THONG GUAN INDUSTRIES BERHAD

199401038519 (324203-K)

SUSTAINABLE INDUSTRIAL PROGRESS

ANNUAL REPORT 2025

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Ang Poon Chuan
Managing Director

Dato' Ang Poon Khim
Executive Director

Datuk Ang Poon Seong
Executive Director

Ang See Ming
Executive Director

Tengku Muzzammil Bin Dato' Tengku Makram
Independent Non-Executive Director

Lee Kean Teong
Independent Non-Executive Director

Teoh Mei Shean
Independent Non-Executive Director

AUDIT COMMITTEE

Lee Kean Teong
(Chairman)

Teoh Mei Shean
Tengku Muzzammil Bin Dato' Tengku Makram

NOMINATING COMMITTEE

Teoh Mei Shean
(Chairman)

Tengku Muzzammil Bin Dato' Tengku Makram
Lee Kean Teong

REMUNERATION COMMITTEE

Tengku Muzzammil Bin Dato' Tengku Makram
(Chairman)

Teoh Mei Shean
Lee Kean Teong

REGISTERED OFFICE

170-09-01 Livingston Tower,
Jalan Argyll,
10050 George Town, Penang.
T: 604 229 4390
F: 604 226 5860
E: boardroom-kl@boardroomlimited.com

PRINCIPAL PLACE OF BUSINESS

Lot 52, Jalan PKNK 1/6,
Kawasan Perusahaan Sungai Petani,
08000 Sungai Petani,
Kedah Darul Aman.
T: 604 441 7888
F: 604 441 9888

SHARE REGISTRAR

Shareworks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8,
Sri Hartamas 50480,
Kuala Lumpur.
T: 603 6201 1120
F: 603 6201 3121
E: sharereg@shareworks.com.my

JOINT COMPANY SECRETARIES

Ong Tze-En
(MAICSA 7026537)
(SSM PC No. 202008003397)

Lau Yoke Leng
(MAICSA 7034778)
(SSM PC No. 202008003368)

AUDITORS

KPMG PLT
LLP0010081-LCA & AF 0758
Chartered Accountants
Level 18, Hunza Tower,
163E Jalan Kelawei,
10250 Penang.

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Sector: Industrial Products
Stock Name: TGUAN
Stock Code: 7034
(Listing since 19 December 1997)

GROUP STRUCTURE AND PRINCIPAL ACTIVITIES

THONG GUAN INDUSTRIES BERHAD
199401038519 (324203-K)

Investment holding activities as well as trading of plastic and petroleum products.

100% THONG GUAN PLASTIC & PAPER INDUSTRIES SDN. BHD.
(198101007859) (73976-V)
Manufacturing and trading of plastic products.

- **100% TG PLASTIC TECHNOLOGIES SDN. BHD.**
  (200101001916) (537672-V)
  Manufacturing and trading of plastic packaging products.
- **51% TGW PLASTIC PACKAGING SDN. BHD.**
  (201801028384) (1290410-D)
  Manufacturing and trading of plastic packaging products.
- **49% WINNER BRIGHT INTERNATIONAL INDUSTRIAL LIMITED******
  Trading of plastic packaging products.
- **100% TG GREENPACK SDN. BHD.**
  (202101029991) (1430291-U)
  Dormant.
- **100% TG EUROPE A/S********
  Trading of plastic products.
- **100% TG PACKAGING SOLUTION LLC *********
  Trading of plastic products.

100% UNIANG PLASTIC INDUSTRIES SDN. BHD.
(198001003255) (57039-H)
Manufacturing and sale of film blown plastic products and flexible plastic packaging products.

85% TG POWER WRAP SDN. BHD.
(201001042929) (926857-K)
Manufacturing and marketing of polyvinyl chloride (PVC) cling food wrap.

70% TGSH PLASTIC INDUSTRIES SDN. BHD.
(200501002259) (679305-X)
Manufacturing and marketing of plastic packaging products.

100% NEWTON RESEARCH & DEVELOPMENT CENTRE SDN. BHD.
(201401047754) (1123943-X)
Research and development centre for plastic packaging industry.

100% THONG GUAN PLASTIC INDUSTRIES (SUZHOU) CO., LTD.*
Manufacturing and trading of plastic packaging products.

100% TGP PLASPACK (SUZHOU) CO., LTD.*
Manufacturing and trading of plastic packaging products.

- **100% CARGOSAFE R&D (SUZHOU) CO., LTD.***
  Dormant.

100% SYARIKAT THONG GUAN TRADING SDN. BHD.
(197601003548) (29442-K)
Manufacturing and trading of food and beverages products, trading of plastic products and wholesale of rice.

- **60% EVERPROSPER FOOD INDUSTRIES SDN. BHD.**
  (199601012190) (384539-H)
  Manufacturing and trading of noodle products.
  - **100% EVERPROSPER MARKETING (M) SDN. BHD.**
    (200001021686) (524293-A)
    Dormant.
- **79% THONG GUAN TRADING (THAILAND) COMPANY LIMITED*****
  Manufacturing and trading of food and beverages products and plastic products.

100% JAYA UNI'ANG SDN. BHD.
(198301000881) (96114-P)
Trading in film blown plastic products, food and consumable products.

100% TGP MARKETING SDN. BHD.
(200001028901) (531508-T)
Dormant.

100% TG PLASPACK (VIETNAM) CO., LTD.**
Dormant.

100% TG PLASPACK MYANMAR CO., LTD*****
Dormant.

100% 888 FOOD INDUSTRIES SDN. BHD.
(201301031367) (1061196-H)
Dormant.

90% 888 CAFE SDN. BHD.
(200301033357) (635778-D)
Dormant.

100% TG DEVELOPMENT SDN. BHD.
(202201038927) (1484624-W)
Property development.

100% PT. TGP PLASPACK LESTARI********
Incorporated on 23 April 2025
Dormant

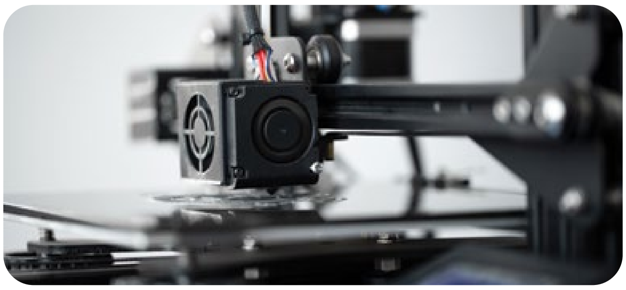
Note:

*	*Incorporated in the People's Republic of China*
**	*Incorporated in the Socialist Republic of Vietnam*
***	*Incorporated in Kingdom of Thailand*
****	*Incorporated in Hong Kong SAR of the People's Republic of China*
*****	*Incorporated in Republic of the Union of Myanmar*
******	*Incorporated in Denmark*
*******	*Incorporated in United States of America*
********	*Incorporated in Republic of Indonesia*

FINANCIAL HIGHLIGHTS AND INDICATORS

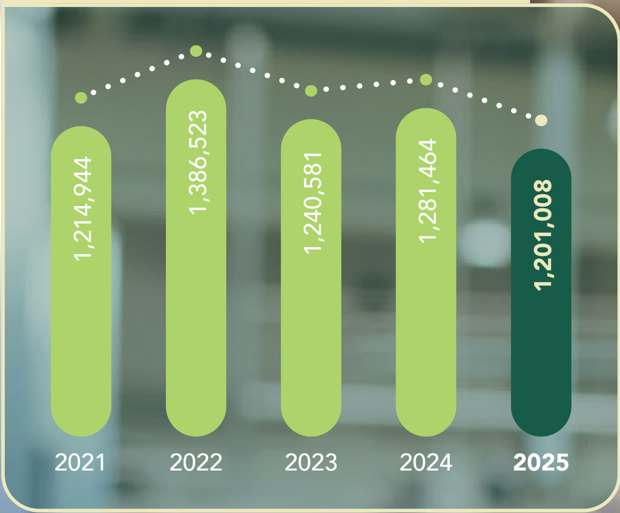
In RM '000	2021	2022	2023	2024	2025
Revenue	1,214,944	1,386,523	1,240,581	1,281,464	**1,201,008**
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	154,398	159,519	133,997	130,923	**117,814**
Profit Before Taxation	125,218	124,435	91,666	87,706	**76,481**
Profit After Tax	98,012	101,661	72,205	67,304	**61,209**
Net Profit Attributable to Equity Holders	92,876	99,948	71,315	67,175	**63,143**
Total Assets	1,217,758	1,304,406	1,399,917	1,483,006	**1,446,377**
Total Borrowings	186,261	223,409	198,079	210,492	**178,943**
Shareholders' Equity	733,800	821,060	923,959	956,679	**928,932**

	2021	2022	2023	2024	2025
Return on Equity (%)	12.66	12.17	7.81	7.04	**6.59**
Return on Total Assets (%)	8.05	7.79	5.16	4.54	**4.23**
Gearing Ratio (Times)	0.25	0.27	0.21	0.22	**0.19**
Interest Cover (Times)	67.46	25.10	13.40	12.53	**14.43**
Earnings Per Share (Sen)	24.42	25.86	18.16	16.79	**15.78**
Net Assets Per Share (Sen)	189.55	210.27	233.66	238.19	**234.96**
Gross Dividend Per Share (Sen)	5.50	6.00	4.24	2.50	**6.50**
Price Earning (PE) Multiple (Times)	11.42	9.13	10.35	8.93	**7.41**
Gross Dividend Yield (%)	1.99	2.54	2.26	1.67	**5.56**
Share Price as at financial year end (RM)	2.77	2.36	1.88	1.50	**1.17**

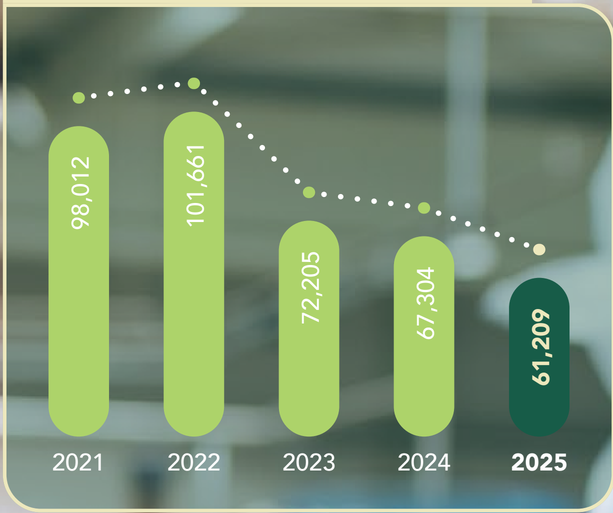


FINANCIAL HIGHLIGHTS AND INDICATORS

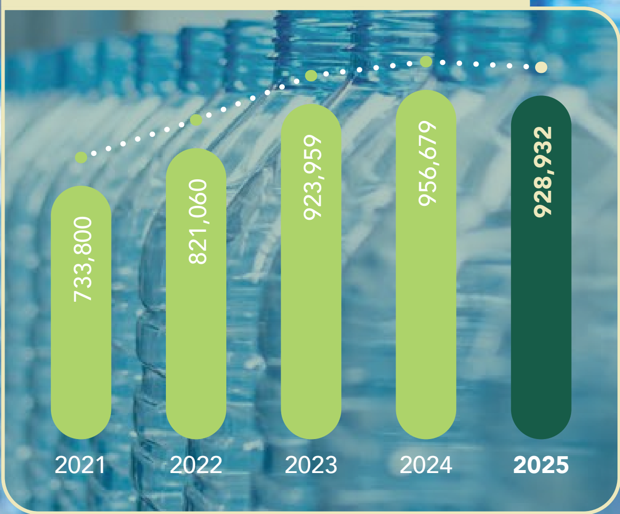
REVENUE (RM'000)



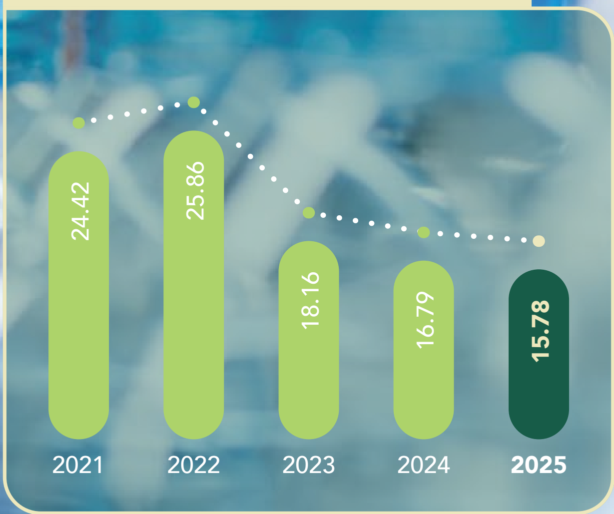
PROFIT AFTER TAX (RM'000)



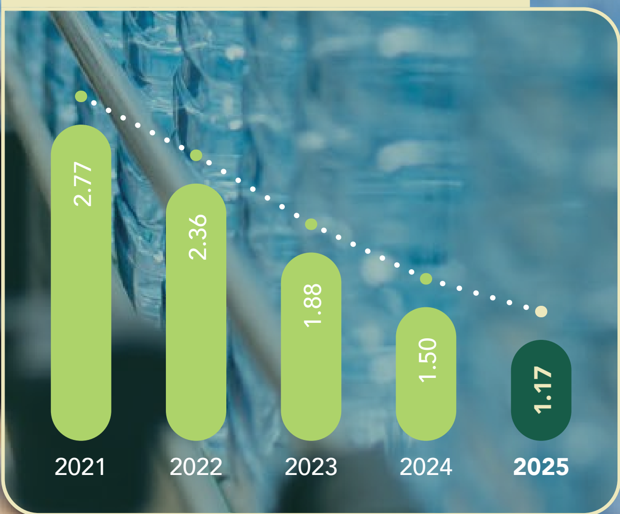
SHAREHOLDERS' EQUITY (RM'000)



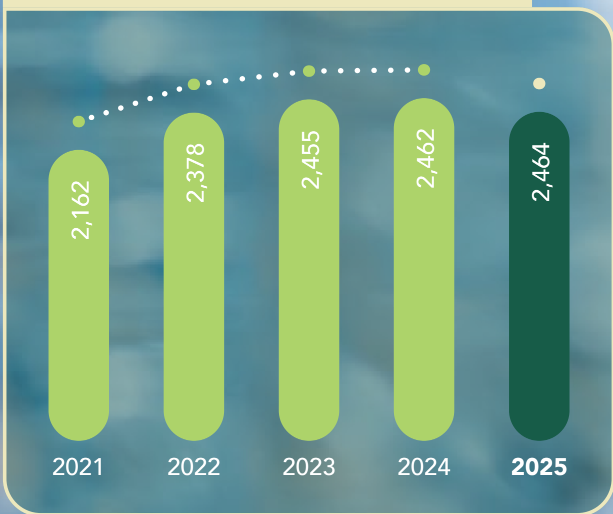
EARNINGS PER SHARE (SEN)



SHARE PRICE AS AT FINANCIAL YEAR END (RM)



HUMAN CAPITAL (HEADCOUNT)



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

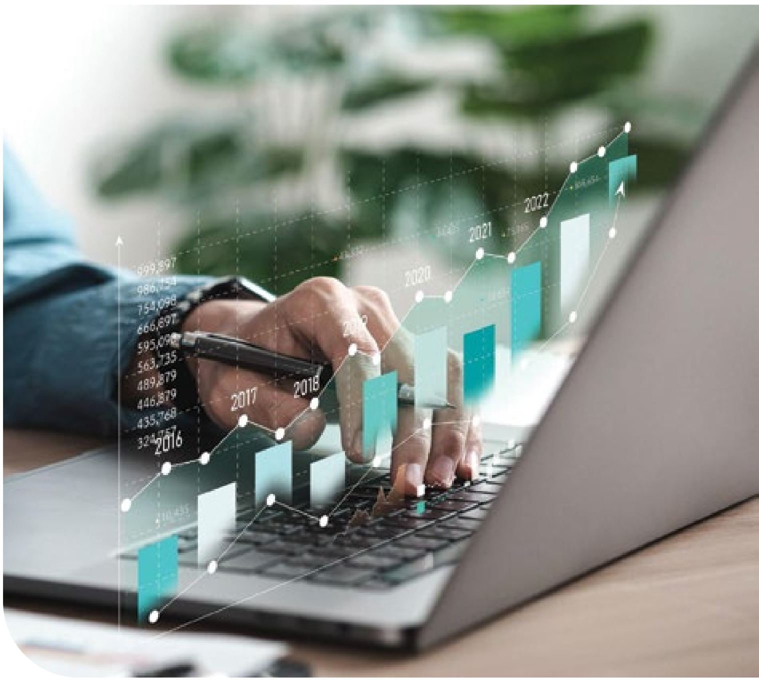
Thong Guan Industries Berhad ("the Group" or "Thong Guan" or "TGI") carry a manufacturing and trading business which involve in plastic products and packaged food, beverages and other consumable products. The Group major activities as below: -

a) Manufacturing and trading the plastic products which included Japan garbage bags, Industrial used bags, stretch films, PVC food wrap & courier bags;

b) Manufacturing and trading of coffee and tea products;

c) Distribution and trading of fast-moving consumer goods (FMCG); and

d) Property development.



BUSINESS STRATEGIES

Thong Guan's business strategy is based on the principle of creating value for our customers that safeguards not only their goods and returns but also the environment. During the financial year ended 31 December 2025 ("FY2025"), the Group business dealt with higher prices for goods and services, along with changing interest rates and ongoing global tensions, managing cost while handling economic uncertainties was tough, demanding smart planning and flexible strategies to stay competitive in a volatile world market. Despite these challenges, the Group remained focused on developing more high-quality products to protect its revenue and profitability. Furthermore, the Group also prioritized sustainability issues and aimed to help its customers build a green and sustainable business environment. (Refer to Sustainability Statement).

FINANCIAL REVIEW

	31.12.2025 RM'000	31.12.2024 RM'000	Variance RM'000	Variance %
Revenue				
Plastic products	**1,033,939**	1,132,648	(98,709)	(8.7)
Food, beverages and other consumable product	**160,462**	148,816	11,646	7.8
Others	**6,607**	-	6,607	-
Group	**1,201,008**	1,281,464	(80,456)	(6.3)
Profit before tax				
Plastic products	**43,419**	90,540	(47,121)	(52.0)
Food, beverages and other consumable product	**29,778**	12,605	17,173	136.2
Others	**3,284**	(15,439)	18,723	121.3
Group	**76,481**	87,706	(11,225)	(12.8)

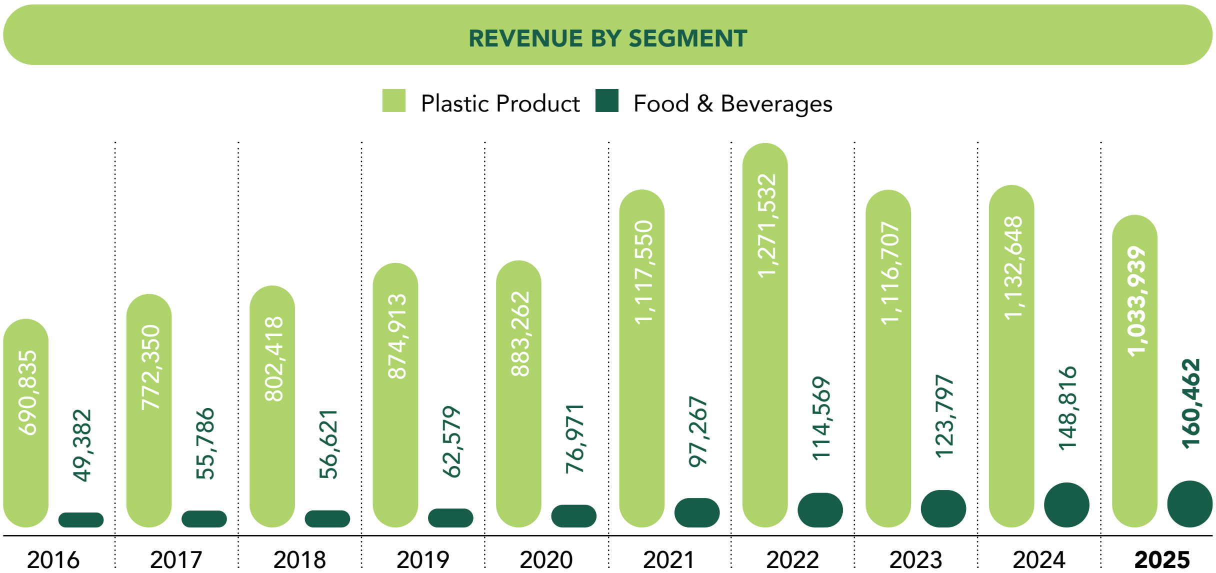
FINANCIAL REVIEW (CONT'D)

a) Revenue

The Group's financial performance for FY2025 reflects a resilient yet softer outcome relative to FY2024, amid a challenging operating environment.

Total revenue declined by 6.3% to RM1.20 billion, primarily attributable to an 8.7% contraction in the plastic products segment, which remains the Group's principal revenue contributor. This decline was partially offset by a 7.8% increase in revenue from the food, beverages and other consumable products segment, underpinned by stronger demand, alongside a modest contribution from the "others" segment.

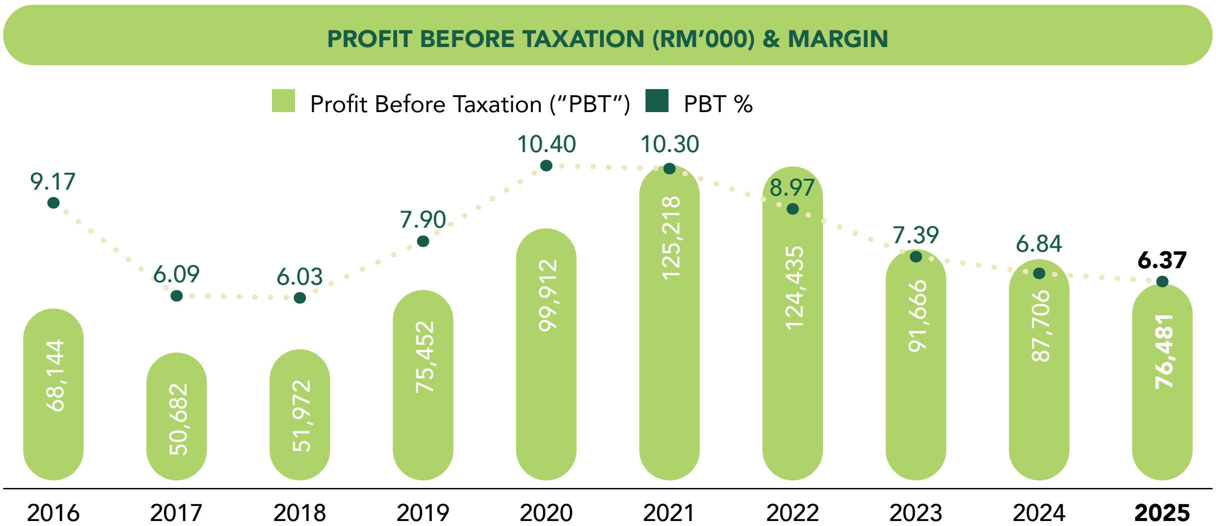
The chart below shows the Group major two segments revenue for the past 10 years.



b) Profit Before Taxation ("PBT")

Profit before tax decreased by 12.8% to RM76.5 million, largely driven by a substantial 52.0% reduction in profitability within the plastic products segment. Nevertheless, this was mitigated by robust earnings growth in the food, beverages and other consumable products segment, which recorded a significant increase in profit, as well as a turnaround in the "others" segment from a loss in the prior year to a profit position in the current year.

The following chart illustrates the Group's PBT and PBT margin for the past 10 years.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL POSITION

Assets

As of December 31, 2025, total assets had decreased 2.5% to RM1.45 billion, from RM1.48 billion in the previous year. The decrease in total assets was mainly due to a decrease in property, plant and equipment amounting to RM30.3 million due to decrease in effect of movement in exchange rate. The Group has a total of RM338.5 million in cash and cash equivalents. This strong cash reserve will enable the Group to carry out its strategic expansion plans in a timely manner and navigate any unpredicted economic downturns with ease.

Liabilities

As of December 31, 2025, total liabilities had decreased by 1.5% to RM489.2 million, down from RM496.6 million in the previous year.

Equity

As of December 31, 2025, total equity had decreased from RM986.4 million in FY2024 to RM957.2 million, representing decrease of 3%. The decreased in total equity was mainly due to loss from foreign currency translation difference recorded in FY2025 amounting RM56.6 million, dividend paid amounting RM26.0 million and purchased of own shares amounting RM7.2 million.

SHARE CAPITAL AND EARNING PER SHARE ("EPS")

Share Capital

The number of issued shares are 404.4 million as at 31 December 2025.

EPS

FY2025 basic EPS is 15.78 sen.

CASH FLOWS

Cash from operating activities

Net cash generated from operating activities increased significantly to RM147.5 million in FY2025, compared to RM60.9 million in FY2024. This improvement was primarily attributable to reduced purchases of raw materials during the year relative to the preceding financial year.

Cash used in investing activities

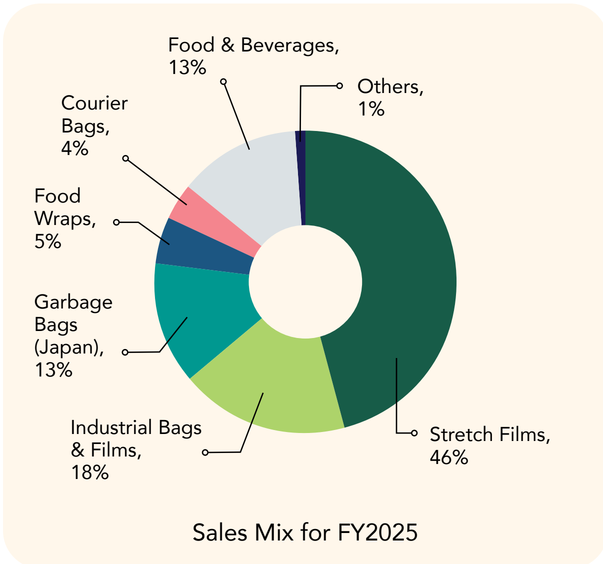
Net cash used in investing activities increased to RM37.8 million in FY2025, compared to RM27.8 million in FY2024. The higher outflow was primarily attributable to the acquisition of property, plant, and equipment amounting to RM34.6 million, slightly higher than RM33.7 million recorded in the previous financial year. In addition, the Group undertook investments totalling RM9.7 million during FY2025, further contributing to the overall cash outflow.

Cash from financing activities

Net cash used in financing activities increased significantly to RM68.6 million in FY2025, compared to RM9.7 million in FY2024. This higher outflow was primarily driven by a net repayment of loans and borrowings amounting to RM34.3 million, in contrast to a net drawdown of RM16.0 million recorded in the previous financial year.

Dividend payments in FY2025 amounting RM18.1 million, representing a decrease from RM22.0 million in FY2024, while interest paid also declined to RM8.2 million from RM10.4 million previously. Additionally, the Company undertook share buybacks during the year, purchasing its own shares amounting to RM7.2 million, which further contributed to the overall cash outflow in financing activities.

SALES MIX FOR FY2025



Sales Mix for FY2025

MANAGEMENT DISCUSSION AND ANALYSIS

SALES MIX FOR FY2025 (CONT'D)

Plastic Division

The Group's plastic products comprise five main categories: stretch films, industrial bags, garbage bags, PVC food wraps, and courier bags. The revenue contribution from each category is 46%, 18%, 13%, 5%, and 4%, respectively.

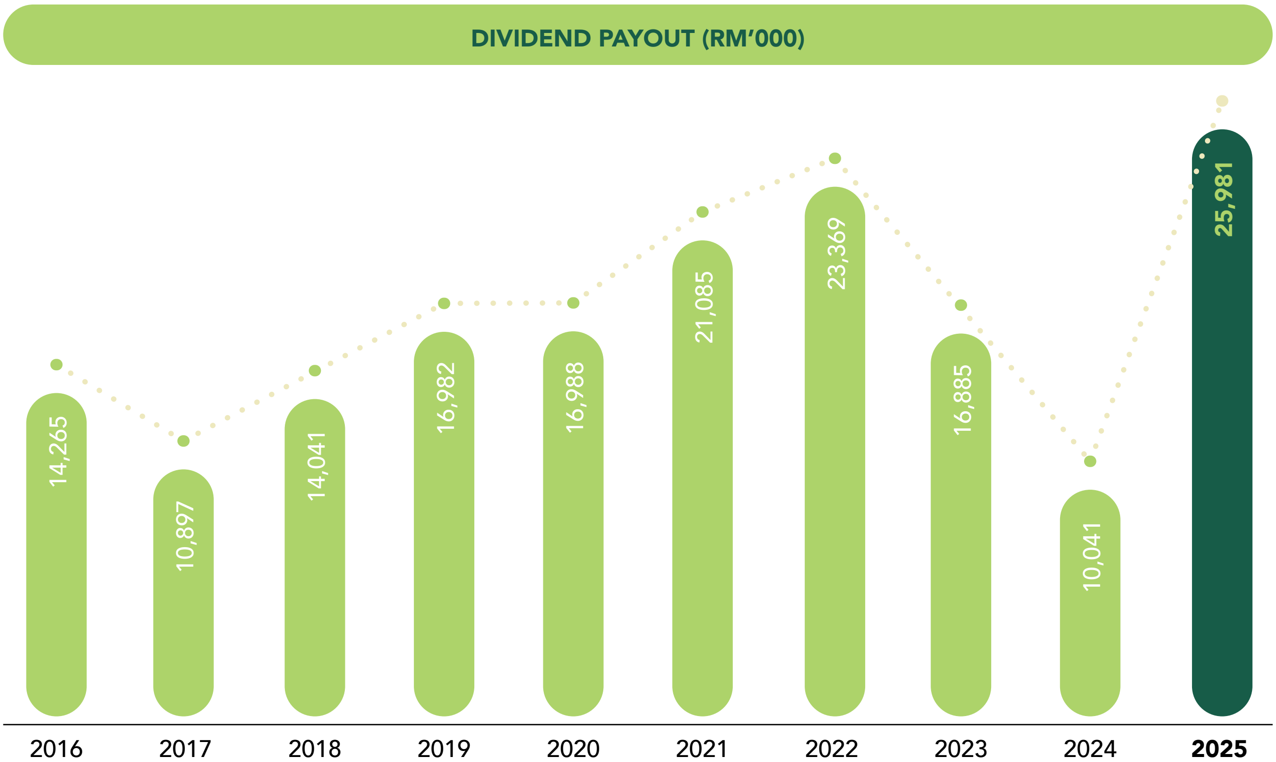
Food, Beverage and other Consumable Products (F&B)

During the financial year, the F&B division has delivered an annual contribution of 13% to the Group's total revenue. This is due to increased sales of tea, coffee and instant beverage products.

DIVIDEND

The Group does not have an official dividend policy, it has consistently declared dividends to shareholders each year. On 18 July 2025 and 19 January 2026, the Group paid a first single-tier interim ordinary dividend of 4.50 sen per ordinary share and second single-tier interim ordinary dividend of 2.00 sen per ordinary share respectively, with a total dividend pay-out of RM25.98 million for FY2025.

In total, Thong Guan has returned around RM170.53 million to shareholders over a period of 10 years. The following chart illustrates the Group's dividend pay-out since FY2016.



MANAGEMENT DISCUSSION AND ANALYSIS

KEY RISK RELATING TO THE BUSINESS AND MITIGATION

a) Foreign Currency Risk

The Group is export-oriented, with approximately 70% of its revenue derived from overseas markets. A significant portion of the Group's transactions is denominated in United States Dollars ("USD"). As a result, the Group is exposed to foreign currency risk, whereby fluctuations in exchange rates may give rise to foreign exchange gains or losses upon the receipt and settlement of such transactions.

Risk Management and Mitigation Measures

In managing this exposure, the Group primarily adopts a natural hedging approach, whereby foreign currency inflows and outflows are matched, where practicable, to reduce net exposure. The Group also monitors its foreign currency positions on an ongoing basis and maintains prudent financial management practices to mitigate the impact of adverse currency movements.

Ongoing Monitoring

The Board recognises that foreign exchange risk is inherent in the Group's business operations and will continue to monitor currency movements and market conditions closely. Appropriate measures will be considered, where necessary, to manage the Group's exposure to foreign currency fluctuations.

b) High Business Concentration Risk

The Group derives a substantial portion of its revenue from the plastic products segment, which contributed approximately 86% of total Group revenue for the financial year under review. Within this segment, the stretch film division accounted for approximately 46% of total Group revenue. As such, the Group is exposed to concentration risk, whereby any adverse changes in demand, pricing, or market conditions for stretch film products may have a material impact on the Group's financial performance.

Risk Management and Mitigation Measures

In managing this risk, the Group continues to undertake research and development initiatives to enhance product quality, improve operational efficiency, and diversify its product offerings. The establishment of Newton Research and Development Centre Sdn. Bhd. supports these efforts by providing technical services and training to customers, including cargo safety, load stability, cost optimisation, and the responsible use of plastic-based products.

In addition, the Group has embarked on property development activities as part of its longer-term strategy to diversify its sources of income. The property development segment has contributed to the Group's revenue in the current financial year. However, as this segment is still in its early stage, its contribution remains relatively small and is not expected to significantly reduce the Group's reliance on the plastic products segment in the near term.

Ongoing Monitoring

The Board acknowledges the Group's continued reliance on the stretch film division and will continue to monitor market developments closely. While demand for stretch film products is presently expected to remain relatively stable, there are inherent uncertainties in the operating environment. The Group will continue to take appropriate measures, where necessary, to manage and mitigate the associated risks.

BUSINESS OUTLOOK

The global economic environment is expected to remain challenging in the near term, influenced by ongoing uncertainties in market conditions, cost pressures and external headwinds. In response, Management will continue to adopt a disciplined and proactive approach in managing the Group's operations, with a focus on cost optimisation, operational efficiency and risk mitigation. The Group will continue to strengthen its competitive position by enhancing core business capabilities while actively pursuing growth opportunities across both domestic and international markets. Strategic emphasis will be placed on expanding product offerings, improving productivity and leveraging market demand across all business segments.

Moving forward, Management remains cautiously optimistic on the Group's prospects. Barring any unforeseen circumstances, the Group expects its business segments to sustain their performance and progressively improve in line with its strategic objectives.

APPRECIATION

The Group extend its sincere appreciation to all valued customers, suppliers, financial institutions, regulatory authorities and stakeholders for their continued support and confidence in Thong Guan, which has enabled the Group to execute its strategic initiatives effectively. The Board also wishes to acknowledge the dedication and commitment of the management team and employees across the Group, whose contributions have been instrumental in driving operational performance and sustaining business growth. Finally, the Board expresses its gratitude to fellow Directors for their invaluable guidance, stewardship and insights throughout the year. Together, the Group remains committed to strengthening its performance and delivering sustainable value in the years ahead.

PROFILE OF DIRECTORS

Dato' Ang was appointed as the Managing Director on 18 September 1997.

DATO' ANG POON CHUAN

AGED 81 | MALE
MALAYSIAN

He completed his MCE prior to joining Thong Guan Industries Berhad ("TGI") as a Marketing Executive in 1965. He rose through the ranks to the position of Managing Directors of Syarikat Thong Guan Trading Sdn. Bhd. and Thong Guan Plastic & Paper Industries Sdn. Bhd. (both wholly-owned subsidiaries of TGI) in 1983. During his 61 years of service, he has gained extensive knowledge of the plastic, paper, food, beverages and trading business. His invaluable business acumen and foresight has shaped and build TGI to its present stature. He is a well-respected figure in the plastic industry and was the former President of the Malaysian Plastic Manufacturers Association (Northern Branch).

He attended three of the four Board meetings held for the financial year. He is the brother of Dato' Ang Poon Khim and Datuk Ang Poon Seong and the father of Ang See Ming. He is a shareholder of Foremost Equals Sdn. Bhd. which is a major shareholder of TGI. He has no conflict of interest with the Company other than as disclosed in note to the financial statement in the Annual Report and Circular to shareholders dated 30 April 2026 on recurrent related party transactions and does not hold any other directorship in public companies. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

Dato' Ang was appointed as the Executive Director on 18 September 1997.

DATO' ANG POON KHIM

AGED 71 | MALE
MALAYSIAN

He obtained a Bachelor of Science (Hons) in Mechanical Engineering from Teeside University, U.K and joined Thong Guan in 1980. During his early career with the TGI, he demonstrated in-depth involvement in operations and international market expansion. He also spearheaded product development initiatives for stretch film products, driving innovation in the sector.

Recognising the critical importance of load and cargo safety, he established the Newton R&D Centre, a dedicated research and development division within TGI to ensure that packaging products deliver optimal safety and reliability during use.

In recent years, his contributions to TGI have included overseeing group operations and serving as a catalyst for advancing the group's ESG (Environmental, Social and Governance) and sustainability initiatives.

Currently serving as Executive Director of the Group, he also holds the position of Chairman of KISMEC (Kedah Industrial Skills and Management Development Centre), where he continues to champion workforce development and industrial excellence.

He attended all of the four Board meetings held for the financial year. He is the brother of Dato' Ang Poon Chuan and Datuk Ang Poon Seong. He is a shareholder of Foremost Equals Sdn. Bhd., which is a major shareholder of TGI. He has no conflict of interest with the Company other than as disclosed in note to the financial statement in the Annual Report and Circular to shareholders dated 30 April 2026 on recurrent related party transactions and does not hold any other directorship in public companies. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS

DATUK ANG POON SEONG

AGED 70 | MALE
MALAYSIAN

He is an accomplished business leader, currently serving as the Managing Director of Jaya Uni'ang Sdn. Bhd. and Uniang Plastic Industries Sdn. Bhd., both wholly-owned subsidiaries of TGI. He started as a Marketing Executive at Thong Guan after completing his MCE in 1976. Due to his exceptional performance, he quickly rose through the ranks and was soon tasked with spearheading the company's expansion into Sabah in 1980. With his visionary leadership and unwavering commitment, he successfully established the Sabah operations of TGI Group, which grew to become the largest plastic flexible packaging manufacturer in Sabah.

Under his stewardship, the Sabah operations of TGI Group significantly contributed to the state's economy and provided employment opportunities for many locals. Datuk Ang's dedication and expertise have also earned him various positions in industry associations, including Advisor of Small and Medium Enterprise Association of Sabah, Advisor of Malaysia China Chamber of Commerce (Sabah Branch) and Advisor of Sabah Liu Kwee Tang Clansmen Association. Moreover, he has previously served as Chairman of the Malaysian Plastics Manufacturers Association (Sabah Branch) and President of the Federation of Sabah Manufacturers, highlighting his valuable contributions to the growth and development of the plastics manufacturing industry in Sabah.

He attended all of the four Board meetings held for the financial year. He is the brother of Dato' Ang Poon Chuan and Dato' Ang Poon Khim. He is a shareholder of Foremost Equals Sdn. Bhd., which is a major shareholder of TGI. He has no conflict of interest with the Company other than as disclosed in note to the financial statement in the Annual Report and Circular to shareholders dated 30 April 2026 on recurrent related party transactions and does not hold any other directorship in public companies. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

Datuk Ang was appointed as the Executive Director on 18 September 1997.

MR. ANG SEE MING

AGED 56 | MALE
MALAYSIAN

He holds a Bachelor of Business (Accounting) degree from Monash University, Australia. He joined TGI in 1993 as an Account Executive and rose through the ranks to become the General Manager prior to his appointment to the Board. He was instrumental in planning the listing of TGI on the Kuala Lumpur Stock Exchange and has contributed immensely to the growth of TGI.

He attended all of the four Board meetings held for the financial year. He is the son of Dato' Ang Poon Chuan and the nephew of Dato' Ang Poon Khim and Datuk Ang Poon Seong. He has no conflict of interest with the Company other than as disclosed in note to the financial statement in the Annual Report and Circular to shareholders dated 30 April 2026 on recurrent related party transactions and does not hold any other directorship in public companies. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

Mr. Ang was appointed as the Executive Director on 11 December 2013.

PROFILE OF DIRECTORS

Tengku Muzzammil was appointed as the Independent Non-Executive Director on 25 August 2016.

TENGKU MUZZAMMIL BIN DATO' TENGKU MAKRAM

AGED 52 | MALE
MALAYSIAN

He graduated with a Diploma in Business Studies and Diploma in Marketing from Stamford Group of Colleges. He started his career at Pembinaan Jayabumi (S) Sdn. Bhd. in 1996 as Marketing Executive. Thereafter, in 1997, he assumed the role as Special Project Executive in FACB Berhad. In 1998, he joined R. AT Design Sdn. Bhd. as an Assistant Manager and was promoted to General Manager in 2002. He is the owner of TM Med Sdn. Bhd. which specialized in the provision of medical supplies to government hospital. He currently sits on the Board of Tropicana Golf Sdn Bhd, 7 Eleven (M) Sdn Bhd and Seri Libana Sdn Bhd. He appointed as Chairman of Yayasan Infaq Nasional on 3rd March 2025.

He serves as the Chairman of Remuneration Committee and is a member of the Audit Committee and Nominating Committee. He attended all the four Board meetings held for the financial year. He does not have any family relationship with any director and/or major shareholders of the Company. He has no conflict of interest with the Company. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

Mr. Lee was appointed as the Independent Non-Executive Director on 28 November 2022.

MR. LEE KEAN TEONG

AGED 67 | MALE
MALAYSIAN

He was with KPMG Malaysia for more than 35 years and was a partner until his retirement on 31 December 2014. He qualified as a Chartered Accountant of Malaysia Institute of Accountants (MIA) and is also a member of Malaysian Institute of Certified Public Accountants (MICPA).

He has extensive experience in audit and management consulting throughout his career. He was the engagement partner for a wide range of companies which include public listed companies and multinationals in various industries, mainly in manufacturing, property development and construction, hotel, stock broking and finance. He currently sits on the Board of Asas Dunia Berhad and Oriental Holdings Berhad.

He serves as the Chairman of Audit Committee and is a member of the Remuneration Committee and Nominating Committee. He attended all of the four Board meetings held for the financial year. He does not have any family relationship with any director and/or major shareholders of the Company. He has no conflict of interest with the Company. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year

PROFILE OF DIRECTORS

MS. TEOH MEI SHEAN

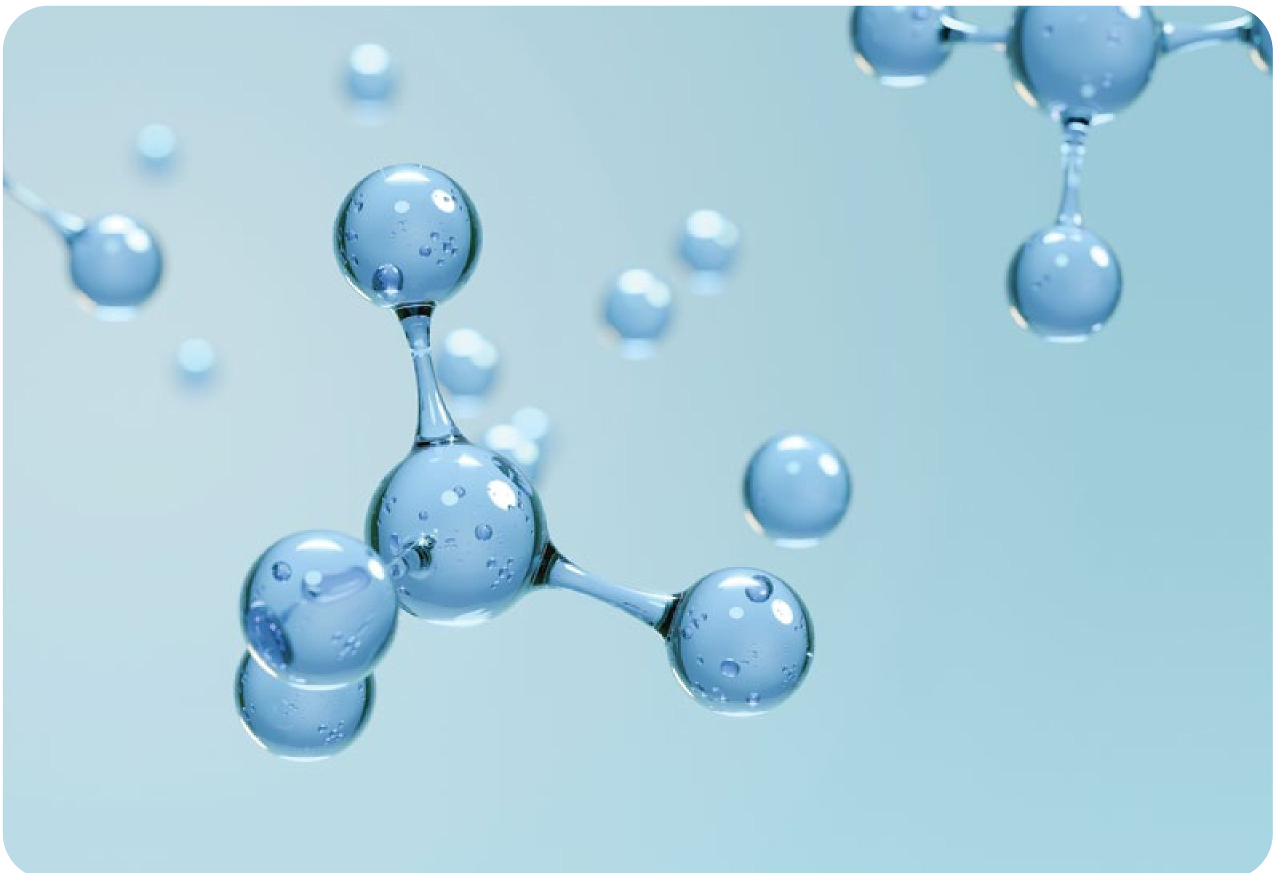
AGED 48 | FEMALE
MALAYSIAN

She graduated with a Bachelor of Architectural Studies (Hons) and a Diploma in Architecture from the University of Glasgow, Scotland. She is a member of the Board of Architects Malaysia and the Malaysian Institute of Architects, and is also a Board Member of the Lembaga Totalisator Malaysia of the Ministry of Finance.

She started her career at Keppie Design Ltd. In Glasgow for a year before returning to Malaysia in 2002. On her return from the United Kingdom, she joined M.K.Teoh Architect as Project Architect for 6 years, before joining Arkitek ZAA Sdn Bhd in 2008. She is one of the main consulting architects leading the practice currently and has extensive experience in design and project management on a variety of projects specialising in hospitality, institutional and residential buildings.

She serves as the Chairman of Nominating Committee and a member of the Audit Committee and Remuneration Committee. She attended all of the four Board meetings held for the financial year. She does not have any family relationship with any director and/or major shareholders of the Company. She has no conflict of interest with the Company. She has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

Ms. Teoh was appointed as the Independent Non-Executive Director on 28 November 2022.




FY2025 SUSTAINABILITY STATEMENT
LIVE GREEN
A SUSTAINABILITY ADVOCATOR'S JOURNEY
THONG GUAN
INDUSTRIES BERHAD
Registration No. 199401038519 (324203-K)

Contents

OUR SUSTAINABILITY COMMITMENT

The Group is committed to creating long-term sustainable value by integrating environmental, social and governance ("ESG") considerations into its business strategy and operations.

"We strive to operate responsibly by advancing product innovation, fostering a safe and inclusive workplace, and upholding strong governance practices. Our efforts focus on improving resource efficiency, reducing emissions and waste, and ensuring responsible management of environmental and social impacts across our value chain.

Through these commitments, we aim to strengthen resilience, support our stakeholders and contribute to a more sustainable and responsible future."

About Us

Who We Are

Thong Guan Industries Berhad ("Thong Guan", the "Group", "we", "us", or "our") is a Malaysian public-listed company with over 80 years of business excellence. The Group is a well-diversified manufacturer of plastic packaging products for industrial and commercial applications, complemented by its consumer food and beverage ("F&B") business.

With a strong international presence, Thong Guan exports to more than 70 countries, supported by an extensive manufacturing footprint and continuous innovation in packaging solutions.

In 2025, the Group refined its European market approach by reorganised its sales and R&D presence in Europe and transitioning towards a partnership-driven model. Working closely with local partners enhances market access, improves responsiveness to customers and provides greater cost efficiency within the region.

The Group has also initiated its property development venture as part of its efforts to diversify income streams.

Guided by its commitment to sustainability, Thong Guan continues to embed responsible practices across its operations, focusing on long-term value creation for stakeholders while strengthening its global competitiveness.

17 Factories

1 Overseas Sales Office

2 R&D Centres

>70 Country Export

84 Years of Excellency

1 Property Development Site

SUSTAINABILITY STATEMENT

Message from the MANAGING DIRECTOR

LOOKING BACK WITH PRIDE. MOVING FORWARD WITH PURPOSE.

FY2025 was a year that tested the resilience of industries across the globe. Slower economic growth, volatile commodity markets and cautious purchasing behaviour from customers created a challenging operating environment, particularly for the plastic packaging industry.

Within this context, our Plastic Division experienced margin pressure, largely influenced by the global economic slowdown, fluctuations in foreign exchange rates and rising operational costs throughout the year. While these factors affected the pace of growth in certain markets, the Group remained focused on strengthening operational discipline, improving cost efficiency and maintaining our commitment to product quality and customer service.

Encouragingly, the impact of these challenges was cushioned by the strong performance of our Food & Beverage (F&B) Division. Lower raw material costs resulting from the stronger Malaysian Ringgit, coupled with robust consumer demand through digital commerce platforms, supported improved performance in this segment. Online sales channels such as TikTok Shop, Shopee and other e-commerce platforms continued to gain traction, reflecting the evolving dynamics of consumer purchasing behaviour and opening new avenues for growth.

Throughout the year, we continued to strengthen our operational foundations while advancing our sustainability. Across our production sites, we implemented initiatives to improve production consistency, optimise resource utilisation and reduce operational waste. At the same time, we expanded solar generation capacity in key facilities as part of our ongoing efforts to improve energy efficiency and reduce environmental impact.

> **With discipline, innovation and a shared commitment to sustainability, we move forward into FY2026 with confidence and determination.**

Sustainability remains embedded in our long-term strategy. As the global packaging industry transitions toward a more circular model, we recognise both the responsibility and opportunity to play a proactive role. We continue to support the development of recyclable packaging solutions, promote the use of post-consumer recycled (PCR) materials and collaborate with stakeholders across the value chain to advance circular packaging systems.

Within this broader packaging landscape, stretch film, our core product segment continues to evolve rapidly. Traditional performance indicators such as stretch ratios alone are no longer sufficient measures of efficiency. Today, greater emphasis is placed on containment force, post-stretch thickness, load stability and overall material optimisation. This shift reflects the increasing demand for high-performance solutions that balance efficiency, cost and sustainability, aligning well with our strengths in film engineering, materials expertise and technical innovation.

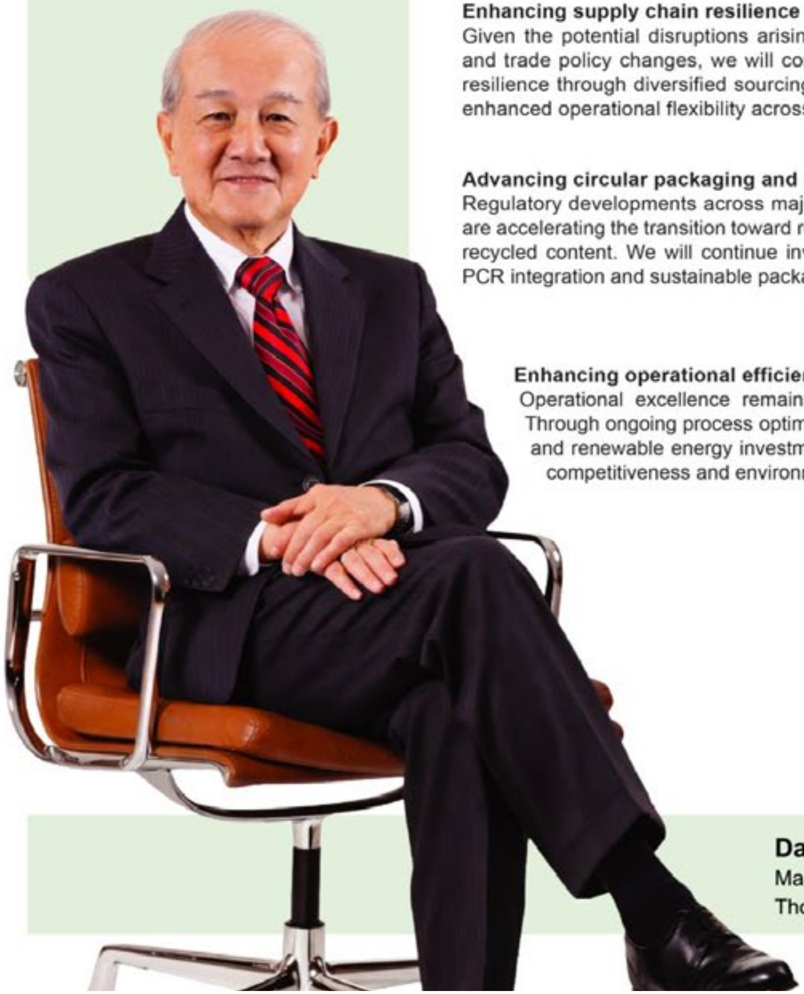
Looking ahead, FY2026 is expected to remain a challenging year. Ongoing geopolitical tensions, evolving trade policies and potential disruptions to global supply chains continue to create uncertainty across international markets. Conflicts and geopolitical developments in several regions have also contributed to volatility in energy prices, logistics costs and international trade flows. These factors may continue to influence global demand patterns and operational costs across the manufacturing sector.

In response, we remain vigilant and proactive in strengthening our enterprise risk management framework and ensuring that our operations remain agile and resilient. Our diversified business structure, supported by both industrial packaging and consumer-focused businesses, provides a strong foundation to navigate market volatility. Through prudent financial management, disciplined operational execution and continuous innovation, we believe the Group is well positioned to withstand external challenges while pursuing sustainable growth.

Dato' Ang Poon Chuan
Managing Director
Thong Guan Industries Berhad

THONG GUAN INDUSTRIES BERHAD
Registration No. 199401038519 (324203-K)

AS WE MOVE INTO FY2026, SEVERAL STRATEGIC PRIORITIES WILL GUIDE OUR DIRECTION.



Strengthening market diversification and global customer partnerships
In an increasingly uncertain geopolitical environment, diversifying our market presence remains a key priority. We will continue expanding our presence across key international markets to reduce concentration risks while deepening long-term relationships with global customers.

Enhancing supply chain resilience and operational flexibility
Given the potential disruptions arising from geopolitical developments and trade policy changes, we will continue strengthening supply chain resilience through diversified sourcing, improved logistics planning and enhanced operational flexibility across our production network.

Advancing circular packaging and sustainable materials
Regulatory developments across major markets, particularly in Europe, are accelerating the transition toward recyclable packaging and increased recycled content. We will continue investing in capabilities that support PCR integration and sustainable packaging innovation.

Enhancing operational efficiency and energy management
Operational excellence remains central to our competitiveness. Through ongoing process optimisation, energy efficiency initiatives and renewable energy investments, we aim to improve both cost competitiveness and environmental performance.

Expanding technical services and load stability expertise
Through the Newton Research Centre, we will further strengthen our capabilities in load stability testing and validation, helping customers optimise packaging performance while reducing material consumption.

Leveraging digital platforms and evolving customer engagement
The rapid growth of e-commerce platforms highlights the importance of digital engagement and responsive supply chains. We will continue exploring digital channels to better serve our customers and strengthen market connectivity.

Developing people and strengthening sustainability competencies
Our employees remain the driving force behind our progress. We will continue investing in safety culture, technical capability and sustainability awareness to ensure our workforce is equipped to meet the demands of a rapidly changing industry.

Against this backdrop, our commitment remains clear. We will continue investing in innovation, strengthening our operational resilience and working collaboratively with customers, suppliers and stakeholders to advance a more sustainable packaging ecosystem. I would like to extend my sincere appreciation to our employees, customers, partners and stakeholders for their continued support and trust throughout FY2025. Your dedication and collaboration have enabled us to navigate challenges

Dato' Ang Poon Chuan
Managing Director
Thong Guan Industries Berhad

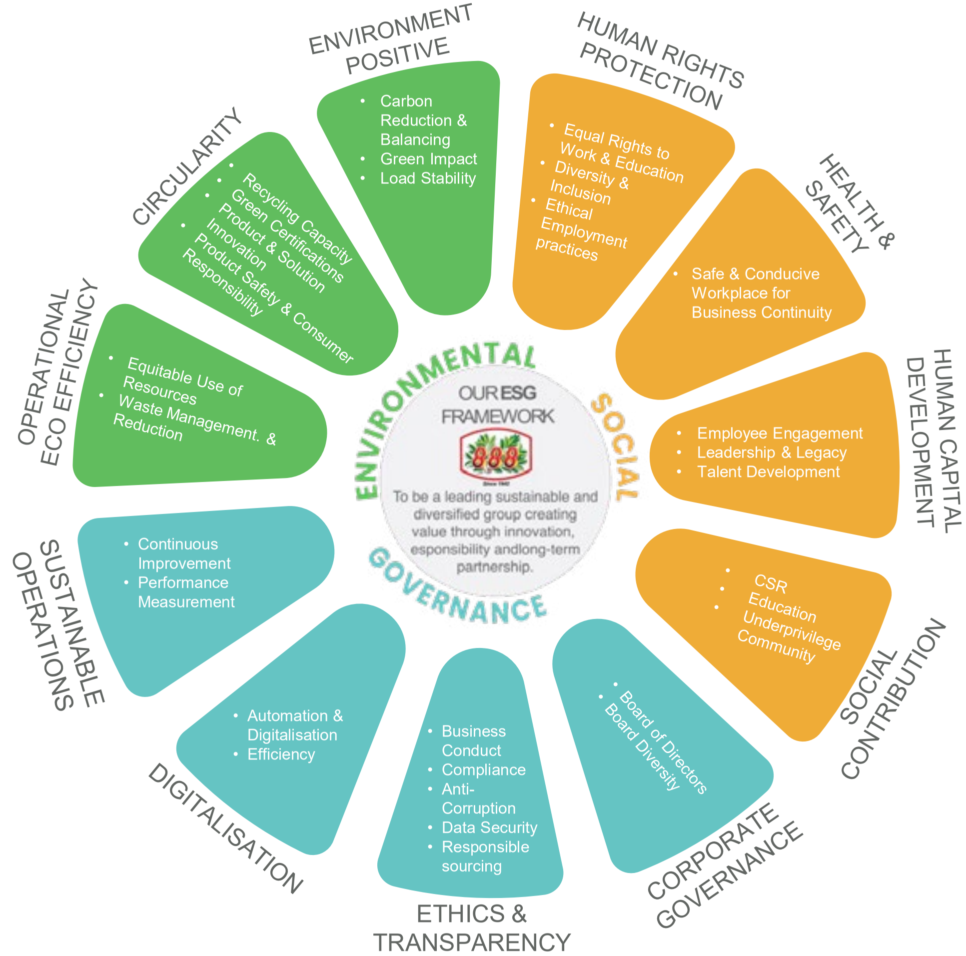
THONG GUAN INDUSTRIES BERHAD
Registration No. 199401038519 (324203-K)

SUSTAINABILITY STATEMENT

Our ESG Framework

#LiveGreen Roadmap

Our Environmental, Social, and Governance Framework outlines our goal, key initiatives, and strategic action plans encompassing factors related to environmental, social and governance. The aim is to make sustainability easier to achieve through sharing of our successes, document the pitfalls encountered and challenges met, and how we overcome them for future improvements.



Our Core Strategies

Matching our core strategies with United Nation (UN) Sustainability Development Goals (SDGs)

We align our core strategies with the United Nations Sustainable Development Goals (SDGs) to drive sustainable growth across our diversified business segments. Our approach focuses on delivering sustainable products and solutions, enhancing operational efficiency, strengthening strategic partnerships, and creating long-term value for our stakeholders

Our Initiatives

TG as a stakeholder and steward of the planet, our sustainability and corporate citizenship initiatives encompass these areas.

- **Sustainable Products & Circular Economy**
- **Climate Action & Energy Efficiency**
- **Health, Safety & Well Being**
- **People & Talent Development**
- **Responsible Supply Chain & Partnerships**
- **Corporate Governance & Transparency**

About Our Sustainability Statement

TG Sustainability statement aims to deliver a clear understanding of our sustainability commitments, ambitions, actions, and progress. This Statement outlines our strategies for managing our operations, encompassing matters related to the economy, the environment, the social and governance issues. At Thong Guan, sustainability is embedded in all our business activities so that we can foster meaningful and long-lasting relationships with all our stakeholders and contribute to national growth.

Reporting Guidelines, Guiding Principles, Frameworks, Standards and Sustainability-related Indices

This Report has been prepared with reference to internationally recognised guidelines, principles, frameworks, standards and sustainability-related indices.

Global Goals

- United Nations Sustainable Development Goals (UN SDGs)

Reporting Frameworks

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Bursa Malaysia's Sustainability Reporting Guide (3rd Edition)
- Global Reporting Initiative (GRI) Standards 2021
- International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards
  - IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1)
  - IFRS S2 *Climate-related Disclosures* (IFRS S2)
  collectively referred to as the ISSB Standards.
- Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations (now incorporated into IFRS S2)
- Malaysian Code on Corporate Governance (MCCG) by the Securities Commission Malaysia
- Sustainability Accounting Standards Board (SASB)

Sustainability-related Indices

- FTSE4Good Bursa Malaysia (F4GBM) Index

The Group commenced the adoption of the IFRS Sustainability Disclosure Standards in the financial year ended 31 December 2025 ("FY2025"), representing a significant milestone in aligning its sustainability reporting practices with globally recognised standards.

As part of this initial phase, the Group has begun applying the core principles of both IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures, focusing on strengthening governance, risk management and disclosure of sustainability-related risks and opportunities.

While meaningful progress has been made, the Group's adoption of IFRS S1 and IFRS S2 remains at a developing stage and is not yet fully comprehensive. The Group is progressively enhancing its reporting processes, data management systems and internal capabilities to achieve fuller alignment with these standards over time, taking into consideration internal readiness, data availability and evolving regulatory expectations.

At the national level, the National Sustainability Reporting Framework ("NSRF") outlines Malaysia's strategic approach towards the adoption of IFRS S1 and IFRS S2 issued by the International Sustainability Standards Board ("ISSB"). The NSRF establishes a baseline for consistent, comparable and reliable sustainability reporting, with the objective of enhancing investor confidence and strengthening Malaysia's competitiveness in global capital markets.

This report aims to provide stakeholders with a clear overview of our sustainability approach and the progress we have made in advancing our sustainability commitments. The disclosures included in this GRI Content Index cover the reporting period from 1 January 2025 to 31 December 2025 and have been prepared with reference to the GRI Universal Standards 2021.

About Our Sustainability Statement

Reporting Period, Scope & Boundaries

Information in this statement primarily reflects the sustainability performance of Thong Guan Industries Berhad during the period of 1 January 2025 to 31 December 2025. The sustainability-related financial disclosures cover the same reporting entity and are prepared on the same consolidation basis as the Group's annual consolidated financial statements. This boundary includes all subsidiaries and an associate as detailed in the Notes to the Financial Statements. Our reporting encompasses all business segments, including plastic packaging, food & beverages, and other non-reportable segments across all operational geographies.

In identifying the climate-related risks and opportunities that could reasonably be expected to affect our prospects, the Group has referred to and considered the applicability of the industry-based disclosure topics defined in the *IFRS S2 Industry-based Guidance on Implementing Climate-related Disclosures*, which is derived from the Sustainability Accounting Standards Board (SASB) Standards for the Containers & Packaging industry. This approach ensures our disclosures are relevant to our sector and our investors.

To strengthen the management of sustainability-related risks and opportunities, Thong Guan has established defined time horizons to indicate when such matters are expected to arise. These timeframes are integrated into the Group's strategic planning and decision-making processes to support long-term sustainability and value creation:

- Short term: 0 to 5 years
- Medium term: 5 to 10 years
- Long term: Beyond 10 years

For selected environmental goals, the Group has established targets based on different baseline years, depending on when the respective initiatives were implemented. Most targets are measured against a FY2021 baseline, while certain targets, such as waste management and talent development effort are based on a FY2022 baseline, reflecting the timing of when these targets were formalised.

The status and progress against these targets are reviewed and disclosed in this Report to enhance transparency and enable meaningful comparison over time.

All financial information and disclosures presented in this Report are expressed in Malaysian Ringgit ("MYR"), consistent with the currency used in Thong Guan's consolidated financial statements.

Restatements of Information

Historical information from previous years is included where applicable to provide a basis for comparison. There are no restatements of information from prior periods unless explicitly noted.

Assurance

The information in this Statement has been reviewed by the Thong Guan Risk Management Task Force. This Statement has yet to be externally assured. We strive to improve our data collection in Thong Guan to ensure completeness and accuracy for future external assurance.

Forward-Looking Statements

This report includes forward-looking statements intended to provide stakeholders with insights into our perspectives and plans for the future. These statements are no guarantees or definitive predictions of Thong Guan's future performance and readers are advised to interpret them with caution and avoid placing undue reliance on them.

Report Contact

If you have any questions, comments or feedback regarding the report, please contact: info@thongguan.com

Sustainability Governance

Sustainability Governance Framework

The Group has established a structured sustainability governance framework to ensure robust oversight, effective management and integration of sustainability-related risks and opportunities into its overall strategic direction, financial performance and long-term value creation.

This governance framework support informed decision-making by enabling the Board and Management to evaluate and consider trade-offs between climate-related initiatives and financial performance, ensuring a balanced approach to growth, risk management and sustainable development.

The Group adopts a three-tier governance structure comprising the Board of Directors, Management and Operational levels. This structure facilitates clear accountability, effective oversight and continuous monitoring of sustainability-related risks and opportunities across the organisation.

Role	Key Responsibilities	Composition
Board of Directors (Highest Governance Body) The Board of Directors retains ultimate responsibility for the oversight of sustainability-related matters, including climate-related risks and opportunities, and ensures that these are integrated into the Group's strategic planning and decision-making processes.	• Reviewing and approving the Group's sustainability strategies, policies and targets • Overseeing sustainability-related risks and opportunities, including the assessment of strategic trade-offs between climate-related initiatives and financial performance • Providing advice and direction on sustainability matters in line with the Group's long-term strategic agenda • Reviewing sustainability performance, including key performance indicators ("KPIs"), to ensure alignment with both short-term financial objectives and long-term value creation	• Executive Directors • Non-Executive Directors
Risk Management Task Force (Management Level) The Risk Management Task Force is responsible for supporting the Board in the assessment, management and monitoring of sustainability-related risks and opportunities, ensuring that these are embedded within the Group's enterprise risk management and business strategy.	• Identifying, assessing and prioritising sustainability-related risks and opportunities across the Group • Developing sustainability strategies, policies, targets and action plans for Board approval • Undertaking actions necessary to address sustainability concerns and ensuring the robustness of the sustainability management system • Monitoring implementation and performance against established targets and KPIs • Reporting to the Board on sustainability matters, including progress, challenges and emerging risks	• Executive Directors • Divisional Heads • General Manager • Senior Sustainability Manager • Heads of Departments
Sustainability Leaders (Operational Level) Sustainability Leads at the operational level are responsible for executing sustainability strategies and ensuring that sustainability considerations are embedded into day-to-day business operations.	• Implementing sustainability initiatives, programmes and action plans across the Group • Collecting, validating and reporting sustainability-related data to support accurate disclosures • Ensuring adherence to internal sustainability policies, procedures and guidelines • Identifying opportunities for continuous improvement and enhancing sustainability performance	• Operation leaders • Key department representatives

Bottom-up reporting mechanisms   Top-down governance approach

The Group adopts a top-down governance approach supported by structured bottom-up reporting mechanisms to ensure effective oversight and accountability:

- The **Board of Directors** provides strategic oversight and sets the overall sustainability direction
- The **Risk Management Task Force** translates strategic priorities into actionable plans and monitors implementation
- The **Operational teams** execute initiatives and provide timely reporting on performance and emerging issues

This governance structure ensures that sustainability-related risks and opportunities are systematically identified, assessed, managed and monitored across the short, medium and long term. The Group remains committed to strengthening its sustainability governance practices through ongoing enhancements to its risk management processes, data management systems and internal controls, to support high-quality, decision-useful disclosures and long-term resilience.

Materiality Assessment

Thong Guan's materiality assessment process is conducted by the Risk Management Task Force to identify and prioritise sustainability-related risks and opportunities that may affect the Group's business strategy, financial performance and long-term enterprise value, in line with Bursa Securities' Sustainability Reporting Guide and evolving global standards including IFRS Sustainability Disclosure Standards.

The assessment considers:
- emerging global trends;
- ESG rating agency requirements;
- stakeholder concerns and expectations; and
- potential financial impacts on the Group's operations, cost structure, revenue and capital investment.

Each material matter is evaluated based on:
- its significance to stakeholders; and
- its potential impact on the Group's business strategy, operational performance and financial outcomes.

The Risk Management Task Force identifies and ranks sustainability matters by considering:
- risks and opportunities across the Group's operations and value chain; and
- their potential to affect the Group's ability to create value over the short, medium and long term.

In FY2025, there were no changes in the top 10 material matters. This reflects the continued relevance of the Group's key sustainability risks and opportunities, particularly in areas such as climate change, circularity and operational efficiency, which remain critical to the Group's strategy and cost structure.

1 Operational Eco Efficiency
2 Circularity
3 Climate Change and Decarbonisation (Environment Positive)

4 Human Rights Protection
5 Health & Safety
6 Human Capital Development
7 Social Contribution

8 Corporate Governance and Ethics & Transparency
9 Sustainable Operations
10 Automation and Digitalisation

Materiality Assessment

The table below offers a concise overview of Thong Guan's material matters and their significance. These 10 material matters align with supporting UN Sustainable Development Goals (SDGs), which aim to eradicate poverty, safeguard the environment and climate, and promote peace and prosperity for all people.

Environment	Material Matter	Description on its significance	Responses
6 Clean Water and Sanitation 7 Affordable and Clean Energy 12 Responsible Consumption and Production 13 Climate Action	Operational Eco Efficiency	In manufacturing operations, efficient resource utilisation, waste management and product stewardship are critical to maintaining operational performance and cost efficiency. Optimising the use of materials, energy and water supports improved productivity and reduces operating costs, while minimising environmental impact. Efficient waste management and reduction strategies help conserve resources, reduce disposal costs and mitigate regulatory risks. Product stewardship, which involves managing the full lifecycle of products from design to disposal, supports compliance with evolving environmental requirements and enhances customer trust. These practices strengthen operational resilience, improve cost competitiveness and reinforce the Group's position as a responsible and efficient manufacturer.	• Enhance resource efficiency through process optimisation and waste reduction initiatives • Implement monitoring of energy, water and material consumption • Improve production efficiency to reduce costs and environmental impact
9 Industry, Innovation and Infrastructure 12 Responsible Consumption and Production 13 Climate Action 17 Partnerships for the Goals	Circularity	Circularity and recycling are key priorities in the plastic manufacturing industry, particularly in addressing regulatory pressures and shifting customer demand for sustainable products. The adoption of circular economy principles, including the increased use of post-industrial recycled (PIR) and post-consumer recycled (PCR) materials, supports waste reduction and resource efficiency. However, the transition towards circularity may involve higher material costs and operational challenges, requiring investment in technology and process optimisation. At the same time, it presents opportunities to enhance product offerings, meet customer requirements and strengthen market competitiveness. These initiatives contribute to long-term sustainability while supporting the Group's ability to manage cost, regulatory exposure and evolving market expectations.	• Increase utilisation of PIR and PCR materials • Strengthen supplier engagement to ensure quality recycled inputs • Invest in recycling capabilities and production technology • Optimise material mix to balance cost and performance

Environmental	Material Matter	Description on its significance	Responses
7 Affordable and Clean Energy 12 Responsible Consumption and Production 13 Climate Action 8 Decent Work and Economic Growth	Climate Change and Decarbonisa-tion (Environment Positive)	Greenhouse gas (GHG) emissions arising from manufacturing operations and supply chain activities, together with energy consumption and water usage, contribute to climate-related risks and resource constraints. Managing energy consumption and improving efficiency are critical in reducing the Group's carbon footprint and mitigating exposure to rising energy costs and potential carbon-related regulations. Climate-related risks, including both transition and physical risks, may affect operational continuity, cost structure and supply chain resilience. Addressing these risks supports long-term business sustainability and aligns with evolving regulatory and market expectations.	• Conduct climate scenario analysis and integrate into risk management • Improve energy efficiency and monitor emissions • Enhance climate-related disclosures in line with IFRS S2 • Implement energy digitalisation to improve efficiency (FY2026)
Social	**Material Matter**	**Description on its significance**	**Responses**
10 Reduced Inequalities 16 Peace, Justice and Strong Institutions 3 Good Health and Well-Being	Human Rights Protection	Upholding human rights and ensuring fair and ethical treatment of employees are fundamental to maintaining a stable and productive workforce. Effective human rights practices support compliance with regulatory requirements, reduce operational and reputational risks, and enhance employee engagement and retention.	• Strengthen policies on labour rights and ethical practices • Conduct regular audits and employee training • Ensure compliance with labour and human rights standards
8 Decent Work and Economic Growth 4 Quality Education	Health & Safety	Ensuring a safe and healthy workplace is essential to safeguarding employee well-being and maintaining operational continuity. Strong health and safety practices reduce the risk of workplace incidents, minimise operational disruptions and support productivity, while enhancing the Group's ability to attract and retain talent.	• Maintain safety management systems and regular audits • Conduct safety training programmes • Implement preventive measures to reduce incidents
8 Decent Work and Economic Growth	Human Capital Development	Attracting, developing and retaining talent is critical to sustaining operational performance and supporting business growth. Investment in training and leadership development enhances workforce capability, reduces turnover-related costs and enables the Group to adapt to evolving business and industry requirements.	• Enhance training and leadership programmes • Strengthen employee engagement and retention strategies • Develop succession planning frameworks

SUSTAINABILITY STATEMENT

Environmental	Material Matter	Description on its significance	Responses
3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 17 PARTNERSHIPS FOR THE GOALS	Social Contribution	Corporate responsibility initiatives support community development and strengthen stakeholder relationships. These efforts enhance the Group's social licence to operate and contribute to long-term sustainable value creation.	• Continue community engagement and CSR programmes • Support education and community development initiatives • Align contributions with business values
Governance*	**Material Matter**	**Description on its significance**	**Responses**
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Corporate Governance and Ethics & Transparency	Strong corporate governance and ethical business practices are essential for maintaining transparency, accountability and stakeholder confidence. Effective governance frameworks support risk management, regulatory compliance and long-term financial stability, while reinforcing the integrity of the Group's operations and decision-making processes	• Strengthen governance frameworks and internal controls • Enhance anti-corruption and compliance policies • Improve transparency and disclosures
Economic*	**Material Matter**	**Description on its significance**	**Responses**
8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Sustainable Operations	Sustainable operations are critical to ensuring long-term business viability, resilience and value creation. Balancing growth, profitability and sustainability enables the Group to invest in innovation, respond to market changes and support the expansion of sustainability initiatives.	• Integrate sustainability into business strategy • Improve operational efficiency and resilience • Support innovation and long-term value creation
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Automation & Digitalisation	Digitalisation and automation enhance operational efficiency, productivity and product quality by reducing reliance on manual processes. These technologies enable better data management, support process optimisation and improve consistency, while helping the Group address labour challenges and strengthen operational performance.	• Invest in automation and smart manufacturing systems • Implement real-time monitoring (including energy digitalisation in FY2026) • Improve data-driven decision making

* "Governance" and "Economic" material matters are reported under Governance pillar.

Stakeholder Engagement

Staying relevant & add value

Stakeholder engagement is key to ensuring our business continue be relevant and add value. The table below shows the engagement activities we have carried out during financial year 2025.

STAKEHOLDERS	AREAS OF INTERESTS	METHOD AND FREQUENCY
Bankers, Investors & Shareholders	• Sustainable Operations • Ethics & Transparency • Corporate Governance	• Quarterly Financial Result • Annual General Meeting • Company Website • Annual Reports • Press Release
Customers, Suppliers & Business Partners	• Operational Eco Efficiency • Circularity • Environment Positive • Responsible Sourcing • Ethics & Transparency • Digitalisation	• Customer Satisfaction Survey/Supplier Evaluation • Customer Service & Communication • Trade Fairs & Frequent Site Visits • Regular meetings
Employees	• Human Rights Protection • Health & Safety • Human Capital Development	• Communications, through counselling & memo circulation • Workplace Continuous Improvement Annual Performance Appraisal • Trainings & Workshops • Employee Events, including outing and get together gathering • Risk Management Task Force meeting/ Management meeting/ staff meeting
Regulators, Government & Authorities	• Corporate Governance • Circularity • Environment Positive	• Compliance & Certification Exercises, including site visits and audits by authorities/certification bodies
Local communities & NGOs	• Circularity • Environment Positive • Social contribution	• Educational Site Visits • Community Outreach Programmes • Financial support/contribution
Consultants (In the areas of business, finance, environment, social and governance)	• Corporate Governance • Ethics & Transparency • Circularity • Environment Positive • Health & Safety	• Communications, through collaborations and engagement sessions with consultants