical conduct. All senior management, management and executive level employees have attended anti-corruption training. The Group continues to assess its operations for corruption-related risks, with no substantiated incidents of bribery, corruption or whistleblowing cases recorded, reflecting a consistent track record over the past three consecutive financial years.

Ethics and Integrity

KIB maintains standards of ethical conduct across operations, supported by established governance policies that set expectations for behaviour, accountability and the reporting of concerns at all levels of the organisation. These policies provide a structured approach to managing ethical risks and supporting compliance with regulatory requirements, reinforcing consistent conduct across our manufacturing and trading operations.

Board Charter	**Code of Conduct and Ethics**	**Fit and Proper Person Policy**
Whistleblowing Policy	**Diversity Policy**	**Sustainability Policy**

Data Privacy and Cybersecurity

The Group manages personal and business data in accordance with the Personal Data Protection Act ("PDPA") 2010, supported by internal controls governing access, use and data handling practices. Access to data is restricted to authorised personnel and limited to defined purposes in line with regulatory requirements. We do not sell or trade personal data and shares information with third parties only where consent is obtained or where required by law. Measures are in place to manage cybersecurity risks and protect data from unauthorised access, supporting operational continuity across the KIB Group's manufacturing and trading activities.

In FYE 2026, the Group recorded zero substantiated complaints concerning breaches of customer privacy and loss of customer data.

ENVIRONMENTAL STEWARDSHIP

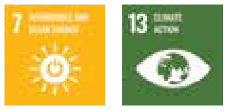
We manage environmental impacts across manufacturing and trading operations, focusing on energy use, emissions, water consumption and waste management. These areas reflect the key environmental aspects of our polymer and chemical products and operational processes. Efforts are directed towards improving resource efficiency and managing environmental risks in line with regulatory requirements and operational needs.

Key Stakeholders

Material Matters

- Energy Management
- Emissions Monitoring
- Water Consumption
- Waste Management

UN SDG Alignment



Energy Management

Energy consumption is a key aspect of the Group's manufacturing operations, particularly in processes such as compounding and heating. Managing energy use supports operational efficiency and cost control across our facilities.

Current Mitigation Measures

We monitor and manage energy consumption through initiatives aimed at improving efficiency and optimising operational performance.

Energy Management Initiatives

- Modify and upgrade production equipment, facilities and support systems to enhance performance
- Adopt the use of energy-saving lighting and appliances
- Track and optimise energy consumption to enhance efficiency
- Provide training on energy efficiency throughout the organisation

Renewable Energy Deployment

As part of our energy management approach, the manufacturing facilities at HLSB and AISB have progressively integrated solar PV systems to support the adoption of renewable energy. In FYE 2026, a total installed capacity of 1,225.16 kWp has been achieved across both facilities.

SUSTAINABILITY STATEMENT
(CONT'D)

ENVIRONMENTAL STEWARDSHIP (CONT'D)

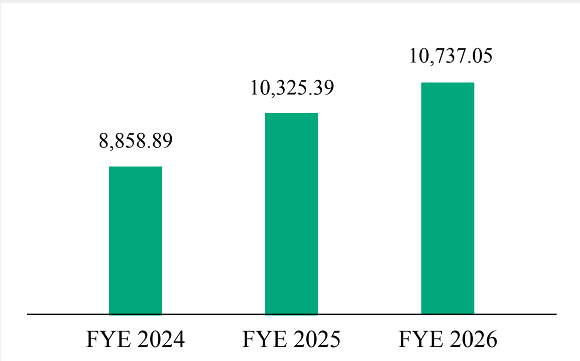
Energy Management (Cont'd)

KIB's Energy Performance

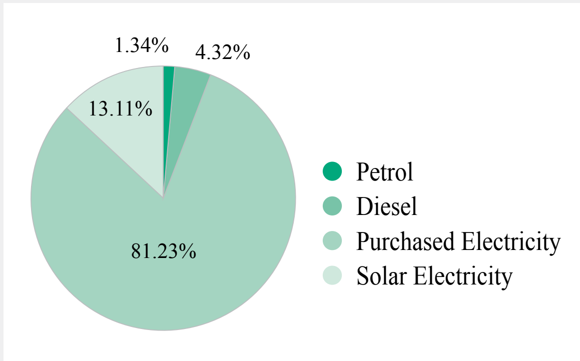
Total Energy Consumption

In FYE 2026, the Group recorded total energy consumption of 10,737.05 MWh, comprising electricity, diesel and petrol. Purchased electricity accounted for 81.23% of total consumption, followed by solar electricity at 13.11%.

Total Energy Consumption (MWh)



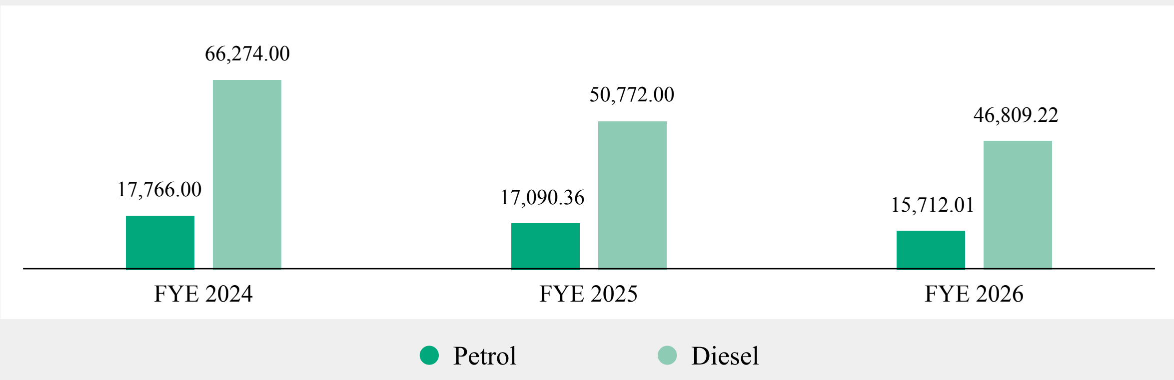
Composition of Energy Consumption by Source (%)



Fuel Consumption

KIB's fuel consumption is associated with the use of petrol and diesel across the Group's vehicles, forklifts and machinery. In FYE 2026, petrol consumption totalled 15,712.01 litres, an 8.07% reduction compared to FYE 2025. Diesel usage in FYE 2026 amounted to 46,809.22 litres, representing 7.81% decrease from the previous year. Overall, fuel consumption declined during the FYE 2026 due to less usage of heating equipment and optimised usage of forklift.

Fuel Consumption (litres)

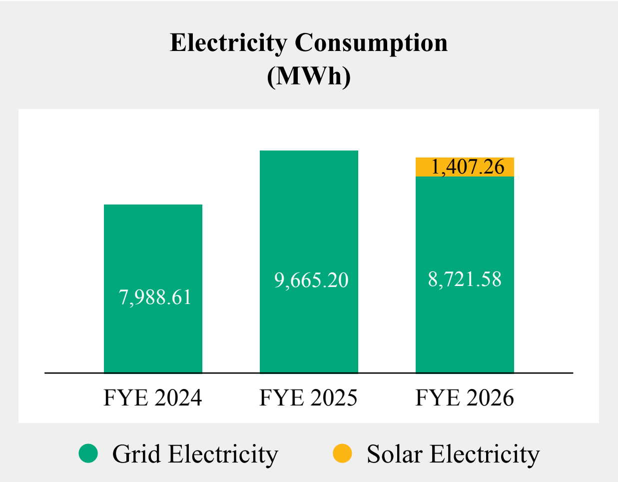


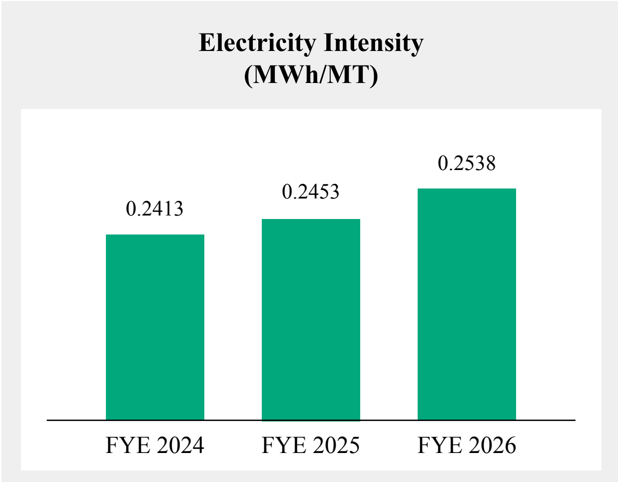
ENVIRONMENTAL STEWARDSHIP (CONT'D)

Energy Management (Cont'd)

<u>Electricity Consumption</u>

KIB Group recorded total electricity consumption of 10,128.84 MWh in FYE 2026, comprising 8,721.58 MWh from grid electricity and 1,407.26 MWh from solar energy. Electricity intensity increased by 3.47% compared to FYE 2025 due to lower production volume while fixed electrical loads remain relatively constant.





Emissions Monitoring

The Group monitors emissions from its manufacturing operations to ensure compliance with applicable regulatory requirements. Stack emissions are assessed through periodic testing conducted by a third-party laboratory, in line with the Environmental Quality (Clean Air) Regulations 2014.

We have monitored our greenhouse gas ("GHG") emissions since FYE 2024, covering Scope 1 and Scope 2 emissions, with Scope 3 emissions incorporated from FYE 2025. Scope 1 emissions arise from fuel consumption in company-owned vehicles, forklifts and heating equipment, while Scope 2 emissions relate to purchased electricity consumed across production and office facilities. Scope 3 emissions are primarily associated with business travel and employee commuting. For FYE 2026, the Group recorded total GHG emissions of 6,795.15 tCO_2e, with 2.31% attributed to Scope 1, 94.98% to Scope 2 and the remaining 2.71% to Scope 3. Scope 2 emissions remained the primary contributor, reflecting electricity consumption across the Group's manufacturing operations.

Total GHG Emissions

FYE 2026: 6,795.15 tCO_2e

FYE 2025: 7,846.48 tCO_2e

FYE 2024: 6,263.47 tCO_2e

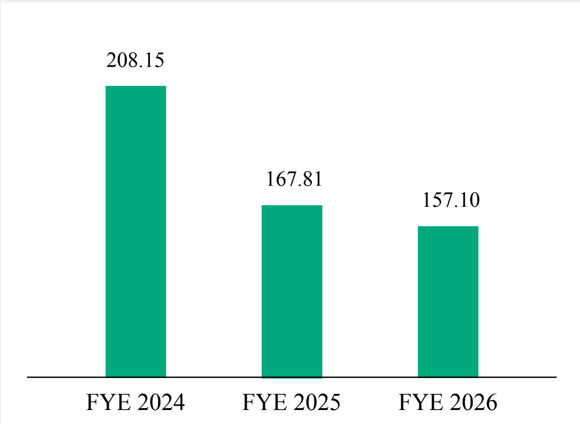
Avoided **1,041.37 tCO_2e** of Scope 2 GHG emissions through the installation of solar panels in FYE 2026

SUSTAINABILITY STATEMENT
(CONT'D)

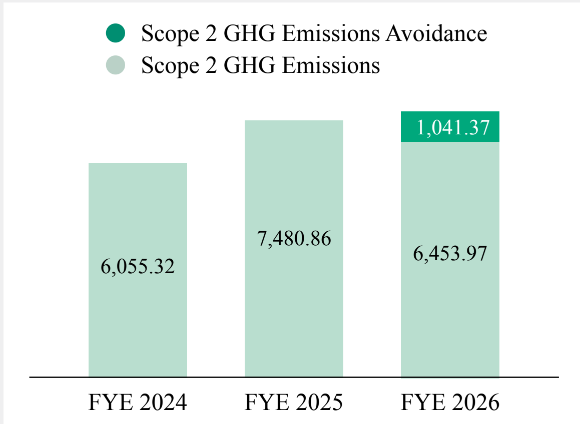
ENVIRONMENTAL STEWARDSHIP (CONT'D)

Emission Monitoring (Cont'd)

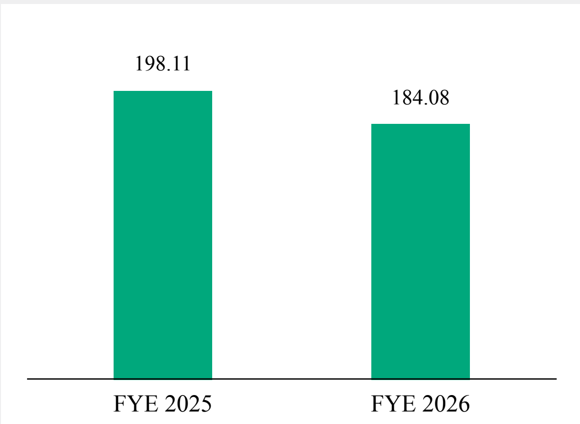
Scope 1 GHG Emissions (tCO_2e)



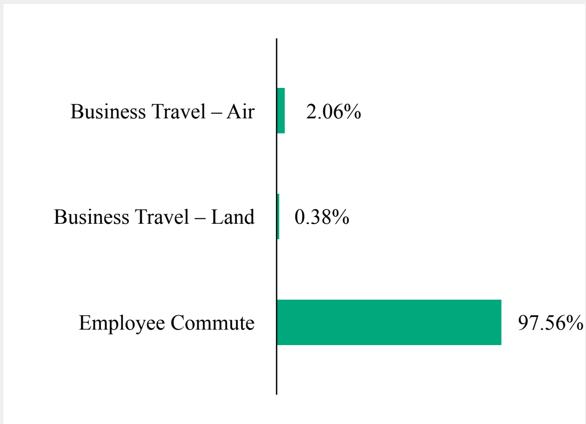
Scope 2 GHG Emissions (tCO_2e)



Scope 3 GHG Emissions (tCO_2e)



Scope 3 GHG Emissions Breakdown for FYE 2026 (%)



Notes:
1. *Scope 1 GHG emissions factors were sourced from the UK Government's GHG Conversion Factors 2023, 2024 and 2025*
2. *Scope 2 GHG emissions factors were sourced from the National Energy Commission: Grid Emission Factor ("GEF") in Malaysia for 2023 and 2024*
3. *Scope 3 GHG emissions factors were sourced from the UK Government's GHG Conversion Factors for 2024 and 2025*

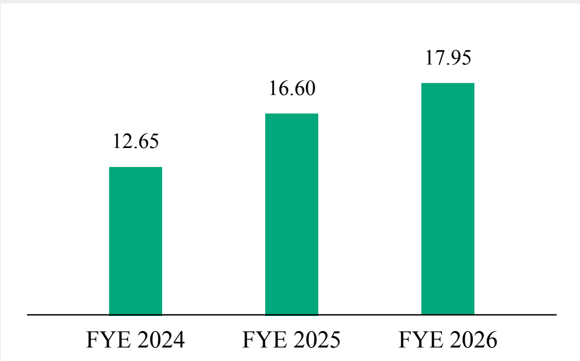
ENVIRONMENTAL STEWARDSHIP (CONT'D)

Water Consumption

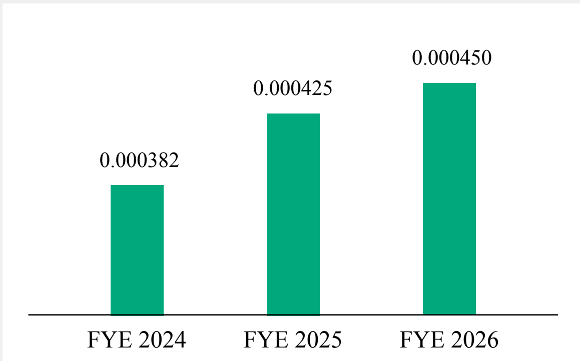
Water is required for the Group's manufacturing processes, and consumption is managed across production facilities. We implement water management practices, including the use of recycling systems and maintenance measures to reduce losses and improve efficiency.

In FYE 2026, total water consumption was 17.95 megalitres ("ML") , representing an increase of 8.13% compared to FYE 2025. Water intensity increased by 5.88% compared to FYE 2025 due to lower production volume.

Total Water Consumption (ML)



Water Intensity (ML/MT)



Waste Management

Waste is generated from KIB Group's manufacturing operations, including spent materials and process by-products. Waste management practices focus on proper handling, recycling and compliance with applicable regulatory requirements. We implement 3R (Reduce, Reuse, Recycle) practices across operations, including the reuse and recycling of packaging materials and storage containers. Hazardous waste is managed in accordance with the Environmental Quality Act 1974.

The Group monitors scheduled waste generated from operations and engages licensed third-party contractors for disposal in accordance with regulatory requirements. Internal procedures are in place for the segregation and classification of waste in compliance with Department of Environment ("DOE") requirements.

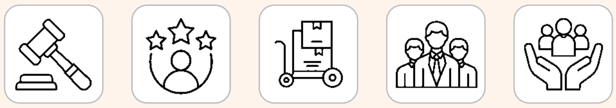
	FYE 2024	FYE 2025	FYE 2026
Total Waste Generated (MT)	32.43	35.40	37.30

SUSTAINABILITY STATEMENT
(CONT'D)

SOCIAL RESPONSIBILITY

KIB manages its social impacts across its operations, with a focus on workforce well-being, product quality, customer satisfaction and community engagement. These areas reflect the nature of the polymer and chemical manufacturing industry in which we operate. Our efforts are centred on maintaining safe working conditions, supporting employee development and delivering consistent product quality, while building strong relationships with our customers and the communities in which we operate.

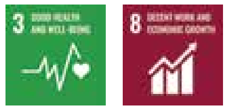
Key Stakeholders



Material Matters

- Product Quality and Innovation
- Customer Satisfaction
- Occupational Health and Safety
- Labour Standards and Practices
- Workforce Diversity and Inclusivity
- Community Engagement

UN SDG Alignment



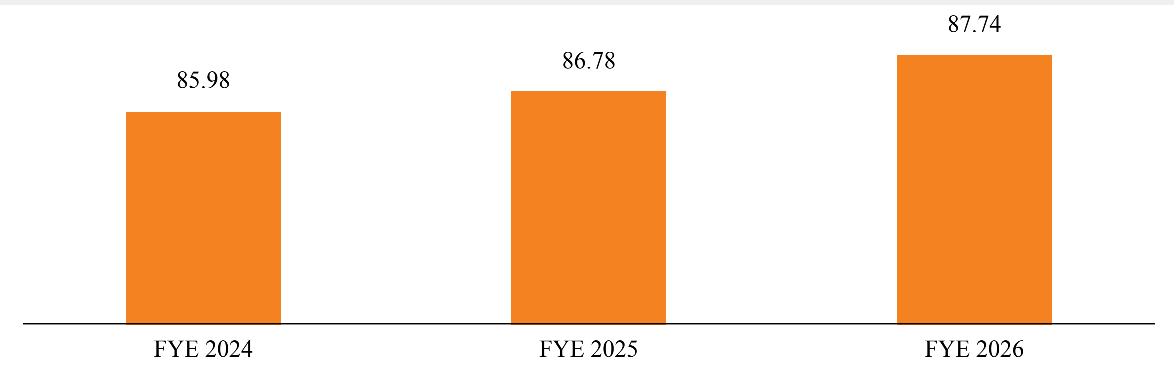
Product Quality and Innovation

Product quality is maintained across manufacturing processes through in-house laboratory testing of PVC products and the issuance of Certificates of Analysis ("COAs") and Safety Data Sheet ("SDS") to verify compliance with quality and safety requirements. Suppliers are also required to provide COAs and SDS to ensure that raw materials meet established specifications and quality standards.

Customer Satisfaction

Customer satisfaction is monitored through periodic surveys covering key areas such as delivery reliability, product quality, responsiveness and communication. Feedback is obtained from both local and international customers to support continuous service improvements. In FYE 2026, the overall customer satisfaction score increased to 87.74%, with improvements observed across most assessment criteria.

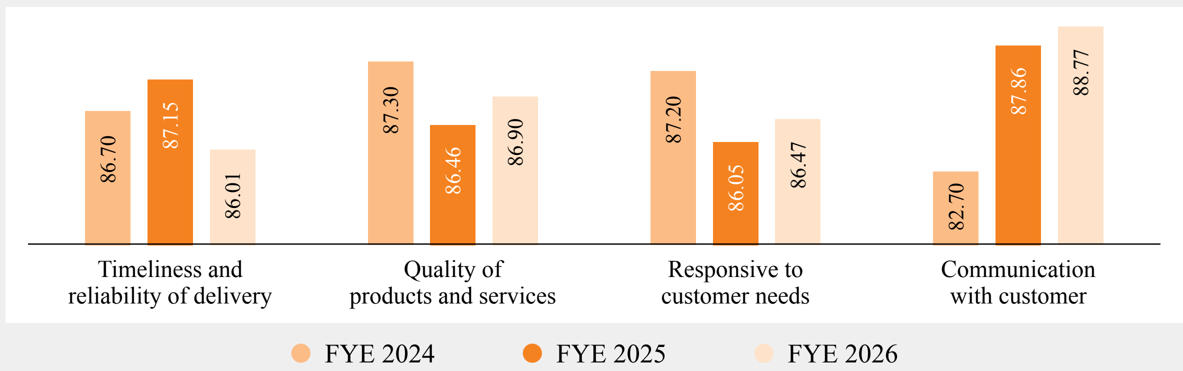
Customer Satisfaction Score (%)



SOCIAL RESPONSIBILITY (CONT'D)

Customer Satisfaction (Cont'd)

Customer Satisfaction Score by Criteria (%)



Occupational Health and Safety

Ensuring a safe and healthy workplace remains a key priority across our manufacturing operations. Guided by established risk management processes and safety protocols, we continuously monitor and manage workplace risks. Oversight is provided by our Safety and Health Committee, which supports compliance with regulatory requirements and serves as a platform for addressing safety-related matters.

Health and Safety Initiatives

- Hazard Identification, Risk Assessment and Risk Control ("HIRARC") on laboratory sample testing and galvanized wire handling.
- Weekly toolbox briefings are conducted for workers to enhance safety awareness in the workplace.
- Conduct psychosocial health surveys in the workplace.
- Noise risk assessments are conducted across operational areas.

SUSTAINABILITY STATEMENT
(CONT'D)

SOCIAL RESPONSIBILITY (CONT'D)

Occupational Health and Safety (Cont'd)

Occupational Health and Safety Performance

In FYE 2026, the Group recorded 4 lost-time injuries and no fatalities, with a lost-time incident frequency ("LTIF") rate of 0.98 due to manual handling and routine equipment maintenance activities on the production floor. None of the incidents were severe and our Health and Safety Committee has conducted comprehensive job safety analysis, upgraded our personal protective equipment and provided refresher training.

	FYE 2024	FYE 2025	FYE 2026
Total Number of Hours Worked	728,047	879,379	813,880
Number of Lost-Time Injuries	4	4	4
Number of Fatalities as a result of work-related injuries or ill health	0	0	0
Lost-Time Incident Frequency ("LTIF")	1.10	0.70	0.98

Occupational Health and Safety Training

Occupational health and safety training is provided across key areas such as forklift safety, ergonomics, manual handling, first aid, fire evacuation procedures, chemical management, noise risk awareness and 5S practices. In FYE 2026, a total of 30 training sessions was conducted for 298 employees.

Labour Practices and Standards

We manage employment practices in accordance with applicable labour laws and regulatory requirements. Employee welfare, fair treatment and statutory entitlements are maintained across operations. During the reporting year, there were zero incident of human rights violations identified, reported or filed through our corporate grievance mechanisms.

Training Our Workforce

Training is conducted across general, technical, health and safety and leadership areas to support employee development. During the FYE 2026, employees across all categories participated in training accumulating a total of 5,040 training hours.

	FYE 2024	FYE 2025	FYE 2026
Average training hours per employee	2.98	2.01	1.52
Total Training Hours by Category			
Employee Category	**FYE 2024**	**FYE 2025**	**FYE 2026**
Senior Management	40	53	71
Management	222	395	350
Executive	172	606	973
Non-Executive	1,701	1,766	3,646

SOCIAL RESPONSIBILITY (CONT'D)

Labour Practices and Standards (Cont'd)

Employee Turnovers

Alongside our focus on development, we remain committed to fostering a stable and supportive workplace. In FYE 2026, employee turnover reduced to 20 personnel as compared to 33 personnel in FYE 2025, with a total of 26 new hires. This reflects the stability of our workforce and our continued focus on creating a positive and engaging environment for our employees.

Number of Employee Turnover			
Employee Category	FYE 2024	FYE 2025	FYE 2026
Senior Management	0	2	0
Management	0	0	0
Executive	2	2	0
Non-Executive	22	29	20

Employee Benefits

We uphold labour laws by ensuring employees receive their statutory entitlements, including leave and social security contributions. This consistent approach supports well-being and fosters a positive, secure work environment.

Annual Leave	Outstation Meal Allowance
Medical Leave	Accommodation Claim
Parental Leave	Retirement Provision (KWSP)
Marriage Leave	Disability and Invalidity Coverage (SOCSO)

SUSTAINABILITY STATEMENT
(CONT'D)

SOCIAL RESPONSIBILITY (CONT'D)

Workforce Diversity and Inclusivity

We maintain employment practices that support fair treatment and equal opportunity across our workforce. In FYE 2026, all employees were employed on a permanent basis.

Workforce Diversity

Gender Diversity by Employee Category (%)				
Employee Category	**Gender**	**FYE 2024**	**FYE 2025**	**FYE 2026**
Senior Management	Male	78.57	75.00	75.00
	Female	21.43	25.00	25.00
Management	Male	44.44	33.33	33.33
	Female	55.56	66.67	66.67
Executive	Male	48.78	40.00	41.03
	Female	51.22	60.00	58.97
Non-Executive	Male	93.46	91.91	92.15
	Female	6.54	8.09	7.85

Age Diversity by Employee Category (%)				
Employee Category	**Age Category**	**FYE 2024**	**FYE 2025**	**FYE 2026**
Senior Management	<30 years	0.00	0.00	0.00
	30 to 50 years	57.14	75.00	50.00
	>50 years	42.86	25.00	50.00
Management	<30 years	0.00	0.00	0.00
	30 to 50 years	72.22	73.33	73.33
	>50 years	27.78	26.67	26.67
Executive	<30 years	21.95	10.00	10.26
	30 to 50 years	68.29	80.00	79.49
	>50 years	9.76	10.00	10.25
Non-Executive	<30 years	42.51	43.40	42.15
	30 to 50 years	57.01	55.75	57.02
	>50 years	0.48	0.85	0.83

SOCIAL RESPONSIBILITY (CONT'D)

Workforce Diversity and Inclusivity (Cont'd)

Board Diversity

The Board comprises a mix of executive and non-executive directors with varied experience and functional backgrounds, supporting effective oversight and decision-making across the Group's operations. The composition reflects a balance of perspectives, including gender diversity, with female representation maintained at 30.00% in FYE 2026, contributing to more inclusive and well-rounded Board deliberations. This is further complemented by a diverse age profile, supporting robust governance and informed decision-making processes.

Board Composition by Gender (%)			
Gender	FYE 2024	FYE 2025	FYE 2026
Male	72.73	70.00	70.00
Female	27.27	30.00	30.00
Board Composition by Age Group (%)			
Age Group	FYE 2024	FYE 2025	FYE 2026
<30 years	0.00	0.00	0.00
30 to 50 years	72.73	90.00	60.00
>50 years	27.27	10.00	40.00

Community Engagement

	FYE 2024	FYE 2025	FYE 2026
Total amount invested (RM)	9,465.60	32,019.20	30,000.00
Total number of beneficiaries	6	8	3

Beyond our operations, we continue to extend our efforts to the communities around us. During FYE 2026, we supported three community initiatives and organisations, focusing on areas such as child welfare, healthcare and social causes. Our initiatives included support for organisations such as the United Nations Children's Fund (UNICEF), Persatuan Penganut Agama Buddha Nam San Kong, as well as programmes promoting prostate cancer awareness.

AT THE INTERSECTION OF PRACTICE AND PROGRESS

The Group has continued to strengthen sustainability practices during the financial year under review, with improvements in performance tracking, emissions monitoring and the integration of renewable energy across its operations.

While progress has been made, further enhancements remain necessary, particularly in advancing data quality, expanding disclosures and refining internal processes. As the operating landscape continues to evolve, we remain focused on maintaining operational efficiency, managing environmental and social impacts, and strengthening governance practices to support long-term performance.

SUSTAINABILITY STATEMENT
(CONT'D)

GRI CONTENT INDEX

Statement of use	Karyon Industries Berhad has reported the information cited in this GRI content index for the period 1 April 2025 to 31 March 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI CONTENT INDEX (CONT'D)

GRI STANDARD	DISCLOSURE		LOCATION (PAGE)
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	36
	302-3	Energy intensity	36
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	39
	303-5	Water consumption	39
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	37-38
	305-2	Energy indirect (Scope 2) GHG emissions	37-38
	305-3	Other indirect (Scope 3) GHG emissions	37-38
	305-5	Reduction of GHG emissions	37-38
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	39
	306-2	Management of significant waste-related impacts	39
	306-3	Waste generated	39
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	43
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	43
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	41-42
	403-2	Hazard identification, risk assessment, and incident investigation	41-42
	403-4	Worker participation, consultation, and communication on occupational health and safety	41-42
	403-5	Worker training on occupational health and safety	42
	403-9	Work-related injuries	42
	403-10	Work-related ill health	42
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	42
	404-2	Programmes for upgrading employee skills and transition assistance programs	42
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	44-45
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	45
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	34

SUSTAINABILITY STATEMENT
(CONT'D)

PRESCRIBED TABLE

KARYON INDUSTRIES BHD
BMLR Transition Period

Date & Time: 2026-07-27 14:36:52
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Supply Chain Management	Proportion of spending on local suppliers	Percentage	37.50	22.92	—	No assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category-Senior Management	Percentage	100.00	100.00	—	No assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category-Management	Percentage	100.00	100.00	—	No assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category-Executive	Percentage	100.00	100.00	—	No assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category-Non-Executive	Percentage	0.00	0.00	—	No assurance
Anti-corruption	Percentage of operations assessed for corruption--related risks	Percentage	100.00	100.00	—	No assurance
Anti-corruption	Confirmed incidents of corruption and action taken	Number	0.00	0.00	—	No assurance
Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0.00	0.00	—	No assurance
Energy Management	Total energy consumption	Megawatt	10,325.39	10,737.05	—	No assurance
Water	Total volume of water used	Megalitre	16.60	17.95	—	No assurance
Health and Safety	Number of work-related fatalities	Number	0.00	0.00	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-27 14:36:52

Page 1 of 7

PRESCRIBED TABLE (CONT'D)

KARYON INDUSTRIES BHD
BMLR Transition Period

Date & Time: 2026-07-27 14:36:52
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Health and Safety	Lost time incident rate	Rate	0.70	0.98	—	No assurance
Health and Safety	Number of employees trained on health and safety standards	Number	244.00	298.00	—	No assurance
Labour Practices and Standards	Total hours of training by employee category-Senior Management	Hours	53.00	71.00	—	No assurance
Labour Practices and Standards	Total hours of training by employee category-M-anagement	Hours	395.00	350.00	—	No assurance
Labour Practices and Standards	Total hours of training by employee category-Executive	Hours	606.00	973.00	—	No assurance
Labour Practices and Standards	Total hours of training by employee category-N-on-Executive	Hours	1,766.00	3,646.00	—	No assurance
Labour Practices and Standards	Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00	—	No assurance
Labour Practices and Standards	Total number of employee turnover by employee category-Senior Management	Number	2.00	0.00	—	No assurance
Labour Practices and Standards	Total number of employee turnover by employee category-Management	Number	0.00	0.00	—	No assurance
Labour Practices and Standards	Total number of employee turnover by employee category-Executive	Number	2.00	0.00	—	No assurance
Labour Practices and Standards	Total number of employee turnover by employee category-Non-Executive	Number	29.00	20.00	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-27 14:36:52

Page 2 of 7

SUSTAINABILITY STATEMENT
(CONT'D)

PRESCRIBED TABLE (CONT'D)

KARYON INDUSTRIES BHD
BMLR Transition Period

Date & Time: 2026-07-27 14:36:52
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour Practices and Standards	Number of substantiated complaints concerning human rights violation	Number	0.00	0.00	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-Senior Management under 30	Percentage	0.00	0.00	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-Senior Management Between 30-50	Percentage	75.00	50.00	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-Senior Management Above 50	Percentage	25.00	50.00	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-M-anagement Under 30	Percentage	0.00	0.00	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-M-anagement Between 30-50	Percentage	73.33	73.33	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-M-anagement Above 50	Percentage	26.67	26.67	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-E-xecutive Under 30	Percentage	10.00	10.26	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-27 14:36:52

PRESCRIBED TABLE (CONT'D)

KARYON INDUSTRIES BHD
BMLR Transition Period

Date & Time: 2026-07-27 14:36:52
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Percentage of employees by gender and age group, for each employee category-Executive Between 30-50	Percentage	80.00	79.49	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-Executive Above 50	Percentage	10.00	10.25	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-Non-Executive Under 30	Percentage	43.40	42.15	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-Non-Executive Between 30-50	Percentage	55.75	57.02	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-Non-Executive Above 50	Percentage	0.85	0.83	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-Senior Management Male	Percentage	75.00	75.00	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-Senior Management Female	Percentage	25.00	25.00	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-Management Male	Percentage	33.33	33.33	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-27 14:36:52

SUSTAINABILITY STATEMENT
(CONT'D)

PRESCRIBED TABLE (CONT'D)

KARYON INDUSTRIES BHD
BMLR Transition Period

Date & Time: 2026-07-2714:36:52
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Percentage of employees by gender and age group, for each employee category-Management Female	Percentage	66.67	66.67	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-Executive Male	Percentage	40.00	41.03	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-Executive Female	Percentage	60.00	58.97	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-Non-Executive Male	Percentage	91.91	92.15	—	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category-Non-Executive Female	Percentage	8.09	7.85	—	No assurance
Diversity	Percentage of directors by gender and age group-Male	Percentage	70.00	70.00	—	No assurance
Diversity	Percentage of directors by gender and age group-Female	Percentage	30.00	30.00	—	No assurance
Diversity	Percentage of directors by gender and age group-Under 30	Percentage	0.00	0.00	—	No assurance
Diversity	Percentage of directors by gender and age group-Between 30-50	Percentage	90.00	60.00	—	No assurance
Diversity	Percentage of directors by gender and age group-Above 50	Percentage	10.00	40.00	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-2714:36:52

Page 5 of 7

PRESCRIBED TABLE (CONT'D)

KARYON INDUSTRIES BHD
BMLR Transition Period

Date & Time: 2026-07-27 14:36:52
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Community/Society	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuers	MYR	32,019.20	30,000.00	—	No assurance
Community/Society	Bursa C2(b) Total amount of beneficiaries of the investment in communities	Number	8.00	3.00	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-27 14:36:52

Page 6 of 7

SUSTAINABILITY STATEMENT
(CONT'D)

PRESCRIBED TABLE (CONT'D)

KARYON INDUSTRIES BHD
IFRS S2

Date & Time: 2026-07-27 14:36:52
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Emissions Management	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO2e)	167.81	157.10	—	No assurance
Emissions Management	Scope 2	Metric tonnes of carbon dioxide equivalents (tCO2e)	7,480.86	6,453.97	—	No assurance
Emissions Management	Scope 3-at least business travel and employee commuting	Metric tonnes of carbon dioxide equivalents (tCO2e)	198.11	184.08	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-27 14:36:52

Page 7 of 7

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Karyon Industries Berhad ("**KIB**" or "**Company**") ("**Board**") is pleased to present this statement to provide an overview of the application by the Company and its subsidiaries (collectively referred as "**Group**") of the good corporate governance practices and principles set out in the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia on 28 April 2021 ("**MCCG**") for the financial year under review and up to the date of this Statement.

The Board recognises the importance of implementing high standards of corporate governance in the Group, for the purposes of discharging the directors' responsibilities and safeguarding the stakeholders' interest and assets of the Group. In adopting corporate governance practices, the Board has instilled good corporate governance practice and considered the pillars of effective corporate governance which comprise transparency, accountability, ethical behaviour, and sustainability.

As such, the Board seeks to embed in the Group a culture that is aimed at delivering balance between conformance requirements with the need to deliver long-term strategic imperatives through performance, without compromising on personal or corporate ethics and integrity.

With the MCCG, the Board is cognizant of the growing level of expectation for proper corporate governance and is taking necessary steps to strengthen and ensure such level of governance is adopted throughout the Group.

This statement is to provide the shareholders and other stakeholders with an overview of the Group's application of the following three (3) Principles set out in the MCCG and it should be read together with the Corporate Governance Report 2026 of KIB ("**CG Report**") which is accessible on the Company's website at http://www.karyongroup.com.my or the announcement made on the website of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

a) Principle A : Board Leadership and Effectiveness;
b) Principle B : Effective Audit and Risk Management; and
c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The CG Report provides the details on how KIB has applied each of the practices as set out in the MCCG for the financial year ended ("**FYE**") 31 March 2026. Other than Practices 8.2 and 13.3 of the MCCG, the Board is of the view that KIB has substantially complied with the recommendations of MCCG.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Company is led by a Board who is responsible for the overall business direction of the Group. The Board is made up of Directors who have extensive range of skills, experiences and knowledge. In essence, the Directors are responsible for the provision of stewardship and oversees the conduct of the business affairs of the Group's business operations and performance in achieving long term values to shareholders as well as other stakeholders of the Group. The Board is responsible for the governance of the Group as well as the conduct of the Group's overall strategic direction.

The Board is guided by its Board Charter which outlines the roles, functions, compositions, operations and processes of the Board and seeks to ensure that all Board members are aware of their duties and responsibilities. Further, the Board Charter has delineated clear functions reserved to enable the Board to function effectively with proper accountability.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

I. Board Responsibilities (Cont'd)

The Board Charter is available on the Company's website at http://www.karyongroup.com.my/about/corporate-governance/board-charter/.

In order to assist the Board discharge its stewardship role effectively, the Board has delegated and conferred some of its authorities and powers to its Board Committees. The Board Charter identifies the roles and responsibilities of the Board, Board Committees, Chairman and CEO, summarised as follows:

- Board of Directors: Responsible for the overall business direction and overseeing the conduct of the business affairs.

- Board Committees:

  - the Audit Committee ("**AC**") oversees matters relating to financial reporting, external audit, internal audit, related party transactions, conflict of interests, compliance with the Main Market Listing Requirements of Bursa Securities ("**MMLR**") and applicable laws and regulations, business practices of the Company and assessment carried out on the independence, performance and objectivity of the external auditors and internal auditors;

  - the Nominating Committee ("**NC**") oversees matters pertaining to the structure, size and composition of the Board and other Board Committees, including identifying and nominating candidates to fill Board and Board committee vacancies, as well as carrying out annual assessments on the effectiveness of the Board, committees of the Board and evaluating the contribution of each individual Director;

  - the Remuneration Committee ("**RC**") establishes and reviews the remuneration policy as well as the Directors' and Key Senior Management's remuneration packages and other benefits;

  - the Risk Management Committee ("**RMC**") ensures there is a sound framework and policy for risk management in managing the principal risks of the Group;

  - the Board Chairman is responsible for leadership of the Board and ensuring effective conduct of the Board as well as ensuring effective communication with shareholders and stakeholders. The Board Chairman is also responsible to ensure that Board Committee meetings are held separately and not combined with the main Board meeting to enable objective and independent discussion during the meeting;

  - the Deputy Board Chairman is responsible for supporting and assisting the Chairman of the Board in delivering his/her responsibilities and ensuring the smooth functioning of the Board; and

  - the Chief Executive Officer ("**CEO**") who holds ultimate executive power, is responsible, amongst others, in ensuring the efficiency and effectiveness of the operations of the Group, implementing policies, strategies and decisions adopted by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

I. Board Responsibilities (Cont'd)

The roles of the Chairman, Mr Loh Chen Yook, a Non-Independent Non-Executive Director, and the Chief Executive Officer, Mr Chua Ling Hong are distinct and separate with clear scope of duties and responsibilities, this is to ensure a balance of power and authority as well as to ensure no one individual can influence the Board's discussions and has unfettered decision-making powers in the Board.

Whilst Mr Loh Chen Yook focuses on providing overall leadership to the Board and is responsible for ensuring effectiveness of the Board's performance, Mr Phang Kok Kwen, the Independent Non-Executive Director and AC Chairman, provides checks and balances by leading the AC to independently scrutinise the financial matters, related party transactions and internal control system. The Board Chairman is not a member of the AC, NC and RC as recommended under the Practice 1.4 of the MCCG.

The NC is chaired by an Independent Non-Executive Director, Mr Lee Kian Hu, who leads the NC to objectively and independently perform its duties, including effectively carrying out the annual assessment of the Board, Board Committees and individual Directors as well as identifying areas that require enhancement.

The Board is committed to conduct its business in accordance with the highest standards of business ethics and complying with the relevant laws, rules and regulations. The Company has put in place a Code of Conduct and Ethics for its employees and Directors, to ensure an ethical culture and high standards of behaviour permeate all levels of the Group.

To fortify the Group's governance framework, a Whistleblowing Policy has been implemented and a Whistleblowing Channel has been set up to enable internal and external stakeholders of the Group to raise concerns in confidentiality. Further details on the Whistleblowing Policy and relevant channels are accessible via: http://www.karyongroup.com.my/whistleblowing-policy/.

The Group has also administered an Anti-Bribery and Corruption Policy ("**ABC Policy**") to set out the core principles in relation to anti-bribery and anti-corruption whereby the Group upholds highest standards of integrity in all business interactions and a zero-tolerance on any and all forms of bribery and corruption (including but not limited to, the acts to promise, offer, give, accept or obtain any bribery and corruption and any attempt thereof). All business dealings should be transparently performed and accurately reflected on records with monitoring and enforcement procedures implemented to ensure compliance with anti-corruption laws and best practices. Further details on the ABC Policy via: https://www.karyongroup.com.my/anti-bribery-corruption-policy/.

The Board members are entitled to unlimited and unrestricted access to the Company Secretaries who provide professional advice and services to the Board, particularly on Corporate Governance issues and compliance with the relevant policies and procedures, laws and regulatory requirements, in addition to the administrative matters.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

I. Board Responsibilities (Cont'd)

The attendance of the Board meetings during the FYE 31 March 2026 are as follows:

Name of Director	Attendance				
	Board	AC	RMC	NC	RC
Loh Chen Yook	5/5	–	–	–	–
Chua Ling Hong	5/5	–	3/3	–	–
Loh Fatt Chong	5/5	–	3/3	–	–
Kok Lee Nee	5/5	–	3/3	–	–
Yeoh Eng How	5/5	–	–	–	–
Phang Kok Kwen	5/5	5/5	–	2/2	4/4
Chua Shing Yong	5/5	–	–	–	4/4
Low Chiun Yik	4/5	–	2/3	1/2	3/4
Lee Kian Hu	5/5	5/5	–	2/2	–
Julia Tan	5/5	5/5	–	–	–

The Board acknowledges the importance of continuous education and training programmes for its members to enable effective discharge of its responsibilities and to be apprised on the changes to regulatory requirements and the impact of such regulatory requirements have on the Group. The Company Secretaries would often circulate the relevant guidelines on statutory and regulatory requirements from time to time to keep the Board regularly updated on new regulations.

Training and Development of Directors

All Directors of the Company have attended the Mandatory Accreditation Programme ("**MAP**") Part I and Part II in compliance with the MMLR.

In addition, all Directors of the Company undergo continuous training as an on-going process to equip himself/herself to effectively discharge his/her duties as a Director of the Company. The Directors are also encouraged to attend courses and seminars that are relevant to the Group's operations and businesses conducted by professionals. During the FYE 31 March 2026, the Directors have attended the following training programmes:

Name of Directors	Conducted by	Training Programmes	Date
Loh Chen Yook	Control Union Academy	IFRS S1 and S2: Understanding the New Sustainability Reporting Standards	8 October 2025
Chua Ling Hong	Control Union Academy	IFRS S1 and S2: Understanding the New Sustainability Reporting Standards	8 October 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

I. Board Responsibilities (Cont'd)

Training and Development of Directors (Cont'd)

Name of Directors	Conducted by	Training Programmes	Date
Loh Fatt Chong	Control Union Academy	IFRS S1 and S2: Understanding the New Sustainability Reporting Standards	8 October 2025
Yeoh Eng How	Control Union Academy	IFRS S1 and S2: Understanding the New Sustainability Reporting Standards	8 October 2025
Kok Lee Nee	Control Union Academy	IFRS S1 and S2: Understanding the New Sustainability Reporting Standards	8 October 2025
Julia Tan	Control Union Academy	IFRS S1 and S2: Understanding the New Sustainability Reporting Standards	8 October 2025
	Malaysian Institute of Accountants	Half Yearly Tax Updates	8 August 2025
	Association of Chartered Certified Accountants	Post Budget 2026	4 November 2025
	Chartered Tax Institute of Malaysia	2026 Budget Seminar	18 December 2025
Lee Kian Hu	Control Union Academy	IFRS S1 and S2: Understanding the New Sustainability Reporting Standards	8 October 2025
	Institute of Corporate Directors Malaysia	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	26-27 November 2025
	Malaysian Institute of Accountants	The Company Secretary - Managing Practice and Compliance issues under the Companies Act 2016	12 February 2026
Low Chiun Yik	Control Union Academy	IFRS S1 and S2: Understanding the New Sustainability Reporting Standards	8 October 2025
	The Institute of Internal Auditors, Malaysia	A Practical Approach to Auditing Culture	13 October 2025
	The Institute of Internal Auditors, Malaysia	SORMIC Guide 2025 Awareness Session	20 January 2026

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

I. Board Responsibilities (Cont'd)

Training and Development of Directors (Cont'd)

Name of Directors	Conducted by	Training Programmes	Date
Phang Kok Kwen	Institute of Corporate Directors Malaysia	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	30-31 July 2025
	Control Union Academy	IFRS S1 and S2: Understanding the New Sustainability Reporting Standards	8 October 2025
	Lembaga Hasil Dalam Negeri Malaysia	Seminar Percukaian Kebangsaan 2025 (Belanjawan 2026)	27 October 2025
	Malaysian Institute of Accountants	2026 Budget Seminar	5 November 2025
	Malaysian Institute of Accountants	Deferred Tax Under MFRS 112/MPERS Section 29 – Unstaking complexities with Excel spreadsheets	1-2 December 2025
	Malaysian Institute of Accountants	MIA Member Technical Updates & Networking	13 January 2026
Chua Shing Yong	Control Union Academy	IFRS S1 and S2: Understanding the New Sustainability Reporting Standards	8 October 2025
	Malaysian Institute of Accountants	Latest Update and Understanding of Sales and Service Tax (SST)	13 October 2025
	Chartered Tax Institute of Malaysia	2026 Budget Seminar	13 November 2025
	Malaysian Institute of Accountants	Real Property Gains Tax and Capital Gains Tax	22 January 2026
	Malaysian Institute of Accountants	Workflow Automation & Agents - The AI-Augmented Financial Analyst	10-11 March 2026

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

II. Board Composition

The Board currently consists of ten (10) members, comprising five (5) Independent Non-Executive Directors, three (3) Executive Directors (including the Chief Executive Officer and Chief Financial Officer) and two (2) Non-Independent Non-Executive Directors (including the Chairman). The Independent Directors constitute half or 50% of the Board composition in accordance with Practice 5.2 of the MCCG. The current Board composition is also in compliance with Paragraph 15.02(1) of the MMLR, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, must be independent directors. Further details of the profiles of the Directors are set out in the Directors' Profile of this Annual Report.

Tenure of Independent Directors

The Independent Directors provide the necessary checks and balances on the Board's functions by independently evaluating the Board's decision and decision-making process. The presence of the Independent Directors is essential in providing unbiased and impartial opinions, judgments and advices to ensure that the interests of the Group, shareholders and other stakeholders are well represented. The Independent Directors therefore play a key role in corporate accountability.

All the five (5) Independent Non-Executive Directors have fulfilled the independent criteria as stipulated in the MMLR. The assessment of the independence of each of the Independent Directors is undertaken annually according to the criteria as prescribed by the MCCG and the MMLR. All Independent Non-Executive Directors have also confirmed and declared that they have no family relationship with any director and/or major shareholder of the Company, and there is no conflicts of interest or potential conflict of interest situations, which would interfere with the exercise of their independent judgement.

The Board is mindful of Practice 5.3 of the MCCG, in which, the tenure of an independent director shall not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. If the Board intends to retain the independent director that had served beyond the tenure of nine (9) years, the Board will need to provide justifications and seek annual shareholders' approval through a two-tier voting process. The maximum tenure for an Independent Director shall not be more than twelve (12) years from the date of his/her first appointment as an Independent Director in accordance with the definition of an Independent Director under MMLR.

As at the date of this Statement, none of the Independent Directors has exceeded a cumulative term limit of nine (9) years in the Company.

Nevertheless, Mr Phang Kok Kwen, the Independent Non-Executive Director of the Company, who will be retiring at the forthcoming AGM on 9 September 2026 and eligible for re-election pursuant to the Company's Constitution, will attain a cumulative term of more than nine (9) years of service with the Company on 29 January 2027.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

II. Board Composition (Cont'd)

Tenure of Independent Directors (Cont'd)

In accordance with the MCCG, the Board, through the NC, has undertaken a review and assessment, and has recommended that Mr Phang Kok Kwen continue to serve as an Independent Non-Executive Director based on the following justifications:

- Mr Phang Kok Kwen had furnished his annual declaration on his independence and he has fulfilled the definition of an Independent Director as set out in Paragraph 1.01 of the MMLR;
- the results of his performance evaluation carried out during the financial year;
- he continues to exercise independent judgement and objectivity in the discharge of his duties and remains effective in contributing to the Board through his significant and detailed understanding and insights into the business operations, and industry sector in which the Group operates in. This includes an understanding of the strengths and weaknesses of the Group's industry sector thereby enabling him to offer a different perspective during the decision making process;
- there was no conflict of interest and potential conflict of interest that he could have with the Company, as he has not entered into any contract or transaction with the Company and/or its subsidiaries; and
- his independence has not been compromised or impaired in any way taking note of the abovementioned considerations.

In view thereof, the Board concurred with the recommendation of the NC and recommended the retention of Mr Phang Kok Kwen as an Independent Non-Executive Director, subject to the approval of shareholders through two-tier voting process at the Company's forthcoming AGM to be held on 9 September 2026, to uphold the recommendation of Practice 5.3 of MCCG.

Board Diversity Policy

The Board recognises that diverse professional backgrounds, skills and extensive experience and knowledge are vital in contributing to the successful direction of the Group. The current Board members possess a fair range of experience in the areas of accountancy, business, chemistry, general management and strategy.

Currently, the Board consists of three (3) female Directors, namely Ms Kok Lee Nee, Ms Chua Shing Yong and Ms Julia Tan, which accounted for 30% of the Board composition. This is in compliance with Paragraph 15.02(1)(b) of the MMLR which requires at least one (1) woman director on Board as well as Practice 5.9 of the MCCG for the Board to have at least 30% of women Directors.

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

II. Board Composition (Cont'd)

Appointment to the Board

The Company has in place a formal and transparent procedures for the appointment of new directors and had established a Fit and Proper Person Policy and Declaration Assessment Form. These procedures ensure that all candidates recommended to the Board, are first considered by the NC after taking into account of the required mix of skills and experiences as well as other qualities and proper procedures as set out in the Fit and Proper Person Policy, before making recommendation to the Board.

In identifying candidates for the appointment to the Board, the NC does not solely rely on the recommendations of fellow Directors, management or major shareholders, but also utilises independent sources to identify qualified candidates.

Director's Retirement

The re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors.

The Constitution of the Company provides that 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 at the conclusion of the AGM in every year provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

The above provisions are adhered to by the Board in every AGM. Information on Directors standing for re-election are outlined in the respective Profile of Directors covering their details of profession, directorships in other public companies and shareholdings in the Company and their attendance of the Board meetings are set forth on page 58 of this Annual Report.

At the forthcoming AGM, the following Directors are retiring by rotation under Clause 76(3) of the Constitution and being eligible have offered themselves for re-election. Following the review and assessments carried out by the NC on the performance of the Directors and having noted their significant and valued contributions to the Board, the NC had recommended their re-election to the Board and the Board had concurred with such recommendation and are recommending the shareholders to re-elect the said Directors at the forthcoming AGM:

a) Mr Low Chiun Yik
b) Mr Loh Fatt Chong
c) Mr Phang Kok Kwen

Subject to the re-election of Mr Phang Kok Kwen at the forthcoming AGM, the Board had also recommended the retention of Mr Phang Kok Kwen as an Independent Non-Executive Director, subject to the approval of shareholders through two-tier voting process at the Company's forthcoming AGM.

The NC had also reviewed the Declaration made by the respective Directors in accordance to the Fit and Proper Person Policy and concluded that they had fulfilled the fit and proper person criteria relating to their probity, personal integrity, reputation, competency and capability, time commitment and financial integrity.

During the financial year, the NC had carried out assessments on the Board, the Board Committees and the contribution of each individual Director based on the approved process. Evaluations on the performance of Chairman of the Board, the Chairman of the AC, RMC, RC and NC have also been conducted by the NC.

Through this process, the NC and the Board had concluded that the Board's dynamics were healthy and effective.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

II. Board Composition (Cont'd)

Nominating Committee

The Board had established a NC that comprised exclusively of Non-Executive Directors, all of whom are Independent Directors as follows:

Lee Kian Hu	(Chairman, Independent Non-Executive Director)
Low Chiun Yik	(Member, Independent Non-Executive Director)
Phang Kok Kwen	(Member, Independent Non-Executive Director)

The composition of the NC complies with Paragraph 15.08A(1) of the MMLR and Practice 5.8 of the MCCG.

The Terms of Reference of the NC are published on the Company's website at http://www.karyongroup.com.my/about/corporate-governance/terms-reference/nomination-committee/.

In compliance with the provision of Paragraph 15.08A(3) of the MMLR, the activities of the NC for the FYE 31 March 2026 are set out below:

Activities of NC

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

1. Carried out the Board assessment based on the approved process comprising evaluations of the Board, the Board Committees and the contribution of each individual Director, in the form of annual evaluation questionnaires which were then reviewed and deliberated by the NC before its findings and recommendations were tabled to the Board.

   The evaluations of the performance of Chairman of the Board, the Chairman of the AC, RMC, NC and RC were also conducted during the scheduled meeting of NC. Each Director had abstained from the deliberation of their own evaluation.

2. Reviewed the AC's term of office and performance of AC and each of its members and was of the opinion that the AC was effective and decisive.

3. Reviewed the appropriateness of structure, size, composition and balance of the Board, and the required mix of skills and experiences, as well as gender diversity.

   The NC had concluded that the Board's dynamics are healthy and effective. The present members of the Board possess appropriate skills, experience and qualities to steer the Company forward. The NC was also satisfied that the existing structure, size, composition, current mix of skills, competences, knowledge, experiences and qualities of the existing Board members were appropriate to enable the Board to carry out its responsibilities effectively.

   The NC also concluded that the Board Committees were functioning effectively, meeting the objectives as set out in its Terms of Reference and assisting the Board in fulfilling its statutory and fiduciary responsibilities adequately.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

II. Board Composition (Cont'd)

Nominating Committee (Cont'd)

<u>Activities of NC (Cont'd)</u>

A summary of key activities undertaken by the NC in discharging its duties during the financial year under review is set out below (Cont'd):

4. Reviewed the performance of the retiring Directors and recommended their re-elections as Directors in accordance with Clause 76(3) of the Company's Constitution.

   Reviewed the Declarations of the Directors made in accordance to the Fit and Proper Person Policy who are subject to retirement to affirm that they have fulfilled the fit and proper person criteria relating to their probity, personal integrity, reputation, competency and capability, time commitment and financial integrity.

   Information of the Directors standing for re-election is outlined in the Profile of Directors covering the details of their profession, directorships in other public companies and listed issuers, family relationships with any director and/or major shareholder of the Company, nature and extent of any conflicts of interest or potential conflicts of interest, shareholdings in the Company and their attendance of the Board meetings are set forth on pages 9, 12, 14 and 58 of this Annual Report.

5. Reviewed the independence of Independent Directors and their length of tenure in office through Evaluation Questionnaires. The Board had adopted the evaluation procedures for assessment of the independence of the Independent Directors and where applicable, any impairment arising from a long tenure in office (9 years as prescribed by MCCG).

   The evaluation was carried out, reviewed and deliberated and duly recommended and tabled to the Board. Each independent director had abstained in the deliberation of their own independence during the evaluation. It was concluded that the independence of all Independent Directors was not compromised or impaired after considering the following factors:

   - The Independent Directors fulfilled the criteria and definition of an independent director as set out under Paragraph 1.01 of the MMLR;
   - The Independent Directors have not developed, established or maintained any significant personal or social relationship with the Executive Directors, major shareholders or management of the Company;
   - The Independent Directors have never transacted or entered into any transactions with, nor provided any service to the Company and its subsidiaries, the Executive Directors, major shareholders or management of the Company;
   - The Independent Directors have not been offered or granted any options by the Company. No other incentives or benefits of whatsoever nature had been paid to them by the Company; and
   - The Independent Directors have attended training programs and kept abreast with developments in corporate governance and corporate development, brought objective insight to all aspect of monitoring and oversight activities of the Board and devoted sufficient time commitment and desire to serve.

6. Reviewed the retention of Mr Phang Kok Kwen as an Independent Non-Executive Director as his tenure will attain a cumulative term of more than nine (9) years of service with the Company on 29 January 2027.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

III. Remuneration

The RC comprises exclusively of Independent Non-Executive Directors as follows:

Mr Low Chiun Yik (Chairman, Independent Non-Executive Director)

Mr Phang Kok Kwen (Member, Independent Non-Executive Director)

Ms Chua Shing Yong (Member, Independent Non-Executive Director)

The Board has in place a Remuneration Policy which contains the guiding principles for determining the remuneration for Key Senior Management and Directors, including Executive and Non-Executive Directors.

The Board ensures that the remuneration for Independent Directors do not conflict with their obligation to bring objectivity and independent judgement on matters discussed at Board meetings. The respective Directors are required to abstain from deliberation and voting on their own remuneration at Board Meetings.

The aggregate Directors' remuneration of Directors received/receivable from the Company, on Group basis, for the FYE 31 March 2026 are as follows:

Directors	Fees	Salaries	Allowances	Bonuses	Other emoluments	Benefit in-kind	Total
Group	RM						
Non-Executive Director							
Loh Chen Yook *Board Chairman*	75,000	–	4,800	–	–	–	79,800
Loh Fatt Chong	49,000	–	4,800	–	–	–	53,800
Phang Kok Kwen	74,000	–	4,800	–	–	–	78,800
Low Chiun Yik	63,000	–	4,000	–	–	–	67,000
Chua Shing Yong	42,000	–	4,800	–	–	–	46,800
Lee Kian Hu	61,000	–	4,800	–	–	–	65,800
Julia Tan	47,000	–	4,800	–	–	–	51,800
Executive Director							
Chua Ling Hong *CEO*	42,000	861,600	3,600	1,067,377	256,371	17,400	2,248,348
Kok Lee Nee	42,000	507,800	3,600	327,059	135,476	17,400	1,033,335
Yeoh Eng How	35,000	329,400	3,600	173,968	68,098	17,400	627,466

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

III. Remuneration (Cont'd)

The aggregate Directors' remuneration of Directors received/receivable from the Company, on Group basis, for the FYE 31 March 2026 are as follows (Cont'd):

Directors	Fees	Salaries	Allowances	Bonuses	Other emoluments	Benefit in-kind	Total
Company	RM						
Non-Executive Director							
Loh Chen Yook *Board Chairman*	75,000	–	4,800	–	–	–	79,800
Loh Fatt Chong	49,000	–	4,800	–	–	–	53,800
Phang Kok Kwen	74,000	–	4,800	–	–	–	78,800
Low Chiun Yik	63,000	–	4,000	–	–	–	67,000
Chua Shing Yong	42,000	–	4,800	–	–	–	46,800
Lee Kian Hu	61,000	–	4,800	–	–	–	65,800
Julia Tan	47,000	–	4,800	–	–	–	51,800
Executive Director							
Chua Ling Hong *CEO*	42,000	861,600	3,600	1,067,377	256,371	–	2,230,948
Kok Lee Nee	42,000	507,800	3,600	327,059	135,476	–	1,015,935
Yeoh Eng How	35,000	329,400	3,600	173,968	68,098	–	610,066

The Board acknowledges the disclosure requirement for the top 5 Senior Management's remuneration on a named basis and in bands of RM50,000.00. The Board has considered the matter and maintains the view that such disclosure is not in the best interest of the Group due to confidentiality and sensitive nature of this information, and concerns about potential poaching of key talent.

As an alternative, the remunerations of the top five (5) Senior Management were disclosed in bands of RM50,000 received from the Group for the financial year under review on an unnamed basis, is set out below:

Salaries, Bonuses, Defined Contribution Plan and Benefit-in-kind (RM)	Number of Senior Management of the Group
200,001-250,000	4
450,001-500,000	1

The RC had reviewed the remuneration of the Executive Directors and the Key Senior Management for the FYE 31 March 2026 and recommended to the Board for approval whereas the Board as a whole had reviewed the Directors' Fees for the FYE 31 March 2026 payable to the Directors and had resolved to recommend to the shareholders for consideration and approval at the forthcoming AGM.

The Remuneration Policy of Directors and Key Senior Management is available for reference at the Company's website at https://www.karyongroup.com.my/remuneration-policy/.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Board has established an AC which is tasked to oversee matters relating to financial reporting, auditing, internal controls, related party transactions and conflict of interest situations, as well as carrying out assessments on the independence performance and objectivity of the External Auditors and Internal Auditors. In this respect, the members of the AC are expected to be financially literate, possess sufficient understanding of the Group's business, and are able to understand matters under the purview of the AC including the financial reporting process.

The AC comprises solely of three (3) Independent Non-Executive Directors. The requirements for the AC to consist of at least three (3) members, all of whom shall be non-executive with majority being Independent Directors and the requirement for the AC Chairman to be an Independent Director were articulated in the AC's Terms of Reference.

The AC brings to the Board an independent and objective approach that safeguards the integrity of the Company's financial reporting, which includes ensuring the independence and quality of audit activities which are important in providing necessary assurance to the AC in forming its basis for recommendation to the Board.

The AC has adopted a policy that requires a former partner of the external audit firm and/or the affiliate firm of the Company or any entity within the Group to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC and such policy had been incorporated in the Terms of Reference of the AC.

The Terms of Reference of the Audit Committee are published on the Company's website at http://www.karyongroup.com.my/about/corporate-governance/terms-reference/audit-committee/

In the annual assessment on the suitability, objectivity and independence of the External Auditors, the AC were guided by the factors as prescribed under Paragraph 15.21 of the MMLR. The AC has obtained assurance from the External Auditors confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The AC has assessed and is satisfied with the competence and independence of the External Auditors and had recommended the re-appointment of the External Auditors for the financial year ending 31 March 2026 to the Board. The Board supported the recommendation from the AC on the re-appointment of the External Auditors, which is subject to shareholders' approval at the forthcoming AGM.

II. Risk Management and Internal Control Framework

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

The Board, through the RMC, oversees the risk management matters of the Group, which include identifying, analysing, evaluating, managing, monitoring, treating and mitigating significant risk across the Group. The RMC assists the Board in fulfilling its responsibilities in setting the framework for risk governance and risk management, by providing necessary guidance and direction to Senior Management in their implementation. On the other hand, the adequacy and effectiveness of the internal control framework which supports the risk management framework are reviewed by the RMC, via the deployment of an independent internal audit function.

In determining the effectiveness and adequacy of the risk management and internal control system of the Group, the Board monitors the works of the RMC and AC, which include obtaining assurance from the CEO and the Chief Financial Officer.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

II. Risk Management and Internal Control Framework (Cont'd)

For the financial year under review, the Board is satisfied with the performance of the RMC and AC and their respective Chairmen in discharging their responsibilities, based on the evaluation results of the Board Committees' effectiveness as facilitated by the NC.

Further information on the Group's risk management and internal control framework, reporting processes as well as activities carried out for the financial year under review are made available on the Statement on Risk Management and Internal Control of this Annual Report.

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

I. Communication with Stakeholders

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

The Company's AGM serves as a forum for dialogue with shareholders. Shareholders are encouraged to participate in the question and answer session during the AGM to better understand their needs and obtain their feedback.

II. Conduct of General Meetings

The Board recognises the importance of communications with its shareholders and will take appropriate measures to encourage shareholders' participation at general meetings as recommended by the MCCG.

This includes the Chairman highlighting to shareholders and proxy holders, their right to speak up at general meetings, the conduct of poll voting for all resolutions tabled at general meetings and a review of the performance of the Group during AGMs.

To ensure effective participation of and engagement with shareholders at the AGM, all Directors, including members of AC, RMC, NC and RC, attended and participated at the AGM.

The Notice of the forthcoming AGM and Annual Report are sent out to shareholders at least 21 days prior to the date of the meeting in accordance with the provision of the Constitution and Companies Act 2016. The Board is of the opinion that sufficient time was provided to the shareholders to consider the proposed resolutions to be tabled at the forthcoming AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

Compliance Statement

The Board recognises and views that Corporate Governance is an ongoing process and is of the view that the Company has substantially complied with the recommendations of the MCCG and will take appropriate steps towards embracing the Principles and Recommendations under the MCCG at a pace and time frame consistent with the size, priority and dynamics of the Group.

This Corporate Governance Overview Statement was approved by the Board of Directors on 10 July 2026.

AUDIT COMMITTEE REPORT

This Audit Committee Report has been reviewed by the Audit Committee ("**AC**") and approved by the Board of Directors of Karyon Industries Berhad ("**KIB**" or "**Company**") ("**Board**") for inclusion in this Annual Report.

The AC assists our Board in fulfilling its primary responsibilities with respect to its oversight of the financial reporting process, engagement with auditors, related party transactions ("**RPT**"), conflict of interest and potential conflict of interest matters. The AC is committed to its role in ensuring the integrity of the Group's financial reporting process, internal control system, external and internal audit processes and such other matters that may be specifically delegated to the AC by the Board.

The AC is guided by written Terms of Reference which deal with the AC's authorities and duties. The Terms of Reference of the AC are made available on the Company's website at http://www.karyongroup.com.my/about/corporate-governance/terms-reference/audit-committee/.

Composition and meetings

The AC comprises solely of Independent Non-Executive Directors as follows:

1. Phang Kok Kwen – Chairman
   Independent Non-Executive Director

2. Lee Kian Hu – Member
   Independent Non-Executive Director

3. Julia Tan – Member
   Independent Non-Executive Director

The composition of the AC complies with Paragraphs 15.09 and 15.10 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**MMLR**"), as well as Practices 9.1 and 9.4 of the Malaysian Code on Corporate Governance as follows:

- All three (3) members are Independent Non-Executive Directors, including the AC Chairman and none of them are alternate Directors; and

- The AC Chairman, Mr Phang Kok Kwen, is a Fellow Member of the Association of Chartered Certified Accountants, a Chartered Accountant with the Malaysian Institute of Accountants and a Chartered Tax Practitioner with Chartered Tax Institute of Malaysia. He is also an ASEAN Chartered Professional Accountant. Mr Phang Kok Kwen is not the Chairman of the Board.

The attendance of each AC member at the AC meetings convened during the financial year ended ("**FYE**") 31 March 2026 are set out below:

Directors	Meetings attended
Phang Kok Kwen – Chairman	5/5
Lee Kian Hu – Member	5/5
Julia Tan – Member	5/5

AUDIT COMMITTEE REPORT
(CONT'D)

Composition and meetings (Cont'd)

The AC meetings are structured through the use of agendas, and relevant meeting papers are distributed by the Company Secretary, who is also the Committee Secretary, prior to such meetings. This enables the AC members to study the items on the agenda, including relevant materials that support the items, and where appropriate, provides an opportunity for them to seek additional information or clarification from Management.

The quorum for meeting is a majority of members who are Independent Directors and, in the case where only two (2) members are present, both shall be Independent Directors. Meetings are chaired by the AC Chairman and in his absence, by an Independent Director elected from those members who are present.

In order for the AC to discharge its work effectively, the AC will engage on a continuous basis with the Management and external auditors, in order to keep abreast of matters and issues affecting the Group.

During the financial year, the Nominating Committee has reviewed and assessed the performance of the AC, including each of the individual AC members. The Board, with the concurrence of the Nominating Committee, has determined that the AC and its members have carried out their duties in accordance with their Terms of Reference.

Summary of works of the AC during the FYE 31 March 2026

The Chairman of the AC reports to the Board at each Board meeting on the activities carried out by the AC in the discharge of its duties and responsibilities. The major works undertaken by the AC during the financial year under review were as follows:

1. Financial reporting

- Reviewed all the four (4) quarters' unaudited financial results of the Group, focusing on significant matters, and ensured the disclosures were in compliance with regulatory requirements such as the Malaysian Financial Reporting Standards, IFRS Accounting Standards and MMLR, before recommending the same to the Board for approval to release the quarterly financial results to Bursa Malaysia Securities Berhad.

- Reviewed the annual audited financial statements of the Company and the Group, together with the external auditors, before recommending the same to the Board for approval.

2. External Audit

- Discussed with the external auditors on their audit plan, the nature, scope, including the audit report and any significant problems that may be foreseen in the audit, as well as to ensure adequate test to verify the accounts and procedures of the Company.

- Held independent meetings with the external auditors without the presence of Executive Directors and Management. This session allowed the AC and the external auditors to focus on areas that might not have been specifically addressed as part of the audit and where the external auditors could have the chance to provide additional comments to the AC without the presence of the Management. The matters discussed reflect the results of the audit, extent of cooperation provided by the Company, competency of finance team, and any other observations that they might have during the annual audit.

- Considered and recommended to the Board on the reappointment of external auditors and to fix their fees (audit and non-audit fees), after assessing their independence and capabilities as well as the effectiveness of the external audit process.

AUDIT COMMITTEE REPORT
(CONT'D)

Summary of works of the AC during the FYE 31 March 2026 (Cont'd)

2. External Audit (Cont'd)

- Reviewed the independence, objectivity and suitability of the external auditors upon consideration of:

  (i) the assessment of the competence, audit quality and resource capacity of the external auditors in relation to the audit. The assessment also considered the information presented in the Annual Transparency Report of the audit firm, which include the audit firm's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks as well as corporate liabilities risks;
  (ii) the appropriateness of audit fees to support a quality audit;
  (iii) the requirement for non-audit service;
  (iv) the conduct of an annual evaluation on the performance of the external auditors; and
  (v) the written assurance from the external auditors confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements.

- The AC has also reviewed the audit and non-audit services provided by the external auditors and the fees paid/payable for the respective types of services for the FYE 31 March 2026 are as follows:

Fees	Company (RM)	Group (RM)
Audit services	48,000	128,000
Non-audit services	3,000	3,000

  The non-audit services provided by the external auditors is related to the review of Statement on Risk Management and Internal Control.

  The AC determined that Messrs BDO PLT are competent in carrying out their work and they have the necessary audit experience in the industry in which KIB Group operates. The AC also concluded that Messrs BDO PLT remained independent and, together with the Board, are satisfied with their services and performance and thereby recommended them for re-appointment as the external auditors at the forthcoming Annual General Meeting ("AGM"). The Board endorsed the AC's recommendation and recommends the re-appointment of Messrs BDO PLT as the external auditors for the financial year ending 31 March 2027 for shareholders' approval at the forthcoming AGM to be held on 9 September 2026.

3. Internal Audit

- Discussed with the internal auditors and reviewed the overall adequacy and effectiveness of the internal control system.

- Reviewed and approved the Internal Audit Plan for the financial year to ensure adequacy of resources, competencies and coverage of auditable entities with significant and high risks.

- Reviewed the outcomes and results of internal audit addressing internal controls over operations, financial, compliance and information technology processes relating to the Group based on the approved Internal Audit Plan.

AUDIT COMMITTEE REPORT
(CONT'D)

Summary of works of the AC during the FYE 31 March 2026 (Cont'd)

3. Internal Audit (Cont'd)

- Discussed and reviewed the major findings, areas requiring improvements and significant internal audit matters raised by internal auditors and Management's response, including follow-up actions. Management was requested to rectify and improve internal control procedures and workflow processes deficiencies based on the internal auditors' recommendation.

- Reviewed the new engagement with ASQ Corporate Services Sdn Bhd ("**ASQ**") to continue serve as the Internal Auditor of the Group, following the corporate restructuring exercise of Secret Corporate Sdn Bhd, the former Internal Auditor of the Group with ASQ. The AC was satisfied with ASQ's competency, resources and ability to effectively discharge its responsibilities as the Internal Auditor of the Group.

For more details of the internal audit function, including the scope of work and activities carried out for the financial year under review, kindly refer to the Statement on Risk Management and Internal Control included in this Annual Report.

4. Conflict of Interest ("COI") or Potential COI

In overseeing and discharging its responsibilities in reviewing situations of COI or potential COI involving the Directors and Key Senior Management, the AC had:

(i) Reviewed the declarations/disclosures from all Directors and Key Senior Management to identify and manage potential COI situation (if any) in respect of their involvement in other companies/businesses, including any transaction, procedure or course of conduct that raises questions on management integrity.

(ii) Where applicable, the AC shall recommend to the Board the measures to be taken to resolve, eliminate or mitigate any such COI or potential COI situations.

During the FYE 31 March 2026, there was no situations of COI or potential COI involving the Directors and Key Senior Management of the Group identified and disclosed to the AC (excluding RPTs).

5. Other Matters

- Reviewed the Statement on Risk Management and Internal Control as well as AC Report to ensure that the statements were prepared in compliance with the regulatory requirements for inclusion in the Annual Report.

- Reviewed assurance from the Chief Executive Officer and Chief Financial Officer of the Company that the Group's risk management and internal control system are operating adequately and effectively in all material aspects based on the risk management and internal control system adopted by the Group.

- Reviewed the RPTs entered into by the Group to ensure that the procedures for the monitoring of RPTs have been complied with. During the FYE 31 March 2026, there was no RPT entered into by the Group.

This Audit Committee Report was approved by the Board of Directors on 10 July 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) and Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**MMLR**"), the Board has prepared the following Statement on Risk Management and Internal Control which provides an overview of the nature and scope of risk management and internal control of the Group during the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report 2026 of the Company.

BOARD RESPONSIBILITY

The Board recognises the immense importance of, and acknowledges its responsibility in, maintaining a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets. The Board, with the assistance of the Risk Management Committee ("**RMC**"), ensures an Enterprise Risk Management ("**ERM**") Framework and Policy is in place to identify, analyse, evaluate, manage and monitor key risks that may impact KIB's business as a group. This includes setting of risk appetite articulated through the metrics used in quantifying the impact and likelihood of risks. The main objective of this policy is to ensure sustainable business growth and to promote a pro-active approach in reporting, evaluating and resolving the key risks associated with the operations of the Group. In addition, the Group has also adopted Anti-Bribery and Corruption Policy to prevent the occurrence of corruption and bribery practice in relation to its business.

The Board of KIB is committed to embed risk management to form an integral part of the Group's business management and to have comprehensive internal control and assurance processes in managing key and critical risks, which are updated to the Board regularly.

The Group's risk management and internal control system is designed to safeguard the assets of the Group, ensure the maintenance of proper accounting records, and to provide reliable financial information. Due to the limitations inherent in any risk management and internal control system, the Board is aware that the system is meant to manage, rather than to eliminate risks, and therefore can only provide reasonable, but not absolute, assurance against material misstatement, financial loss or fraud.

RISK MANAGEMENT

The Board is assisted by the RMC, a Board Committee, to oversee and monitor the effectiveness of the Group's risk management system. The RMC bears the responsibilities for ensuring the suitability and sufficiency of the Group's risk management framework, policies and strategies, and oversees adherence to the ERM Framework and Policy. In support of the Board, the RMC also obtains assurance from Management and Internal Auditors review on the adequacy and effectiveness of the Group's risk management and internal control system.

- **Enterprise Risk Management Framework and Policy**

  The Board has established an ERM Framework and Policy for the purpose of identifying and managing any significant risks likely to occur when conducting business as well as to safeguard shareholders' investments and the Group's assets. The Group's ERM Framework is guided by ISO31000. The ERM processes are as follows:

  1. **Risk Identification**

     This process involves the identification of key risks that may have a material negative impact on KIB's ability to achieve its objectives. During this process, risks are considered from strategic, operational, financial, compliance, information technology and sustainability perspectives, as well as through various sources such as business operations, internal and external audit findings, customer complaints and incidents occurred.

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

RISK MANAGEMENT (CONT'D)

- **Enterprise Risk Management Framework and Policy (Cont'd)**

  2. **Risk Analysis and Evaluation**

     Risks identified are then assessed and ranked based on the severity of consequences and likelihood of occurrence according to risk parameters, giving different risk rating to each identified risk. This allows risks to be prioritised and resources to be effectively used in managing key risks identified.

  3. **Control Assessment**

     Control assessment process involves the identification of existing key controls and assessment on the effectiveness level which shall define the rating of risks after existing control being implemented.

  4. **Risk Treatment**

     Risk treatment process includes actions, measures and strategies undertaken by Management to bring key risks to an acceptable level. For the identified key risks, the Board had set the risk appetite which specifies the amount of risk the Group is willing to seek or accept and indicate the parameters within which the Group would prefer to conduct its activities. Risk treatment will be required for risk that exceeds the Board's risk appetite as part of the risk control process. The implementation of risk controls/mitigation plans is generally the responsibility of the risk owners and risk delegates.

  5. **Risk Monitoring**

     Key risks identified are monitored by risk owners and risk delegates to ensure the risk ratings remain relevant and that controls in place remain effective and adequate amidst changing circumstances. Any changes are reported, and appropriate action plans devised with a view to realign the risk rating to an acceptable level.

Through the ERM processes, the identified key risks will be entered into the risk register, which details description of the risks, impact and its causes, rating based on the risk parameters, details of the controls in place, as well as the risk owners and risk delegates involved to manage the risks will be reviewed on a regular basis to monitor and mitigate the identified risks.

- **Risk Assessment Review**

  For the financial year ended ("**FYE**") 31 March 2026, the internal auditor had conducted a review on the Group's risk management system, including the risk management framework and policy, ERM risk registers and risk mitigation approaches in addressing key business risks. The findings of the review were reported to the RMC. The RMC concluded that the key risks and the Group's risk management system were adequately managed which were then reported to the Board for deliberation.

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

RISK MANAGEMENT (CONT'D)

- **Material Key Risks of the Group**

  The primary risks that the Group is currently facing in its business operations are, among others, market competition and material supply. The mitigation plan for the key material risks are listed below:

  1. **Market competition**

     Market competition risk is caused by increased competition which may have an adverse impact on the Group, in terms of customers' growth, revenue and profitability. To mitigate this risk, the Group is continuously exploring and implementing effective ways in customer engagement to deliver customer's expectation and added value in the customer relationship. The Group is also working on expanding its customer base, including a focus on the export market, in order to entrench its position as one of the largest market players in the industry.

  2. **Material Supply**

     The risk to material supply arises from the unforeseen shortage or lack of raw materials which may cause disruption to the production and delivery schedule. To prevent this, the Group recognises the importance of establishing good relationships with existing suppliers, sourcing for new suppliers and managing its inventory stringently.

INTERNAL CONTROL

Internal control is widely regarded as an integral part of the Group's business management processes. Some of the key elements of the Group's internal control system are as follows:

- **Organisation Structure**

  The Group has established an organisation structure which defines clear lines of responsibility and delegation of authority, established through relevant terms of references and authority limits. The organisation structure enables each department/function to focus on the respective roles and responsibilities assigned to them and enhances operational efficiency and effectiveness.

- **Code of Conduct and Ethics**

  The Group has formalised a Code of Conduct and Ethics to provide a behavioural framework which sets out the Group's standards of integrity, acceptable conduct and behaviour. The Code of Conduct and Ethics is communicated to all directors and employees of the Group and is made available on KIB's website.

- **Policies and Procedures**

  The Group has established policies and procedures for the Group's core business units, which are clearly communicated to all relevant parties. These policies and procedures are reviewed and updated from time to time to adapt to the changing business environment.

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

INTERNAL CONTROL (CONT'D)

- **Internal Audit and Audit Committee**

  The internal audit function of the Group is outsourced to an independent consulting firm, namely ASQ Corporate Services Sdn Bhd ("**ASQ**"). ASQ was engaged to continue serve as the Internal Auditor of the Group, following the corporate restructuring exercise of Secret Corporate Sdn. Bhd, the former Internal Auditor of the Group with ASQ. The outsourced internal audit function is responsible to perform annual review and assess the adequacy of the Group's internal control system. The internal audit function reports directly to the Audit Committee and provides reasonable assurance through its internal audit works, which include the audit activities, presenting findings and recommendation, and action plans devised to address any weaknesses in the internal control system, as agreed by Management. In carrying out its audit activities, the internal audit function has unrestricted access to relevant records, personnel and physical properties.

  The outsourced internal audit function conducts its audit work based on internal audit plan approved by the Audit Committee. The internal audit function is adequately staffed and is led by Loo Choo Hong, who is a Chartered Accountant, a member of the Malaysian Institute of Accountants and an associate member of Institute of Internal Auditors Malaysia. The outsourced internal audit function, including the professionals conducting the audit works, is independent, objective and free from any relationships or conflicts of interest which could impair their objectivity and independence. All internal audit work is guided by the International Professional Practice Framework promulgated by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.

  For the FYE 31 March 2026, the internal audit function had assessed the adequacy and operating effectiveness of internal control system deployed by Management for the Group's key processes, which covers the information system management of a subsidiary company.

  Following the completion of its work, the internal audit function reported directly to the Audit Committee on findings from the audit works, including recommendations for improvement measures and Management's responses on the corrective actions to be undertaken. The Audit Committee Chairman thereafter reported the outcome of work conducted by the internal audit function, including the internal audit plan, to the Board.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement for inclusion in the Annual Report for the FYE 31 March 2026. The review was performed pursuant to the scope set out in Audit and Assurance Practice Guide ("**AAPG**") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. The external auditors reported that nothing has come to their attention that caused them to believe that the Statement on Risk Management and Internal Control, in all material respects, has not been prepared in accordance with the disclosures required by Section 7 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Companies, or is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and views by the Board and Management thereon.

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

CONCLUSION

Based on the findings and procedures performed by the relevant parties, the Board is of the view that the risk management and internal control system in place for the financial year under review has operated satisfactorily and is sufficient to safeguard shareholders' investment and the Group's assets. The Board has received written assurance from the Chief Executive Officer and Chief Financial Officer of the Company that the Group's risk management and internal control system are operating adequately and effectively in all material aspects based on the risk management and internal control system adopted by the Group. The Group had incurred a total cost of RM31,764 for the internal audit of internal control and RM41,862 for the assessment of risk management respectively for the FYE 31 March 2026.

There are no material internal control failures that have directly resulted in any material loss to the Group for the FYE 31 March 2026 and the Board and Management will continue to take appropriate measures to improve and strengthen the ERM Framework and Policy, as well as internal control framework of the Group.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 10 July 2026.

ADDITIONAL COMPLIANCE INFORMATION

To comply with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the following information is provided:

1. Recurrent Related Party Transactions of a Revenue or Trading Nature

There was no related party transaction of a revenue or trading nature during the financial year.

2. Material Contracts Involving Directors, Chief Executive and Substantial Shareholders' Interest

There were no material contracts entered into by the Company or its subsidiaries involving the interest of directors, chief executive and substantial shareholders, either subsisting at the end of the financial year ended 31 March 2026 or entered into since the end of the previous financial year.

3. Audit and Non-Audit Fees

Details of the audit and non-audit fees for services rendered by the external auditors to the Group and Company for the financial year ended 31 March 2026 are disclosed on page 73 of the Audit Committee Report and Note 18 of the Financial Statements on page 121 of this Annual Report.

4. Utilisation of Proceeds

There were no proceeds raised from any proposal during the financial year under review.

STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are required to prepare financial statements which reflect true and fair view of the financial position of the Group and of their financial performance and cash flows for the financial year ended 31 March 2026. In preparing those financial statements, the Directors are required to:

- Prepare the financial statements on a going concern basis unless otherwise included;
- State whether the financial statements have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016;
- Select suitable accounting policies and apply them consistently; and
- Make reasonable judgement and prudent estimates.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the KIB Group to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2016 as well as the applicable Financial Reporting Standards in Malaysia. They are responsible for taking reasonable steps to safeguard the assets of the KIB Group, for prevention and detection of fraud and other irregularities.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2026.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are mainly manufacturing and trading of Polyvinyl Chloride ("PVC") compound, plastic additives and industrial chemical products. Further details of the subsidiaries are set out in Note 7 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit for the financial year	8,401,649	2,279,716
Profit attributable to owners of the parent	8,401,649	2,279,716

DIVIDEND

Dividend paid, declared or proposed by the Company since the end of the previous financial year were as follows:

	RM
In respect of financial year ended 31 March 2026:	
First single tier interim dividend of 0.45 sen per ordinary share, paid on 29 September 2025	2,140,708

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There were no new issues of shares or debentures during the financial year.

DIRECTORS' REPORT
(CONT'D)

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Karyon Industries Berhad

Loh Chen Yook
Chua Ling Hong
Loh Fatt Chong
Phang Kok Kwen
Chua Shing Yong (f)
Low Chiun Yik
Kok Lee Nee (f)
Yeoh Eng How
Lee Kian Hu
Julia Tan (f)

Subsidiaries of Karyon Industries Berhad, excluding those who are already Directors of the Company

Pueng Chin Thong @ Fang Chin Tong
Loo Yee Yong

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 March 2026 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			
	Balance as at 1.4.2025	**Bought**	**Sold**	**Balance as at 31.3.2026**
Shares in the Company				
Direct interests:				
Loh Chen Yook	16,419,816	–	–	16,419,816
Chua Ling Hong	31,937,125	1,282,300	–	33,219,425
Loh Fatt Chong	17,425,850	–	–	17,425,850
Kok Lee Nee (f)	157,500	–	–	157,500
Yeoh Eng How	14,433,580	–	–	14,433,580
Indirect interests:				
Loh Chen Yook	17,425,850	–	–	17,425,850
Chua Ling Hong	41,830,643	–	–	41,830,643
Loh Fatt Chong	16,419,816	–	–	16,419,816
Yeoh Eng How	34,085,451	–	–	34,085,451

DIRECTORS' REPORT
(CONT'D)

DIRECTORS' INTERESTS (CONT'D)

By virtue of their interest in the ordinary shares of the Company, the above Directors are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

Other than that, none of the other Directors in office at the end of the financial year had any interest in ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

During the financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors) 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.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The remuneration of Directors of the Group and of the Company for the financial year ended 31 March 2026 were as follows:

	Group RM	Company RM
Fees	550,000	530,000
Other emoluments	3,770,749	3,770,749
	4,320,749	4,300,749

The estimated monetary value of benefits-in-kind provided to the Executive Directors of the Group during the financial year amounted to RM52,200.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS OR AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors. The total amount of insurance premium effected for any Director of the Group and of the Company for the financial year 2026 was RM7,571.

No indemnity was given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that no known bad debts to be written off and that provision need not be made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

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

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would necessitate the writing off of bad debts or the making of provision for doubtful debts in the financial statements of the Group and of the Company;

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT
(CONT'D)

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 2 July 2026, Hsing Lung Sdn. Bhd. ("HLSB"), a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement ("SPA") with Tanah Temasik Sdn. Bhd. for an acquisition of a piece of freehold industrial land together with a unit of detached factory erected thereon located in Mukim Plentong, Johor Bahru, for a total consideration of RM8,610,000. As at the date of this report, the acquisition has yet to be completed.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 March 2026 were as follows:

	Group RM	**Company RM**
Statutory audit	128,000	48,000
Other assurance services	3,000	3,000
	131,000	51,000

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

Chua Ling Hong
Director

Kok Lee Nee
Director

Johor Bahru
10 July 2026

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 92 to 135 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2026 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Chua Ling Hong
Director

Kok Lee Nee
Director

Johor Bahru
10 July 2026

STATUTORY DECLARATION

I, Kok Lee Nee (CA 25123), being the Director primarily responsible for the financial management of Karyon Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 92 to 135 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Johor Bahru, Johor Darul Takzim)
this 10 July 2026)

Kok Lee Nee
Director

Before me:

Serena Kaur A/P Gubachem Singh
No. J252
Commissioner for Oaths
Johor Bahru

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KARYON INDUSTRIES BERHAD
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Karyon Industries Berhad, which comprise the statements of financial position as at 31 March 2026 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 92 to 135.

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 March 2026, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key Audit Matter of the Group

Carrying amount of inventories at lower of cost and net realisable value

The carrying amount of inventories of the Group was RM29,522,059 as disclosed in Note 8 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgements in assessing the level of allowance for inventories write down required.

Audit response

Our audit procedures included the following:

(a) obtained an understanding of the process implemented by management over the determination of the lower of cost and net realisable value used in the valuation of inventories;

(b) analysed the inventories turnover period by comparing that to the assessment of management on the identification of slow moving and obsolete inventories; and

(c) inspected sales invoices issued subsequent to the end of the reporting period to determine whether these were sold at above their costs.

Key Audit Matter of the Company

We have determined that there are no key audit matters to communicate in our auditors' report of the audit of the separate financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

(a) 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.

(b) 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 the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

INDEPENDENT AUDITORS' REPORT
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

(e) 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.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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.

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.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Lu Yan Fen
03803/11/2027 J
Chartered Accountant

Kuala Lumpur
10 July 2026

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2026

		Group		Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	52,461,995	52,289,856	717,202	751,138
Right-of-use assets	6	1,225,335	915,207	–	–
Investments in subsidiaries	7	–	–	49,473,375	49,473,375
		53,687,330	53,205,063	50,190,577	50,224,513
Current assets					
Inventories	8	29,522,059	32,695,811	–	–
Trade and other receivables	9	32,011,718	34,070,948	117,567	119,960
Current tax assets		13,195	488,912	8,000	–
Cash and bank balances	10	43,935,066	35,389,784	2,831,226	2,637,721
		105,482,038	102,645,455	2,956,793	2,757,681
TOTAL ASSETS		159,169,368	155,850,518	53,147,370	52,982,194
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	11	47,608,271	47,608,271	47,608,271	47,608,271
Retained earnings		85,966,053	79,705,112	3,924,493	3,785,485
TOTAL EQUITY		133,574,324	127,313,383	51,532,764	51,393,756
LIABILITIES					
Non-current liabilities					
Borrowings	12	6,340,976	7,181,977	–	–
Lease liabilities	6	711,489	549,811	–	–
Deferred tax liabilities	13	3,555,000	3,776,000	20,000	17,000
		10,607,465	11,507,788	20,000	17,000
Current liabilities					
Trade and other payables	14	13,394,653	15,279,728	1,594,606	1,548,539
Borrowings	12	940,032	1,018,763	–	–
Lease liabilities	6	373,027	257,263	–	–
Current tax liabilities		279,867	473,593	–	22,899
		14,987,579	17,029,347	1,594,606	1,571,438
TOTAL LIABILITIES		25,595,044	28,537,135	1,614,606	1,588,438
TOTAL EQUITY AND LIABILITIES		159,169,368	155,850,518	53,147,370	52,982,194

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

		Group		Company	
		2026	2025	2026	2025
	Note	RM	RM	RM	RM
Revenue	16	163,668,687	179,649,924	8,281,374	10,025,328
Cost of sales		(135,604,792)	(149,333,238)	–	–
Gross profit		28,063,895	30,316,686	8,281,374	10,025,328
Other operating income		1,147,422	790,801	1,897	43,278
Distribution expenses		(5,355,364)	(4,984,675)	–	–
Administrative expenses		(12,542,702)	(12,118,770)	(5,613,430)	(5,237,430)
Other operating expenses		(231,385)	(854,333)	–	(44,823)
Finance costs	17	(356,293)	(394,026)	–	–
Profit before tax	18	10,725,573	12,755,683	2,669,841	4,786,353
Tax expense	19	(2,323,924)	(3,851,556)	(390,125)	(593,401)
Profit for the financial year		8,401,649	8,904,127	2,279,716	4,192,952
Other comprehensive income, net of tax		–	–	–	–
Total comprehensive income		8,401,649	8,904,127	2,279,716	4,192,952
Profit attributable to owners of the parent		8,401,649	8,904,127	2,279,716	4,192,952
Total comprehensive income attributable to owners of the parent		8,401,649	8,904,127	2,279,716	4,192,952
Earnings per ordinary share attributable to owners of the parent (sen per share): - Basic and diluted	20	1.77	1.87		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

Group	Note	Share capital RM	Retained earnings RM	Total RM
Balance as at 1 April 2024		47,608,271	72,608,693	120,216,964
Profit for the financial year		–	8,904,127	8,904,127
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	8,904,127	8,904,127
Transaction with owners				
Dividend paid	21	–	(1,807,708)	(1,807,708)
Balance as at 31 March 2025/Balance as at 1 April 2025		47,608,271	79,705,112	127,313,383
Profit for the financial year		–	8,401,649	8,401,649
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	8,401,649	8,401,649
Transaction with owners				
Dividend paid	21	–	(2,140,708)	(2,140,708)
Balance as at 31 March 2026		47,608,271	85,966,053	133,574,324
Company				
Balance as at 1 April 2024		47,608,271	1,400,241	49,008,512
Profit for the financial year		–	4,192,952	4,192,952
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	4,192,952	4,192,952
Transaction with owners				
Dividend paid	21	–	(1,807,708)	(1,807,708)
Balance as at 31 March 2025/Balance as at 1 April 2025		47,608,271	3,785,485	51,393,756
Profit for the financial year		–	2,279,716	2,279,716
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	2,279,716	2,279,716
Transaction with owners				
Dividend paid	21	–	(2,140,708)	(2,140,708)
Balance as at 31 March 2026		47,608,271	3,924,493	51,532,764

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

		Group		Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		10,725,573	12,755,683	2,669,841	4,786,353
Adjustments for:					
Bad debts written off	18	–	21,658	–	–
Bad debts recovered	18	(234,699)	–	–	–
Capital distribution received on dissolution of subsidiaries		–	–	–	(43,188)
Depreciation of:					
- property, plant and equipment	5	2,004,548	1,765,203	63,749	59,550
- right-of-use assets	6	310,950	225,118	–	–
Dividend income from subsidiaries	16	–	–	(4,000,000)	(5,268,000)
Gain on lease termination		(300)	(884)	–	–
Impairment loss on investment in a subsidiary	7	–	–	–	44,823
Interest income		(747,223)	(805,835)	(57,374)	(77,328)
Interest expense	17	356,293	394,026	–	–
(Gain)/Loss on disposal of property, plant and equipment		(12,164)	31,166	–	–
Property, plant and equipment written off	5	38,155	2,551	93	–
Net unrealised (gain)/loss on foreign exchange		(141,023)	28,088	–	–
Operating profit/(loss) before changes in working capital		12,300,110	14,416,774	(1,323,691)	(497,790)
Changes in working capital:					
Inventories		3,173,752	(4,116,889)	–	–
Trade and other receivables		2,381,136	491,357	2,393	31,433
Trade and other payables		(1,992,808)	(3,629,747)	46,067	177,364
Cash generated from/(used in) operations		15,862,190	7,161,495	(1,275,231)	(288,993)
Interest received		57,374	77,328	57,374	77,328
Tax paid		(3,368,040)	(2,844,635)	(489,125)	(589,401)
Tax refunded		1,105,107	29,879	71,101	–
Net cash from/(used in) operating activities		13,656,631	4,424,067	(1,635,881)	(801,066)

STATEMENTS OF CASH FLOWS
(CONT'D)

	Note	Group 2026 RM	Group 2025 RM	Company 2026 RM	Company 2025 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Subscription of ordinary shares in a subsidiary	7	–	–	–	(3,000,000)
Dividends received from subsidiaries	16	–	–	4,000,000	5,268,000
Interest received		689,849	728,507	–	–
Purchase of property, plant and equipment	5	(2,249,428)	(2,699,270)	(29,906)	(65,391)
Purchase of right-of-use assets	6(d)	–	(100,996)	–	–
Proceeds from dissolution of subsidiaries		–	–	–	43,192
Proceeds from disposal of property, plant and equipment		46,750	160,800	–	–
Placements of deposits with licensed banks with original maturity of more than three (3) months		(3,714,415)	(5,944,240)	(57,374)	(1,411,077)
Net cash (used in)/from investing activities		(5,227,244)	(7,855,199)	3,912,720	834,724
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid	21	(2,140,708)	(1,807,708)	(2,140,708)	(1,807,708)
Interest paid		(312,368)	(367,829)	–	–
Repayments of:					
- lease liabilities		(387,261)	(261,180)	–	–
- term loans		(919,732)	(915,846)	–	–
Net cash used in financing activities		(3,760,069)	(3,352,563)	(2,140,708)	(1,807,708)
Net increase/(decrease) in cash and cash equivalents		4,669,318	(6,783,695)	136,131	(1,774,050)
Effect of exchange rate changes on cash and cash equivalents		161,549	8,812	–	–
Cash and cash equivalents at beginning of financial year		17,897,901	24,672,784	400,005	2,174,055
Cash and cash equivalents at end of financial year	10(c)	22,728,768	17,897,901	536,136	400,005

STATEMENTS OF CASH FLOWS
(CONT'D)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Borrowings (Note 12) RM	Lease liabilities (Note 6) RM	Total RM
Balance as at 1 April 2025	8,200,740	807,074	9,007,814
Cash flows			
- Net repayment	(919,732)	–	(919,732)
- Payment of lease liabilities	–	(343,336)	(343,336)
- Payment of lease interests	–	(43,925)	(43,925)
Non-cash flows			
- Additions	–	631,404	631,404
- Termination	–	(10,626)	(10,626)
- Unwinding of interest	–	43,925	43,925
Balance as at 31 March 2026	7,281,008	1,084,516	8,365,524

	Borrowings (Note 12) RM	Lease liabilities (Note 6) RM	Total RM
Balance as at 1 April 2024	9,116,586	165,422	9,282,008
Cash flows			
- Net repayment	(915,846)	–	(915,846)
- Payment of lease liabilities	–	(234,983)	(234,983)
- Payment of lease interests	–	(26,197)	(26,197)
Non-cash flows			
- Additions	–	916,447	916,447
- Termination	–	(39,812)	(39,812)
- Unwinding of interest	–	26,197	26,197
Balance as at 31 March 2025	8,200,740	807,074	9,007,814

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2026

1. CORPORATE INFORMATION

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

The registered office of the Company is located at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No.9, Jalan Syed Mohd. Mufti, 80888 Ibrahim International Business District, Johor.

The principal place of business of the Company is located at No. 1, Jalan Sri Plentong 6, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim.

The consolidated financial statements for the financial year ended 31 March 2026 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 10 July 2026.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are mainly manufacturing and trading of Polyvinyl Chloride ("PVC") compound, plastic additives and industrial chemical products. Further details of the subsidiaries are set out in Note 7 to the financial statements.

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

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and amendments to MFRSs adopted during the financial year are disclosed in Note 4.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

4.1 New MFRSs adopted during the financial year

The Group and the Company have adopted the following Amendment of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective date
Amendments to MFRS 121 *Lack of Exchangeability*	1 January 2025

Adoption of the above Amendment did not have any material effect on the financial performance or position of the Group and of the Company.

4.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2026

Title	Effective date
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
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosure*	1 January 2027
Amendments to MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 121 *Translation to a Hyperinflationary Presentation Currency*	1 January 2027
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Amendments, since the effects would only be observable for the future financial years.

5. PROPERTY, PLANT AND EQUIPMENT

Group 2026	Balance as at 1.4.2025 RM	Additions RM	Disposals RM	Written off RM	Reclassification RM	Depreciation charge for the financial year RM	Balance as at 31.3.2026 RM
Carrying amount							
Freehold land	14,798,925	–	–	–	–	–	14,798,925
Buildings	17,289,603	–	–	–	–	(307,025)	16,982,578
Apartments	485,304	–	–	–	–	(8,379)	476,925
Electrical installation	289,192	197,479	–	–	–	(70,020)	416,651
Factory equipment	1,746,751	194,261	–	(7,709)	–	(156,102)	1,777,201
Motor vehicles	1,651,975	2,475	(34,586)	–	–	(210,897)	1,408,967
Office equipment and furniture	489,435	140,786	–	(2,306)	–	(173,087)	454,828
Plant and machineries	11,409,101	875,123	–	(28,140)	–	(577,533)	11,678,551
Renovations	1,644,470	404,704	–	–	–	(314,255)	1,734,919
Solar installation	746,700	–	–	–	2,173,000	(187,250)	2,732,450
Construction in progress	1,738,400	434,600	–	–	(2,173,000)	–	–
	52,289,856	2,249,428	(34,586)	(38,155)	–	(2,004,548)	52,461,995

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

Group 2026	Cost RM	As at 31.3.2026 Accumulated depreciation RM	Carrying amount RM
Freehold land	14,798,925	–	14,798,925
Buildings	20,468,374	(3,485,796)	16,982,578
Apartments	558,623	(81,698)	476,925
Electrical installation	1,133,521	(716,870)	416,651
Factory equipment	3,727,962	(1,950,761)	1,777,201
Motor vehicles	3,403,381	(1,994,414)	1,408,967
Office equipment and furniture	2,310,953	(1,856,125)	454,828
Plant and machineries	19,085,668	(7,407,117)	11,678,551
Renovations	4,587,541	(2,852,622)	1,734,919
Solar installation	2,959,000	(226,550)	2,732,450
	73,033,948	(20,571,953)	52,461,995

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

Group 2025	Balance as at 1.4.2024 RM	Additions RM	Disposal RM	Written off RM	Reclassification RM	Depreciation charge for the financial year RM	Balance as at 31.3.2025 RM
Carrying amount							
Freehold land	14,798,925	–	–	–	–	–	14,798,925
Buildings	17,596,629	–	–	–	–	(307,026)	17,289,603
Apartments	493,684	–	–	–	–	(8,380)	485,304
Electrical installation	308,814	30,500	–	–	–	(50,122)	289,192
Factory equipment	1,774,932	128,261	–	(2,388)	–	(154,054)	1,746,751
Motor vehicles	1,560,104	516,708	(191,966)	–	–	(232,871)	1,651,975
Office equipment and furniture	320,751	326,197	–	(163)	–	(157,350)	489,435
Plant and machineries	11,346,249	611,358	–	–	–	(548,506)	11,409,101
Renovations	1,574,818	337,246	–	–	–	(267,594)	1,644,470
Solar installation	–	–	–	–	786,000	(39,300)	746,700
Construction in progress	1,775,400	749,000	–	–	(786,000)	–	1,738,400
	51,550,306	2,699,270	(191,966)	(2,551)	–	(1,765,203)	52,289,856

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

Group 2025	As at 31.3.2025 Cost RM	 Accumulated depreciation RM	 Carrying amount RM
Freehold land	14,798,925	–	14,798,925
Buildings	20,468,374	(3,178,771)	17,289,603
Apartments	558,623	(73,319)	485,304
Electrical installation	936,042	(646,850)	289,192
Factory equipment	3,551,054	(1,804,303)	1,746,751
Motor vehicles	3,552,934	(1,900,959)	1,651,975
Office equipment and furniture	2,271,551	(1,782,116)	489,435
Plant and machineries	18,261,245	(6,852,144)	11,409,101
Renovations	4,197,737	(2,553,267)	1,644,470
Solar installation	786,000	(39,300)	746,700
Construction in progress	1,738,400	–	1,738,400
	71,120,885	(18,831,029)	52,289,856

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

Company 2026	Balance as at 1.4.2025 RM	Additions RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 31.3.2026 RM
Carrying amount					
Apartments	485,304	–	–	(8,379)	476,925
Motor vehicle	185,840	–	–	(29,603)	156,237
Office equipment and furniture	79,994	29,906	(93)	(25,767)	84,040
	751,138	29,906	(93)	(63,749)	717,202

	As at 31.3.2026		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Apartments	558,623	(81,698)	476,925
Motor vehicle	328,921	(172,684)	156,237
Office equipment and furniture	526,956	(442,916)	84,040
	1,414,500	(697,298)	717,202

Company 2025	Balance as at 1.4.2024 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.3.2025 RM
Carrying amount				
Apartments	493,684	–	(8,380)	485,304
Motor vehicle	215,443	–	(29,603)	185,840
Office equipment and furniture	36,170	65,391	(21,567)	79,994
	745,297	65,391	(59,550)	751,138

	As at 31.3.2025		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Apartments	558,623	(73,319)	485,304
Motor vehicle	328,921	(143,081)	185,840
Office equipment and furniture	498,450	(418,456)	79,994
	1,385,994	(634,856)	751,138

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

(a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

(b) Depreciation on property, plant and equipment is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation periods are as follows:

Buildings	50 years
Apartments	50 years
Electrical installation	10 years
Factory equipment	10 years
Motor vehicles	10 years
Office equipment and furniture	5 years
Plant and machineries	20 years
Renovations	10 years
Solar installation	10 years

Freehold land has unlimited useful life and is not depreciated. Construction in progress is not depreciated until such time when the asset is available for use.

(c) The carrying amounts of certain freehold land and buildings charged to banks as securities for banking facilities granted to the Group as at the end of the reporting period are as follows:

	Group	
	2026	**2025**
	RM	**RM**
Freehold land	13,203,222	13,203,222
Buildings	14,848,064	15,111,104
	28,051,286	28,314,326

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(I) Right-of-use assets

Group 2026	Balance as at 1.4.2025 RM	Additions RM	Termination RM	Depreciation RM	Balance as at 31.3.2026 RM
Carrying amount					
Warehouse	280,687	400,596	–	(176,802)	504,481
Hostel buildings	65,076	230,808	(10,326)	(80,058)	205,500
Motor vehicles	569,444	–	–	(54,090)	515,354
	915,207	631,404	(10,326)	(310,950)	1,225,335

Group 2025	Balance as at 1.4.2024 RM	Additions RM	Termination RM	Depreciation RM	Balance as at 31.3.2025 RM
Carrying amount					
Warehouse	101,765	332,695	(38,928)	(114,845)	280,687
Hostel buildings	60,045	83,752	–	(78,721)	65,076
Motor vehicles	–	600,996	–	(31,552)	569,444
	161,810	1,017,443	(38,928)	(225,118)	915,207

(II) Lease liabilities

	Group	
	2026 RM	2025 RM
Balance as at 1 April	807,074	165,422
Additions	631,404	916,447
Termination	(10,626)	(39,812)
Payment of lease liabilities	(343,336)	(234,983)
Payment of lease interests	(43,925)	(26,197)
Interest expense	43,925	26,197
Balance as at 31 March	1,084,516	807,074

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

(II) Lease liabilities (Cont'd)

	Group	
	2026	**2025**
	RM	**RM**
Represented by:		
Current liabilities	373,027	257,263
Non-current liabilities	711,489	549,811
	1,084,516	807,074
Lease liabilities owing to financial institutions	361,707	455,019
Lease liabilities owing to non-financial institutions	722,809	352,055
	1,084,516	807,074

(a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liabilities.

(b) The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease terms of right-of-use assets are as follows:

Warehouse	2 to 4 years
Hostel buildings	2 to 5 years
Motor vehicles	5 years

(c) The following are the amounts recognised in profit or loss:

	Group	
	2026	**2025**
	RM	**RM**
Depreciation charges of right-of-use assets (included in cost of sales)	256,860	193,566
Depreciation charges of right-of-use assets (included in administrative expenses)	54,090	31,552
Interest expense on lease liabilities (included in finance costs)	43,925	26,197
Gain on lease termination (included in other operating income)	(300)	(884)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

(d) During the financial year, the Group made the following cash payments to purchase right-of-use assets:

	Group	
	2026	**2025**
	RM	**RM**
Additions of right-of-use assets	631,404	1,017,443
Lease liabilities financed by lease arrangement	–	(500,000)
Lease liabilities recognition for warehouse	(400,596)	(332,695)
Lease liabilities recognition for hostel buildings	(230,808)	(83,752)
As reported in statements of cash flows	–	100,996

(e) The following are total cash outflows for leases as a lessee:

	Group	
	2026	**2025**
	RM	**RM**
Included in net cash used in financing activities:		
Payment of lease liabilities	343,336	234,983
Payment of lease interests	43,925	26,197
Total cash outflows for leases	387,261	261,180

(f) The following table sets out the carrying amounts, the incremental borrowing rates and the remaining maturities of the lease liabilities:

Group	**Incremental borrowing rate %**	**Within one year RM**	**One to five years RM**	**Total RM**
31.3.2026				
Lease liabilities	4.19% - 4.35%	373,027	711,489	1,084,516
31.3.2025				
Lease liabilities	4.31% - 4.35%	257,263	549,811	807,074

(g) Sensitivity analysis of interest rate risk for lease liabilities as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates.

(h) The Group have elected to apply the "short-term lease" and "lease of low-value assets" exemptions for short term leases that have a lease term of 12 months or less and leases of low-value assets of RM20,000 and below, if any. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

(i) The Group leases several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

(j) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2026	**2025**
	RM	**RM**
At cost		
Unquoted shares, at cost		
At beginning of financial year	49,473,375	46,989,114
Additions	–	3,000,000
Dissolution of subsidiaries	–	(515,739)
At end of financial year	49,473,375	49,473,375
Accumulated impairment loss		
At beginning of financial year	–	(470,912)
Addition	–	(44,823)
Dissolution of subsidiaries	–	515,735
At end of financial year	–	–
	49,473,375	49,473,375

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) The details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity 2026 %	2025 %	Principal activities
Allbright Industries (M) Sdn. Bhd. ("AISB")	Malaysia	100	100	Manufacturing and trading of plastic additives and industrial chemical products
Hsing Lung Sdn. Bhd. ("HLSB")	Malaysia	100	100	Manufacturing and trading of Polyvinyl Chloride ("PVC") compound and industrial chemical products
Promaz Plastic Sdn. Bhd. ("PPSB")	Malaysia	100	100	General trading in hardware and building material

(b) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(c) In the previous financial year, AISB increased its paid-up capital for an additional 3,000,000 ordinary shares and the Company made full subscription for a total cash consideration of RM3,000,000. Consequently, there was no changes in the effective equity interest held by the Company in AISB.

(d) In the previous financial year, an impairment loss of RM44,823 relating to Karyon (Malaysia) Sdn. Bhd. was recognised as the recoverable amount was lower than its cost of investment.

Both Karyon (Malaysia) Sdn. Bhd. and Karyon Ventures Sdn. Bhd. were subsequently dissolved following the completion of members' voluntary winding up during the previous financial year.

8. INVENTORIES

	Group 2026 RM	2025 RM
At cost		
Raw materials	17,833,953	19,247,336
Packing materials	463,004	534,177
Finished goods	11,225,102	12,914,298
	29,522,059	32,695,811

8. INVENTORIES (CONT'D)

(a) Inventories are stated at the lower of cost and net realisable value.

(b) Cost is determined using the first-in, first-out formula. Cost of raw materials comprises all cost of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods includes the cost of raw materials, direct labour, other direct costs and a proportion of production overheads based on normal operating capacity of the production facilities.

(c) During the financial year, inventories of the Group recognised as cost of sales amounted to RM112,062,859 (2025: RM126,631,401).

(d) The Group writes down its obsolete or slow-moving inventories based on assessment of their product lifecycle and nature. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses sales trend when making this judgement to evaluate the adequacy of the write down for obsolete or slow-moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM	**RM**	**RM**	**RM**
Trade receivables				
Third parties	26,202,207	28,809,379	–	–
Other receivables				
Other receivables	20,768	25,796	–	–
Deposits	974,265	266,847	1,000	1,000
Advance payments to third party suppliers	4,443,775	4,704,439	–	11,664
	5,438,808	4,997,082	1,000	12,664
	31,641,015	33,806,461	1,000	12,664
Prepayments	370,703	264,487	116,567	107,296
	32,011,718	34,070,948	117,567	119,960

(a) Trade and other receivables, excluding prepayments are classified as financial assets and measured at amortised cost.

(b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranges from 30 to 90 days (2025: 30 to 90 days) from the date of invoice. They are recognised at their original invoice amounts, which represent their fair value on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) The currency exposure profile of trade and other receivables (excluding prepayments) is as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Ringgit Malaysia	23,941,717	26,334,680	1,000	12,664
United States Dollar	5,374,874	3,924,049	–	–
Singapore Dollar	1,475,979	2,008,950	–	–
Chinese Yuan	848,445	1,538,782	–	–
	31,641,015	33,806,461	1,000	12,664

(d) Recognition and measurement of impairment loss

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses. Loss rates are based on actual credit loss experience over past years.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group assesses the expected credit losses of trade receivables using the flow-rate methods based on customer segments and terms of payment. Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information on macroeconomic factors such as production price index, inflation rate and unemployment rate of Malaysia, and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the financial year.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(d) Recognition and measurement of impairment loss (Cont'd)

Lifetime expected loss provision for trade receivables of the Group are as follows:

	Gross carrying amount RM	Lifetime expected credit loss RM	Net carrying amount RM
As at 31 March 2026			
Collective assessment			
Not past due	23,889,012	–	23,889,012
Past due:			
1 to 30 days	1,484,129	–	1,484,129
31 to 60 days	558,566	–	558,566
61 to 90 days	243,739	–	243,739
More than 90 days	26,761	–	26,761
	2,313,195	–	2,313,195
Individual assessment	–	–	–
	26,202,207	–	26,202,207
As at 31 March 2025			
Collective assessment			
Not past due	26,667,608	–	26,667,608
Past due:			
1 to 30 days	1,253,921	–	1,253,921
31 to 60 days	728,062	–	728,062
61 to 90 days	131,860	–	131,860
More than 90 days	27,928	–	27,928
	2,141,771	–	2,141,771
Individual assessment	–	–	–
	28,809,379	–	28,809,379

During the financial year, the Group and the Company did not renegotiate the terms of any trade receivables. These receivables are not secured by any collateral.

No expected credit losses are recognised in respect of trade receivables as the amount is negligible.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) Advance payments to third party suppliers of the Group mainly comprise of advance payments for the purchases of raw materials to be delivered in the near future.

(f) Impairment for other receivables is recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while twelve-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group and the Company defined significant increase in credit risk based on operating performance of the other receivables, changes to contractual terms, payment delays and past due information.

The probabilities of non-payment by other receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss.

No expected credit losses were recognised arising from other receivables as the probability of default by other receivables were negligible.

(g) Information on financial risks of trade and other receivables is disclosed in Note 26 to the financial statements.

10. CASH AND BANK BALANCES

	Group		Company	
	2026 RM	**2025 RM**	**2026 RM**	**2025 RM**
Cash and bank balances	22,528,768	16,064,289	536,136	400,005
Deposits with licensed banks	21,406,298	19,325,495	2,295,090	2,237,716
	43,935,066	35,389,784	2,831,226	2,637,721

(a) Cash and bank balances are classified as financial assets and measured at amortised cost.

10. CASH AND BANK BALANCES (CONT'D)

(b) The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Ringgit Malaysia	36,945,599	29,877,029	2,831,226	2,637,721
United States Dollar	6,081,590	3,146,370	–	–
Singapore Dollar	816,438	1,869,511	–	–
Chinese Yuan	91,302	496,733	–	–
Euro	137	141	–	–
	43,935,066	35,389,784	2,831,226	2,637,721

(c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cash and bank balances	22,528,768	16,064,289	536,136	400,005
Deposits with licensed banks:				
- with maturity of not more than three (3) months	200,000	1,833,612	–	–
- with maturity of more than three (3) months	21,206,298	17,491,883	2,295,090	2,237,716
	21,406,298	19,325,495	2,295,090	2,237,716
	43,935,066	35,389,784	2,831,226	2,637,721
Less: Deposits with licensed banks (with maturity of more than three (3) months)	(21,206,298)	(17,491,883)	(2,295,090)	(2,237,716)
	22,728,768	17,897,901	536,136	400,005

(d) No expected credit losses are recognised arising from the deposits with licensed banks because the probability of default by these licensed banks is negligible.

(e) Information on financial risks of cash and bank balances is disclosed in Note 26 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

11. SHARE CAPITAL

	Group and Company			
	2026		2025	
	Number of shares	RM	Number of shares	RM
Issued and fully paid with no par value				
At beginning/end of financial year	475,713,257	47,608,271	475,713,257	47,608,271

The owners of the parent are entitled to receive dividends as declared from time to time and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

12. BORROWINGS

	Group	
	2026 RM	2025 RM
Current liabilities		
Term loans	940,032	1,018,763
Non-current liabilities		
Term loans	6,340,976	7,181,977
	7,281,008	8,200,740

(a) Borrowings are classified as financial liabilities and measured at amortised cost.

(b) The borrowings are secured by:

(i) legal charges over certain freehold land and buildings of the Group as disclosed in Note 5 to the financial statements; and

(ii) corporate guarantee from the Company.

(c) All borrowings are denominated in Ringgit Malaysia ("RM").

(d) Information on financial risks of borrowings and its remaining maturity is disclosed in Note 26 to the financial statements.

13. DEFERRED TAX LIABILITIES

(a) The deferred tax liabilities are made up of the following:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Balance as at 1 April	3,776,000	3,549,000	17,000	13,000
Recognised in profit or loss (Note 19)	(221,000)	227,000	3,000	4,000
Balance as at 31 March	3,555,000	3,776,000	20,000	17,000

(b) The component and movements of deferred tax liabilities/(assets) during the financial year are as follows:

Deferred tax liabilities/(assets) of the Group

	Property, plant and equipment RM	Other temporary differences RM	Total RM
Balance as at 1 April 2025	3,776,000	–	3,776,000
Recognised in profit or loss	363,000	(584,000)	(221,000)
Balance as at 31 March 2026	4,139,000	(584,000)	3,555,000
Balance as at 1 April 2024	3,549,000	–	3,549,000
Recognised in profit or loss	227,000	–	227,000
Balance as at 31 March 2025	3,776,000	–	3,776,000

Deferred tax liabilities of the Company

	Property, plant and equipment RM
Balance as at 1 April 2025	17,000
Recognised in profit or loss	3,000
Balance as at 31 March 2026	20,000
Balance as at 1 April 2024	13,000
Recognised in profit or loss	4,000
Balance as at 31 March 2025	17,000

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

13. DEFERRED TAX LIABILITIES (CONT'D)

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2026	**2025**
	RM	**RM**
Unused tax losses		
- Expires by 31 March 2033	–	780,315
- Expires by 31 March 2034	60,115	110,024
- Expires by 31 March 2035	68,729	68,455
- Expires by 31 March 2036	9,093	–
Unabsorbed capital allowances		
- No expiry date	44,914	380,467
Unabsorbed investment tax allowance	–	786,000
	182,851	2,125,261

Deferred tax assets have not been recognised in respect of these items as the timing of utilisation against taxable profits of the Group is uncertain in immediate future.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority.

14. TRADE AND OTHER PAYABLES

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM	**RM**	**RM**	**RM**
Trade payables				
Third parties	7,175,145	9,739,425	–	–
Other payables and accruals				
Other payables	2,064,086	1,588,356	17,440	1,449
Accruals	4,155,422	3,951,947	1,577,166	1,547,090
	6,219,508	5,540,303	1,594,606	1,548,539
	13,394,653	15,279,728	1,594,606	1,548,539

(a) Trade and other payables are classified as financial liabilities and measured at amortised cost.

(b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 30 to 90 days (2025: 30 to 90 days) from the date of invoice.

14. TRADE AND OTHER PAYABLES (CONT'D)

(c) The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM	**RM**	**RM**	**RM**
Ringgit Malaysia	9,845,573	11,287,745	1,594,606	1,548,539
United States Dollar	3,549,080	3,991,983	–	–
	13,394,653	15,279,728	1,594,606	1,548,539

(d) Information on financial risks of trade and other payables is disclosed in Note 26 to the financial statements.

15. CAPITAL COMMITMENTS

	Group	
	2026	**2025**
	RM	**RM**
Contracted but not provided for		
- Acquisition of property, plant and equipment	9,159,000	818,000

16. REVENUE

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM	**RM**	**RM**	**RM**
Revenue from contracts with customers				
Recognised at point in time:				
Sale of goods	163,611,313	179,572,596	–	–
Management fees	–	–	4,224,000	4,680,000
Others				
Dividend income from subsidiaries	–	–	4,000,000	5,268,000
Interest income	57,374	77,328	57,374	77,328
	163,668,687	179,649,924	8,281,374	10,025,328

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

16. REVENUE (CONT'D)

(a) Sale of goods

Revenue from sale of goods is recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

There is no material right of return and warranty provided to the customers on the sale of the products rendered.

There is no significant financing component in the revenue as the revenue is made on the normal credit terms not exceeding twelve (12) months.

Disaggregation of revenue from contracts with customers are set out in Note 24 to the financial statements, which has been presented based on geographical location from which the sales transactions originated.

(b) Management fees services

Revenue from services rendered is recognised at a point in time when services have been rendered to the customer and coincides with the rendering of services and acceptance by customers.

(c) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(d) Interest income

Interest income is recognised as it accrues, using the effective interest method.

17. FINANCE COSTS

	Group	
	2026	**2025**
	RM	**RM**
Interest expenses on:		
- lease liabilities	43,925	26,197
- term loans	312,368	367,829
	356,293	394,026

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

18. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM	**RM**	**RM**	**RM**
After charging:				
Auditors' remuneration				
- statutory audit	128,000	108,000	48,000	40,500
- other assurance services	3,000	3,000	3,000	3,000
Bad debts written off	–	21,658	–	–
Loss on foreign exchange				
- realised	181,682	746,904	–	–
- unrealised	–	28,088	–	–
And after crediting:				
Bad debt recovered	234,699	–	–	–
Gain on foreign exchange				
- realised	31,165	–	–	–
- unrealised	141,023	–	–	–
Interest income				
- Other income	689,849	728,507	–	–

19. TAX EXPENSE

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM	**RM**	**RM**	**RM**
Current tax				
Income tax				
- Current year	2,552,805	3,670,747	387,000	589,000
- (Over)/Under provision in prior years	(7,881)	(46,191)	125	401
	2,544,924	3,624,556	387,125	589,401
Deferred tax (Note 13)				
- Current year	(205,249)	198,453	2,587	4,383
- (Over)/Under provision in prior years	(15,751)	28,547	413	(383)
	(221,000)	227,000	3,000	4,000
	2,323,924	3,851,556	390,125	593,401

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

19. TAX EXPENSE (CONT'D)

(a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2025: 24%) of the estimated taxable profits for the fiscal year.

(b) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2026 RM	**2025 RM**	**2026 RM**	**2025 RM**
Profit before tax	10,725,573	12,755,683	2,669,841	4,786,353
Tax at Malaysian statutory tax rate of 24% (2025: 24%)	2,574,137	3,061,364	640,762	1,148,725
Tax effects in respect of:				
Non-allowable expenses	761,572	829,315	709,280	719,365
Non-taxable income	(455)	–	(960,455)	(1,274,707)
Utilisation of previously unrecognised deferred tax assets	(472,801)	–	–	–
Tax incentives and allowances	(521,520)	(188,640)	–	–
Deferred tax assets not recognised	6,623	167,161	–	–
	2,347,556	3,869,200	389,587	593,383
(Over)/Under provision in prior years				
- current tax	(7,881)	(46,191)	125	401
- deferred tax	(15,751)	28,547	413	(383)
	2,323,924	3,851,556	390,125	593,401

20. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2026 RM	**2025 RM**
Profit attributable to equity holders of the parent ("RM")	8,401,649	8,904,127
Weighted average number of ordinary shares in issue	475,713,257	475,713,257
Basic earnings per ordinary share (sen)	1.77	1.87

20. EARNINGS PER ORDINARY SHARE (CONT'D)

(b) Diluted

Diluted earnings per ordinary share for the current and previous financial years is equal to the basic earnings per ordinary share for the respective financial year as there were no outstanding dilutive potential ordinary shares at the end of each reporting period.

21. DIVIDEND

	Company			
	2026		2025	
	Dividend per share sen	Amount of dividend RM	Dividend per share sen	Amount of dividend RM
In respect of the financial year ended 31 March				
- First single tier interim dividend	0.45	2,140,708	0.38	1,807,708

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

22. EMPLOYEE BENEFITS

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Salaries, bonus and allowances	18,861,125	17,619,527	3,922,405	3,656,695
Defined contribution plan	1,468,426	1,314,573	409,869	352,892
Other benefits	769,242	703,983	6,462	6,664
	21,098,793	19,638,083	4,338,736	4,016,251

Included in the employee benefits of the Group and of the Company are Directors' remuneration (other than fees) amounting to RM3,770,749 and RM3,770,749 (2025: RM3,573,014 and RM3,469,327) respectively.

23. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

The Company has related party relationship with its subsidiaries, and companies which Directors have substantial direct/indirect financial interests.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

23. RELATED PARTY DISCLOSURES (CONT'D)

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following transactions with the related parties during the financial year:

	Company	
	2026	**2025**
	RM	**RM**
Subsidiaries		
Management fees received	(4,224,000)	(4,680,000)
Dividend received	(4,000,000)	(5,268,000)

The related party transactions described above were carried out based on negotiated terms and conditions and mutually agreed with the related parties.

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and the Company.

The remuneration of key management personnel during the financial year is as follows:

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM	**RM**	**RM**	**RM**
Directors of the Company				
Salaries, bonus and allowances	3,368,505	3,123,475	3,368,505	3,123,475
Defined contribution plan	398,067	341,282	398,067	341,282
Other benefits	4,177	4,570	4,177	4,570
	3,770,749	3,469,327	3,770,749	3,469,327
Directors of subsidiaries				
Salaries, bonus and allowances	–	99,602	–	–
Defined contribution plan	–	3,465	–	–
Other benefits	–	620	–	–
	–	103,687	–	–
	3,770,749	3,573,014	3,770,749	3,469,327
Fees				
- Directors of the Company	530,000	569,759	530,000	569,759
- Directors of subsidiaries	20,000	26,666	–	–
Estimated monetary value of benefit-in-kind	52,200	33,668	–	–

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

23. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel (Cont'd)

The remuneration of key management personnel during the financial year is as follows (Cont'd):

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM	**RM**	**RM**	**RM**
Key management personnel				
Salaries, bonus and allowances	455,500	437,000	455,500	437,000
Other benefits	893	818	893	818
	456,393	437,818	456,393	437,818
Estimated monetary value of benefit-in-kind	17,400	17,400	17,400	17,400
	4,846,742	4,658,325	4,774,542	4,494,304

24. OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on their products and services, which requires different business and marketing strategies and has two (2) reportable segments. The reportable segments are as follows:

(i) Investment holding division

(ii) Manufacturing and trading of polymeric products

Manufacturing and trading of Polyvinyl Chloride ("PVC") compound, plastic additives and industrial chemical products.

(iii) Others

The accounting policies of operating segments are the same as those described in the respective notes to the financial statements. The Group evaluates performance on the basis of profit or loss from operations before taxation that are reviewed by the chief operating decision maker, who is the Chief Executive Officer of the Group. These policies have been applied consistently throughout the current and previous financial years.

The inter-segment revenue is carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties and is eliminated on the consolidated financial statements.

The inter-segment assets are adjusted against the segment assets to arrive at total assets reported in the consolidated statement of financial position.

The inter-segment liabilities are adjusted against the segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

24. OPERATING SEGMENTS (CONT'D)

Revenue from a customer of the Group amounted to RM18,660,178 (2025: RM21,601,059) contributed to more than 10% of the Group revenue.

Details are provided in the reconciliations from segment assets and liabilities to the position of the Group. All the assets and capital expenditure of the Group are located within Malaysia.

2026	**Investment holding RM**	**Manufacturing and trading of polymeric products RM**	**Total RM**
Revenue			
Total revenue	8,281,374	172,812,158	181,093,532
Inter-segment revenue	(8,224,000)	(9,200,845)	(17,424,845)
Revenue from external customers	57,374	163,611,313	163,668,687
Results			
Segmental (loss)/profit	(5,554,159)	16,636,025	11,081,866
Finance costs	–	(356,293)	(356,293)
(Loss)/Profit before tax	(5,554,159)	16,279,732	10,725,573
Tax expense	(390,125)	(1,933,799)	(2,323,924)
(Loss)/Profit for the financial year	(5,944,284)	14,345,933	8,401,649
Assets			
Segment assets	53,147,370	158,008,131	211,155,501
Inter-segment eliminations	(49,473,375)	(2,512,758)	(51,986,133)
	3,673,995	155,495,373	159,169,368
Liabilities			
Segment liabilities	1,614,606	26,511,171	28,125,777
Inter-segment eliminations	–	(2,530,733)	(2,530,733)
	1,614,606	23,980,438	25,595,044
Other information			
Bad debts recovered	–	(234,699)	(234,699)
Capital expenditure	29,906	2,219,522	2,249,428
Depreciation of property plant and equipment	63,749	1,940,799	2,004,548
Depreciation of right-of-use assets	–	310,950	310,950

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

24. OPERATING SEGMENTS (CONT'D)

2025	Investment holding RM	Manufacturing and trading of polymeric products RM	Others RM	Total RM
Revenue				
Total revenue	10,025,328	188,905,811	–	198,931,139
Inter-segment revenue	(9,948,000)	(9,333,215)	–	(19,281,215)
Revenue from external customers	77,328	179,572,596	–	179,649,924
Results				
Segmental (loss)/profit	(5,159,677)	18,333,373	(23,987)	13,149,709
Finance costs	–	(394,026)	–	(394,026)
(Loss)/Profit before tax	(5,159,677)	17,939,347	(23,987)	12,755,683
Tax expense	(593,401)	(3,258,155)	–	(3,851,556)
(Loss)/Profit for the financial year	(5,753,078)	14,681,192	(23,987)	8,904,127
Assets				
Segment assets	52,982,194	155,189,930	–	208,172,124
Inter-segment eliminations	(49,473,375)	(2,848,231)	–	(52,321,606)
	3,508,819	152,341,699	–	155,850,518
Liabilities				
Segment liabilities	1,588,438	29,812,428	–	31,400,866
Inter-segment eliminations	–	(2,863,731)	–	(2,863,731)
	1,588,438	26,948,697	–	28,537,135
Other information				
Bad debts written off	–	21,658	–	21,658
Capital expenditure	65,391	3,234,875	–	3,300,266
Depreciation of property plant and equipment	59,550	1,705,653	–	1,765,203
Depreciation of right-of-use assets	–	225,118	–	225,118

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

24. OPERATING SEGMENTS (CONT'D)

Geographical information

The revenue disclosed in geographical segments is based on the geographical location of its customers. The following table provides an analysis of the Group's revenue by geographical segments:

	Group	
	2026	**2025**
	RM	**RM**
Malaysia	133,975,869	140,351,611
Asia	25,402,567	32,552,826
Others	4,290,251	6,745,487
	163,668,687	179,649,924

25. FINANCIAL INSTRUMENTS

(a) Capital management

The objective of the Group's capital management is to ensure that it maintains healthy ratios in order to support its business operation and to provide fair returns for shareholders and benefits for other stakeholders. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Board of Directors monitor the return on capital, which the Group defines as profit attributable to owners of the Company divided by total shareholders' equity. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2026 and 31 March 2025.

The gearing ratio of the Group and the Company are as follows:

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM	**RM**	**RM**	**RM**
Borrowings (Note 12)	7,281,008	8,200,740	–	–
Lease liabilities owing to financial institutions (Note 6)	361,707	455,019	–	–
Total debt	7,642,715	8,655,759	–	–
Total equity	133,574,324	127,313,383	51,532,764	51,393,756
Gearing ratio	0.06	0.07	–	–

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Methods and assumptions used to estimate fair value

The fair value of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and floating rate borrowings, are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

(ii) Financial guarantees

The Company provides corporate guarantees to licensed bank for banking facilities granted to certain subsidiaries and financial guarantees to third parties for supply of goods and services to a subsidiary. The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the securities pledged by the subsidiaries as disclosed in Note 12 to the financial statements.

(c) Fair value hierarchy

As at the end of reporting period, the Group has no financial instruments that are measured at fair value subsequent to initial recognition hence fair value hierarchy is not presented.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer and senior management personnel. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The following are the details of the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk

Cash deposits and trade receivables may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are licensed financial institutions and creditworthy customers. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The credit risk exposure of the Group is managed through the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

The credit risk concentration profile of the trade receivables of the Group by region at the end of each reporting period are as follows:

	Group			
	2026		2025	
	RM	% of total	RM	% of total
Malaysia	22,662,263	86.49%	24,752,320	85.92%
Asia	2,558,991	9.77%	2,844,878	9.87%
Others	980,953	3.74%	1,212,181	4.21%
	26,202,207	100.00%	28,809,379	100.00%

At the end of reporting date, the Group does not have significant concentration of credit risk.

In the previous financial year, the Company has significant concentration of credit risk in the form of outstanding balance from a third party supplier, which amounted to RM11,664 representing 10% of trade and other receivables. The Company does not have any significant concentration of credit risk during the financial year.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

The maximum exposure to credit risk without taking into consideration any collateral held or other credit enhancement is represented by the carrying amount of financial assets in the financial statements, net of impairment losses and granting of corporate guarantees to certain subsidiaries as follows:

	Company	
	2026	**2025**
	RM	**RM**
Corporate guarantees - unsecured		
Limit:		
In favour of licensed banks for banking facilities granted to certain subsidiaries	45,500,000	45,500,000
In favour of third parties for supply of goods and services to certain subsidiaries	500,000	500,000
Amounts utilised:		
In favour of licensed banks for banking facilities granted to certain subsidiaries	8,350,578	9,270,310

The maximum exposure to credit risk in relation to financial guarantee contract provided as credit enhancement to subsidiaries amounted to RM8,350,578 (2025: RM9,270,310) represents the outstanding banking facilities of subsidiaries as at the end of the reporting period.

The Company assumes that there is a significant increase in credit risk when the financial position of subsidiaries deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

(i) the subsidiary is unlikely to repay its credit obligation to the bank in full; or

(ii) the subsidiary is continuously loss making and are having a deficit shareholders' fund.

The Company determines the probability of default of the subsidiary using internal and external information available. No impairment loss is recognised arising from financial guarantee as it is negligible.

(b) Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that the Group is unable to service its cash obligations in future. To mitigate this risk, the management monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity and cash flow risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group **2026**	**On demand or within one year** **RM**	**One to two years** **RM**	**Two to five years** **RM**	**More than five years** **RM**	**Total** **RM**
Trade and other payables	13,394,653	–	–	–	13,394,653
Borrowings	1,215,840	1,215,840	2,688,732	3,581,975	8,702,387
Lease liabilities	411,460	347,960	399,740	–	1,159,160
	15,021,953	1,563,800	3,088,472	3,581,975	23,256,200
2025					
Trade and other payables	15,279,728	–	–	–	15,279,728
Borrowings	1,350,084	1,350,084	2,889,022	4,442,346	10,031,536
Lease liabilities	287,160	231,610	353,850	–	872,620
	16,916,972	1,581,694	3,242,872	4,442,346	26,183,884
Company **2026**					
Trade and other payables	1,594,606	–	–	–	1,594,606
Financial guarantees *	46,000,000	–	–	–	46,000,000
	47,594,606	–	–	–	47,594,606
2025					
Trade and other payables	1,548,539	–	–	–	1,548,539
Financial guarantees *	46,000,000	–	–	–	46,000,000
	47,548,539	–	–	–	47,548,539

* *Represents maximum corporate guarantee limit.*

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates. The exposure of the Group and of the Company to interest rates relates primarily to the interest-earning deposits placed with licensed banks and borrowings. The Group and the Company do not use derivative financial instruments to hedge the risk.

The following tables set out the carrying amounts, the average effective interest rates as at the end of the reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

Group **2026**	**Note**	**Weighted average effective interest rate** **%**	**Within one year** **RM**	**One to two years** **RM**	**Two to five years** **RM**	**More than five years** **RM**	**Total** **RM**
Fixed rate							
Deposits with licensed banks	10	3.44	21,406,298	–	–	–	21,406,298
Floating rate							
Term loans	12	4.09	(940,032)	(979,405)	(2,192,616)	(3,168,955)	(7,281,008)
2025							
Fixed rate							
Deposits with licensed banks	10	3.71	19,325,495	–	–	–	19,325,495
Floating rate							
Term loans	12	4.35	(1,018,763)	(1,064,737)	(2,274,792)	(3,842,448)	(8,200,740)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the average effective interest rates as at the end of the reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk: (continued)

Company **2026**	**Note**	**Weighted average effective interest rate** **%**	**Within one year** **RM**
Fixed rate			
Deposits with a licensed bank	10	3.45	2,295,090
2025			
Fixed rate			
Deposits with a licensed bank	10	3.68	2,237,716

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by 100 basis points with all other variables held constant:

	Group	
Profit after tax and equity	**2026** **RM**	**2025** **RM**
- Increase by 1% (2025: 1%)	(55,300)	(62,300)
- Decrease by 1% (2025: 1%)	55,300	62,300

Sensitivity analysis for fixed rate deposits with licensed banks at the end of the reporting period is not presented as they are not affected by changes in interest rates.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on import of raw materials and export of finished goods as well as cash and bank balances that are denominated in foreign currencies.

The Group does not use derivative financial instruments to hedge its risk.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in Singapore Dollar ("SGD"), United States Dollar ("USD") and Chinese Yuan ("CNY") exchange rate against the Ringgit Malaysia ("RM"), with all other variables held constant:

		Group	
		2026	2025
Profit after tax and equity		RM	RM
SGD/RM	- strengthen by 5% (2025: 5%)	87,100	147,400
	- weaken by 5% (2025: 5%)	(87,100)	(147,400)
USD/RM	- strengthen by 5% (2025: 5%)	300,500	117,000
	- weaken by 5% (2025: 5%)	(300,500)	(117,000)
CNY/RM	- strengthen by 5% (2025: 5%)	35,700	77,400
	- weaken by 5% (2025: 5%)	(35,700)	(77,400)

Sensitivity of Euro against RM was not presented as it is negligible.

27. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 2 July 2026, Hsing Lung Sdn. Bhd. ("HLSB"), a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement ("SPA") with Tanah Temasik Sdn. Bhd. for an acquisition of a piece of freehold industrial land together with a unit of detached factory erected thereon located in Mukim Plentong, Johor Bahru, for a total consideration of RM8,610,000. As at the date of this report, the acquisition has yet to be completed.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

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

(a) Group Total Income and Total Assets

		Group	
Total Income	**Remark**	**2026 RM**	**2025 RM**
Revenue		163,668,687	179,649,924
Interest income		689,849	728,507
Other income	Bad debts recovered	234,699	–
Other income	Gain on disposal of property, plant and equipment	12,164	–
Other income	Realised gain on foreign exchange	31,165	–
Other income	Unrealised gain on foreign exchange	141,023	–
Other income	Others	38,522	62,294
Total		**164,816,109**	**180,440,725**
Total Assets		**159,169,368**	**155,850,518**

(b) Business Activities

	Group	
Shariah Non-Compliant Activities	**2026 RM**	**2025 RM**
Interest income	57,374	77,328
Total	**57,374**	**77,328**

(c) Component of Financial Position

(i) Cash Component

	Group	
Islamic Account/Instrument	**2026 RM**	**2025 RM**
Islamic Account/Instrument	N/A	N/A
Total	**N/A**	**N/A**
Conventional Accounts/Instruments		
Cash at bank (exclude cash in hand)	22,520,251	16,058,624
Deposits with licensed banks	21,406,298	19,325,495
Total	**43,926,549**	**35,384,119**

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

(c) Component of Financial Position (Cont'd)

(ii) Debt Component

	Group	
Islamic Financing	**2026 RM**	**2025 RM**
Current		
- Lease liabilities	97,778	93,312
Non-Current		
- Lease liabilities	263,929	361,707
Total	**361,707**	**455,019**
Conventional Borrowings		
Current		
- Bank borrowings	940,032	1,018,763
Non-current		
- Bank borrowings	6,340,976	7,181,977
Total	**7,281,008**	**8,200,740**

LIST OF PROPERTIES

AS AT 31 MARCH 2026

Postal Address	Title No/ Location	Description	Tenure	Approximate Age of Building (years)	Land Area (square feet)	Built-up Area (square feet)	Audited net carrying amount as at 31 March 2026	Date of Acquisition
No. 10, Jalan Sri Plentong, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim	GN 250458 Lot 182937, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Industrial land with a renovated 1½ storey detached factory erected thereon	Freehold	28	41,801	21,412	RM1,949,296	9 November 2004
No. 1, Jalan Sri Plentong 6, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim	GN 250480 Lot 182949, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Industrial land with a renovated 1½ storey detached factory erected thereon	Freehold	28	42,270	22,809	RM1,832,628	28 January 2003
No. 3, Jalan Sri Plentong 6, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim	GN 250482 Lot 182950, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Industrial land with a renovated 1½ storey detached factory erected thereon	Freehold	28	41,979	22,604	RM8,060,561	18 March 2015
No. 9, Jalan Sri Plentong 6, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim	GN 250486 Lot 182953, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Industrial land with a renovated 1½ storey detached factory erected thereon	Freehold	25	41,355	30,768	RM6,544,809	28 December 2017
No. 12, Jalan Sri Plentong, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim	GN 250459 Lot 182938, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Industrial land with a single storey detached factory annexed with double storey office building erected thereon	Freehold	24	41,355	26,315	RM7,892,054	9 November 2023

LIST OF PROPERTIES
AS AT 31 MARCH 2026
(CONT'D)

Postal Address	Title No/ Location	Description	Tenure	Approximate Age of Building (years)	Land Area (square feet)	Built-up Area (square feet)	Audited net carrying amount as at 31 March 2026	Date of Acquisition
No. 2, Jalan Sri Plentong 4, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim	GN 250531, Lot 182928, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Industrial land with a 1½ storey detached factory erected thereon	Freehold	28	57,151	31,780	RM3,222,326	12 December 2005
No. 62, Jalan Sri Plentong 8, Sri Plentong Industrial Park, 81750 Masai, Johor Darul Takzim	H.S (D) 511693 PTD 111423, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Industrial land	Freehold	16	18,160	10,543	RM1,771,938	1 October 2012
No. 16, Jalan Rotan Semambu, Taman Ria Plentong, 81750 Masai, Johor Darul Takzim	GN 342208 Lot 21373, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Double storey terrace house	Freehold	26	1,540	2,097	RM203,666	30 September 2012
No. 40, Jalan Rotan Lilin, Taman Ria Plentong, 81750 Masai, Johor Darul Takzim	GN 466516 Lot 21254, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Double storey terrace house	Freehold	25	1,540	2,097	RM304,225	29 April 2014
# 05-01, Menara D, Residensi Masai, Jalan Masai Jaya 2, 81750 Masai, Johor	PTD 209317 H.S.(D) 499932, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Apartment	Freehold	10	–	1,010	RM241,151	29 October 2012
# 03-13A, Menara D, Residensi Masai, Jalan Masai Jaya 2, 81750 Masai, Johor	PTD 209317 H.S.(D) 499932, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Apartment	Freehold	10	–	1,010	RM235,774	29 October 2012

ANALYSIS OF SHAREHOLDINGS

SHARE CAPITAL AS AT 30 JUNE 2026

ISSUED SHARE CAPITAL	:	RM47,608,270.95 comprised of 475,713,257 ordinary shares fully paid
CLASS OF SHARES	:	Ordinary shares
VOTING RIGHTS	:	One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDERS ACCORDING TO STATISTICAL SUMMARY OF THE RECORD OF DEPOSITORS AS AT 30 JUNE 2026

No. of shareholders	Size of shareholdings	No. of shares held	%
224	Less than 100 shares	11,574	0.00*
510	100 to 1,000 shares	155,160	0.03
884	1,001 to 10,000 shares	5,950,542	1.25
1,374	10,001 to 100,000 shares	55,917,636	11.76
427	100,001 to less than 5% of issued shares	348,095,530	73.17
2	5% and above of issued shares	65,582,815	13.79
3,421	**TOTAL**	**475,713,257**	**100.00**

** Note : Less than 0.01%*

LIST OF 30 LARGEST SHAREHOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 30 JUNE 2026

No.	Name of shareholders	No. of shares held	%
1	CHUA LING HONG	34,102,825	7.17
2	TEOH GUAN KOK & CO. SDN. BERHAD	31,479,990	6.62
3	CHUA LING LEE	19,820,578	4.17
4	PUENG CHIN THONG @ FANG CHIN TONG	18,818,977	3.96
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)	17,425,850	3.66
6	CHUA KEE LAM	16,809,543	3.53
7	YEOH ENG HOW	14,433,580	3.03
8	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOH CHEN YOOK (MY4545)	14,419,000	3.03
9	CENTRAL EQUITY SDN. BHD.	14,264,873	3.00
10	CHAN WAI LING	14,000,000	2.94

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

LIST OF 30 LARGEST SHAREHOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 30 JUNE 2026 (CONT'D)

No.	Name of shareholders	No. of shares held	%
11	ANG KHENG KEONG	12,677,206	2.66
12	TAN YEOW PONG	9,609,061	2.02
13	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM YEE FOONG	7,384,500	1.55
14	TEOH KOOI KIM	5,200,522	1.09
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG THIAN FOOK (7009564)	4,000,000	0.84
16	TEOH SOON KUAN	3,828,250	0.80
17	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YONG THIAN FOOK (MY2065)	3,500,000	0.74
18	RADIANCE PERFECT INTL . SDN BHD	3,350,000	0.70
19	TEOH YEE PING	3,191,200	0.67
20	LIM AI POH	3,172,911	0.67
21	OOI AI SUAN	2,700,000	0.57
22	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG THIAN FOOK (7004124)	2,500,000	0.53
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG THIAN FOOK (7000207)	2,500,000	0.53
24	TEH CHAN TOON	2,353,500	0.49
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THIN TEEN SOON (E-BPJ)	2,273,400	0.48
26	SOH TECK GEE	2,244,600	0.47
27	HO FOOK SENG @ HO POCK SENG	2,048,000	0.43
28	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ABD RASHID BIN SELAMAT	2,011,100	0.42
29	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH CHEN YOOK (8089132)	2,000,000	0.42
30	GAU NGOO JIN @ GOH NGOO JIN	2,000,000	0.42

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2026
(As per Register of Substantial Shareholders)

		No. of shares held			
No.	**Name of shareholder**	**Direct Interest**	**%**	**Deemed Interest**	**%**
1	LOH CHEN YOOK	16,419,816	3.45	17,425,850*[1]	3.66
2	LOH FATT CHONG	17,425,850	3.66	16,419,816*[2]	3.45
3	DR CHUA KEE LAM	16,809,543	3.53	59,123,925*[3]	12.43
4	CHUA LING HONG	34,102,825	7.17	41,830,643*[4]	8.79
5	CHUA LING LEE	19,820,578	4.17	56,112,890*[5]	11.80
6	YEOH ENG HOW	14,433,580	3.03	34,085,451*[6]	7.17
7	TEOH KOOI KIM	5,200,522	1.09	103,695,983*[7]	21.80
8	TEOH GUAN KOK & CO. SDN. BERHAD	31,479,990	6.62	–	–
9	CENTRAL EQUITY SDN. BHD.	14,264,873	3.00	14,433,580*[8]	3.03

Notes:

1. *Deemed interested by virtue of his son's interest, namely Loh Fatt Chong.*
2. *Deemed interested by virtue of his father's interest, namely Loh Chen Yook.*
3. *Deemed interested by virtue of his wife's interest, namely Teoh Kooi Kim, and his children's interest, namely Chua Ling Hong and Chua Ling Lee.*
4. *Deemed interested by virtue of his parent's interest, namely Dr Chua Kee Lam and Teoh Kooi Kim, and his sister's interest, namely Chua Ling Lee.*
5. *Deemed interested by virtue of her parents' interest, namely Dr Chua Kee Lam and Teoh Kooi Kim, and her brother's interest, namely Chua Ling Hong.*
6. *Deemed interested by virtue of his wife's interest, namely Chua Ling Lee and Central Equity Sdn Bhd which is a shareholder of Karyon Industries Berhad.*
7. *Deemed interested by virtue of her husband's interest, namely Dr Chua Kee Lam, her children's interest, namely Chua Ling Hong and Chua Ling Lee, her brother's interests, namely Teoh Lean Lee and Teoh Liang Huat @ Teoh Lean Huat, and her sister's interest, namely Teoh Tang Kim @ Teoh Tung Kim and deemed interested by virtue of shareholding of Teoh Guan Kok & Co. Sdn. Berhad.*
8. *Deemed interested in shares held by Yeoh Eng How.*

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2026
(As per Register of Directors' Shareholdings)

		No. of shares held in Karyon Industries Berhad			
No.	**Name of Director**	**Direct Interest**	**%**	**Deemed Interest**	**%**
1	LOH CHEN YOOK	16,419,816	3.45	17,425,850*[1]	3.66
2	LOH FATT CHONG	17,425,850	3.66	16,419,816*[2]	3.45
3	CHUA LING HONG	34,102,825	7.17	41,830,643*[3]	8.79
4	KOK LEE NEE	157,500	0.03	–	–
5	YEOH ENG HOW	14,433,580	3.03	34,085,451*[4]	7.17
6	PHANG KOK KWEN	–	–	–	–
7	CHUA SHING YONG	–	–	–	–
8	LOW CHIUN YIK	–	–	–	–
9	LEE KIAN HU	–	–	–	–
10	JULIA TAN	–	–	–	–

Notes:

1. *Deemed interested by virtue of his son's interest, namely Loh Fatt Chong.*
2. *Deemed interested by virtue of his father's interest, namely Loh Chen Yook.*
3. *Deemed interested by virtue of his parent's interest, namely Dr Chua Kee Lam and Teoh Kooi Kim, and his sister's interest, namely Chua Ling Lee.*
4. *Deemed interested by virtue of his wife's interest, namely Chua Ling Lee and Central Equity Sdn Bhd which is a shareholder of Karyon Industries Berhad.*

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KARYON INDUSTRIES BERHAD
Registration No. 200301010377 (612797-T)
(Incorporated in Malaysia)

FORM OF PROXY

No. of Shares held:	
CDS Account No.	

I/We ______________________________ (NRIC/Passport/Company No. ______________________)
of (full address) ____
(email address) ____________________ and (contact no.) ____________________ a member / members of KARYON INDUSTRIES BERHAD hereby appoint

Name of Proxy *(Full Name)*	**NRIC No. / Passport No.**	**% of Shareholding to be Represented** *(Refer to Note 6)*
Address	**Email address**	**Contact No.**

*and/or failing him/her

Name of Proxy *(Full Name)*	**NRIC No. / Passport No.**	**% of Shareholding to be Represented** *(Refer to Note 6)*
Address	**Email address**	**Contact No.**

* or failing him/her, the Chairperson of the Meeting, as *my/our proxy to vote for *me/us and on *my/our behalf at the 23rd Annual General Meeting ("**AGM**") of the Company which will be held via fully physical mode at Ponderosa Golf & Country Club, Trading Post, No. 3, Jalan Ponderosa 1, Taman Ponderosa, 81100 Johor Bahru, Johor, Malaysia on **Wednesday, 9 September 2026** at **2.00 p.m.** and at every adjournment thereof to vote as indicated below in respect of the following Resolutions:
* *delete where applicable.*

ORDINARY BUSINESS		**FOR**	**AGAINST**
Ordinary Resolution 1	Approval of Directors' Fees		
Ordinary Resolution 2	Approval of Directors' Benefits (for the period commencing after the date of this AGM to the date of the next AGM)		
Ordinary Resolution 3	Re-election of Mr Low Chiun Yik		
Ordinary Resolution 4	Re-election of Mr Loh Fatt Chong		
Ordinary Resolution 5	Re-election of Mr Phang Kok Kwen		
Ordinary Resolution 6	Re-appointment of Messrs BDO PLT as the External Auditors		
SPECIAL BUSINESS			
Ordinary Resolution 7	Proposed Retention of Mr Phang Kok Kwen as an Independent Non-Executive Director		
Ordinary Resolution 8	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

(Please indicate with a "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

....
Signature/Common Seal of Member(s) **

Dated this .... day of 2026

** Manner of execution:

(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this Proxy Form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this Proxy Form should be affixed with the rubber stamp of your company (if any) and executed by:
    (i) at least two (2) authorised officers, of whom one shall be a director; or
    (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES:

1. For the purpose of determining who shall be entitled to attend this AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 1 September 2026. Only members whose names appear in the said Record of Depositors be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at an AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the AGM.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Registered Office of the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
    i) In hard copy form
    In the case of an appointment made in hard copy form, the Form of Proxy must be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80888 Ibrahim International Business District, Johor, Malaysia.
    ii) By electronic means via email
    In the case of an appointment made via email transmission, the Form of Proxy must be received via email at admin@aldpro.com.my.

    For option (ii), the Company may request any member to deposit original executed Form of Proxy to its Registered Office of the Company before or on the day of meeting for verification purpose.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80888 Ibrahim International Business District, Johor, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.
10. Last date and time for lodging the Form of Proxy is **7 September 2026, Monday at 2.00 p.m**.
11. Please bring an ORIGINAL of the following identification documents (where applicable) and present it to the registration staff for verification:
    a. Identity card (NRIC) (Malaysian); or
    b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian); or
    c. Passport (Foreigner).
12. For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please submit the Original / Duly Certified certificate of appointment executed in the manner as stated in the Form of Proxy if this has not been lodged at the Registered Office of the Company earlier. The certificate of appointment of authorised representative should be executed in the following manner:
    a. If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.
    b. If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
        (i) at least two (2) authorised officers, of whom one shall be a director; or
        (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Voting by Poll

Pursuant to Paragraph 8.29A of the MMLR of Bursa Securities, all resolutions set out in this notice is to be voted by poll.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary

Karyon Industries Berhad

Registration No. 200301010377 (612797-T)

Suite 5.11 & 5.12,

5th Floor, Menara TJB,

No. 9, Jalan Syed Mohd Mufti,

80888 Ibrahim International Business District,

Johor, Malaysia.

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www.karyongroup.com.my