



RHONG KHEN INTERNATIONAL BERHAD
[REGISTRATION NO.: 199401017151 (302829-W)]



2025
ANNUAL REPORT

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31st

ANNUAL GENERAL MEETING



TIME

12.30 p.m.



DATE

Thursday,
27 November 2025



VENUE

The Saujana Hotel Kuala
Lumpur, Jalan Lapangan
Terbang SAAS, 40150 Shah
Alam, Selangor
Darul Ehsan, Malaysia



CORPORATE INFORMATION

BOARD OF DIRECTORS

1

DATO' DR NORRAESAH BINTI HAJI MOHAMAD

Chairman/Independent Non-Executive Director

2

MADAM LIN CHEN, JUI-FEN

Deputy Executive Chairman/Executive Director

3

MR LIN, CHIN-HUNG

Managing Director

4

MR SANDRA SEGARAN A/L MUNIANDY @ KRISHNAN

Independent Non-Executive Director

5

MR TOH SENG THONG

Non-Independent Non-Executive Director

6

MR YEK SIEW LIONG

Non-Independent Non-Executive Director

7

MADAM LIN SHIN-NI

Alternate Director to Madam Lin Chen, Jui-Fen

COMPANY SECRETARIES

Mr Yeoh Joe Son

(MIA 9238)

(SSM PC No.: 202008004222)

Ms Tai Yit Chan

(MAICSA 7009143)

(SSM PC No.: 202008001023)

Ms Tia Hwei Ping

(MAICSA 7057636)

(SSM PC No.: 202008001687)

PLACE OF INCORPORATION AND DOMICILE

Malaysia

STOCK EXCHANGE LISTING/ STOCK NAME

Main Market of Bursa Malaysia Securities Berhad

Stock Short Name : RKI

Stock Code : 7006

AUDIT COMMITTEE

Mr Sandra Segaran A/L Muniandy

@ Krishnan (Chairman)

Independent Non-Executive Director

Dato' Dr Norraesah Binti Haji

Mohamad

Independent Non-Executive Director

Mr Toh Seng Thong

Non-Independent Non-Executive Director

NOMINATION COMMITTEE

Dato' Dr Norraesah Binti Haji

Mohamad (Chairman)

Independent Non-Executive Director

Mr Sandra Segaran A/L Muniandy @ Krishnan

Independent Non-Executive Director

Mr Yek Siew Liong

Non-Independent Non-Executive Director

REMUNERATION COMMITTEE

Dato' Dr Norraesah Binti Haji

Mohamad (Chairman)

Independent Non-Executive Director

Mr Sandra Segaran A/L Muniandy

@ Krishnan

Independent Non-Executive Director

Mr Toh Seng Thong

Non-Independent Non-Executive Director

EMPLOYEES' SHARE SCHEME COMMITTEE

Mr Toh Seng Thong (Chairman)

Non-Independent Non-Executive Director

Mr Lin, Chin-Hung

Managing Director

Mr Yeoh Joe Son

Group Finance Director

Mr Fong Toh Wai

Group Financial Controller

HEAD OFFICE

Lot 3356, Batu 7 ¾

Jalan Kapar, 42200 Kapar

Selangor Darul Ehsan, Malaysia

Telephone : +603-3291 5401

Facsimile : +603-3291 5404

Website : www.rkibhd.com

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Telephone : +603-7890 4800

Facsimile : +603-7890 4650

Email : boardroom-kl@
boardroomlimited.com

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
197701005827 (36869-T)
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur, Malaysia
Telephone : +603-2084 9000
Facsimile : +603-2094 9940
Email : info@sshsb.com.my

AUDITORS

Ernst & Young PLT
202006000003 (LLP0022760-LCA) &
AF 0039
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur, Malaysia

PRINCIPAL BANKERS

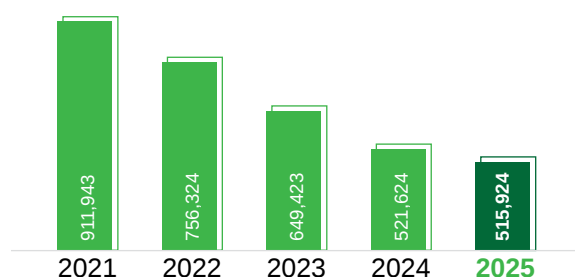
HSBC Bank Malaysia Berhad
Alliance Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad
OCBC Bank (Malaysia) Berhad
CTBC Bank Co. Ltd.
Indovina Bank Ltd.
Bank Sinopac

FINANCIAL HIGHLIGHTS

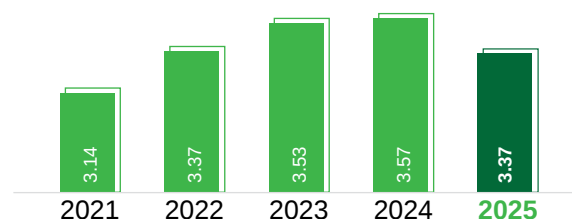
Five Years Financial Highlights	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
Revenue	515,924	521,624	649,423	756,324	911,943
Profit for the year	10,190	11,232	21,855	35,524	53,791
Profit for the year attributable to owners of the Company	11,048	12,449	22,587	35,524	53,791
Equity attributable to owners of the Company	657,889	695,734	685,956	655,260	610,240
Net assets per share attributable to owners of the Company (RM)	3.37	3.57	3.53	3.37	3.14
Earnings per share attributable to owners of the Company (Sen)	5.66	6.40	11.63	18.28	27.84
Dividend per share (Sen)	4.00*	4.00	4.00	6.00	10.90
Dividend amount	7,819	7,798	7,770	11,659	21,187

* The Company had on 31 December 2024 paid the first interim single-tier dividend of 3.0 sen per ordinary share. The final single-tier dividend of 1.0 sen per ordinary share was recommended by the Board of Directors and is subject to shareholders' approval at the forthcoming Annual General Meeting.

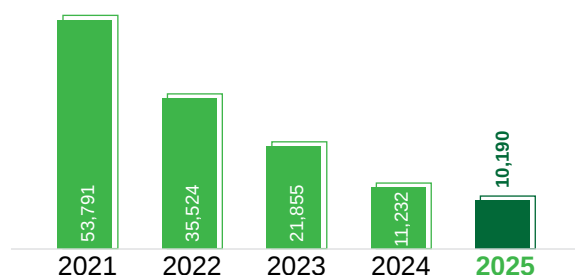
Revenue (RM'000)



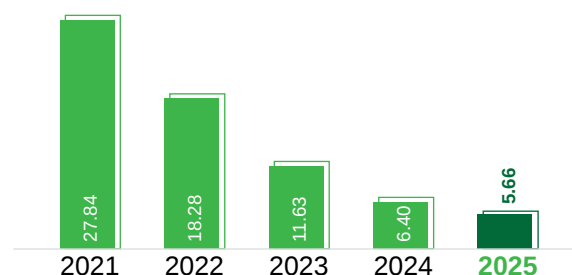
Net Assets Per Share Attributable To Owners Of The Company (RM)



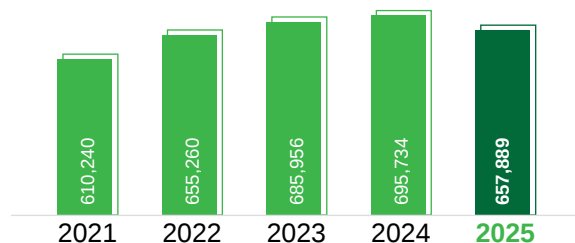
Profit For The Year (RM'000)



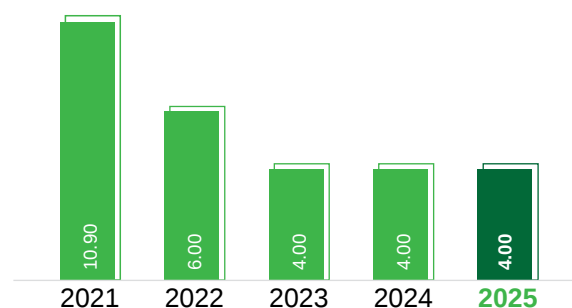
Earnings Per Share Attributable To Owners of The Company (Sen)



Equity Attributable To Owners Of The Company (RM'000)



Dividend Per Share (Sen)



CORPORATE PROFILE

Mission

We aspire to become a world class integrated household furniture manufacturer co-existing in harmony with nature and the society it serves.

Our mission is to continually improve our products and services to meet or exceed the expectations of our customers. We emphasise employee teamwork and involvement in identifying and implementing programs to save time and lower production costs while maintaining the highest quality values. These strategies allow us to prosper as a business with high degree of integrity and to provide a reasonable return to our shareholders, the ultimate owners of our business.

Manufacturing/ Operating Activities

The Group's manufacturing activities are operated from its three (3) factories in Malaysia, two (2) factories in Vietnam and one (1) factory in Thailand. The total site area of the six (6) manufacturing plants is approximately 8.0 million square feet. The total current workforce is approximately 4,000 workers.

History

Rhong Khen International Berhad was incorporated in Malaysia as an investment holding company. Through its subsidiary companies, the Group specialises in the manufacturing and sale of wooden furniture and components particularly rubber wood furniture for both the domestic and export markets.

The Group has carved out a strong niche in the household furniture segment, specifically dining room and bedroom sets. From its humble beginnings as a manufacturer of chairs for dining room sets in 1988, the Group has grown into a complete high-and-medium-end dining room, living room and bedroom sets manufacturer. About 50% of its raw materials are rubber wood based with the remaining being oak, pine wood and other wood based materials.

The Group has made great advances to position itself as one of the largest rubber wood furniture manufacturers and exporters in Malaysia and Vietnam. Approximately 99% of the Group's products are exported overseas to the United States of America, Canada, Europe, South Africa, Australia, China and the Middle East countries.

The Group had in year 2015 divested into manufacturing and distribution of polyester boards, decorative wood panels and printing of impregnated paper to diversify its revenue stream and to enhance the Group's current product offering.

Products

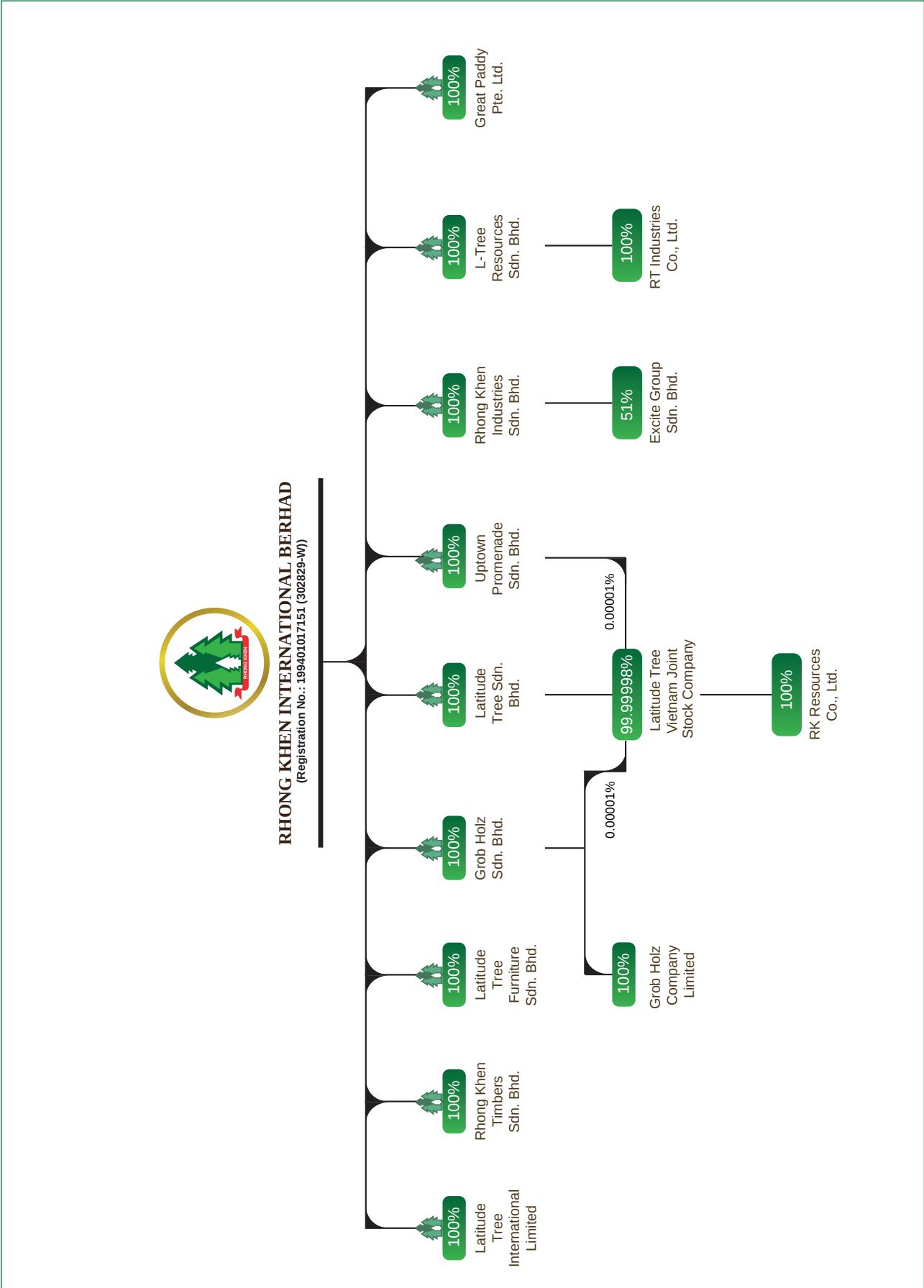
The Group has developed an extensive range of products to cater for different customers' requirements and expectations.

The followings are the main products of the Group:

- Bedroom Collection Sets including Beds, Nightstands, Chests, Armoires and Wardrobes;
- Dining Room Collection Sets including Tables, Chairs, Buffets, Hutches, Curios, Sideboards and Servers;
- Living Room Collection Sets including Sofas, Sofa Tables, Occasional Tables, Coffee Tables and Cabinets (TV and Low Cabinets) and Small Office, Home Office (SoHo) sets; and
- Polyester boards, decorative wood panels and impregnated papers.

From the traditional piece-meal furniture, the Group has shifted strategically into the manufacture of whole set and collection set furniture as a response to the emerging demand trends for whole set and collection set furniture. The Group has a team of in-house designers, technicians and developers who are able to develop products that meet customers' requirements and tastes for different markets.

CORPORATE PROFILE
(CONT'D)



MANAGEMENT DISCUSSION AND ANALYSIS



The following discussion and analysis compares the Group's financial condition and results of operations for the financial year 2025 ("FY2025") with financial year 2024 ("FY2024").

1) Overview of the Group's Business and Operations

Rhong Khen International Berhad ("the Group" or "the Company" or "RKIB") is an integrated household furniture manufacturer specialises in the manufacturing and sale of wooden household furniture and components particularly rubber-wood furniture for export markets. About 50% of raw materials of the Group are rubber wood based with the remaining being poplar, pine wood and other wood-based materials. The Group's manufacturing activities are operated from its three (3) factories in Malaysia, two (2) factories in Vietnam and one (1) factory in Thailand with total workforce of approximately 4,000 workers.

FY2025 proved to be another challenging year for the Group, as demand from our key market, the United States ("US") remained volatile and unsettled. This was primarily driven by ongoing geopolitical tensions and uncertainty surrounding the implementation of new reciprocal import tariffs by the US government. These external factors impacted the Group's profitability. Nevertheless, the negative effects were partially mitigated through improved cost control measures and enhanced production efficiency.

2) Financial Performance Review

	FY2025 (RM'000)	FY2024 (RM'000)	Variance (RM'000)	Variance (%)
Items of Statements of Comprehensive Income:				
Revenue	515,924	521,624	(5,700)	(1.1)
Gross profit	62,496	66,856	(4,360)	(6.5)
Other income	10,532	9,512	1,020	10.7
Operating costs	(56,228)	(55,700)	528	0.9
Finance costs	(909)	(1,354)	(445)	(32.9)
Profit before tax	15,891	19,314	(3,423)	(17.7)
Profit for the year	10,190	11,232	(1,042)	(9.3)
Items of Statements of Financial Position:				
Non-current assets	296,254	332,897	(36,643)	(11.0)
Current assets	464,825	480,326	(15,501)	(3.2)
Total liabilities	105,507	118,948	(13,441)	(11.3)

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

2) Financial Performance Review (cont'd)

	FY2025 (RM'000)	FY2024 (RM'000)	Variance (RM'000)	Variance (%)
Items of Statements of Cash Flows:				
Net cash flows generated from operating activities	11,574	54,839	(43,265)	(78.9)
Net cash flows used in investing activities	(6,463)	(26,045)	(19,582)	(75.2)
Net cash flows used in financing activities	(16,646)	(21,247)	(4,601)	(21.7)
Cash and cash equivalents at end of the year	140,175	172,010	(31,835)	(18.5)

2.1) Review of Items of Statements of Comprehensive Income

Revenue information based on the geographical location of the operations of the Group is as follows:

	FY2025 (RM'000)	FY2024 (RM'000)	Variance (RM'000)	Variance (%)
Malaysia	100,597	121,433	(20,836)	(17.2)
Vietnam	400,480	384,671	15,809	4.1
Thailand	14,847	15,520	(673)	(4.3)
Total	515,924	521,624	(5,700)	(1.1)

The Group recorded revenue of RM515.9 million for FY2025, representing a marginal decrease of 1.1% as compared to FY2024. This slight contraction was primarily attributed to decrease in average foreign exchange rate of United States Dollar ("USD") against Ringgit Malaysia ("RM") by approximately 6.2% from average rate of 4.6927 in FY2024 to 4.4010 in FY2025 and partially offset by growth in Vietnam.

Revenue from Malaysia operations declined by 17.2%, driven by reduced sales from the furniture and panel board lamination segments. The downturn was largely due to lower shipment volumes to the US and subdued demand in the domestic market. For Vietnam operation, revenue increased by 4.1%, supported by stronger demand and higher export volumes to the US. The Vietnam operation continued to benefit from its competitive positioning and resilient supply chain. Revenue from Thailand operation fell by 4.3%, impacted by a decrease in orders from both local and international customers. The softening demand reflects broader market challenges.

The Group's gross profit for FY2025 stood at RM62.5 million, representing a decline of 6.5% from RM66.9 million in FY2024. This reduction was primarily attributed to a combination of revenue contraction, increased manufacturing costs in Malaysia and weakening of USD against RM. Higher manufacturing costs were recorded by Malaysia operations due to reduced production output stemming from lower order volumes and increased in labour costs following the implementation of a higher minimum wage rate effective 1 February 2025. Nevertheless, manufacturing costs of Vietnam operations were lower, supported by improved productivity of upholstery division and overall higher production output which helped partially offset the cost pressures experienced in Malaysia.

Other income increased by 10.7% from RM9.5 million in FY2024 to RM10.5 million in FY2025 mainly due to higher interest income and higher lease income received in FY2025 compared to FY2024.

The Group's operating costs comprised selling and distribution expenses, administrative expenses and other expenses. The Group's total operating costs amounted to RM56.2 million in FY2025 and were 0.9% higher than FY2024 mainly due to higher selling and distribution expenses offset with lower net unrealised and realised loss on foreign exchange of RM0.3 million and lower depreciation of property, plant and equipment of RM0.9 million recorded in FY2025 compared to FY2024.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

2) Financial Performance Review (cont'd)

2.1) Review of Items of Statements of Comprehensive Income (cont'd)

Finance costs decreased by 32.9% from RM1.4 million in FY2024 to RM0.9 million in FY2025. The decrease was due to lower interest expenses on term loans resulting from partial settlement of term loans during FY2025.

Profit before tax of the Group amounted to RM15.9 million in FY2025, representing a decline of 17.7% from RM19.3 million in FY2024. The decrease was in line with the decrease in gross profit offset by higher other income and lower finance costs in FY2025 compared to FY2024.

Profit for the year of the Group amounted to RM10.2 million in FY2025, representing a decrease of 9.3% from RM11.2 million in FY2024 was in line with decrease in profit before tax offset with lower tax provision made in FY2025 compared to FY2024.

2.2) Review of Items of Statements of Financial Position

Non-current assets decreased by 11.0% to RM296.3 million as at 30 June 2025 from RM332.9 million as at 30 June 2024. The decrease was mainly due to foreign currency exchange differences arising from translation of property, plant and equipment ("PPE") of foreign operations and reclassification of right-of-use assets to assets held-for-sale in current assets during the financial year.

Current assets decreased by 3.2% to RM464.8 million as at 30 June 2025 as compared to RM480.3 million as at 30 June 2024. The decrease was mainly attributable to the decrease in trade and other receivables and cash and bank balances offset with higher inventories balance and increase in investment securities. Trade and other receivables decreased by RM6.4 million was due to higher trade receivables of RM4.3 million and lower other receivables of RM10.7 million respectively. Higher trade receivables balance was in line with higher sales registered in Quarter 4 ("Q4") FY2025 as compared to Q4 FY2024. Lower other receivables were mainly contributed by lower sundry receivables of RM11.8 million, offset with higher other indirect taxes of RM0.8 million and higher deposits of RM0.3 million respectively. Lower cash and bank balances were mainly due to partial settlement of term loans and increase in working capital. The increase in investment securities balance was due to higher distribution income received and higher net fair value gain on investment securities in FY2025 as compared to FY2024 as well as additional purchase of RM8.7 million during the financial year under review.

As at 30 June 2025, total liabilities decreased by 11.3% to RM105.5 million from RM118.9 million as at 30 June 2024. The decrease was mainly attributable to the decrease in loans and borrowings, trade and other payables and tax payable. Loans and borrowings decreased by RM3.0 million mainly due to partial settlement of term loans in FY2025. Trade and other payables decreased by RM2.6 million mainly due lower trade payables of RM5.9 million offset with higher other payables of RM3.3 million. Tax payable decreased by RM6.6 million mainly due to lower tax provision made in FY2025.

2.3) Review of Items of Statements of Cash Flows

The Group registered net cash flows generated from operating activities of RM11.6 million for FY2025 as compared to RM54.8 million for FY2024. The decrease was in line with decrease in profit before tax and lower working capital changes in FY2025.

Net cash flows used in investing activities was RM6.5 million for FY2025, mainly derived from purchase of PPE of RM8.9 million, net purchase of investment securities of RM8.7 million offset with interest received of RM4.9 million, proceeds from disposal of PPE and assets held-for sale of RM0.2 million and RM3.3 million respectively and withdrawal of deposits with licensed banks of RM2.7 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

2) Financial Performance Review (cont'd)

2.3) Review of Items of Statements of Cash Flows (cont'd)

Net cash flows used in financing activities of RM16.6 million for FY2025 was mainly due to net repayments of loans and borrowings of RM4.2 million, repayments of lease liabilities of RM0.3 million, purchase of treasury shares of RM0.4 million and payment of dividends amounting to RM11.7 million.

Overall, cash and cash equivalents decreased by RM31.8 million to RM140.2 million as at 30 June 2025, mainly attributable to net cash flows generated from operating activities which was offset with net cash flows used in investing and financing activities.

2.4) Capital Expenditure

In FY2025, the Group incurred total capital expenditure of RM9.0 million, primarily directed towards investments in plant and machinery. These additions were part of a strategic initiative to upgrade existing production lines with advanced and automated equipment to enhance production efficiency and optimise workforce requirements. This investment reflects the Group's commitment to continuous improvement and long-term competitiveness in its manufacturing capabilities.

3) Risks relating to Our Business

3.1) Exposure to Credit Risk

The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. Trade receivables are monitored on an ongoing basis via the Group's management reports.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

3.2) Exposure to Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposure arising from sales, purchases, borrowings or investments that are denominated in a currency other than the functional currencies of the companies within the Group. The foreign currencies in which these transactions are denominated are mainly Vietnam Dong and USD.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

3) Risks relating to Our Business (cont'd)

3.3) Exposure to Shortage of Raw Materials

Wood is one of the main raw materials used in manufacturing of our products. The wood or wood-based raw materials used in our products include rubber wood, poplar wood, pine wood, oak wood, particle boards, MDF, plywood and veneer boards. Total cost of wood or wood-based raw materials accounted for 40% to 55% of our total costs of sales.

As the Group does not have long-term supply arrangements with our vendors, there can be no assurance that we will continue to be able to obtain sufficient supply of raw materials, at competitive prices and in a timely manner from our vendors. The Group has been working closely with our vendors to secure sufficient supply for our production needs by providing cash advances to certain wood-based raw materials vendors.

3.4) Exposure to Over-Dependent on our Sub-Contractors

Generally, the Group sub-contracts the manufacture of certain furniture components, semi-finished products, other parts and accessories required for our products, such as chair legs, chair seats, lathe and bentwood to sub-contractors.

The Group is dependent on the availability of sub-contractors who have the relevant skills to fulfill our production requirements. In the event that we face a shortage of sub-contractors with relevant skills or should our sub-contractors default on their delivery obligations or work specifications or provide products or services which do not meet our quality standards or requirements, we may not be able to deliver our products on a timely basis or may have to incur higher costs. If any of such events occurs, our revenue may be adversely affected and if we are unable to pass on our cost increases to our customers, our Group's profitability may be adversely affected.

4) Dividends

The Group is firmly committed to maximising shareholders' value. Dividends paid during the financial year are as follows:

Financial Year	Description	Payment Date	Dividend per Share (Sen)*	Value (RM'000)
FY2024	Final single-tier dividend	31 December 2024	3.0	5,867
FY2025	First interim single-tier dividend	31 December 2024	3.0	5,867
Total				11,734

* Dividend rate is calculated based on 195,582,300 shares (excluding treasury shares)

The Board also proposed a final single-tier dividend of 1.0 sen per ordinary share amounting to RM1.95 million for FY2025. The proposed final single-tier dividend is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

5) Future Prospect and Outlook of the Group

The global economic landscape continues to be shaped by persistent geopolitical tensions, trade war between US and China, and uncertainty caused by the new trade policy of the US government. These factors have contributed to a volatile and unsettled demand environment in our key US market. As a result, the Group anticipates that order volumes may remain inconsistent in the near term.

Despite these challenges, the Group remains resilient and vigilant. We are actively addressing uncertainties at every level of decision-making, ensuring that our strategies are aligned with prevailing market conditions. Our focus remains on:

- Cost Control: Tightening operational discipline to preserve margins
- Production Efficiency: Enhancing throughput and reducing waste
- Innovation: Developing new products and designs to meet evolving customer needs
- Market Development: Expanding into new market and new country

We are confident in the Group's long-term prospects. RKIB's strength lies in its proven capabilities, deep industry experience, and readiness to pursue strategic opportunities. The Group remains open to acquisitions and joint ventures that complement and synergise with our core activities, reinforcing our growth trajectory.

Barring any unforeseen circumstances, the Board believes the Group is well-positioned to manage current market challenges and remain profitable for the financial year ending 30 June 2026.

PROFILE OF BOARD OF DIRECTORS

Age
Aged 77

Nationality
Malaysian

Gender
Female

DATO' DR NORRAESAH BINTI HAJI MOHAMAD

Chairman/Independent Non-Executive Director

Dato' Dr Norraesah Binti Haji Mohamad ("Dato' Dr Norraesah") was appointed to the Board of Rhong Khen International Berhad ("RKIB") on 1 November 2018 as Independent Non-Executive Director. She is also the Chairman of Remuneration Committee and Nomination Committee and a member of the Audit Committee. Her last re-election as Director was on 28 November 2024.

She graduated with a Bachelor of Arts (Hons) Economic from University of Malaya, a Masters in International Economics Relations from International Institute of Public Administration, France, a Masters in International Economics and Finance from University of Paris I, Pantheon-Sorbonne, France and a PhD (Economics Science) International Economics and International Finance from University of Paris I, Pantheon-Sorbonne, France.

Dato' Dr Norraesah has over 52 years of experiences in banking, consultancy, telecommunication, international trade and commerce. She served the Government of Malaysia from 1972 to 1988 for a total of 16 years before leaving the public sector to join the private sector. In the private sector, she assumed diverse roles between 1989 to 2003. She was a Managing Director with a consultancy firm which provides financial and consultancy services, appointed as Chief Representative of Credit Lyonnais Bank in Malaysia and later was appointed as the Chairman of Bank Kerjasama Rakyat Malaysia. Dato' Dr Norraesah was appointed as a Senator from October 2005 to February 2008. She is a recipient of several state awards and was conferred the Chevalier de La Region d'Honneur from the French Government in 2004. She is currently the Chairman of the World Islamic Businesswomen Network of the World Islamic Economic Forum Foundation and sits on its Board of Trustees and is a member of the International Advisory Panel.

Dato' Dr Norraesah is currently the Executive Chairman of Zetrix AI Berhad (formerly known as MY E.G. Services Berhad) and she also sits on the Board of a few private limited companies.

Dato' Dr Norraesah has no family relationship with any Directors and/or major shareholders of the Company and has no conflict of interest in any business arrangement involving the Company. She has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years and has not been imposed of any public sanctions or penalty by relevant regulatory bodies during the financial year under review.

During the financial year ended 30 June 2025, she has attended four (4) out of five (5) Board meetings held.

PROFILE OF BOARD OF DIRECTORS (CONT'D)

Age
Aged 71

Nationality
Taiwanese

Gender
Female

LIN CHEN, JUI-FEN

Deputy Executive Chairman/Executive Director

Madam Lin Chen, Jui-Fen ("Madam Lin") was appointed to the Board of RKIB on 28 April 1997 as Executive Director. She is currently the Deputy Executive Chairman/Executive Director and a substantial shareholder of the Company. Her last re-election as Director was on 28 November 2024.

Prior to her appointment as Deputy Executive Chairman, Madam Lin was the Managing Director of the Company from 2009 to 2012 and was involved in the overall management of Sales, Marketing, Finance, Operation and Human Resource of RKIB Group. Madam Lin was the Chief Executive Officer of Latitude Tree International Group Limited (now known as China Star Food Group Limited) from 2012 to 2014.

Madam Lin together with the late Mr Lin, Tzu-Keng ("Mr TK Lin") founded the Company and its subsidiaries with the setting up of Latitude Tree Furniture Sdn. Bhd. in 1988. She together with the late Mr TK Lin led RKIB Group to venture into Vietnam in 2000 with the setting up of Latitude Tree Vietnam Joint Stock Company, followed by RK Resources Co., Ltd. in 2002.

Currently, Madam Lin sits on the Board of several private limited companies and does not hold any directorship in other public companies.

Madam Lin is the mother of Mr Lin, Chin-Hung and Madam Lin Shin-Ni, and the aunt of Mr Lin, Cheng-Hung. Both Mr Lin, Chin-Hung and Mr Lin, Cheng-Hung are substantial shareholders of the Company.

Madam Lin has no conflict of interest in any business arrangement involving the Company. She has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years and has not been imposed of any public sanctions or penalty by relevant regulatory bodies during the financial year under review.

During the financial year ended 30 June 2025, she has attended all the five (5) Board meetings held.

PROFILE OF BOARD OF DIRECTORS (CONT'D)

Age
Aged 46

Nationality
Taiwanese

Gender
Male

LIN, CHIN-HUNG

Managing Director

Mr Lin, Chin-Hung ("Mr Lin") was appointed to the Board of RKIB on 18 January 2012 as the Managing Director. He is also a substantial shareholder of the Company. His last re-election as Director was on 29 November 2023. He is a member of the Employees' Share Scheme Committee.

Mr Lin attended the Hawaii Pacific University and graduated with a Master in Business Management from National University of Kaohsiung, Taiwan.

Mr Lin was an Assistant to the Managing Director of RKIB where he assisted in Marketing, Production and Purchasing activities of RKIB Group from July 2001 to August 2007. Mr Lin joined RKIB Group in January 2008 and assisted the Head of Operations of RK Resources Co., Ltd. in the procurement of all raw materials.

Currently, Mr Lin sits on the Board of several private limited companies and does not hold any directorship in other public companies.

Mr Lin is the son of Madam Lin, brother of Madam Lin Shin-Ni and cousin of Mr Lin, Cheng-Hung. Both Madam Lin and Mr Lin, Cheng-Hung are substantial shareholders of the Company.

Mr Lin has no conflict of interest in any business arrangement involving the Company. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years and has not been imposed of any public sanctions or penalty by relevant regulatory bodies during the financial year under review.

During the financial year ended 30 June 2025, he has attended all the five (5) Board meetings held.

Age
Aged 58

Nationality
Malaysian

Gender
Male

SANDRA SEGARAN A/L MUNIANDY @ KRISHNAN

Independent Non-Executive Director

Mr Sandra Segaran A/L Muniandy @ Krishnan ("Mr Sandra Segaran") was appointed to the Board of RKIB on 2 September 2022 as Independent Non-Executive Director. He is the Chairman of the Audit Committee and a member of Remuneration Committee and Nomination Committee. His last re-election as Director was on 29 November 2022.

Mr Sandra Segaran is a member of Association of Chartered Certified Accountants and Malaysian Institute of Accountants. He started his career with Ernst & Young in 1993 and was made Audit Partner in 2009. He left Ernst & Young in 2020 to join the private sector. He is currently the Managing Director of Allied Aeronautics Training Centre Sdn. Bhd..

Currently, Mr Sandra Segaran sits on the Board of several private limited companies and does not hold any directorship in other public companies.

Mr Sandra Segaran has no family relationship with any Directors and/or major shareholders of the Company and has no conflict of interest in any business arrangement involving the Company. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years and has not been imposed of any public sanctions or penalty by relevant regulatory bodies during the financial year under review.

During the financial year ended 30 June 2025, he has attended all the five (5) Board meetings held.

PROFILE OF BOARD OF DIRECTORS (CONT'D)

Age
Aged 67

Nationality
Malaysian

Gender
Male

TOH SENG THONG, JP

Non-Independent Non-Executive Director

Mr Toh Seng Thong ("Mr Toh") was appointed to the Board of RKIB on 18 August 2003 as Independent Non-Executive Director. His last re-election as Director was on 29 November 2023. He is the Chairman of the Employees' Share Scheme Committee and a member of the Audit Committee and Remuneration Committee. He was re-designated as Non-Independent Non-Executive Director on 29 November 2022.

Mr Toh obtained his Bachelor of Commerce (Accounting) degree from the University of Canterbury, New Zealand in 1981. He is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants and Chartered Accountants Australia and New Zealand. He was made a Fellow Member of the Chartered Tax Institute of Malaysia in 1997. Mr Toh has over 30 years experiences in auditing, taxation, corporate and financial advisory. He is also a practicing Chartered Accountant of Malaysia.

Particulars of his other directorships in public listed companies:

- Adventa Berhad
- PTT Synergy Group Berhad

Mr Toh has no family relationship with any Directors and/or major shareholders of the Company and has no conflict of interest in any business arrangement involving the Company. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years and has not been imposed of any public sanctions or penalty by relevant regulatory bodies during the financial year under review.

During the financial year ended 30 June 2025, he has attended all the five (5) Board meetings held.

PROFILE OF BOARD OF DIRECTORS (CONT'D)

Age
Aged 66

Nationality
Malaysian

Gender
Male

YEK SIEW LIONG

Non-Independent Non-Executive Director

Mr Yek Siew Liong ("Mr Yek") was appointed to the Board of RKIB on 18 May 2007 as Non-Independent Non-Executive Director. His last re-election as Director was on 29 November 2022. He is a member of the Nomination Committee.

Mr Yek graduated with a Bachelor of Arts (Hons) in Architecture and Environmental Design Degree from University of Nottingham, United Kingdom in 1983, Bachelor of Architecture (Hons) from University of Nottingham, United Kingdom in 1986 and Master of Business Administration from Aston University in Birmingham, United Kingdom in 1988. He is currently a member of the Malaysian Institute of Chartered Secretaries and Administrators and the Institute of Approved Company Secretaries.

Mr Yek has many years of experiences in timber trade and industry, hospitality industry, property development and management, cable manufacturing, retailing in machinery, hardware and electrical goods, trading in petroleum and provision of infrastructure and business facilities for petrol service stations. He is currently the Group Managing Director of Hock Lee Holdings Sdn. Bhd. and its group of companies.

Particulars of his other directorships in public companies:

- Hock Lee Asia Berhad
- Cinacom Bintulu Berhad

Mr Yek has no family relationship with any Directors and/or major shareholders of the Company and has no conflict of interest in any business arrangement involving the Company. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years and has not been imposed of any public sanctions or penalty by relevant regulatory bodies during the financial year under review.

During the financial year ended 30 June 2025, he has attended all the five (5) Board meetings held.

Age
Aged 44

Nationality
Taiwanese

Gender
Female

LIN SHIN-NI

Alternate Director to Madam Lin Chen, Jui-Fen

Madam Lin Shin-Ni ("Shin-Ni") was appointed as Alternate Director to Madam Lin Chen, Jui-Fen on 15 October 2025.

Shin-Ni graduated with Bachelor in Business Computing and Information Technology from Aston University, United Kingdom in 2005. Shin-Ni joined RKIB Group in September 2006 as management trainee of Latitude Tree Furniture Sdn. Bhd.. Shin-Ni was promoted to Manager of Latitude Tree Vietnam Joint Stock Company ("LTVJSC") in 2009. In 2014, Shin-Ni was promoted to Marketing Manager of RK Resources Co., Ltd..

Shin-Ni has many years of experience in international marketing, market development, managing cross-functional teams in product development and leading the marketing team of Vietnam division. Currently, Shin-Ni is also the Deputy General Manager of LTVJSC since March 2025.

Shin-Ni does not hold any directorship in any public and private limited companies.

Shin-Ni is the daughter of Madam Lin, sister of Mr Lin and cousin of Mr Lin, Cheng-Hung. Madam Lin, Mr Lin and Mr Lin, Cheng-Hung are substantial shareholders of the Company.

Shin-Ni has no conflict of interest in any business arrangement involving the Company. She has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years and has not been imposed of any public sanctions or penalty by relevant regulatory bodies during the financial year under review.

Since Shin-Ni was appointed on 15 October 2025, she did not attend any Board meetings of the Company during the financial year ended 30 June 2025.

PROFILE OF KEY SENIOR MANAGEMENT

Age
Aged 57

Nationality
Malaysian

Gender
Male

YEOH JOE SON

Group Finance Director

Mr Yeoh Joe Son ("Mr Yeoh") is a Chartered Accountant of the Malaysian Institute of Accountants since 1995 and a Fellow Member of the Association of Chartered Certified Accountants since 1999.

Mr Yeoh has many years of working experience in the fields of accounting, audit, corporate finance, treasury, corporate recovery and financial management. He started his career with Ernst & Young, Kuala Lumpur in 1989. He joined RKIB Group as Accountant in 1995 and was promoted to Group Accountant in 1998. Prior to his appointment as Group Finance Director, his last appointment with RKIB was Group Financial Controller. He was the Finance Director of Latitude Tree International Group Limited (now known as China Star Food Group Limited) from 2009 to 2014.

Currently, Mr Yeoh is also a Director of Latitude Tree Vietnam Joint Stock Company, a Company Secretary of RKIB and a member of the Employees' Share Scheme Committee of RKIB. He is not a director for any public company.

Mr Yeoh does not have any family relationship with any other Directors and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

Age
Aged 43

Nationality
Malaysian

Gender
Male

FONG TOH WAI

Group Financial Controller

Mr Fong Toh Wai ("Mr Fong") graduated with a Bachelor of Accountancy with Distinction from the University of Wollongong, Australia in 2003. He is a Chartered Accountant of the Malaysian Institute of Accountants and a Certified Practising Accountant of CPA Australia since 2007.

Mr Fong has many years of working experience in the fields of accounting, audit, corporate finance, taxation and corporate governance. He started his career with PricewaterhouseCoopers, Kuantan in 2003. In 2004, he joined Ernst & Young, Kuantan. During his tenure with Ernst & Young, he had involved on various assignments including statutory audits, due diligence audits, initial public offering audits, FRS convergence audits and FRS 139 implementation audits. Mr Fong was appointed as Group Financial Controller of RKIB on 1 June 2012. He is also a member of the Employees' Share Scheme Committee of RKIB.

Mr Fong is not a director for any public and private limited companies.

Mr Fong does not have any family relationship with any other Directors and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

Age
Aged 66

Nationality
Taiwanese

Gender
Male

LU, CHIN-CHIA

General Manager of Vietnam Division

Mr Lu, Chin-Chia ("Mr Lu") is a graduate of the National Chung Hsing University (BS) in Taiwan with a major in Wood Science.

Mr Lu has many years of working experience in wood making machinery, furniture production, factory management and manufacturing operation. He worked as an Anti-Smuggling Officer in the Ministry of Finance, Kaoshiung Custom Office, Taiwan, from March 1995 to March 2000. He was the Factory Manager of Latitude Tree Furniture Sdn. Bhd.'s factory operation in Terengganu, Malaysia from March 2000 to December 2001. From June 2002 to April 2003, Mr Lu was the Deputy General Manager of Exact Wood Manufacturing Co., Ltd.. From May 2003 to February 2005, he was the Rough Mill Manager of Lacquer Craft Furniture Co., Ltd., a company involved in the manufacture of wooden furniture.

Mr Lu rejoined RKIB Group in March 2005 and currently, he is the General Manager of Vietnam Division and is also a Director of RK Resources Co., Ltd.. He is not a director for any public company.

Mr Lu does not have any family relationship with any other Directors and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

Age
Aged 44

Nationality
Taiwanese

Gender
Female

LIN SHIN-NI

*Deputy General Manager of Latitude Tree Vietnam Joint Stock Company/
Alternate Director to Madam Lin Chen, Jui-Fen*

Madam Lin Shin-Ni ("Shin-Ni") was appointed as Alternate Director to Madam Lin Chen, Jui-Fen on 15 October 2025.

Shin-Ni graduated with Bachelor in Business Computing and Information Technology from Aston University, United Kingdom in 2005. Shin-Ni joined RKIB Group in September 2006 as management trainee of Latitude Tree Furniture Sdn. Bhd.. Shin-Ni was promoted to Manager of Latitude Tree Vietnam Joint Stock Company ("LTVJSC") in 2009. In 2014, Shin-Ni was promoted to Marketing Manager of RK Resources Co., Ltd..

Shin-Ni has many years of experience in international marketing, market development, managing cross-functional teams in product development and leading the marketing team of Vietnam division. Currently, Shin-Ni is also the Deputy General Manager of LTVJSC since March 2025.

Shin-Ni does not hold any directorship in any public and private limited companies.

Shin-Ni is the daughter of Madam Lin, sister of Mr Lin and cousin of Mr Lin, Cheng-Hung. Madam Lin, Mr Lin and Mr Lin, Cheng-Hung are substantial shareholders of the Company.

Shin-Ni has no conflict of interest in any business arrangement involving the Company.

Note:

Other than traffic offences, all key senior management have never been convicted for any offences within the past five (5) years, nor any public sanctions or penalty imposed by the relevant regulatory bodies during the financial year under review.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors (“the Board”) of Rhong Khen International Berhad (“RKIB” or the “Company”) is committed to achieve and maintain high standards of corporate governance within RKIB and its subsidiaries (the “Group”).

The Board is guided by the principles and recommendations as promulgated in the latest Malaysian Code on Corporate Governance 2021 (“MCCG”) issued by Securities Commission and Paragraph 15.25 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) wherever applicable in the best interest of the shareholders of the Company.

This Statement should be read in conjunction with the Corporate Governance Report (“CG Report”) and other Statements in the Annual Report, which is available on the Company’s website at www.rkibhd.com and announcement on Bursa Securities’ website at www.bursamalaysia.com. The CG Report sets out the key aspects of how the Company has applied the principles and recommendations of the MCCG during the financial year under review and up to the date of this report.

Save for limited exceptions as explained within this Statement and the CG report, the Board is satisfied that the practice set out in the MCCG have, in all material aspects, been applied to achieve the intended outcomes which are found to be suitable and appropriate to the Group.

The Board will continue evaluating the governance practices in response to evolving best practices and the changing needs of the Group. The Board is pleased to present this Statement and explain how the Group has applied the three (3) principles as set out in the MCCG.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

1.1 BOARD RESPONSIBILITIES

The Board is responsible for the proper stewardship of the Group’s business direction and objectives, and ultimately the enhancement of long-term shareholders’ value.

The roles of the Board, Board Chairman, Board Committees and Managing Director are clearly defined in the Board Charter to ensure accountability and division of responsibilities. The Board Charter is subject to review by the Board periodically to ensure it remain consistent with the Board’s objectives and responsibilities. The Board Charter is available on the Company’s website, www.rkibhd.com.

The Chairman is responsible for leading, effective functioning of the Board and implementation of the Board’s policies and decisions. Whilst, the Managing Director is empowered by the Board to oversee the management and day-to-day business operation of the Group. The Managing Director is accountable to the Board for the authority that is delegated to him, and for the performance of the Group. The Managing Director is supported in this role by the Senior Management and has executive responsibility for running our business. The diligent way in which the Chairman of the Board Committees and their members carry out their committees’ duties enable them to discharge their responsibilities efficiently and effectively.

The Board monitors the decisions and actions of the Managing Director and the performance of the Group to gain assurance that progress is being made towards the corporate objectives.

The Board has primary responsibility for the governance and management of the Group and fiduciary responsibility for the financial health of the Group. The Group acknowledges the importance of having an effective Board to lead and control the Group. The principal responsibilities of the Board include:

- a) Reviewing and adopting the business plan and overall strategic direction for the Group
 - The Board provides insights and guidance to the Managing Director and Senior Management to achieve corporate objectives of the Group. The Board reviews the strategic business plan presented by the Managing Director and Senior Management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.1 BOARD RESPONSIBILITIES (cont'd)

- b) Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed
 - The Managing Director is accountable to the Board to ensure effective implementation of the Group's business plan and policies approved by the Board as well as to manage the daily conduct of the business to ensure its smooth operation. At each meeting, the Managing Director will report to the Board a summary report on the performance and activities of the Group including specific proposals for capital expenditure and acquisitions, if any.
- c) Identifying principal risks and ensure the implementation of appropriate systems to manage these risks
 - The oversight of the Group's risk management process is the responsibility of the Managing Director who is assisted by the Heads of Department of the respective operating subsidiaries. The Company has established a Risk Management Committee ("RMC") whom together with the Audit Committee ("AC"), are responsible for ensuring more effective and efficient identification, evaluation, management and reporting of Group's risks. Details on the function of RMC are set out in the Statement on Risk Management and Internal Control on page 36 of this Annual Report.
- d) Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing Executive Directors and the Key Senior Management
 - The Board noted the importance of succession planning to the Group. A succession planning policy has been established to address the possibility of replacing Executive Directors and Senior Management if circumstances require.
- e) Developing and implementing an investor relations programme or shareholder communications policy for the Group
 - The Company's website, www.rkibhd.com, incorporates an Investor Relations section which provide all relevant information on the Company and accessible by the public. The information available in the website includes Financial Reports, Company's announcements, Annual General Meeting ("AGM") minutes, Extraordinary General Meeting ("EGM") minutes as well as the corporate and governance structure of the Group.
- f) Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines
 - The Board acknowledges the importance of establishing a sound system of internal control. An Enterprise-Wide Risk Management Framework has been established to manage risks and to safeguard shareholders' investment and the Group's assets. Details on the framework are set out in the Statement on Risk Management and Internal Control on page 37 of this Annual Report.
- g) Determining the remuneration and benefits payable for Non-Executive Directors, with the individuals concerned abstaining from discussions of their own remuneration
 - The determination of remuneration packages of Non-Executive Directors, including Non-Executive Chairman will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decision in respect of his/her individual remuneration package. The Board recommends the Directors' fees and benefits payable to Non-Executive Directors on a yearly basis to the shareholders for approval at the AGM.
- h) Ensuring the Company's financial statements are true and fair and conform to any applicable laws and/or regulations
 - The Board considered and reviewed the integrity of information in the financial statements and quarterly reports based on the recommendation from AC to ensure the financial statements presented are true and fair and in compliance with regulatory requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.1 BOARD RESPONSIBILITIES (cont'd)

- i) Ensuring the Company has appropriate corporate governance structure and policies in place
 - The Group has established and adopted a Code of Conducts and Ethics for Directors and employees ("Code"). The Code has been circulated to all employees of the Group and each employee is contractually bound to abide by the Code. The Code for Directors is available on the Company's website, www.rkibhd.com.
- j) Deciding on necessary steps to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due and ensuring that such steps are taken.

To ensure effective functioning of the Board, all Directors have full and unrestricted access to all information through the following means:

- i) Senior Management and external advisers may be invited to the Board and Board Committees' meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agendas and to report or present areas within their responsibility to ensure the Board is able to effectively discharge its responsibilities.
- ii) Information provided to the Board and Board Committees are compiled into reports via the Board and Board Committees papers circulated to Directors prior to the Board and Board Committees' meetings, to enable the Board and Board Committees to make decisions and to deal with matters arising from such meetings.
- iii) Directors have ready and unrestricted access to the advice and services of the Company Secretaries.
- iv) Directors may obtain independent professional advice at the Company's expenses in furtherance of their duties, where this is deemed necessary, after consultation with the Chairman and other Board members.

The notice of a Board meeting is given in writing at least seven (7) days prior to the meeting. The agenda has included, amongst others, matters specifically reserved for the Board's decision. The Board has a schedule of matters specifically reserved to it for decision and has approved the written terms of reference of the various committees to which it has delegated its authority in certain matters to support the Board in the performance of its duties and responsibilities.

The Senior Management ensures that the Board has full access to information regarding the activities within the Group and to the advice and services of the Company Secretaries, who are responsible for ensuring the Board meeting procedures are adhered to. All matters discussed and resolutions passed at each Board meeting are recorded in the minutes of the Board meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.1 BOARD RESPONSIBILITIES (cont'd)

The Board held five (5) meetings during the financial year under review and details of attendance of each Director are as follows:

Name	Attendance
Dato' Dr Norraesah Binti Haji Mohamad Chairman/Independent Non-Executive Director	4/5
Lin Chen, Jui-Fen Deputy Executive Chairman/Executive Director (*Alternate Director: Lin Shin-Ni)	5/5
Lin, Chin-Hung Managing Director	5/5
Sandra Segaran A/L Muniandy @ Krishnan Independent Non-Executive Director	5/5
Toh Seng Thong Non-Independent Non-Executive Director	5/5
Yek Siew Liong Non-Independent Non-Executive Director	5/5

* Appointed as Alternate Director on 15 October 2025

Company Secretaries

The Company Secretaries, through the Chairman, is responsible for advising the Board on all governance matters and for ensuring that Board procedures are followed, applicable rules and regulations are complied with, and that due account is taken of relevant codes of best practice. The Company Secretaries are responsible for ensuring effective communication flows between the Board and Board Committees, and between Senior Management and Non-Executive Directors.

The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and competent on new statutory and regulatory requirements, and the resultant implications to the Company and Directors in relation to their duties and responsibilities. The Company Secretaries brief the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretaries attend all Board and Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly.

Every director has unhindered access to the advice and services of the Company Secretaries.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.1 BOARD RESPONSIBILITIES (cont'd)

Whistle Blowing Policy

As part of the Group's continuous efforts to ensure that good corporate governance practices are being adopted, the Group has established a Whistle Blowing Policy to provide a clear line of communication and reporting of concerns for employees at all levels.

The Whistle Blowing Policy covers the safeguards of whistle blowers, reporting procedure and investigation process which have been circulated to all employees of the Group. The Whistle Blowing Policy is available on the Company's website, www.rkibhd.com.

Anti-Bribery and Anti-Corruption Policy

In compliance with the amendment of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and guided by the principles of the Ministerial Guidelines and Paragraph 15.29 of the MMLR of Bursa Securities in relation to anti-bribery, the Board had adopted an Anti-Bribery and Anti-Corruption ("ABAC") Manual which is available on the Company's website, www.rkibhd.com.

The Board has adopted a zero-tolerance approach against all form of bribery and corruption, as defined in the ABAC Manual, and takes a strong stance against such acts. The ABAC Manual serves as a guideline to all the Board and employees of the Group in relation to the Group's core values and expectations, as well as policies and procedures in dealing with bribery and corruption matters.

1.2 BOARD COMPOSITION

During the financial year under review, the Board currently consists of six (6) members; comprising two (2) Independent Non-Executive Directors, two (2) Non-Independent Non-Executive Directors and two (2) Executive Directors of which one (1) is the Managing Director, along with one (1) Alternate Director to Executive Director. The composition of the Board reflects a balance of Executive and Non-Executive Directors to ensure that the interest of not only the Group, but also stakeholders and the public in general are represented in all business strategies formulation and adoption. The composition of the Board also fulfils the MMLR of having at least two (2) or one-third (1/3) of the Board comprising Independent Director. In the event of non-compliance with Paragraphs 15.02(1)(a) and 15.02(2) of the MMLR, the Company must fill the vacancy within three (3) months.

The balance of Directors on the Board ensures that no individual or small group of Directors can dominate the decision-making process and that the interests of shareholders are protected. The Board considers each of the current Independent Non-Executive Directors to be independent in character and judgement that could provide unbiased and independent views to the Board. In reaching this determination of independence, the Board has concluded that each of them provides objective challenge to Management, is willing to stand up and defend his/her own beliefs and viewpoints in order to support the ultimate good of the Company and that there are no business or other relationships likely to affect the judgement of the Independent Non-Executive Directors.

The Board is satisfied with its current composition which comprises a balanced mix of operational skills of the Executive Directors in the wooden furniture manufacturing industry with the professional expertise of the Non-Executive Directors in the fields of manufacturing, finance, auditing and accounting. The qualification and experience of the Directors are set out in the Profile of Board of Directors on pages 12 to 16 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.2 BOARD COMPOSITION (cont'd)

Board Committees

To ensure the effective discharge of its functions and responsibilities, the Board has established and delegated certain power and responsibilities to the Board Committees which have been set up, namely the Audit Committee, Nomination Committee and Remuneration Committee.

The Board Committees are entrusted with specific powers and responsibilities to oversee the relevant matters, in accordance with their respective Terms of References and operating procedures. These committees were formed in order to ensure an optimum structure for efficient and effective decision-making in the organisation. The Chairman of the respective committees will report to the Board the proceedings, deliberations and outcomes of these meetings and such reports are incorporated into the Board papers.

The Board remains fully responsible for the direction and control of the Group.

a) Audit Committee

The details of the AC are set out in AC Report from pages 39 to 42 of this Annual Report.

b) Nomination Committee

The Nomination Committee ("NC") currently consist of three (3) members, all of whom are exclusively Non-Executive Directors with a majority of whom are Independent Non-Executive Directors as follows:

Chairman:

Dato' Dr Norraesah Binti Haji Mohamad

Independent Non-Executive Director

Members:

Sandra Segaran A/L Muniandy @ Krishnan

Independent Non-Executive Director

Yek Siew Liong

Non-Independent Non-Executive Director

The NC met once during the financial year under review and details of attendance of each NC member are as follows:

Name	Attendance
Dato' Dr Norraesah Binti Haji Mohamad	1/1
Sandra Segaran A/L Muniandy @ Krishnan	1/1
Yek Siew Liong	1/1

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.2 BOARD COMPOSITION (cont'd)

Board Committees (cont'd)

b) Nomination Committee (cont'd)

The main duties and activities of NC are as follows:

(i) Appointment Process

The Board, through the NC's annual appraisal, believes that the current composition of the Board brings the required mix of skills and core competencies required for the Board to discharge its duties effectively.

The NC is responsible for making recommendations to the Board on the suitability of candidates nominated for appointment to the Board and Board Committees. A formal and transparent procedure for appointment of directors was set out in the Policies Governing the Board of Directors which is published on the Company's website, www.rkibhd.com.

According to the Fit and Proper Policy, the Board should consider the factors which includes but not limited to the following in assessing if a candidate meets the criteria under the policy:

- (a) Character and integrity – Probity, personal integrity, financial integrity, reputation;
- (b) Experience and competence – Qualification, training, skills, relevant experience and expertise, relevant past performance or track record; and
- (c) Time and commitment – Ability to discharge role having regard to other commitment, participation and contribution in the board or track record.

The decision as to who should be appointed is the full responsibility of the Board after considering the recommendations of the NC. The Company Secretaries will ensure that all appointments are properly made; all the necessary information is obtained as well as all legal and regulatory obligations are met.

On the appointment of Senior Management, the NC focuses on their working experience, skills set, competencies, qualifications, integrity and commitment in the assessment of the identified Senior Management personnel before recommending for approval of the Board. The criteria for the recruitment/appointment of Senior Management are available in the Policies Governing the Board of Directors which is published on the Company's website.

(ii) Re-election/Re-appointment of Directors

In accordance with the Company's Constitution, any Director appointed during the year is required to retire and seek for re-election by shareholders at the following AGM immediately after their appointment and that one third (1/3) of the Board members are required to retire at every AGM and seek for re-election by shareholders. All Directors, including the Managing Director shall retire from office at least once in every three (3) years and shall be eligible for re-election.

Pursuant to Clause 96 of the Company's Constitution, Mr Sandra Segaran A/L Muniandy @ Krishnan ("Mr Sandra Segaran") and Mr Yek Siew Liong ("Mr Yek") will retire by rotation at the Thirty-First ("31st") AGM of the Company and had offered themselves for re-election. The Directors standing for re-election at the forthcoming 31st AGM and collectively agrees that they meet the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors. The NC had also conducted the fit and proper assessment on the Directors who are subject to re-election at the forthcoming AGM and was satisfied with the outcome of the assessments.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.2 BOARD COMPOSITION (cont'd)

Board Committees (cont'd)

b) Nomination Committee (cont'd)

The main duties and activities of NC are as follows: (cont'd)

(iii) Board Evaluation

The Board regularly evaluates its performance and the governance processes that support the Board's work with the aim of improving individual contributions, effectiveness of the Board and its committees and RKIB's performance.

The effectiveness of the Board is assessed in the areas of the Board structure and composition, meeting process, administration and conduct, relationship with Management, Board responsibilities, as well as the effectiveness of the Board Chairman. Whilst, the effectiveness of Board Committees are assessed in terms of composition, processes, responsibilities, as well as the effectiveness of the Chairman and each member of the respective Board Committees.

The performance of individual Directors will be assessed by the NC based on integrity and ethics, contribution and interaction, knowledge, judgement and decision making, understanding of role and leadership. The NC also reviewed the training needs of the respective Directors via the Board Annual Assessment to ensure the Board remains relevant and progressive.

According to Practice 5.3 of the MCCG, if the Board intends to retain an independent director beyond nine (9) years, it should justify and seek shareholders' annual approval through a two-tier voting process.

The Board has via the NC conducted an annual performance evaluation and assessment on the Independent Directors and is of the opinion that Dato' Dr Norraesah Binti Haji Mohamad ("Dato' Dr Norraesah") and Mr Sandra Segaran remain objective and independent in expressing their views.

(iv) Diversity

The Group recognises and embraces the benefits of a diverse Board. The NC reviews the composition of the Board and the Board Committees. It frequently considers a skills matrix for the Board, which identifies the core competencies, skills, diversity and experience required for the Board to deliver its strategic aims and govern the Group's effectively.

However, the Board is presently of the view that there is no necessity yet to fix a specific gender diversity policy as the Board has two (2) female directors, where more than 30% of the Board composition comprised of female. We acknowledge that the appointment of any Director(s) should be based on their merit, qualification and working experience and the Board is supportive of gender equality.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.2 BOARD COMPOSITION (cont'd)

Board Committees (cont'd)

b) Nomination Committee (cont'd)

The main duties and activities of NC are as follows: (cont'd)

(iv) Diversity (cont'd)

Currently, the Group does not have any specific measurable objectives for achieving gender diversity in the Senior Management. Nevertheless, the Group is committed to promote a culture of diversity in the workplace by:

- recruiting and managing on the basis of an individual's competence and performance;
- respecting the unique attributes that each individual brings to the workplace;
- fostering an inclusive and supportive culture to enable people to develop their full potential; and
- provide the opportunity for employees to develop skills and experience through training and mentoring programme.

(v) Training

During the financial year under review, the Directors have attended and participated in various training programme based on the recommendation of NC from the findings of the Board Annual Assessment on the training needs. The trainings and seminars attended by the Directors are set out as follows:

Name of Director	Trainings/Seminars Attended
Dato' Dr Norraesah Binti Haji Mohamad	Mandatory Accreditation Programme Part II: Leading For Impact (LIP)
Lin Chen, Jui-Fen	Mandatory Accreditation Programme Part II: Leading For Impact (LIP)
Lin, Chin-Hung	Mandatory Accreditation Programme Part II: Leading For Impact (LIP)
	U.S. Reciprocal Tariff Webinar
	Updates of Vietnam Tax Regulations Webinar
Sandra Segaran A/L Muniandy @ Krishnan	Mandatory Accreditation Programme Part II: Leading For Impact (LIP)
Toh Seng Thong	SSM National Conference 2024
	National Tax Seminar 2024
	Transfer Pricing and Tax Corporate Governance Seminar 2025
Yek Siew Liong	Mandatory Accreditation Programme Part II: Leading For Impact (LIP)
	SSM National Conference 2024
	Importance of Intellectual Property in Business

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.2 BOARD COMPOSITION (cont'd)

Board Committees (cont'd)

b) Nomination Committee (cont'd)

The main duties and activities of NC are as follows: (cont'd)

(vi) Works of NC

A summary of works undertaken by the NC in the discharge of its duties during the financial year under review are as follows:

- Reviewed the effectiveness of the Board as a whole and the effectiveness of the Committees of the Board;
- Assessed the effectiveness of the Board as a whole, Board Committees and contributions of each individual Director as well as their character, experience, competence, integrity and time commitment and independence of Independent Directors. The NC reviews annually the required mix of skills and experience including core competencies which Non-Executive Directors should bring to the Board and other qualities for the Board to function effectively and efficiently. The summary of the assessment and its findings was tabled to the NC on 21 May 2025. Based on the summary as presented, the NC tabled its recommendations to the Board at the Board of Directors' Meeting held on 21 May 2025;
- Reviewed and considered the mix of skills and experience of each individual Director including the core competencies of the Non-Executive Directors;
- Assessed the independence of the Independent Directors and is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company;
- Reviewed the term of office and performance of AC and each of its members;
- Conducted assessment (including fit and proper assessment) on the Directors, Mr Sandra Segaran and Mr Yek, who are subject to retirement by rotation at the forthcoming AGM. The NC was satisfied with the assessment of the abovementioned Directors and recommended the re-election of the said Directors for the Board's further recommendation to the shareholders for approval; and
- Assessed and identified the training needs of Directors for continuous education purpose.

c) Remuneration Committee

The Remuneration Committee ("RC") currently consist of three (3) members, majority of whom are Independent Non-Executive Directors as follows:

Chairman:

Dato' Dr Norraesah Binti Haji Mohamad

Independent Non-Executive Director

Members:

Sandra Segaran A/L Muniandy @ Krishnan

Independent Non-Executive Director

Toh Seng Thong

Non-Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.2 BOARD COMPOSITION (cont'd)

Board Committees (cont'd)

c) Remuneration Committee (cont'd)

The RC met once during the financial year under review and details of attendance of each RC member are as follows:

Name	Attendance
Dato' Dr Norraesah Binti Haji Mohamad	1/1
Sandra Segaran A/L Muniandy @ Krishnan	1/1
Toh Seng Thong	1/1

1.3 REMUNERATION

The remuneration of the Executive Directors, in all its forms, is reviewed and assessed by the RC before being recommended to the Board. Executive Directors should play no part in decisions on their own remuneration. The determination of remuneration packages of Non-Executive Directors, including the Non-Executive Chairman should be a matter for the Board as a whole. The individuals concerned should abstain from discussion of their own remuneration.

The fees and benefits payable to the Non-Executive Directors are determined by the Board based on recommendation of the RC. The remuneration packages of Senior Management are determined by the Executive Directors.

The RC follows formal and transparent policies and procedures when deciding the remuneration packages of the Executive Directors, which is in line with the Group's overall practice on compensation and benefits, which is to reward employees competitively, taking into account performance, market comparisons and competitive pressures in the industry. Whilst not seeking to maintain a strict market position, it takes into account comparable roles in similar organisations.

The remuneration of the Board of Directors is determined by (i) the amount of time commitment that the Director concerned channels toward the Company; (ii) the expertise and skills that the Director concerned brings to the Board; (iii) the business strategy and long-terms objectives of the Company, and (iv) the number of Board Committees that the Director sits on, as well as in what capacity (i.e. Chairman or member).

The remuneration policies and procedures governing the remuneration of Executive Directors, Non-Executive Directors and Senior Management are available in the Policies Governing the Board of Directors which is published on the Company's website.

The aggregate remuneration of Directors received from the Company and the Group during the financial year amounted to RM506,864 and RM2,280,781 respectively. Details of the individual Director's remuneration from the Company and the Group are set out under Practice 8.1 of the Corporate Governance Report, which is published on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.3 REMUNERATION (cont'd)

The Board is of the view that the disclosure of Senior Management's remuneration on a named basis will not be in the best interest of the Group, as it will give rise to recruitment and talent retention issues and hence, the Group may lose high calibre personnel who have been contributing to the Group's performance. Alternatively, the Group and the Company have disclosed the aggregate total remuneration of all the key management personnel for the financial year ended 30 June 2025, under Note 29(b) to the Financial Statements on page 133 of the Company's Annual Report 2025. This coincides with the requirements of Paragraph 17 of MFRS Accounting Standards 124: Related Party Disclosures.

Other than Directors' fees and allowances paid which had been the norm and been duly disclosed in this Annual Report, no other incentives or benefits of whatsoever nature had been paid to the Independent Directors that would cause biases in their objective and independent judgement in Board deliberation.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

2.1 AUDIT COMMITTEE

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial position and prospects via the quarterly announcements of results and the publishing of audited financial statements via the Annual Report distributed to shareholders yearly.

The Board is assisted by the AC to oversee the Group's internal control function, financial reporting processes and the quality of its financial reporting with particular emphasis on the application of accounting standards, policies and the making of reasonable and prudent estimates and assumptions. The composition of the AC shall comply with the requirements of Paragraphs 15.09 and 15.10 of the MMLR, with majority of them being independent. The members of the AC elected a Chairman from among its members who is an Independent Director and is a member of Association of Chartered Certified Accountants and Malaysian Institute of Accountants.

A summary of the works of the AC on financial reporting and oversight role on external and internal auditors during the financial year under review is set out in the AC Report on pages 40 to 42 of this Annual Report.

A statement by the Board of its responsibilities for preparing the financial statements is set out on page 74 of this Annual Report.

The AC has adopted a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.

Assessment of suitability and independence of External Auditors

The Board maintains an active, transparent and professional relationship with its External Auditors ("EA") through the AC, which has been conferred with the authority to interface directly with the EA of the Group.

The AC reviews and assesses the suitability and independence of EA of the Company on an annual basis. The annual review and assessment are carried out via assessment questionnaires. The areas for assessment of the EA cover, inter-alia, their technical competencies, independence, objectivity, professionalism, quality of services, sufficiency of resources and communication and interaction with the EA.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

2.1 AUDIT COMMITTEE (cont'd)

Assessment of suitability and independence of External Auditors (cont'd)

The AC has received an annual written confirmation of the EAs' independence in accordance with its firm's requirements and the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants. Messrs Ernst & Young PLT was appointed as the EA of the Company on 21 December 2010.

The EA provide mainly audit-related services to the Company. The provision of non-audit services is reviewed by the AC to ensure that such services do not impair the EAs' independence or objectivity.

The AC has also taken note of the non-audit services and the fees charged by the EA and considered the quantum of the fee which was not material as compared with the total audit fee paid to the EA, has concluded that the provision of such services did not compromise the EA's independence and objectivity.

The AC had on 15 October 2025 assessed the performance of the EA and was satisfied with their performance, technical competence and audit independence.

The Board, based on the recommendation by the AC, proposed the re-appointment of Messrs Ernst & Young PLT as the EA of the Company to the shareholders for approval at the forthcoming AGM.

2.2 RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has ultimate responsibility for reviewing the Company's risks, approving the Enterprise-Wide Risk Management Framework ("ERM") and policies and overseeing the Company's strategic risk management and internal control framework.

The Company has in place an on-going process for identifying, evaluating and managing significant risks that may affect the achievement of the business objectives of the Group. RMC, which is not a board committee and chaired by the Managing Director, comprising members from the Heads of Department of respective operating subsidiaries with risk and business management knowledge and experience has been established by the Company to regularly review the ERM and policies formulated by the respective local management and makes relevant recommendations to the Board for approval.

The Board through the AC and RMC reviews the key risks identified by the RMC on a regular basis to ensure proper management of risks and that measures are taken to mitigate any weaknesses in the control environment.

The key features of the ERM are set out in the Statement on Risk Management and Internal Control of the Company on page 37 of this Annual Report.

Internal audit function

The Board has established an internal audit function within the Company, which is led by the outsourced Internal Auditors, Axcelasia Sdn. Bhd. (formerly known as Tricor Axcelasia Sdn. Bhd.) who reports directly to the AC.

Details of the Company's internal control system and framework as set out in the Statement on Risk Management and Internal Control together with AC Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

3.1 COMMUNICATION WITH STAKEHOLDERS

The importance of keeping shareholders informed of developments concerning the Group is high on the agenda.

The shareholders are kept abreast of all important developments concerning the Group through regular and timely dissemination of information via quarterly financial announcements through Bursa Securities' website, distribution of Annual Report and various other announcements made during the financial year. These will enable the shareholders, investors and members of public to have an overview of the Group's performance and hence, will enable them to make any informed investment decision in relation to the Group.

The Company's website, www.rkibhd.com, provides an avenue for information, such as dedicated sections on corporate information, including financial information and announcements. The website is continuously updated to ensure that the information contained within is correct.

The Board has in place a Corporate and Communication Disclosure Policy to ensure the dissemination of information to shareholders and stakeholders is in accordance with the disclosure requirements under the MMLR and other applicable laws.

While the Company endeavors to provide as much information as possible to its shareholders and stakeholders, it is also wary of the legal and regulatory framework governing the release of material and price-sensitive information. The Company takes into account the prevailing legislative restrictions and requirements as well as the investors' needs for timely release of price-sensitive information such as financial performance results and statements, material acquisitions, significant corporate proposals as well as other significant corporate events when releasing such information.

Shareholders and other interested parties may contact the Managing Director, to address any concerns by writing or via telephone or facsimile as follows:

Address	:	Rhong Khen International Berhad Lot 3356, Batu 7 ¾, Jalan Kapar 42200 Kapar, Selangor Darul Ehsan, Malaysia
Telephone	:	+603-3291 5401
Fax	:	+603-3291 5404
Website	:	www.rkibhd.com

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

3.2 CONDUCT OF GENERAL MEETINGS

As stated earlier, the Board recognises the importance of communications with its shareholders and will take additional measures to encourage shareholders' participation at general meetings as recommended by 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 the AGMs.

The Board views the AGM serves as the primary forum for the shareholders to engage directly with the directors and senior management. The Company will convene its forthcoming 31st AGM on 27 November 2025, and shareholders are encouraged to present any questions or concerns regarding the operations, financial performance and major development of the Group during the AGM and to vote on all resolutions. Notice of the AGM, Annual Report and Statement to Shareholders in relation to proposed renewal of authority for the Company to purchase its own shares, will be circulated to the shareholders by giving sufficient notice of at least twenty-eight (28) days before the date of the meeting to enable shareholders to have full information prior to the AGM in order to facilitate informed decision-making. This also enable the shareholders have sufficient time to read and understand the Company's financial and non-financial performance before the AGM.

Pursuant to the MMLR, any resolution set out in the notice of any general meeting, or in any notice of resolutions which may properly be moved and is intended to be moved at any general meeting, must be voted by poll. Voting for all resolutions as set out in the Notice of Thirtieth ("30th") AGM held on 28 November 2024 were voted by poll and validated by an independent scrutineer.

Effective Communication and Proactive Engagement

The AGM also provides an effective means of communication with the shareholders where they are encouraged to participate in the open question and answer session during the AGM. The Board responded to the questions submitted by Minority Shareholder Watch Group and the questions posted from the shareholders at the 30th AGM. The minutes of the 30th AGM has been uploaded to the Company's website within thirty (30) business days from the date of the 30th AGM.

CONCLUSION

The Board is supportive of all the Recommendations of the Code and will take reasonable steps and also review the existing policies and procedures in place from time to time to ensure full compliance thereof. The Board is satisfied that the Company has substantially complied with the Principles and Recommendations of the Code.

This Statement has been reviewed and approved by the Board of Directors on 15 October 2025.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. UTILISATION OF PROCEEDS

There was no corporate exercise carried out during the financial year ended 30 June 2025 to raise funds.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable to External Auditors by Rhong Khen International Berhad and its subsidiaries ("Group") and Rhong Khen International Berhad ("Company") for the financial year ended 30 June 2025 are as follows:

	Group (RM'000)	Company (RM'000)
Audit fees	579	95
Non-audit fees	15	15
Total	594	110

3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries which involve Directors' and major shareholders' interests during the financial year ended 30 June 2025.

4. MATERIAL CONTRACTS RELATING TO LOANS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' FOR THE FINANCIAL YEAR

There were no material contracts relating to loans involving Directors' and major shareholders' during the financial year ended 30 June 2025.

5. EMPLOYEES' SHARE SCHEME ("ESS")

The current members of the ESS Committee are:

Chairman:

Toh Seng Thong

Non-Independent Non-Executive Director

Members:

Lin, Chin-Hung

Managing Director

Yeoh Joe Son

Group Finance Director

Fong Toh Wai

Group Financial Controller

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

5. EMPLOYEES' SHARE SCHEME ("ESS") (cont'd)

The Board had delegated to the ESS Committee the responsibility of reviewing the rules and regulations relating to ESS and to ensure the scheme is implemented in accordance with the By-Laws, in respect of the terms on selection and determination of eligibility, the grants of ESS shares or options, prices, termination and appeals and such other duties as per the Terms of Reference of the ESS Committee.

During the financial year under review, there were 620,000 shares granted to eligible Directors and employees of the Group via share award pursuant to the Company's ESS which has been implemented since 15 April 2021.

The movements of share scheme during the financial year under review are as follows:

	Number of shares		
	Balance as at 1 July 2024 (Unit)	Granted (Unit)	Exercised (Unit)
Directors	-	120,000	120,000
Senior Management	-	150,000	150,000
Other Eligible Employees	-	350,000	350,000
Grand total	-	620,000	620,000

Directors	Number of shares		
	Balance as at 1 July 2024 (Unit)	Granted (Unit)	Exercised (Unit)
Lin Chen, Jui-Fen	-	60,000	60,000
Lin, Chin-Hung	-	60,000	60,000

Percentage of share granted to Directors and Senior Management are as follows:

Directors and Senior Management	Financial Year 2025	Since the Commencement of ESS up to 30 June 2025
Aggregate maximum allocation	44%	43%
Actual granted	44%	43%

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board of Directors (“the Board”) of Rhong Khen International Berhad (“RKIB” or “the Company”) is pleased to provide the Statement on Risk Management and Internal Control of the Group for the financial year ended 30 June 2025, which has been prepared, taken into consideration the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”) and made in accordance with the recommendations of the Malaysian Code of Corporate Governance.

2. BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility to establish a sound system of internal control and risk management in order for the Group to safeguard shareholders’ investment and the Group’s assets. Notwithstanding that, in view of the inherent limitations in any system of internal control, the Board recognises that reviewing the Group’s systems of internal control is a concerted and continuing process, designed to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatement of management, loss or fraud and failure to achieve business objectives.

During the financial year, the Board has reviewed the adequacy and effectiveness of the risk management and internal control system and concluded that the Group’s risk management and internal control systems have been operating adequately and effectively.

The Board has extended the responsibilities of the Audit Committee (“AC”) to include the role of reviewing and monitoring the effectiveness of the Group’s internal control system. The AC reviews and deliberates reports from the internal auditors on findings from audits carried out at operating subsidiaries, and the external auditors on areas for improvement identified during the course of statutory audit. The Reports of the AC is set out on pages 39 to 42 of this Annual Report.

3. RISK MANAGEMENT FRAMEWORK

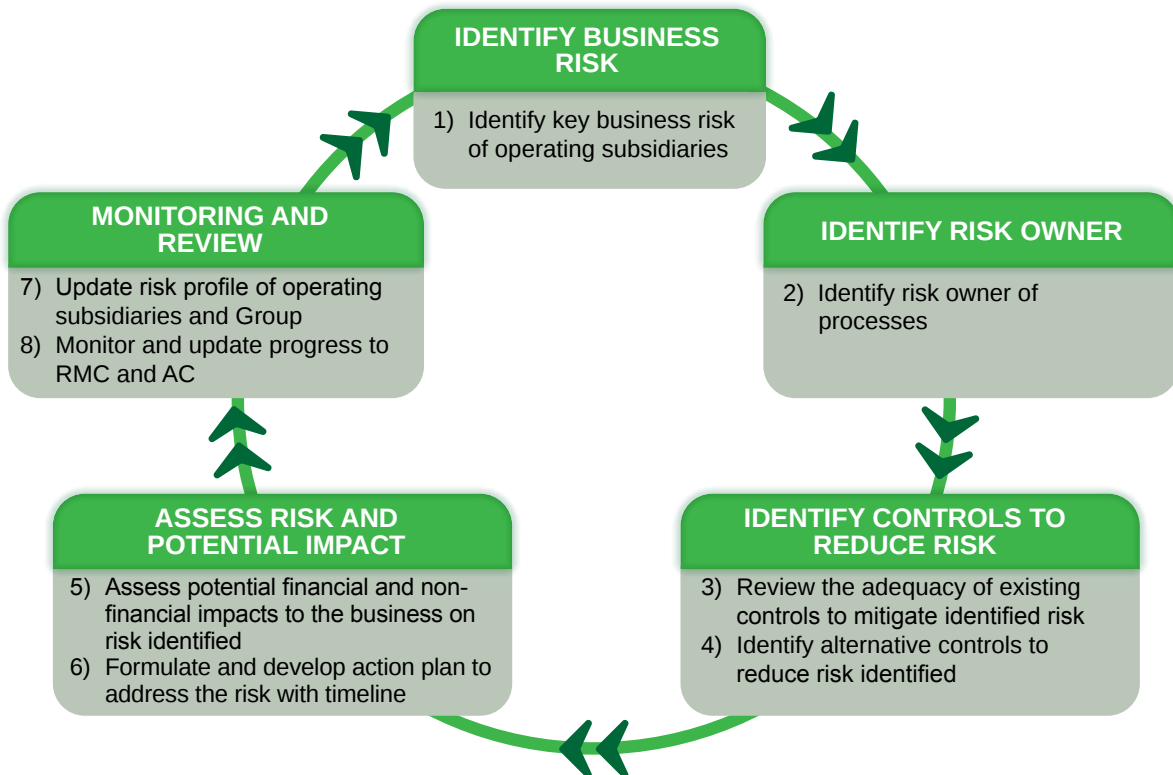
The oversight of the Group’s risk management process is the responsibility of the Managing Director who is assisted by the Heads of Department of the respective operating subsidiaries. The Company has established a Risk Management Committee (“RMC”) whom together with the AC, are entrusted to ensure more effective and efficient identification, evaluation, management and reporting of Group’s risks. Its functions include, inter alia:

- developing Enterprise-Wide Risk Management Framework;
- coordinate the updating of the risk profile;
- monitor the implementation of action plans; and
- review and assess the feasibility of action plans and the overall of the control environment in mitigating risk.

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

3. RISK MANAGEMENT FRAMEWORK (cont'd)

The Company has established an Enterprise-Wide Risk Management (“ERM”) framework. The Group’s ERM framework comprises of five (5) main processes.



Within the ERM framework, risks and control measures are documented and compiled by the RMC to represent the risk profile of the operating subsidiaries which in turn are consolidated to form the risk profile of the Group. Risk profile of the Group is reviewed and updated on a yearly basis. Meetings are held at least once a year in which the updated risk profile will be deliberated by the AC before reporting to the Board.

During the financial year, the Group has continued with its ERM efforts. The risk profile of the Group was reviewed and updated to reflect the current conditions.

4. INTERNAL AUDIT FUNCTION

The internal audit function adopts a risk-based approach and prepares its audit strategies and plans for the AC’s approval prior to execution of internal audit assessments.

The internal audit function is outsourced to an independent consulting firm who assesses the adequacy and effectiveness of the internal control system and report to the AC on findings and recommendations for improvement. Internal audit also reviews the extent to which its recommendations have been implemented by the Management. The AC reviews internal audit reports and management responses thereto and ensures significant findings especially control deficiencies are adequately addressed and rectified by Management of the operating subsidiaries.

The AC reviews internal control matters and update the Board on significant issues for the Board’s attention and action.

During the financial year, the AC with the assistance of the external professional consulting firm, Axcelasia Sdn. Bhd. (formerly known as Tricor Axcelasia Sdn. Bhd.) have reviewed the adequacy and effectiveness of the Group’s internal control systems relating to Manufacturing, Quality Control and Quality Assurance of:

- Latitude Tree Vietnam Joint Stock Company; and
- Rhong Khen Industries Sdn. Bhd..

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

5. OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from risk management and internal audit, the Group's system of internal controls comprises the following key elements:

- an ERM framework for identifying, evaluating and managing business risks in order to safeguard shareholders' investment and the Group's assets;
- a well defined organisational structure with clear reporting lines and accountabilities;
- a clearly defined operating procedures for key processes to ensure full compliance by all operating subsidiaries;
- a Code of Conducts and Ethics ("Code") has been established and adopted. The Code has been circulated to all employees of the Group and each employee is contractually bound to abide by the Code;
- a close monthly monitoring and review of financial results and forecasts for all operating subsidiaries by the Group's Management Steering Committee ("MSC"), headed by the Managing Director; and
- a standardised formulation of action plans at the Group level through discussions carried out by the MSC, to focus on areas of concern.

6. REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control for the inclusion in the Annual Report of the Company for the financial year ended 30 June 2025 in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagement other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Controls. Their work performed is restricted to the requirements by Paragraph 15.23 of the MMLR of Bursa Securities.

Based on their review, the External Auditors have reported that nothing has come to their attention that cause them to believe that the Statement on Risk Management and Internal Control intended to be included in the Annual Report of the Company is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

7. MANAGEMENT'S ASSURANCE

The Managing Director, Group Finance Director and Group Financial Controller, representing the Management, have given reasonable assurance to the Board that the Group's risk management and internal control systems are adequate and effective, in all material aspects, based on the risk management and internal controls adopted by the Group.

8. CONCLUSION

In accordance with the Guidance, the Group has in place an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives and this process has operated during the financial year and up to the date of approval of the Annual Report.

There was no control deficiencies noted during the financial year which has a material impact on the Group's performance or operations.

This Statement has been reviewed and approved by the Board of Directors on 15 October 2025.

AUDIT COMMITTEE REPORT

The Board of Directors (“the Board”) of Rhong Khen International Berhad (“RKIB” or “the Company”) is pleased to present the Audit Committee (“AC”) Report for the financial year ended 30 June 2025 in accordance with Paragraph 15.15 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The AC Report provides insights on how AC discharged its functions and duties for the financial year ended 30 June 2025, details as follows.

During the financial year under review, the AC of the Company carried out its duties and responsibilities in accordance with its Terms of Reference and held discussions with the Internal Auditors, External Auditors (“EA”), and relevant members of management. The AC is of the view that no material misstatements or losses, contingencies or uncertainties have arisen, based on the reviews made and discussions held.

A. COMPOSITION

The AC is appointed by the Board amongst its members with majority of them being independent. All members are financially literate and capabilities necessary to discharge their duties and responsibilities effectively. With Mr Sandra Segaran A/L Muniandy @ Krishnan being a member of the Malaysian Institute of Accountants and none of the AC members being an alternate director, the AC fulfils the requirements of Paragraph 15.09 of the MMLR of Bursa Securities. The members of the AC elected a Chairman among its members who is an Independent Non-Executive Director.

The current members of the AC comprised:

Chairman:

Sandra Segaran A/L Muniandy @ Krishnan

Independent Non-Executive Director

Members:

Dato’ Dr Norraesah Binti Haji Mohamad

Independent Non-Executive Director

Toh Seng Thong

Non-Independent Non-Executive Director

In the event of any vacancy in the AC (including the Chairman), the vacancy must be filled within three (3) months of that event and no alternate director shall be appointed as a member of the AC.

B. MEETINGS AND ATTENDANCE

The AC met five (5) times during the financial year under review and details of attendance of each AC member are as follows:

Name	Attendance
Sandra Segaran A/L Muniandy @ Krishnan	5/5
Dato’ Dr Norraesah Binti Haji Mohamad	5/5
Toh Seng Thong	5/5

The Managing Director, Group Finance Director, Group Financial Controller, Internal Auditors and EA were also invited to attend the AC Meetings.

AUDIT COMMITTEE REPORT (CONT'D)

C. TERMS OF REFERENCE OF THE AC

The information on the Terms of Reference of the AC is available on the Company's website at www.rkibhd.com.

D. SUMMARY OF WORKS OF THE AC

During the financial year under review, the AC has carried out its function and duties and undertook the following works to meet its responsibilities in accordance with its Terms of Reference:

The works carried out by the AC up to the date of this Statement encompassed the following:

1) Financial reporting

- i) Reviewed the quarterly financial statements including the draft announcements pertaining thereto and made recommendations to the Board for approval of the same.

The above review is to ensure that the Company's quarterly financial reports and disclosures present a true and fair view of the RKIB and its subsidiaries ("the Group")'s financial position and performance and are in compliance with the Group accounting policies, going concern assumptions, significant judgements and the MFRS Accounting Standards 134 - Interim Financial Reporting Standards in Malaysia and IFRS Accounting Standards 34 - Interim Financial Reporting as well as applicable disclosure provisions of the MMLR of Bursa Securities.

- ii) Reviewed and made recommendations to the Board in respect of the Audited Financial Statements of the Company and the Group for financial year ended 30 June 2025 and to ensure it presented a true and fair view of the Company's financial position and performance for the year and compliance with regulatory requirements.

Considered and reviewed the integrity of information in the audited financial statements and quarterly financial statements, focus particularly on any changes in accounting policies and practices, significant accounting judgements and estimates of income taxes and inventories, impairment assessment in accordance with MFRS 136: Impairment of Assets, going concern assumption, completeness of disclosures and compliance with accounting standards.

Prior to that, the AC had reviewed the status report on the Audit Results for the financial year ended 30 June 2025 prepared by the EA, Messrs Ernst & Young PLT ("EY") at the meetings held on 29 August 2025 and 15 October 2025.

2) External audit

- i) Reviewed with the EA, their audit plan including non-audit services for the financial year ended 30 June 2025, outlining the audit scope, methodology and timetable, audit materiality, areas of focus, fraud considerations and the risk of management override and also the new and revised accounting standards.
- ii) Discussed and considered the key audit matters, significant accounting adjustments and auditing issues arising from the audit with the EA. The AC also had a private discussion with the EA on 27 August 2024, 11 October 2024, 21 May 2025, 29 August 2025 and 15 October 2025 without the presence of Management to review on the issues relating to financial controls and operational efficiencies of the Group.
- iii) Reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report.

AUDIT COMMITTEE REPORT (CONT'D)

D. SUMMARY OF WORKS OF THE AC (cont'd)

2) External audit (cont'd)

- iv) Evaluated the performance of the EA for the financial year ended 30 June 2025 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees of the EA.

The AC having been satisfied with the independence, suitability and performance of EY, had at its meeting held on 15 October 2025 recommended to the Board to propose the re-appointment of EY as EA for the ensuing financial year of 30 June 2026 to the shareholders for approval at the forthcoming Thirty-First Annual General Meeting.

- v) Reviewed with the EA, the results of their audit for the financial year ended 30 June 2025 and their report.

3) Internal audit

- i) Reviewed and approved the Internal Audit Plan prepared by Axcelasia Sdn. Bhd. (formerly known as Tricor Axcelasia Sdn. Bhd.), a professional internal audit services company outsourced by the Company to ensure there is adequate scope and comprehensive coverage over the activities of the Group and that all the risk areas are audited semi-annually.
- ii) Reviewed two (2) Internal Audit Reports which covered the areas of internal controls systems relating to Manufacturing, Quality Control and Quality Assurance of a Vietnam subsidiary and a Malaysia subsidiary.
- iii) The AC also reviewed the audit findings and recommendations to improve any weaknesses or non-compliance, and the respective Management's responses thereto. The Internal Auditors monitored the implementation of Management's action plan on outstanding issues through follow up reports to ensure that all key risks and control weaknesses are being properly addressed.
- iv) Met with Internal Auditors during the financial year under review at the AC meetings held on 26 February 2025 and 21 May 2025 without the presence of any executive board members and employees of the Group.
- v) Assessed the adequacy of scope, functions, competency and resources of the Internal Audit functions at its meeting held on 21 May 2025.

4) Other activities

- i) Reviewed and assessed the risk management activities of the Group to ensure all risk areas are being identified and addressed by works carried out by internal auditors, external auditors and management team.
- ii) Reviewed contents of the AC Report, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and Statement of Board of Directors' Responsibilities in relation to the Audited Financial Statements for the financial year ended 30 June 2025 and ensured that these reports were prepared in accordance with the applicable requirements prior recommendation to the Board for approval for inclusion in the Annual Report.
- iii) Reviewed the Corporate Governance Report prior recommendation to the Board for approval.
- iv) Reviewed related party transactions, if any and the adequacy of the Group's procedures and processes in identifying, monitoring, reporting and reviewing related party transactions in a timely and orderly manner.

AUDIT COMMITTEE REPORT (CONT'D)

D. SUMMARY OF WORKS OF THE AC (cont'd)

4) Other activities (cont'd)

- v) Reviewed and recommended to the Board for approval the Statement to Shareholders in relation to the Proposed Renewal of Authority for Share Buy-Back.
- vi) Received updates from the EA on the new financial reporting developments and amendments in disclosure requirements arising from the new and amended MFRS and IC interpretation, tax updates and the amendments to the MMLR of Bursa Securities particularly on the enhancement of sustainability reporting requirements.
- vii) Completed the annual evaluation for AC Members' Peer Performance Evaluation form.
- viii) Reviewed and monitored all conflict of interest ("COI") situations within the Group. The COI review was extended to encompass Directors and Key Senior Management within the Group.

E. SUMMARY OF WORKS OF THE INTERNAL AUDIT FUNCTION

During the financial year under review, the Group has outsourced the provision of internal audit and management system assurance to an independent professional consulting firm, Axcelasia Sdn. Bhd. (formerly known as Tricor Axcelasia Sdn. Bhd.). The Head of Internal Audit reports directly to the AC and administratively to the Managing Director.

The AC is assisted by the internal auditors in discharging its duties and responsibilities with respect to the adequacy and effectiveness of the system of internal controls within the Group. The internal audits were performed based on risk-based approach by focusing on:

- Reviewing identified high risk areas for compliance with control policies and procedures;
- Identifying business risk which have not been appropriately addressed; and
- Evaluating the adequacy and effectiveness of controls.

The Internal Auditors carry out audit assignments based on an audit plan that is reviewed and approved by the AC. The reports of the audits undertaken were forwarded to the Management for attention and necessary action and then presented to the AC for deliberation and approval.

During the financial year, the internal auditors undertook the following activities:

- Reviewed the adequacy and effectiveness of the Group's internal control systems relating to Manufacturing, Quality Control and Quality Assurance of a Vietnam subsidiary and a Malaysia subsidiary; and
- Reported to the AC its internal audit findings and response and rectification undertaken by the Management.

The professional fees incurred for the internal audit function in respect of financial year ended 30 June 2025 amounted to approximately RM48,000.

This report has been reviewed and approved by the Board of Directors on 15 October 2025.

SUSTAINABILITY STATEMENT



ABOUT THIS REPORT

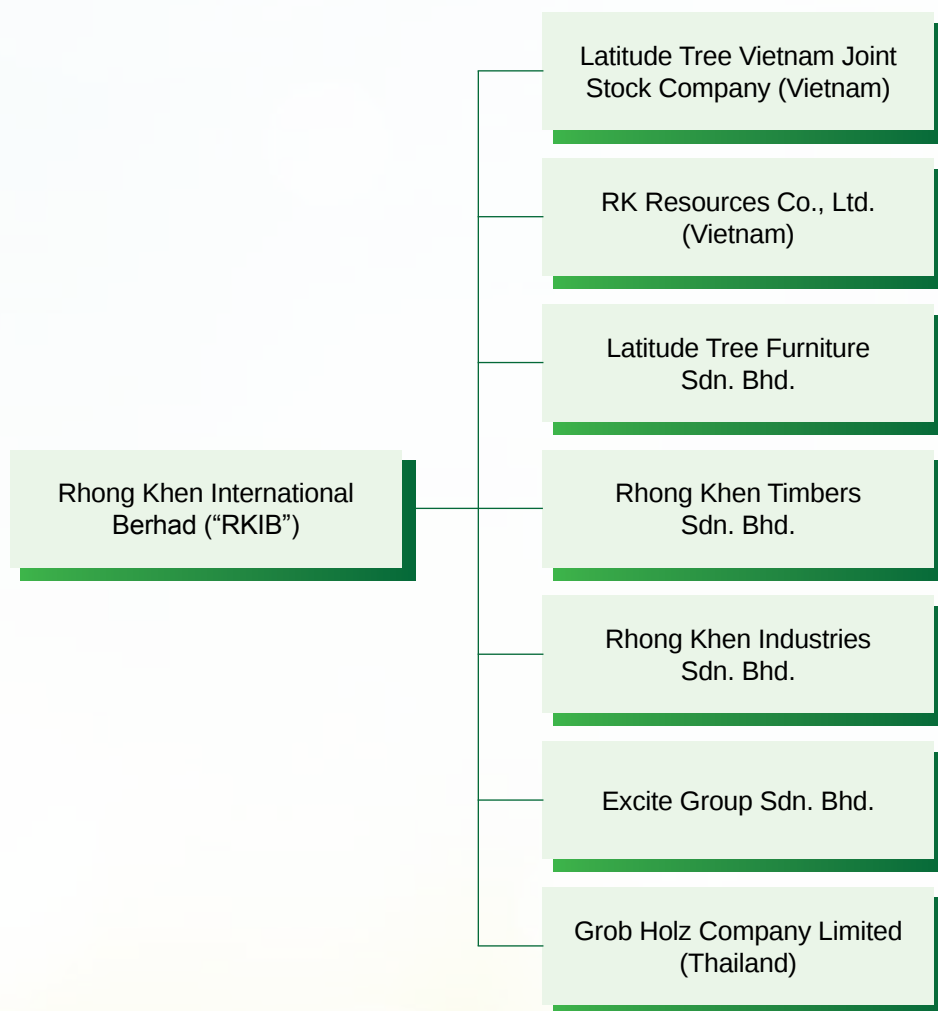
Rhong Khen International Berhad (“RKIB” or “the Company” or “the Group”) is pleased to present its Sustainability Statement for the financial year ended 30 June 2025 (“FY2025”), covering the period from 1 July 2024 to 30 June 2025, unless stated otherwise. This Statement outlines the Group’s approach to managing key Environmental, Economic, Social, and Governance (“EESG”) matters, highlighting our strategies, initiatives, and progress made throughout the year.

Where applicable, historical data is provided to offer context and illustrate our ongoing sustainability improvements. This report also marks a key milestone in enhancing transparency and establishing a baseline for measuring future EESG performance.

SUSTAINABILITY STATEMENT (CONT'D)

SCOPE OF REPORTING

The Group operates through seven (7) key subsidiaries:



We specialise in the manufacturing and distribution of high-quality wooden furniture and components, with a strong focus on rubber wood products for both local and international markets. Our production footprint spans three (3) factories in Malaysia, two (2) in Vietnam, and one (1) in Thailand, enabling us to serve a diverse and growing customer base efficiently.

The scope of this Statement covers all our operations mentioned above. We have attempted to address all significant sustainability issues at RKIB in this Statement. This Statement includes both qualitative and quantitative results for the relevant indicators to ensure a comprehensive and balanced representation of our performance.

REPORTING FRAMEWORKS AND STANDARDS

This statement has been prepared in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). It also references the Sustainability Reporting Guide and Toolkit (3rd Edition) published by Bursa Securities, as well as the Global Reporting Initiative Universal Standards 2021 ("GRI Standards").

SUSTAINABILITY STATEMENT (CONT'D)

ASSURANCE STATEMENT

This Statement has been reviewed and approved by the Board of Directors on 15 October 2025. It has not been subjected to internal review by the Group's internal auditors nor has it been subjected to external, independent assurance. Nonetheless, we have undertaken the necessary steps to perform internal verification of all the subject matters and scope covered in this Statement to enhance the accuracy and completeness of the data disclosed in this Statement.

FEEDBACK

RKIB values its engagement with its valued stakeholders and is always open to any feedback, inquiries and concerns to ensure we consistently improve as a Group. For any feedback or inquiries, please get in touch with us at www.rkibhd.com.

SUSTAINABILITY GOVERNANCE

RKIB's Board holds the ultimate responsibility for our sustainability matters, ensuring that the strategic plan and direction of the Group support long-term value creation. Our governance structure provides clear lines of responsibility and accountability, from the Board down to our operational teams.

- **Board of Directors:** Maintains overall oversight of sustainability matters, incorporating these considerations into the Group's long-term business strategy. The Board ensures that our sustainability strategies, priorities, and performance are effectively communicated to all stakeholders.
- **Sustainability Committee ("SC"):** Led by the Managing Director, the SC comprises the Group Finance Director, Group Financial Controller, General Manager and Deputy General Managers of our operating subsidiaries. The SC is the driving force for the development, execution, and continuous improvement of our sustainability efforts. It assists the Board in decision-making, implementing strategies, and monitoring performance via an EESG Scorecard for each manufacturing plant, with quarterly reports submitted to the Board.
- **Heads of Departments ("HODs") and Employees:** Our HODs and employees are responsible for the day-to-day implementation of sustainability initiatives, action plans, and EESG data collection within their respective departments. They are empowered to recommend improvements and escalate any major issues to ensure the continual enhancement of our sustainability performance.

Governance Structure:



SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT

As a Group, we value the diverse perspectives and views of our stakeholders as they play a crucial role in shaping our business objectives and identifying our material impacts. Through various engagement channels, we ensure that the evolving needs and concerns of our stakeholders are understood and addressed. Our approaches and frequency of engagement are summarised below:

Stakeholder Group	Key Areas of Interest	Engagement Approach	Frequency
Customers	- Responsible sourcing of raw materials - Product quality - Regulatory compliance	- On-site visits - Feedback during Furniture Trade Exhibitions - Customer satisfaction surveys	- On-going - Annually - On-going
Government and Regulators	- Regulatory compliance with laws - Environmental impact	- On-site visits and meetings - Participation in organised events	- On-going - On-going
Shareholders/ Investors	- Financial performance - Regulatory and accounting compliance	- Corporate website - Annual General Meeting - Annual Report - Corporate briefings	- On-going - Annually - Annually - On-going
Suppliers/ Vendors	- Supplier performance (delivery, quality) - Regulatory compliance	- On-site visits and meetings - Supplier/vendor performance evaluation	- On-going - Annually
Employees	- Occupational safety and health - Career growth and development - Employee well-being and workplace culture	- Annual appraisal and dinner - Training and development - Recreational activities - One-to-one meetings	- Annually - On-going - On-going - On-going
Community	- Environmental compliance - Corporate Social Responsibilities	- Donations - Community engagement - Industry-based learning programmes	- On-going - On-going - On-going

MATERIALITY ASSESSMENT

A materiality assessment was conducted in the financial year ended 30 June 2024 ("FY2024") to identify and prioritise sustainability-related topics that reflect the Group's significant impacts on the economy, environment, and people, as well as those that could reasonably be expected to affect our enterprise value.

As there have been no significant changes to our business model, stakeholder expectations, operating environment, or risk landscape since the FY2024 assessment, we have determined that the previously identified material topics remain relevant and valid for FY2025. Accordingly, a new materiality assessment was not conducted during this reporting period.

We continue to monitor internal and external developments to reassess materiality on a regular basis, in line with evolving stakeholder concerns and strategic priorities.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT (cont'd)

Our materiality assessment process involves four key stages:

Identification

Reviewed the FY2024 material matters and identified a refreshed list of potential material matters relevant to the RKIB, with reference to the MMLR, GRI Standards, industry peers and Sustainability Accounting Standards Board ("SASB") Standards for sector-specific material matters



Assessment

Assessed the identified material matters from stakeholders' perspectives via a stakeholder engagement session



Prioritisation

Ranked each material matter according to the significance of their impacts on the business and stakeholders via online surveys.
The results of the survey are reflected in the materiality matrix below



Review and Validation

The materiality matrix has been reviewed by the SC and approved by the Board

MATERIALITY MATRIX

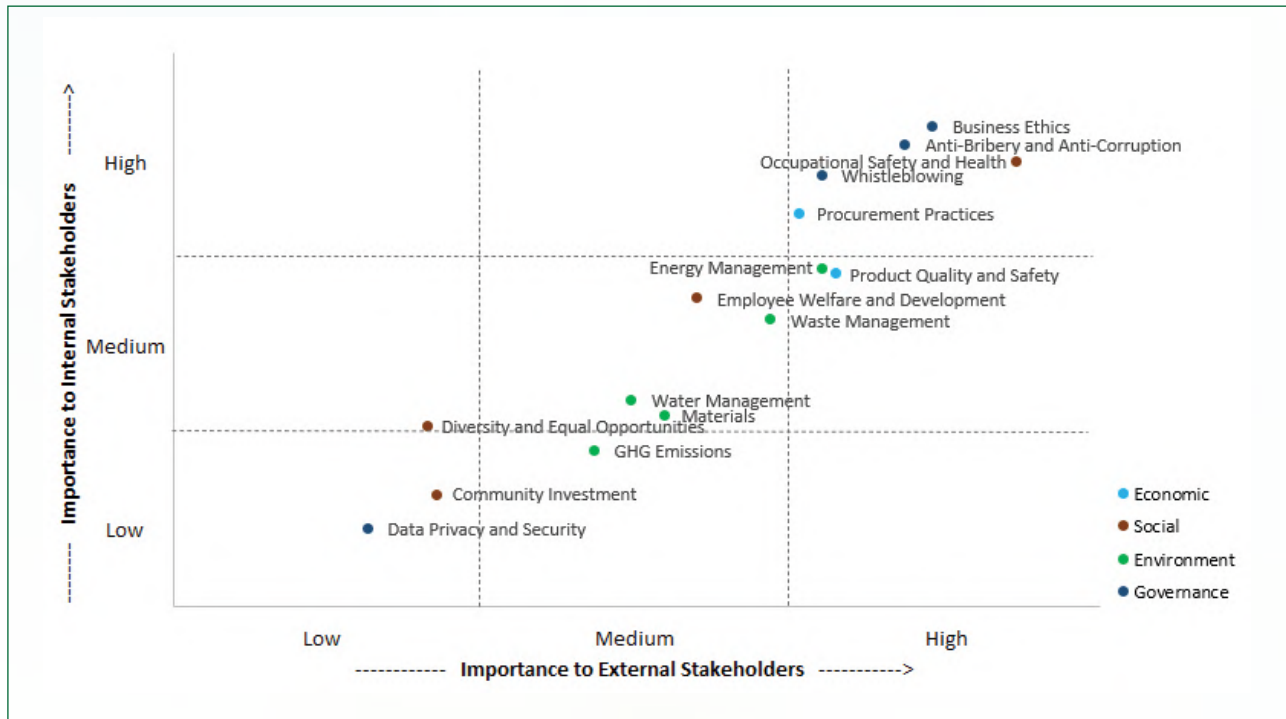
As there were no significant changes in our business operations, stakeholder priorities, or external environment since the last assessment, the material sustainability matters ("MSMs") identified in FY2024 have been retained for FY2025. These topics continue to reflect the Group's most significant impacts and are considered material from both stakeholder and enterprise value perspectives.

To recap, in FY2024, we enhanced our materiality matrix by introducing five new MSMs: "Materials", "Product Quality and Safety", "Data Privacy and Security", "Employee Welfare and Development", and "Business Ethics". In addition, "Energy Management" and "Greenhouse Gas ("GHG") Emissions" were separated into two distinct topics to better reflect their strategic importance. "Water Management" and "Waste Management" were also renamed to underscore the Group's commitment to responsible resource management.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY MATRIX (cont'd)

These MSMs were mapped onto our materiality matrix based on their significance to stakeholders and to the business, and categorised under the four sustainability pillars of Environment, Economic, Social, and Governance. This matrix remains unchanged for FY2025 and continues to guide the Group's sustainability strategy and disclosures. We will continue to reassess material topics regularly to ensure alignment with emerging risks, evolving regulations, and stakeholder expectations.



Environmental Responsibility	Economic Performance	Social Responsibility	Governance
- Energy Management - GHG Emissions - Waste Management - Water Management - Materials	- Procurement Practices - Product Quality and Safety	- Occupational Safety and Health - Employee Welfare and Development - Diversity and Equal Opportunities - Community Investment	- Business Ethics - Anti-Bribery and Anti-Corruption ("ABAC") - Whistleblowing - Data Privacy and Security¹

Note:

¹ Data Privacy and Security has been reclassified under 'Governance' to better reflect its relevance and alignment with our organisational framework

SUSTAINABILITY STATEMENT
(CONT'D)

NON-FINANCIAL PERFORMANCE HIGHLIGHTS

Environmental

Significant progress in renewable energy adoption and decarbonisation efforts

Solar Energy Expansion

Commissioned third solar photovoltaic system at RK Resources Co., Ltd. (Vietnam) in May 2025, projected to deliver 10% annual electricity cost savings from FY2026

Electrification of Equipment

Transitioned from diesel to electric forklifts at selected sites, reducing fossil fuel reliance and Scope 1 emissions

Product Innovation

Water-based coating products replacing solvent-based alternatives, reducing VOC emissions and energy-intensive drying processes

Reduced Grid Dependency

Lower Carbon Emissions

Social

Safety and Health Training

57.7%

Proportion of employees trained on safety and health standards in FY2025

⬆ +1.4 percentage point increase from FY2024

Local Supplier Spending

84.5%

Proportion of spending on local suppliers, supporting local communities through procurement practices

Governance

Women on Board of Directors

33.3%

Achieving gender equity at the highest level of governance, exceeded target of 30% women participation in leadership roles

Corporate Code Compliance

100%

Operation underwent corruption risk assessments with Zero incidents of corruption across operations of the Group

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL TOPICS

ENVIRONMENTAL RESPONSIBILITY

RKIB is committed to minimising the environmental impact of its operations through comprehensive sustainability measures focused on energy efficiency, water conservation, waste reduction, and sustainable procurement. In alignment with global and national climate action initiatives, we are dedicated to reducing our GHG emissions and carbon footprint, operating responsibly whilst contributing to broader environmental sustainability goals.

FY2025 Progress

During the year, RKIB made significant progress in advancing our renewable energy adoption and decarbonisation efforts.

- **Renewable energy expansion:** In May 2025, we successfully commissioned a solar photovoltaic system at RK Resources Co., Ltd. ("RKR"), our principal Vietnam subsidiary. This installation is projected to deliver approximately 10% in annual electricity cost savings for FY2026 while reducing our dependence on grid-sourced energy. RKR represents the third subsidiary to complete solar system implementation as of 30 June 2025, following installations at our Malaysian sawmill in FY2022 and furniture manufacturing site in FY2023.
- **Electrification of Equipment:** We transitioned from diesel-powered to electric vehicle ("EV") forklifts at selected operational sites, further reducing fossil fuel reliance and Scope 1 emissions.
- **Product innovation:** We developed and promoted new products utilising water-based coatings instead of solvent-based alternatives, reducing volatile organic compound ("VOC") emissions and energy-intensive solvent drying processes.

These actions demonstrate our commitment as a responsible business, translating sustainability objectives into measurable improvements that deliver positive climate impact.

Energy Management

As a furniture manufacturer, our primary energy consumption sources are electricity at our manufacturing facilities in Malaysia, Vietnam, and Thailand, along with diesel fuel for vehicles and machinery. We have implemented targeted efficiency measures including:

- Replacing conventional machinery with energy-efficient alternatives
- Upgrading to Light-Emitting Diode ("LED") lighting across all facilities
- Installing clear roof sheets to maximise natural daylight utilisation
- Enforcing power management protocols for machinery, including switching off or activating 'sleep mode' during non-operational hours
- Conducting regular equipment maintenance to optimise energy performance

Since launching our green energy initiative in the financial year ended 30 June 2021 ("FY2021"), we have progressively expanded our solar infrastructure across the Group. In FY2025, our operations consumed 3,272,672 kWh of solar-generated electricity from renewable sources across all three installations, representing a 3.0% increase from FY2024 and demonstrating our growing utilisation of renewable energy to power our manufacturing operations.

SUSTAINABILITY STATEMENT (CONT'D)

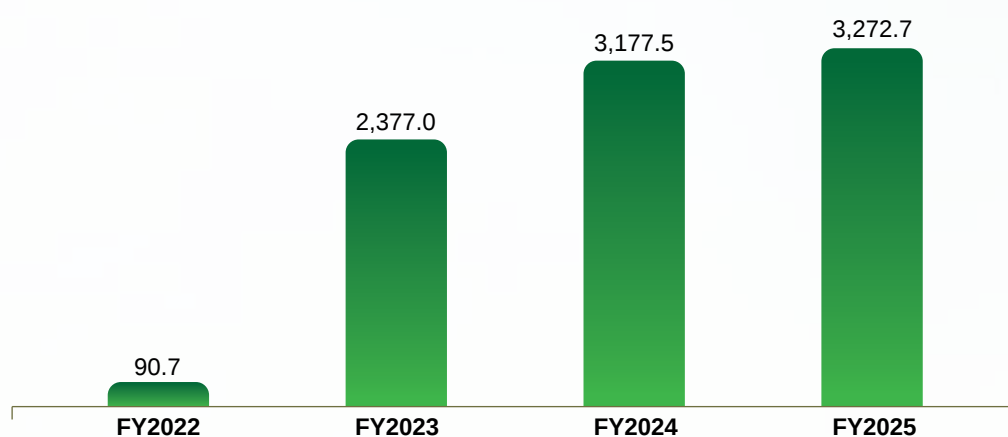
MATERIAL TOPICS (cont'd)

ENVIRONMENTAL RESPONSIBILITY (cont'd)

Energy Management (cont'd)

Renewable Energy Consumption

Consumption of Solar-powered Electricity (MWh)



Renewable Energy Source	Energy Consumption				
	Unit	FY2022	FY2023	FY2024	FY2025
Solar-powered Electricity	kWh	90,729.0	2,377,017.0	3,177,529.0	3,272,672.0
	MWh	90.7	2,377.0	3,177.5	3,272.7

Non-renewable Energy Consumption

Non-renewable Energy Source	Energy Consumption		
	Unit	FY2024	FY2025
Diesel	L	331,642.0	362,274.0
	MWh	3,527.4	3,853.2
Purchased Electricity	kWh	27,827,661.0	28,897,360.0
	MWh	27,827.7	28,897.4

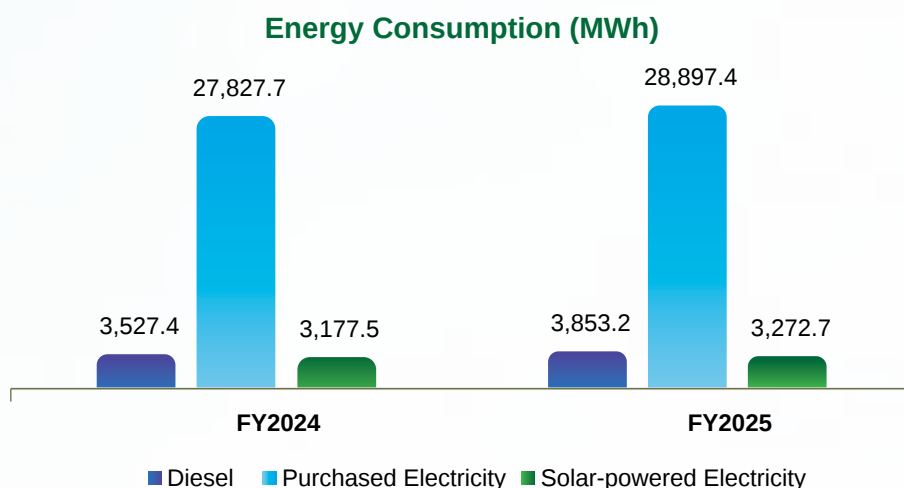
SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL TOPICS (cont'd)

ENVIRONMENTAL RESPONSIBILITY (cont'd)

Energy Management (cont'd)

Energy Performance by Source



Energy Source	Energy Consumption		
	Unit	FY2024	FY2025
Diesel ²	L	331,642.0	362,274.0
	MWh	3,527.4	3,853.2
Purchased Electricity ³	kWh	27,827,661.0	28,897,360.0
	MWh	27,827.7	28,897.4
Solar-powered Electricity	kWh	3,177,529.0	3,272,672.0
	MWh	3,177.5	3,272.7
Total Energy Consumption	MWh	34,532.6	36,023.3
Energy Intensity	Gigajoules per RM '000 revenue	0.238	0.251

Notes:

- ¹ Calculated using Scope 2 location-based emissions method
- ² Energy conversion for diesel is calculated using the U.S. Energy Information Administration ("EIA") energy conversion calculators
- ³ The factor used to convert the amount of electricity consumed from kWh to GJ is 0.0036, typical Conversion Factors as per IPCC and IEA

In FY2025, the Group recorded total energy consumption of 36,023.3 MWh, compared to 34,532.6 MWh in FY2024. Correspondingly, energy intensity rose marginally from 0.238 to 0.251 GJ per RM'000 revenue, reflecting expanded operational activity.

Looking ahead, our decarbonisation strategy focuses on:

- Expanding renewable infrastructure: Our Thailand subsidiary, Grob Holz Company Limited ("GHCL"), is currently installing a rooftop solar system, targeted for commissioning in Quarter 2 ("Q2") for the financial year ending 30 June 2026 ("FY2026"). Feasibility studies are underway for remaining subsidiaries to broaden renewable energy adoption.
- Optimising existing systems: Plans are in place to expand solar capacity at sites already operating renewable installations to maximise emission reductions and enhancing overall energy resilience.

These initiatives reflect our commitment to energy transition, operational decarbonisation and building long-term energy resilience across the Group.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL TOPICS (cont'd)

ENVIRONMENTAL RESPONSIBILITY (cont'd)

GHG Emissions

RKIB recognises the impact of our operations on climate change and is committed to minimising our carbon footprint in support of Malaysia's aspiration to achieve net zero GHG emissions by 2050.

In FY2025, our total Scope 1 and 2 emissions were 25,185.8 tCO₂e, compared to 23,881.5 tCO₂e in FY2024. This increase reflects expanded operational activity during the year.

Emission Type	Unit	FY2024	FY2025
Direct Emissions (Scope 1) ¹	tCO ₂ e	887.4	1,027.9
Indirect Emissions (Scope 2) ²	tCO ₂ e	22,994.1	24,157.9
Total Emissions (Scope 1 and 2)	tCO ₂ e	23,881.5	25,185.8
Avoided Indirect Emissions (Scope 2)	tCO ₂ e	2,408.6	2,587.7
Emissions Intensity	tCO ₂ e per RM '000 revenue	0.046	0.049

Notes:

- 1 Scope 1 emissions are calculated using the World Resources Institute ("WRI") GHG Protocol tool
- 2 Scope 2 emissions are calculated using Peninsular Malaysia's Grid Emission Factor (GEF) of 0.774 kgCO₂e/kWh for the year 2022, as reported by MyEnergyStats. sourced from the Malaysia Energy information Hub (MEIH) managed by the Energy Commission of Malaysia and the IGES List of Grid Emission Factors v11.6

Scope 1 emissions arise from diesel consumption in vehicles and machinery, while Scope 2 emissions stem from purchased electricity, our primary emissions source, representing approximately 96% of total emissions. This improvement was driven by the commissioning of our solar system at RKR, our principal Vietnam subsidiary, in May 2025. This growing renewable energy capacity has reduced our reliance on fossil fuel-based grid electricity while delivering substantial operational cost savings. This expanding renewable energy infrastructure demonstrates how our systematic approach to solar deployment creates both environmental and economic value for the Group.

Looking ahead, we will continue monitoring our emissions performance closely and adopt a phased approach to Scope 3 emissions disclosure, aligning with Bursa Malaysia's MMLR sustainability reporting timeline. This expanded reporting will provide a more comprehensive view of our value chain emissions and inform targeted reduction strategies.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL TOPICS (cont'd)

ENVIRONMENTAL RESPONSIBILITY (cont'd)

Waste Management

As a furniture manufacturer, we are focused on reducing, reusing, and recycling waste from our manufacturing sites. We have established robust monitoring mechanisms for raw material utilisation and production methods to minimise waste generation and operate in an environmentally responsible manner.

Our operations generate two primary waste categories: scheduled waste including wastewater, solvents, and paints; and non-hazardous waste comprising wood off-cuts, short-length timbers, dust, and packaging materials. We manage these waste streams through targeted interventions:

Wastewater	Treated at on-site facilities before being collected by licensed third-party contractors
Wood Waste	Production by-products like off-cuts and short-length timbers are collected and reused in our manufacturing processes where possible
Dust	Managed through dust collector systems to protect air quality, which is regularly tested to ensure it remains within safe levels

Beyond these core measures, we promote resource conservation practices including double-sided printing and minimising paper consumption across our office premises.

Waste Diversion and Circular Practices

In FY2025, we achieved substantial progress in waste diversion through innovative reuse initiatives at our subsidiaries. At our upstream operations, production waste such as wood off-cuts and sawdust are repurposed as fuel in the facility's boiler system, converting biomass into thermal energy while reducing landfill waste.

Similarly, our downstream operations employ a multi-tiered approach, where sawdust and small wood waste fuel the boiler to support internal energy needs. Larger off-cuts and short-length pieces are creatively reused as hidden structural components in furniture construction, such as corner blocks. This practice reduces raw material consumption and enhances overall resource efficiency.

Waste Management Performance

In FY2025, we generated 23,430.6 tonnes of waste, a significant increase from 1,112.0 tonnes in FY2024. This rise is primarily due to the enhanced waste data collection methodology implemented during the year, which enabled more comprehensive and accurate representation of our total waste footprint across all operations.

Notably, our waste diversion rate improved substantially to 59.5% (13,929.5 tonnes), compared to 28.3% (314.7 tonnes) in FY2024. Waste directed to disposal totalled 9,501.1 tonnes (40.5%), up from 797.3 tonnes (71.7%) in the previous year. This marked improvement in diversion rate demonstrates the effectiveness of our circular economy initiatives and our commitment to minimising environmental impact through systematic waste reuse and recovery across the Group. The improved data collection methodology will enable more robust tracking and targeted waste reduction strategies in future reporting periods.

SUSTAINABILITY STATEMENT (CONT'D)

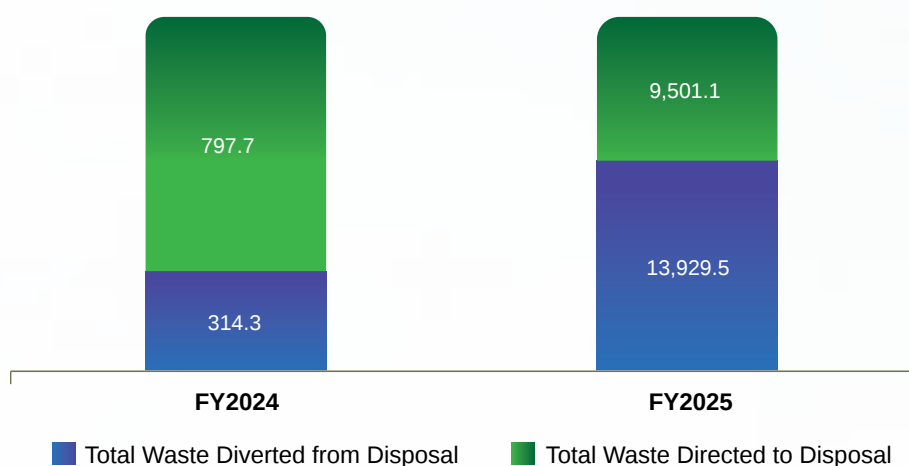
MATERIAL TOPICS (cont'd)

ENVIRONMENTAL RESPONSIBILITY (cont'd)

Waste Management (cont'd)

Waste Disposal Breakdown

Waste Disposal Breakdown (tonnes)



	Unit	FY2024	FY2025
Total waste generated	Tonnes	1,112.0	23,430.6
Total waste diverted from disposal	Tonnes	314.3	13,929.5
Total waste directed to disposal	Tonnes	797.7	9,501.1

Water Management

Water is an integral part of our manufacturing processes, primarily used for boilers and washing purposes. We aim to enhance water efficiency through water-saving practices such as rainwater harvesting and recycling. Our manufacturing sites are equipped with rainwater harvesting tanks to collect water for washing use, particularly during dry periods. We conduct regular pipe inspections to detect and prevent leakage and promote water conservation awareness among employees through signage at water points.

In FY2025, total water consumption was 199.6 megalitres (199,626 m³), compared to 160.2 megalitres (160,221 m³) in FY2024. This increase reflects expanded operational activity and improved data collection methodology. Water efficiency remains a key priority as we continue optimising consumption through enhanced monitoring and conservation practices.

	Unit	FY2024	FY2025
Water consumed	m ³	160,221.0	199,626.0
	Megalitres	160.2	199.6
Water Consumption Intensity	Litres per RM1,000 revenue	307.1	386.9

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL TOPICS (cont'd)

ENVIRONMENTAL RESPONSIBILITY (cont'd)

Materials

At RKIB, we are committed to adopt sustainable approaches to material usage, increasing the circularity of our products without compromising operational efficiency.

Given our reliance on wood as our primary raw material, we are dedicated to procuring materials from responsible and sustainable sources. We are cognisant of the environmental risks posed by deforestation and adhere to stringent requirements for wood sourcing and treatment.

Our manufacturing plants have maintained:

- Forest Stewardship Council ("FSC®") Chain of Custody ("CoC") certification since 2014.
- Programme for the Endorsement of Forest Certification ("PEFC™") CoC certification since 2015 - ensuring that wood used in our products originates from sustainably managed forests.
- Use of Medium Density Fibreboard ("MDF") that complies with the California Air Resources Board ("CARB2") certification standards to minimise formaldehyde emissions.

ECONOMIC PERFORMANCE

RKIB is committed to deliver long-term value for our stakeholders through transparent procurement practices, robust data privacy and security measures, and high-quality products that meet customer expectations. Economic sustainability is integral to our business strategy, enabling us to achieve steady growth while contributing positively to the broader economy and communities in which we operate.

Procurement Practices

RKIB upholds stringent standards when engaging suppliers to ensure alignment with our values and commitment to sustainable and socially responsible practices. We prioritise partnerships with suppliers that demonstrate a clean track record and strong operating capabilities, including proven expertise, competitive pricing, and reliable delivery. This approach enables us to minimise risks, optimise costs, and secure high-quality materials for our manufacturing processes.

Guided by the Group's Procurement Policy, all new and existing suppliers undergo annual evaluations to ensure consistent delivery of products and services that meet our standards and requirements. We conduct both internal and external audits on our procurement practices each year to maintain transparency and compliance. We collaborate only with suppliers and vendors that adhere to all applicable health, safety, environmental, and employment regulations. Any supplier found in violation is disqualified from future engagement with the Group.

The Group prioritises purchasing locally where feasible to create economic opportunities for local businesses and minimise emissions from transportation. In FY2025, we spent RM277.2 million with local suppliers, representing 84.5% of our total procurement spending of RM327.9 million. The slight decrease from 88.1% in FY2024 was primarily due to a shift in product mix during the year, which required a higher proportion of imported wood materials to meet specific production requirements.

Despite this shift, our commitment to supporting local suppliers remains strong, and we continue to prioritise local sourcing opportunities where quality, availability, and commercial viability align with our operational requirements.

	Unit	FY2023	FY2024	FY2025
Proportion of spending on local suppliers	Percentage (%)	91.7	88.1	84.5

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL TOPICS (cont'd)

ECONOMIC PERFORMANCE (cont'd)

Product Quality and Safety

At RKIB, consistent product quality is fundamental to our growth and competitiveness. Our robust quality management framework spans design, manufacturing, assembly, and shipping to ensure every product meets stringent safety and performance standards.

Our quality control ("QC") team conducts multi-stage inspections throughout manufacturing to verify structural integrity, colour consistency, proper hardware placement, and component fit. We perform in-house sampling of finished products before shipment, with careful examination of mirrors, wooden trims, and decorative elements for defects, scratches, and looseness. Packaging inspections ensure materials adequately protect products during transport. Any non-conformities are recorded and corrected promptly, minimising defects and waste while safeguarding customer satisfaction.

In FY2025, we assessed health and safety impacts across significant product categories: 82% at RKR and 14.4% at Latitude Tree Vietnam Joint Stock Company ("LTVJSC"). We maintained our strong safety record with zero incidents of non-compliance with health and safety regulations and zero product recalls for both FY2024 and FY2025.

This quality-first approach strengthens brand trust, reduces returns and complaints, enhances customer loyalty, and creates new market opportunities directly supporting our economic performance and sustainable growth.

	Unit	FY2024	FY2025
Total number of incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of products	Number	0	0
Number of recalls issued and total units recalled for health and safety reasons	Number	0	0

SOCIAL RESPONSIBILITY

Our people are the key driving force behind the Group's long-term success and growth. RKIB provides a conducive and safe work environment, offering professional and personal development opportunities, and fostering an inclusive work culture that prioritises the physical and mental well-being of our employees. We are also committed to creating a positive impact in the communities where we operate.

Occupational Safety and Health ("OSH")

The health and safety of our employees remain a top priority at RKIB. We have established comprehensive safety protocols and procedures to ensure full compliance with national safety laws and industry best practices across all our operating countries.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL TOPICS (cont'd)

SOCIAL RESPONSIBILITY (cont'd)

Occupational Safety and Health ("OSH") (cont'd)

Our approach to OSH is managed through a structured system that emphasises prevention, prompt incident reporting, and continuous improvement:

- **OSH Committee:** In Malaysia, our OSH Committee, chaired by the factory manager and comprising members from production and human resources, oversees safety and health across our operations. The committee is responsible for formulating and implementing OSH policies, managing incidents, and ensuring all safety systems are functional.
- **Training and Awareness:** We provide regular and up-to-date safety and health training to inform employees of their responsibilities and equip them with the knowledge to work safely. In FY2025, training topics included Noise and Hearing Conservation, Personal Protective Equipment ("PPE"), Fire Safety, and Hazard Identification, Risk Assessment and Risk Control ("HIRARC").
- **Preventive Measures:** We provide all production employees with appropriate PPE, perform daily housekeeping, and conduct regular maintenance of equipment to minimise risks.

Health and Safety Performance

In FY2025, we recorded zero work-related fatalities, consistent with FY2024, demonstrating our unwavering commitment to workplace safety. Our total workforce worked 10,981,075 hours during the year (FY2024: 10,507,000 hours), reflecting increased operational activity.

We recorded 67 high-consequence work-related injuries in FY2025, a reduction from 73 incidents in FY2024. This translated to a Lost Time Incident Rate ("LTIR") of 1.22 per 200,000 hours worked, compared to 1.39 in FY2024, a 12.2% improvement year-on-year. While we are encouraged by this year-on-year improvement, we recognise that any workplace injury is one too many and remain committed to continuous enhancement of our safety performance.

All incidents are reported immediately to the relevant supervisor and our OSH Committee. This prompt reporting mechanism enables swift investigation, corrective action, and implementation of preventive measures to mitigate future risks.

We remain dedicated to fostering a strong safety culture across the Group. Moving forward, we will continue to invest in employee safety training, enhance workplace safety infrastructure, and strengthen our risk assessment processes to achieve our goal of zero harm across all operations.

Indicator	Unit	FY2024	FY2025
Number of work-related fatalities	Number	0	0
Number of high-consequence work-related injuries (excluding fatalities)	Number	73	67
Number of lost time injuries in the reporting period	Number	73	67
Total hours worked	Hours	10,507,000	10,981,075
Lost Time Incident Rate ("LTIR") per 200,000 hours worked	Rate	1.39	1.22

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL TOPICS (cont'd)

SOCIAL RESPONSIBILITY (cont'd)

Occupational Safety and Health ("OSH") (cont'd)

Safety and Health Training

To foster a strong OSH culture across our workplace, we ensure that employees receive regular, up-to-date training to equip them with the knowledge and awareness of their responsibilities. Throughout FY2025, the Group conducted a range of safety and health training sessions to strengthen workplace safety practices and reinforce compliance with regulatory requirements. A summary of these training programmes is provided in the table below:

Training Category	Description
Machine Safety Training	Safe operation and maintenance of machinery
Wastewater Treatment System Operation Safety	Handling and safety procedures for wastewater systems
Compressed Air Safety Training	Safe usage and maintenance of compressed air systems
First Aid Training	Basic emergency response and first aid techniques
Occupational Safety and Health Training	General workplace safety and health awareness
Accident Investigation and Analysis	Procedures for investigating and analysing incidents
Chemical Handling Training	Safe storage, handling, and disposal of chemicals
Emergency Response Plan ("ERP") Training	Preparedness and response strategies for emergencies

In FY2025, a total of 2,327 employees received training on health and safety standards, marking a 4.6% increase from 2,224 employees in FY2024. This reflects our strengthened commitment to workplace safety and regulatory compliance.

	Unit	FY2024	FY2025
Number of employees trained on health and safety standards	Number	2,224	2,327

Employee Welfare and Development

At RKIB, we recognise that our employees are key drivers of sustainable business growth. We are committed to cultivating a supportive and inclusive workplace that prioritises employee well-being, development, and engagement.

To attract and retain talent, we offer fair and competitive remuneration and benefits aligned with market standards, including group personal accident insurance, social security, allowances, and strict adherence to minimum wage laws in all operating countries.

Performance is reviewed annually through structured appraisals, enabling clear assessment of achievements, identification of training needs, and open dialogue for feedback and growth.

Employee performance is evaluated annually through structured appraisals, which not only assess achievements and identify training needs but also provide a platform for employees to raise concerns, share feedback, and receive constructive guidance for growth.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL TOPICS (cont'd)

SOCIAL RESPONSIBILITY (cont'd)

Employee Welfare and Development (cont'd)

We promote work-life balance and team cohesion through wellness and recreational activities, such as football matches and festive celebrations, reflecting our focus on physical and mental well-being. These efforts reflect our commitment to building an engaged, motivated, and resilient workforce that contributes to RKIB's long-term success.

	Unit	FY2024	FY2025
Number of permanent employees	Number	3,949	4,030
Number of contract-based/ temporary employees	Number	0	0
Percentage of employees that are contractors or temporary staff	Percentage (%)	0.0	0.0

Number of New Hires by Employee Category	Unit	FY2024	FY2025
Executive	Number	4	9
Non-executive/Technical staff	Number	1,237	1,552
Total	Number	1,241	1,561
New hire rate (%)	Percentage (%)	31.4	38.7

Number of Employee Turnover by Employee Category	Unit	FY2024	FY2025
Management	Number	0	2
Executive	Number	10	15
Non-executive/Technical staff	Number	1,519	1,470
Total	Number	1,529	1,487
Employee turnover rate (%)	Percentage (%)	38.7	36.9

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL TOPICS (cont'd)

SOCIAL RESPONSIBILITY (cont'd)

Employee Welfare and Development (cont'd)

We respect and uphold the fundamental human rights of all employees and adhere to responsible labour practices in compliance with applicable laws and regulations, including the Employment Act 1955 in Malaysia. We are pleased to report that there have been no substantiated complaints related to human rights violations during the reporting period.

	Unit	FY2024	FY2025
Number of substantiated complaints concerning human rights violations	Number	0	0

To support continuous learning, we provide internal and external training and courses across technical and soft skills. In FY2025, employees completed a total of 14,788 training hours.

	Unit	FY2024		FY2025	
		Hours of training attended	Average training hours	Hours of training attended	Average training hours
Employee Category					
Executive	Hours	1,386	11.2	702	7.5
Non-executive/ Technical staff	Hours	23,433	6.1	14,086	4.1
Total	Hours	24,819	6.3	14,788	3.7
Gender					
Male	Hours	14,182	6.4	7,030	3.1
Female	Hours	10,637	6.1	7,758	4.3

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL TOPICS (cont'd)

SOCIAL RESPONSIBILITY (cont'd)

Diversity and Equal Opportunities

RKIB is committed to fair and merit-based employment practices. The Group firmly upholds the principle that every employee has the right to be treated with fairness, dignity, and respect. We recognise the importance of cultivating a diverse and inclusive workforce and value the unique perspectives contributed by individuals of varying cultural backgrounds, experiences, and age groups.

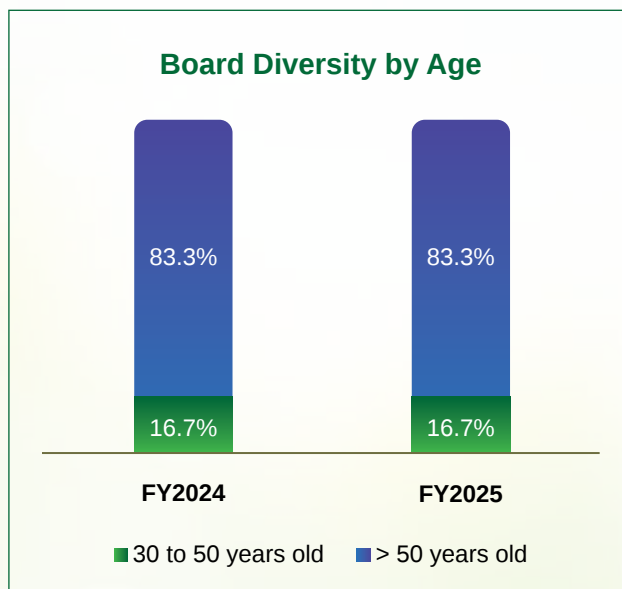
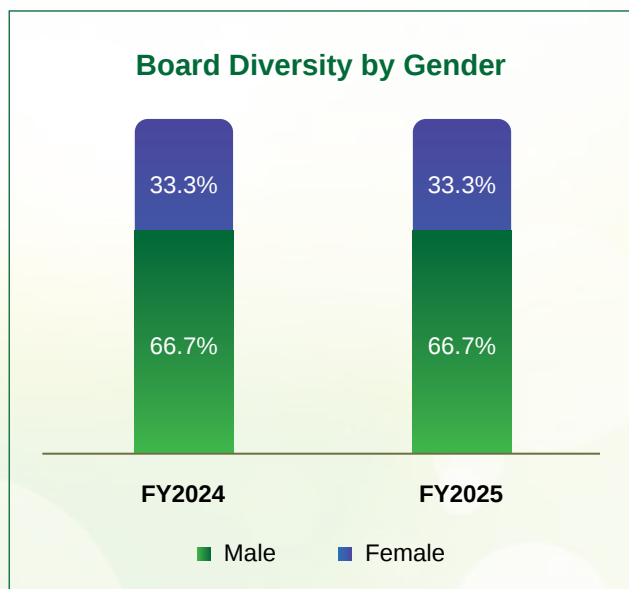
As of 30 June 2025, our workforce comprised 4,030 employees, representing diverse demographics across gender, age groups, and ethnicities. This rich tapestry of experiences and viewpoints strengthens our organisational capability and fosters innovation.

We maintain balanced gender representation across our workforce. In FY2025, our employee composition was 55.7% male and 44.3% female, consistent with FY2024 (55.8% male, 44.2% female). This balance extends across employee categories:

- Executive level: 66.7% male and 33.3% female (FY2024: 65.3% male, 34.7% female)
- Non-executive and technical staff: 55.3% male and 44.7% female (FY2024: 55.5% male, 44.5% female)

Board Diversity by Gender and Age Category

Our commitment to gender equity is particularly evident in our leadership structure. Our Board of Directors comprises 33.3% female representation, aligning with the Malaysian Code on Corporate Governance and demonstrating our strong advocacy for equitable gender representation at the highest levels of governance.



Workforce Profile

Our workforce spans multiple generations, bringing together varied experiences and perspectives. Among our executive team, we observed a shift towards greater experience, with employees over 50 years old increasing from 31.5% in FY2024 to 40.0% in FY2025, while those aged 30 to 50 years comprised 58.3% (FY2024: 65.3%), and those under 30 years represented 1.7% (FY2024: 3.2%).

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL TOPICS (cont'd)

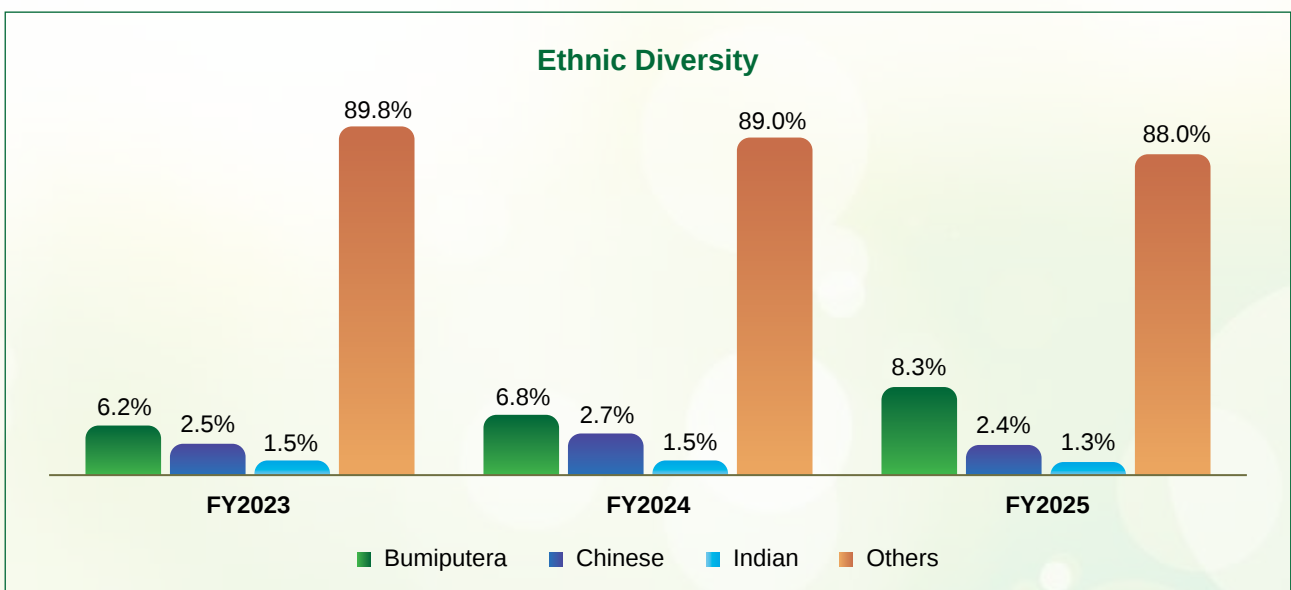
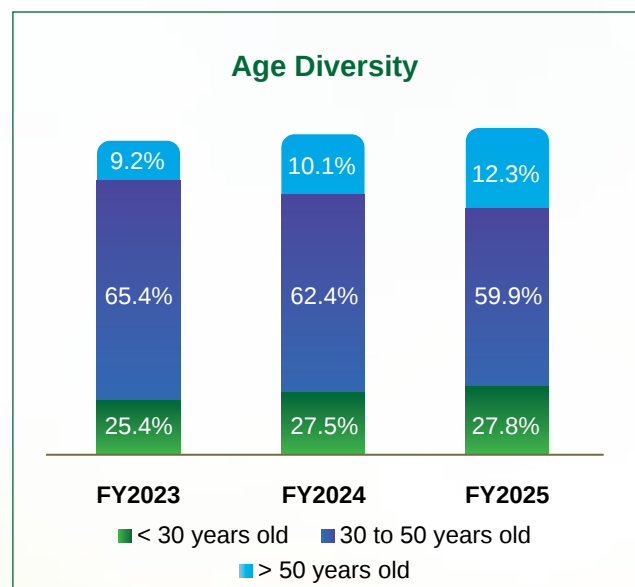
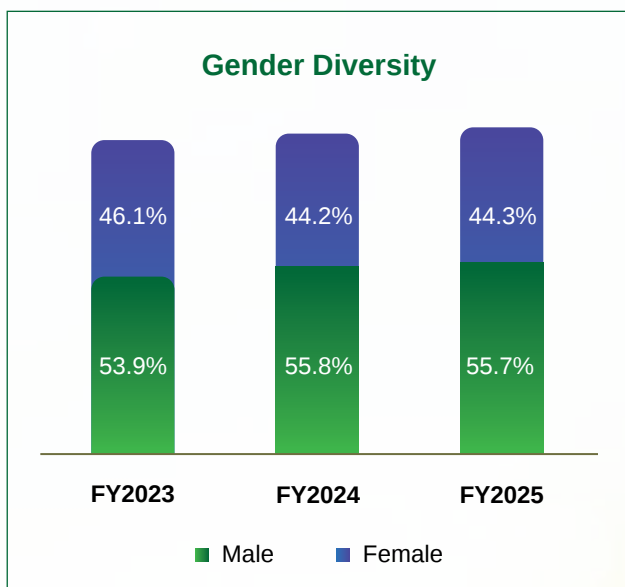
SOCIAL RESPONSIBILITY (cont'd)

Diversity and Equal Opportunities (cont'd)

Workforce Profile (cont'd)

This multi-generational workforce enables knowledge transfer between experienced professionals and emerging talent, supporting both operational continuity and innovation.

We remain committed to fostering an inclusive workplace where diverse perspectives are valued and every employee can contribute meaningfully to our success. This commitment to diversity strengthens our ability to serve diverse markets and adapt to evolving business challenges.



SUSTAINABILITY STATEMENT (CONT'D)

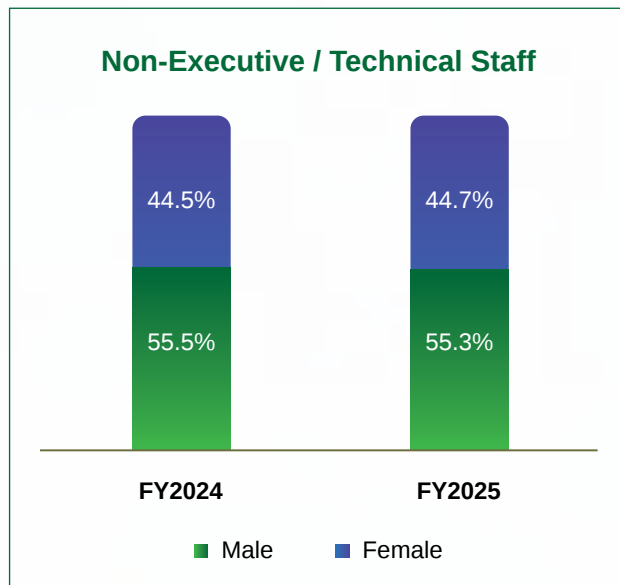
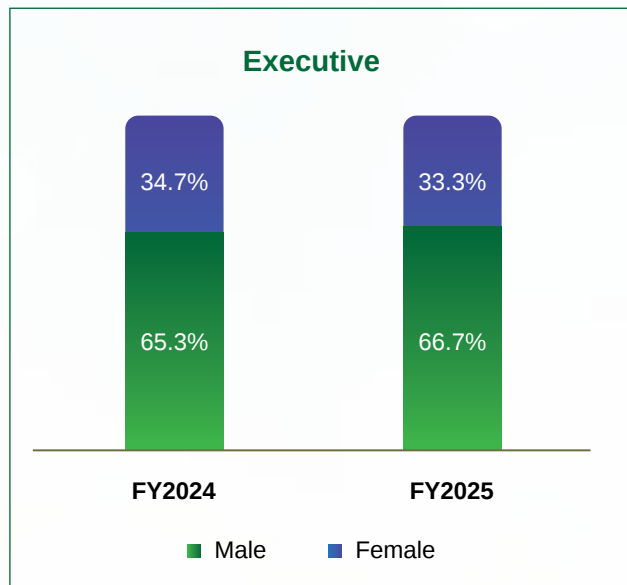
MATERIAL TOPICS (cont'd)

SOCIAL RESPONSIBILITY (cont'd)

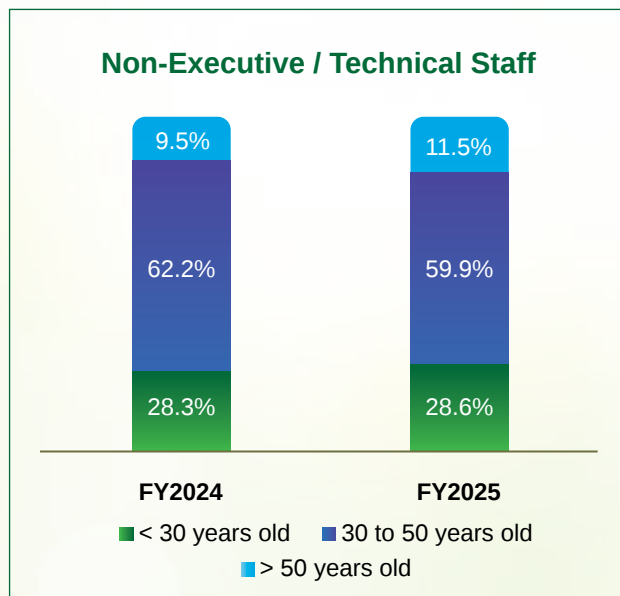
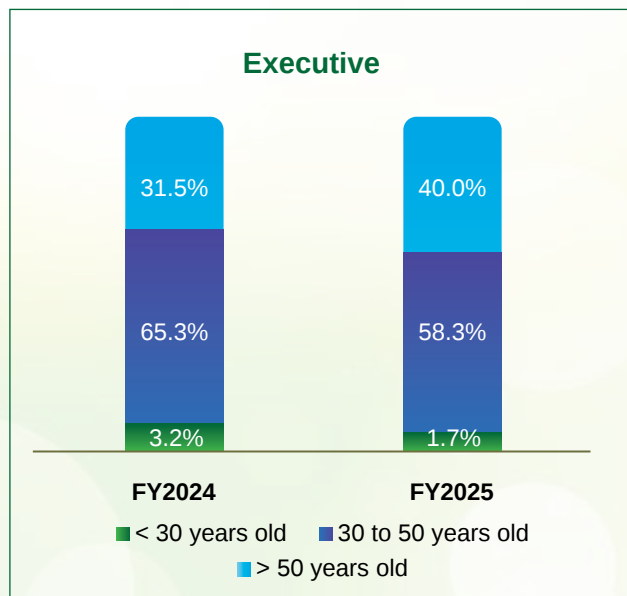
Diversity and Equal Opportunities (cont'd)

Workforce Profile (cont'd)

Gender Diversity by Employee Category



Age Diversity by Employee Category



Community Investment

At RKIB, we are committed to drive positive and sustainable change in the communities where we operate. Guided by our Sustainability and Corporate Social Responsibility (“CSR”) Policy, we implement structured initiatives that are carefully selected based on employee involvement and the potential benefits to local communities.

This approach ensures our programmes are purposeful, sustainable, and aligned with our broader commitments to community, environmental, and social responsibility. Through these efforts, we aim to generate long-term value and reinforce our role as a responsible corporate citizen.

SUSTAINABILITY STATEMENT (CONT'D)

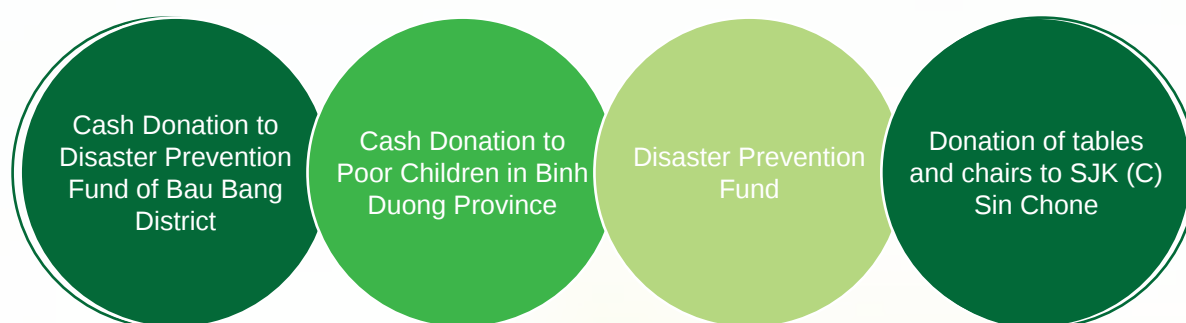
MATERIAL TOPICS (cont'd)

SOCIAL RESPONSIBILITY (cont'd)

Community Investment (cont'd)

In FY2025, the Group supported six beneficiary groups, reflecting our ongoing dedication to community engagement and partnerships that promote public welfare and social good. The list of beneficiaries is provided below:

Month	Activities and Programmes
Malaysia	
April 2025	Donated 100 tables and 100 chairs to SJK (C) Sin Chone in Dungun, Terengganu
Vietnam	
July 2024	Cash donation to the Disaster Prevention Fund of Bau Bang District
August 2024	Cash donation to underprivileged children in Binh Duong Province
September 2024	Cash donation to the Disaster Prevention Fund of Binh Duong Province
December 2024	Cash donation to underprivileged children in Binh Duong Province
January 2025	Cash and gift donations to underprivileged families in Bau Bang District, Binh Duong Province



Contribution to Community	Unit	FY2024	FY2025
Total Community Investment	RM	72,566.03	44,441.00
Number of Beneficiaries of the investment in communities	Number	8	6

GOVERNANCE

Business Ethics

The Group upholds high standards of ethical behaviour in its business practices. We are committed to conducting business in compliance with the Malaysian Code of Corporate Governance ("MCCG"), Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, and all relevant laws and regulations in the countries where we operate.

Our Code of Conduct and Ethics ("Code") provides principles and guidelines for all Directors and employees on appropriate standards of conduct and ethical behaviour. The Code addresses ethical expectations across various areas, including conflict of interest, corrupt practices, unethical or unlawful behaviour, improper use of company assets, insider trading, bribery, and handling of gifts and gratuities. All Directors and employees are introduced to the Code upon their appointment or employment.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL TOPICS (cont'd)

GOVERNANCE (cont'd)

Anti-Bribery and Anti-Corruption ("ABAC")

RKIB maintains zero tolerance towards any form of corruption, bribery, or fraud. Guided by the Ministerial Guidelines and MMLR, our Anti-Bribery and Anti-Corruption ("ABAC") Framework Manual outlines key principles and the "Do's and Don'ts" when dealing with bribery and corruption matters, in line with the Guidelines on Adequate Procedures pursuant to Section 17A of the MACC Act 2009.

All Directors, employees, and business partners including vendors, contractors, and sub-contractors are required to understand and declare their compliance by completing the Personnel Integrity Pledge or Third-Party Integrity Pledge as appropriate.

Whistleblowing

We have implemented a Whistleblowing Policy that provides a secure platform for employees and members of the public to report improprieties or concerns of misconduct without fear of retaliation. This policy, communicated to all employees, outlines the reporting procedure, investigation process, and safeguards for whistleblowers, ensuring their protection and confidentiality throughout.

In FY2025, we conducted a bribery and corruption risk assessment covering all our operations and recorded zero cases of corruption across the Group. All employees completed the necessary anti-corruption training, reinforcing our culture of integrity and compliance.

	Unit	FY2024	FY2025
Number of operations assessed for corruption-related risks	Number	48	59
Percentage of operations that underwent corruption risk assessments	Percentage (%)	100	100

Employee Category	FY2024		FY2025	
	Number of employees received anti-corruption training	Percentage of employees received anti-corruption training (%)	Number of employees received anti-corruption training	Percentage of employees received anti-corruption training (%)
	Number	Percentage (%)	Number	Percentage (%)
Executive	124	100	120	100
Non-executive	3,825	100	3,910	100

	Unit	FY2024	FY2025
Number of confirmed incidents of corruption	Number	0	0

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL TOPICS (cont'd)

GOVERNANCE (cont'd)

Data Privacy and Security

Amid growing concerns over cyber security and personal data protection, we recognise the critical importance of safeguarding our customers' data and ensuring the resilience of our information technology ("IT") systems. We engage reputable third-party professional service providers to manage our IT infrastructure and security. In selecting these providers, we carefully assess their capabilities and technical expertise against the Group's specific requirements. We ensure all employees are equipped with clear guidance on data protection policies and their corresponding responsibilities to maintain robust data governance across our operations.

In FY2025, we maintained our strong data protection record with zero substantiated complaints concerning breaches of customer privacy and zero identified leaks, thefts, or losses of customer data. This performance, consistent with FY2024, reflects our ongoing commitment to protecting stakeholder information and maintaining the highest standards of data security.

	Unit	FY2024	FY2025
Number of substantiated complaints concerning breaches of customer privacy and identified leaks, thefts, or loss of customer data	Number	0	0

MOVING FORWARD

RKIB reaffirms its commitment to embedding sustainability across our operations and decision-making processes. This Sustainability Statement is prepared in compliance with the MMLR on sustainability reporting. We continue to strengthen our foundation by establishing key baselines to support our transition to a low-carbon economy through initiatives aimed at reducing our carbon footprint, ensuring full compliance with applicable laws and regulations, and integrating sustainability into our core business strategies.

In preparation for the International Sustainability Standards Board ("ISSB") Standards, specifically IFRS S1 and S2 under Malaysia's National Sustainability Reporting Framework ("NSRF"), we are working to enhance our data collection processes and building the necessary capabilities to meet future reporting requirements and industry best practices.

Moving forward, our key areas of focus will include:

1. **Enhancing Climate-Related Disclosures:** Initiating assessments of climate-related risks and opportunities in alignment with IFRS S2, and developing a formal strategy to support climate resilience ahead of the financial year ending 30 June 2027 ("FY2027") disclosure requirement.
2. **Setting Measurable Targets:** Establishing specific, time-bound targets for our material sustainability topics, including GHG emissions, waste reduction, and safety performance.
3. **Expanding Scope 3 Emissions Reporting:** Exploring appropriate methodologies to measure and report key Scope 3 emissions, advancing our understanding of value chain impacts.

By integrating sustainability into our strategy, governance, and operations, we aim to deliver long-term value for our stakeholders and contribute meaningfully to a low-carbon, inclusive future. We remain dedicated to continuous improvement and look forward to sharing our progress in the years to come.

SUSTAINABILITY STATEMENT (CONT'D)

Performance Data Table (from Bursa ESG Reporting Platform)

Indicator	Measurement Unit	2023	2024	2025
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	-	34,532.60	36,023.30
Electricity consumed from solar energy	kWh	2,377,017.00	3,177,529.00	3,272,672.00
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	-	887.40	1,027.90
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	-	22,994.10	24,157.90
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	No Data Provided
Scope 2 emissions avoided from renewable energy in tonnes of CO ₂ e	Metric tonnes	-	2,408.60	2,587.70
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	-	1,112.00	23,430.60
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	314.30	13,929.50
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	797.70	9,501.10
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	-	160.221000	199.600000
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	91.70	88.10	84.50
Product Quality and Safety				
Number of incidents of non-compliance with regulations or voluntary codes concerning health & safety impacts of products	Number	-	0	0
Number of recalls issued and units recalled for health and safety reasons	Number	-	0	0
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	-	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	-	1.39	1.22
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	2,224	2,327
Number of hours worked	Hours	-	10,507,000	10,981,075
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Executive	Hours	-	1,386	702
Non-executive/Technical Staff	Hours	-	23,433	14,086
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category				
Executive	Number	-	10	15
Non-executive/Technical Staff	Number	-	1,519	1,470
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	0	0
Turnover rate	Rate	-	38.70	36.90
New hire rate	Rate	-	31.40	38.70
Average training hours per employee	Hours (1d.p.)	-	6.3	3.7
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				

Internal assurance

External assurance

No assurance

(*)Restated

SUSTAINABILITY STATEMENT (CONT'D)

Performance Data Table (from Bursa ESG Reporting Platform) (cont'd)

Indicator	Measurement Unit	2023	2024	2025
Executive Under 30	Percentage	-	3.20	1.70
Executive Between 30-50	Percentage	-	65.30	58.30
Executive Above 50	Percentage	-	31.50	40.00
Non-executive/Technical Staff Under 30	Percentage	-	28.30	28.60
Non-executive/Technical Staff Between 30-50	Percentage	-	62.20	59.90
Non-executive/Technical Staff Above 50	Percentage	-	9.50	11.50
Gender Group by Employee Category				
Executive Male	Percentage	-	65.30	66.70
Executive Female	Percentage	-	34.70	33.30
Non-executive/Technical Staff Male	Percentage	-	55.50	55.30
Non-executive/Technical Staff Female	Percentage	-	44.50	44.70
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	-	66.70	66.70
Female	Percentage	-	33.30	33.30
Under 30	Percentage	-	0.00	0.00
Between 30-50	Percentage	-	16.70	16.70
Above 50	Percentage	-	83.30	83.30
Number of Board Directors	Number	-	6	6
Number of women on the board	Number	-	2	2
Percentage of employees by gender - Male	Percentage	53.90	55.80	55.70
Percentage of employees by gender - Female	Percentage	46.10	44.20	44.30
Percentage of employees by age group - Under 30	Percentage	25.40	27.50	27.80
Percentage of employees by age group - Between 30 to 50	Percentage	65.40	62.40	59.90
Percentage of employees by age group - Above 50	Percentage	9.20	10.10	12.30
Percentage of employees by ethnic group - Bumiputera	Percentage	6.20	6.80	8.30
Percentage of employees by ethnic group - Chinese	Percentage	2.50	2.70	2.40
Percentage of employees by ethnic group - Indian	Percentage	1.50	1.50	1.30
Percentage of employees by ethnic group - Others	Percentage	89.80	89.00	88.00
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	72,556.03	44,441.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	8	6
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Executive	Percentage	-	100.00	100.00
Non-executive/Technical Staff	Percentage	-	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	0	0
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	0	0

SUSTAINABILITY STATEMENT (CONT'D)

GRI Content Index

Statement of use	Rhong Khen International Berhad has reported with reference to the GRI Standards for the period from 1 July 2024 to 30 June 2025
GRI 1 used	GRI 1: Foundation 2021

GRI Standards Indicator		Page number(s) and/or Remark(s)
GRI 2 : General Disclosures 2021		
1. The organisation and its reporting practices		
2-1	Organisational details	2, 4-5
2-2	Entities included in the organisation's sustainability reporting	44
2-3	Reporting period, frequency and contact point	43
2-4	Restatements of information	No restatements have been made.
2-5	External assurance	All data and information presented in this Statement have not been externally assured at present.
2. Activities and workers		
2-6	Activities, value chain and other business relationships	4-11
2-7	Employees	58-64
2-8	Workers who are not employees	There are no workers who are not employees whose work is controlled by the Group.
3. Governance		
2-9	Governance structure and composition	2, 23-30
2-10	Nomination and selection of the highest governance body	23-28
2-11	Chair of the highest governance body	2, 12
2-12	Role of the highest governance body in overseeing the management of impacts	45
2-13	Delegation of responsibility for managing impacts	45
2-14	Role of the highest governance body in sustainability reporting	45
2-15	Conflicts of interest	43, 65-67
2-16	Communication of critical concerns	32, 45, 66
2-17	Collective knowledge of the highest governance body	19, 24
2-18	Evaluation of the performance of the highest governance body	26
2-19	Remuneration policies	29-30
2-20	Process to determine remuneration	29-30
2-21	Annual total compensation ratio	Not applicable

SUSTAINABILITY STATEMENT (CONT'D)

GRI Content Index (cont'd)

GRI Standards Indicator		Page number(s) and/or Remark(s)
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	43-48
2-23	Policy commitments	50-67
2-24	Embedding policy commitments	50-67
2-25	Processes to remediate negative impacts	50-67
2-26	Mechanisms for seeking advice and raising concerns	45, 66-67
2-27	Compliance with laws and regulations	44, 65-67
2-28	Membership associations	Not applicable
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	46
2-30	Collective bargaining agreements	RKIB does not restrict or curtail any constitutional right of association or unionisation permitted by the regulatory framework in Malaysia.
GRI 3 : Material Topics 2021		
3-1	Process to determine material topics	46-48
3-2	List of material topics	47-48
3-3	Management of material topics	50-67
Economic		
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	56
GRI 205: Anti-corruption 2016		
205-1	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	66
205-2	Communication and training on anti-corruption policies and procedures	65-66
205-3	Total number and nature of confirmed cases of corruption and measures taken	66
Environment		
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	50-53
302-2	Energy consumption outside of the organisation	Not applicable
302-3	Energy Intensity	52
302-4	Reduction of energy consumption	50-53
302-5	Reductions in energy requirements of products and services	Not applicable

SUSTAINABILITY STATEMENT (CONT'D)

GRI Content Index (cont'd)

GRI Standards Indicator		Page number(s) and/or Remark(s)
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	55
303-2	Management of water discharge-related impacts	Not applicable
303-3	Water withdrawal	Not applicable
303-4	Water discharge	Not applicable
303-5	Water consumption	55
GRI 305: Emissions 2016		
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305-3	Other indirect (Scope 3) GHG emissions	Not applicable
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GRI 306: Waste 2020		
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403-3	Occupational health services	Not applicable
403-4	Worker participation, consultation, and communication on occupational health and safety	58-59
403-5	Worker training on occupational health and safety	59
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GRI Standards Indicator		Page number(s) and/or Remark(s)
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403-8	Workers covered by an occupational health and safety management system	58-61
403-9	Work-related injuries	58
403-10	Work-related ill health	Not applicable
GRI 404: Training and Education 2016		
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405-1	Ratio of basic salary and remuneration of women to men	Not applicable
GRI 412: Human Rights Assessment 2016		
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GRI 413: Local Communities 2016		
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STATEMENT OF BOARD OF DIRECTORS' RESPONSIBILITIES

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows of the Group and of the Company for that year.

The Directors consider that, in preparing the financial statements for the financial year ended 30 June 2025 as set out on pages 75 to 149 of this Annual Report, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable approved accounting standards have been followed and confirmed that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the MFRS Accounting Standards, IFRS Accounting Standards and the Companies Act 2016 of Malaysia.

The auditors' responsibilities are stated in their Report to the Members of the Company.

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

Principal activities

The principal activities of the Company are investment holding and the provision of management services to the subsidiaries.

The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the year	10,190	6,041
Profit/(Loss) for the year, attributable to:		
Owners of the Company	11,048	6,041
Non-controlling interests	(858)	-
	10,190	6,041

There was no material transfer to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, except for the effects arising from the significant events as disclosed in Note 37 to the financial statements.

Dividends

The amounts of dividends declared and paid by the Company since 30 June 2024 were as follows:

	RM'000
In respect of the financial year ended 30 June 2024:	
Final single-tier dividend of 3 sen per share on 195,582,300 ordinary shares, declared on 11 November 2024 and paid on 31 December 2024	5,867
In respect of the financial year ended 30 June 2025:	
First interim single-tier dividend of 3 sen per share on 195,582,300 ordinary shares, declared on 28 November 2024 and paid on 31 December 2024	5,867
	11,734

DIRECTORS' REPORT (CONT'D)

Dividends (cont'd)

At the forthcoming Annual General Meeting, a final single-tier dividend of 1 sen per share on 195,212,800 ordinary shares, in respect of the financial year ended 30 June 2025, amounting to RM1,952,128 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2026.

Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Dr Norraesah Binti Haji Mohamad

Lin Chen, Jui-Fen *

Lin Chin-Hung *

Toh Seng Thong

Yek Siew Liong

Sandra Segaran A/L Muniandy @ Krishnan

Lin Shin-Ni (Alternate Director to Lin Chen, Jui-Fen)

(Appointed on 15 October 2025)

* These directors are also the directors of the Company's subsidiaries

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (excluding those directors listed above) are:

Latitude Tree Vietnam Joint Stock Company

Yeoh Joe Son

RK Resources Co., Ltd.

Lu, Chin-Chia

Grob Holz Company Limited

Somjet Saeyang

Excite Group Sdn. Bhd.

Felicia Foo Mei Ling

Ng Yang Peng

(Appointed on 23 July 2025)

(Resigned on 23 July 2025)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no directors have received or become entitled to receive benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any 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.

DIRECTORS' REPORT (CONT'D)

Directors' benefits (cont'd)

The directors' benefits are as follows:

	Group RM'000	Company RM'000
Salaries and other emoluments	1,696	12
Fee	312	312
Employees' Share Scheme expenses	149	149
Defined contribution plan	90	-
Other benefits	34	34
	<u>2,281</u>	<u>507</u>

Directors' interest

The interests of directors in office at the end of the financial year in shares of the Company during the financial year were as follows:

	Number of ordinary shares			
	At 1.7.2024	Acquired	Sold	At 30.6.2025
Ordinary shares of the Company				
Direct interest:				
Lin Chen, Jui-Fen #	49,798,036	60,000	-	49,858,036
Lin, Chin-Hung #	13,552,800	60,000	-	13,612,800
Deemed interest:				
Yek Siew Liong *	29,804,400	-	-	29,804,400

During the financial year, the Company issued 60,000 ordinary shares each to these directors under the Employees' Share Scheme.

* Deemed interest in shares held by Konsortium Kontrek Sdn. Bhd., a company in which the director has an interest.

Lin Chen, Jui-Fen by virtue of her interest in shares of the Company, is also deemed to have interest in the shares of all subsidiaries to the extent the Company has an interest.

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

DIRECTORS' REPORT (CONT'D)

Treasury shares

During the financial year, the Company purchased 369,500 ordinary shares from the open market at an average price of RM1.17 per share. The shares purchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. The total consideration paid for the purchased of treasury shares, including transaction costs, was RM432,000.

At the reporting date, the Company held treasury shares of 479,700 out of its 195,692,500 ordinary shares. Such treasury shares are held at the net carrying amount of RM599,000. Further details relating to the treasury shares are disclosed in Note 22 to the financial statements.

Indemnities to directors or officers

No indemnity was given to or insurance premium paid for any directors or officers of the Company during or since the end of the financial year.

Employees' Share Scheme ("ESS")

At an Extraordinary General Meeting held on 26 February 2021, the shareholders approved the establishment and implementation of the Employees' Share Scheme ("ESS") for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company to eligible senior executives and employees, respectively.

The salient features and other terms of ESS are disclosed in Note 36 to the financial statements.

During the financial year, the Company increased its ordinary shares from RM99,323,000 to RM100,095,000 by way of issuance of 620,000 ordinary shares at issue price of approximately RM1.25 per ordinary share for awarded to the eligible senior executives and employees under the ESS. The total number of ordinary shares, including transaction costs, amounting to RM772,000 was recognised as an expense in the statements of comprehensive income.

Other statutory information

- (a) Before the financial statements of the Group and of the Company were made out, 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 satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT (CONT'D)

Other statutory information (cont'd)

- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations and liabilities as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant and subsequent events

The details of the significant and subsequent events are disclosed in Note 37 to the financial statements.

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	330	110
Member firm of Ernst & Young Global	243	-
Other auditor	21	-
	594	110

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 30 June 2025.

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

Dato' Dr Norraesah Binti Haji Mohamad

Lin, Chin-Hung

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

We, Dato' Dr Norraesah Binti Haji Mohamad and Lin, Chin-Hung, being two of the directors of Rhong Khen International Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 87 to 149 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and of their financial performance and cash flows for the year then ended.

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

Dato' Dr Norraesah Binti Haji Mohamad

Lin, Chin-Hung

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

I, Fong Toh Wai, being the officer primarily responsible for the financial management of Rhong Khen International Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 87 to 149 are in my opinion 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 Fong Toh Wai at Shah Alam in
Selangor Darul Ehsan on 22 October 2025

Fong Toh Wai
MIA CA 28465

Before me,
Affaf Binti Mohd Khair (B998)
Commissioner for Oaths

Shah Alam

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RHONG KHEN INTERNATIONAL BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Rhong Khen International Berhad, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 87 to 149.

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

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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"), 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 year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue recognition

We draw your attention to the summary of accounting policies in Note 2.21 and disclosure of revenue in Note 4 to the financial statements.

During the financial year, the sale of goods and services recorded by the Group amounted to RM514.6 million representing 99.7% of the Group's total revenue. We have identified sale of goods and services to be a key audit matter as we consider the voluminous sales transactions during the year to be the possible cause for a higher risk of misstatement.

INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF RHONG KHEN INTERNATIONAL BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd)

Revenue recognition (cont'd)

Our audit procedures included, amongst others, the following:

- We obtained an understanding of the Group's internal controls over the point when the Group recognises the revenue upon the transfer of the promised goods and services to customers and the transaction price recorded as revenue;
- We evaluated the effectiveness of the controls in place to ensure the accuracy of revenue recognised, including timely posting of revenue to the general ledger in the financial information system;
- We performed procedures to corroborate the occurrence of revenue by tracing samples of cash receipts to the settlement reports from financial institutions;
- We performed three-way correlation analysis between revenue, trade receivables and cash to assess the movement trend of the revenue from the sale of goods and services; and
- We evaluated transactions recorded close to the year end, including sales after year end, to acknowledged delivery orders or bills of lading, to assess whether those transactions were recorded in the correct accounting period on sampling basis.

Valuation of inventories

We draw your attention to the summary of accounting policies in Note 2.15, significant accounting judgements and estimates in Note 3(b) and the disclosure of inventories in Note 18 to the financial statements.

As at 30 June 2025, the Group's inventories amounted to RM138.9 million, representing 18.3% of the Group's total assets.

Inventories are carried at the lower of cost and net realisable value. Included in the inventories are raw materials, work-in-progress and finished goods. Work-in-progress and finished goods comprise cost of raw materials, labour and manufacturing overheads. The Group applies cost of raw materials, predetermined labour and overhead expenses to derive at the costs of work-in-progress and finished goods which involved significant management estimates.

Given the significance of the account balances and the significant management estimates involved in deriving the cost of inventories, we have identified the valuation of work-in-progress and finished goods to be an area of audit focus.

Our audit procedures included, amongst others, the following:

- We obtained an understanding of the Group's inventories valuation policy and inventory costing processes (including the monitoring and the frequency of updating the absorption rates used in production);
- We assessed whether the costing method used in deriving the cost of work-in-progress and finished goods is consistent with the Group's policy;
- We tested the key inputs used in deriving the cost of work-in-progress and finished goods, in particular, the key raw materials used in the production; and
- We reviewed management's workings on apportionment of production labour and overhead expenses to assess whether the apportionment basis is applied consistently across the Group.

INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF RHONG KHEN INTERNATIONAL BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd)

Impairment assessment of property, plant and equipment and right-of-use assets

As disclosed in Notes 13 and 15 to the financial statements, the carrying amount of the Group's property, plant and equipment and right-of-use assets amounted to RM231.9 million and RM18.5 million, respectively, representing 30.5% and 2.4% of the Group's total assets as at 30 June 2025. The Group is required to perform an impairment test for each cash generating unit ("CGU") whenever there is an indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount. As at 30 June 2025, the market capitalisation of the Group is lower than the net assets of the Group and certain subsidiaries of the Group reported losses for the financial year ended 30 June 2025. In addition, the operations of the Group were impacted by the United States of America ("USA") tariffs as elaborated in Note 37 to the financial statements. Consequently, there are indicators that the carrying amounts of property, plant and equipment and right-of-use assets may be impaired.

Accordingly, the Group performed impairment assessments on the property, plant and equipment and right-of-use assets by estimating the recoverable amounts of the respective CGUs. As part of these procedures, the Group engaged independent valuation specialists to assess the fair value of certain land and buildings of the Group.

The recoverable amounts were determined based on the fair value less cost of disposal, and these amounts exceeded the carrying amounts of the respective CGUs. Consequently, no impairment adjustments were recognised in respect of the property, plant and equipment and the right-of-use assets of the Group.

Due to the significance of the carrying amounts of the property, plant and equipment and right-of-use assets as well as the significant judgments and estimates involved in determining their recoverable amounts, we consider the impairment assessment of these assets as an area of audit focus.

Our audit procedures included, amongst others, the following:

- Assessed the objectivity, independence, reputation, experience and expertise of the independent valuers;
- Agreed the results of the valuations performed by the independent valuers to the amounts used in determining the recoverable amounts of the CGUs;
- Obtained an understanding of the methodology adopted by the independent valuers in determining the fair value of the properties and assessed whether such methodology is consistent with those used in the industry;
- We had discussions with the independent valuers to obtain an understanding of the property related data used as inputs to the valuation model and challenged the significant estimates and assumptions applied in their valuation process;
- Evaluated the relevant property related data used as inputs and key assumptions applied by the independent valuers and the management in determining the recoverable amounts of the CGUs; and
- Assessed the adequacy of the related disclosures in Note 3(c) to the financial statements.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

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.

INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF RHONG KHEN INTERNATIONAL BERHAD (INCORPORATED IN MALAYSIA)

Information other than the financial statements and auditors' report thereon (cont'd)

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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

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 MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF RHONG KHEN INTERNATIONAL BERHAD (INCORPORATED IN MALAYSIA)

Auditors' responsibilities for the audit of the financial statements (cont'd)

We also: (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, 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.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

Other matters

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

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
22 October 2025

Chuan Yee Yang
No. 03489/03/2026 J
Chartered Accountant

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	4	515,924	521,624	12,000	6,000
Cost of sales		(453,428)	(454,768)	-	-
Gross profit		62,496	66,856	12,000	6,000
Other income	5	10,532	9,512	571	659
Selling and distribution expenses		(18,414)	(17,849)	-	-
Administrative expenses		(28,561)	(28,808)	(1,524)	(1,649)
Other expenses		(9,253)	(9,043)	(5,004)	(2)
Finance costs	6	(909)	(1,354)	-	-
Profit before tax	7	15,891	19,314	6,043	5,008
Income tax expense	10	(5,701)	(8,082)	(2)	-
Profit for the year		10,190	11,232	6,041	5,008
Other comprehensive (loss)/income:					
<i>Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent period:</i>					
Foreign currency translation, net of tax		(37,499)	4,237	-	-
Total comprehensive (loss)/income for the year		(27,309)	15,469	6,041	5,008
Profit/(Loss) for the year, attributable to:					
Owners of the Company		11,048	12,449	6,041	5,008
Non-controlling interests		(858)	(1,217)	-	-
		10,190	11,232	6,041	5,008
Total comprehensive (loss)/income for the year, attributable to:					
Owners of the Company		(26,451)	16,686	6,041	5,008
Non-controlling interests		(858)	(1,217)	-	-
		(27,309)	15,469	6,041	5,008
Earnings per share attributable to owners of the Company					
Basic/diluted (sen)	11	5.7	6.4		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Non-current assets					
Property, plant and equipment	13	231,868	255,199	-	-
Investment properties	14	44,822	44,380	-	-
Right-of-use assets	15	18,503	32,334	-	-
Investments in subsidiaries	16	-	-	213,929	218,929
Other investment		81	81	-	-
Deferred tax assets	17	980	903	-	-
		296,254	332,897	213,929	218,929
Current assets					
Inventories	18	138,927	137,563	-	-
Trade and other receivables	19	42,292	48,662	-	-
Prepayments		2,252	2,309	-	-
Tax recoverable		2,302	1,407	363	333
Derivative	31	35	12	-	-
Investment securities	20	86,297	75,221	15,046	15,692
Cash and bank balances	21	177,843	215,152	915	679
		449,948	480,326	16,324	16,704
Assets held-for-sale	28	14,877	-	-	-
		464,825	480,326	16,324	16,704
Total assets		761,079	813,223	230,253	235,633
Equity and liabilities					
Equity attributable to owners of the Company					
Share capital	22	100,095	99,323	100,095	99,323
Treasury shares	22	(599)	(167)	(599)	(167)
Retained earnings	23	486,191	486,877	130,649	136,342
Foreign currency translation reserve	24	72,202	109,701	-	-
		657,889	695,734	230,145	235,498
Non-controlling interests		(2,317)	(1,459)	-	-
Total equity		655,572	694,275	230,145	235,498

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current liabilities					
Deferred tax liabilities	17	2,983	3,639	-	-
Loans and borrowings	25	7,025	14,574	-	-
Lease liabilities	26	4,278	4,975	-	-
Provision for severance allowance	2.19(c)	222	233	-	-
Retirement benefit obligation	2.19(d)	478	385	-	-
		14,986	23,806	-	-
Current liabilities					
Loans and borrowings	25	9,401	4,899	-	-
Trade and other payables	27	56,352	58,936	108	135
Lease liabilities	26	162	178	-	-
Tax payable		24,518	31,129	-	-
		90,433	95,142	108	135
Liabilities associated with assets held-for-sale	28	88	-	-	-
		90,521	95,142	108	135
Total liabilities		105,507	118,948	108	135
Total equity and liabilities		761,079	813,223	230,253	235,633

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

← Distributable →									
		Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Foreign currency translation reserve RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000	
Note									
2025									
	At 1 July 2024	99,323	(167)	486,877	109,701	695,734	(1,459)	694,275	
	Total comprehensive income/(loss)	-	-	11,048	(37,499)	(26,451)	(858)	(27,309)	
12	Dividends on ordinary shares	-	-	(11,734)	-	(11,734)	-	(11,734)	
22	Purchase of treasury shares	-	(432)	-	-	(432)	-	(432)	
	Issuance of shares pursuant to Employees' Share Scheme	772	-	-	-	772	-	772	
	At 30 June 2025	100,095	(599)	486,191	72,202	657,889	(2,317)	655,572	
2024									
	At 1 July 2023	98,433	(167)	482,226	105,464	685,956	(242)	685,714	
	Total comprehensive income/(loss)	-	-	12,449	4,237	16,686	(1,217)	15,469	
12	Dividends on ordinary shares	-	-	(7,798)	-	(7,798)	-	(7,798)	
	Issuance of shares pursuant to Employees' Share Scheme	890	-	-	-	890	-	890	
22									
	At 30 June 2024	99,323	(167)	486,877	109,701	695,734	(1,459)	694,275	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

			← Distributable →		
	Note	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
2025					
At 1 July 2024		99,323	(167)	136,342	235,498
Total comprehensive income		-	-	6,041	6,041
Dividends on ordinary shares	12	-	-	(11,734)	(11,734)
Purchase of treasury shares	22	-	(432)	-	(432)
Issuance of shares pursuant to Employees' Share Scheme	22	772	-	-	772
At 30 June 2025		100,095	(599)	130,649	230,145
2024					
At 1 July 2023		98,433	(167)	139,132	237,398
Total comprehensive income		-	-	5,008	5,008
Dividends on ordinary shares	12	-	-	(7,798)	(7,798)
Issuance of shares pursuant to Employees' Share Scheme	22	890	-	-	890
At 30 June 2024		99,323	(167)	136,342	235,498

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before tax		15,891	19,314	6,043	5,008
Adjustments for:					
Reversal of allowance for expected credit losses on trade receivables	5	(150)	-	-	-
Distribution from investment securities	5	(1,964)	(1,833)	(200)	(354)
Net fair value gain on:					
- Investment securities	5	(1,048)	(732)	(355)	(294)
- Derivative	5	(23)	(12)	-	-
Gain on disposal of:					
- Property, plant and equipment	5	(122)	(351)	-	-
- Investment property	5	-	(346)	-	-
Net unrealised loss on foreign exchange	7	3,429	2,929	2	-
Finance costs	6	909	1,354	-	-
Retirement benefit expenses	8	89	56	-	-
Depreciation of:					
- Property, plant and equipment	7	17,285	18,227	-	-
- Investment properties	7	374	397	-	-
- Right-of-use assets	7	1,145	1,216	-	-
Allowance for expected credit losses on:					
- Trade receivables	7	275	-	-	-
- Other receivables	7	5	-	-	-
Impairment loss on investments in subsidiaries	7	-	-	5,000	-
Provision for severance allowance	7	85	141	-	-
Inventories written down	7	-	1,317	-	-
Employees' Share Scheme expenses	8	772	890	772	890
Interest income	5	(4,929)	(4,315)	(16)	(11)
Operating profit before working capital changes		32,023	38,252	11,246	5,239
Changes in inventories		(10,893)	13,453	-	-
Changes in receivables		(1,416)	6,034	-	-
Changes in prepayments		57	1,244	-	-
Changes in payables		(633)	4,917	(26)	22
Cash generated from operations		21,970	63,900	11,220	5,261
Interest paid		(793)	(1,226)	-	-
Severance payments		(70)	(143)	-	-
Net taxes paid		(9,533)	(7,692)	(32)	(118)
Net cash flows generated from operating activities		11,574	54,839	11,188	5,143

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from investing activities					
Purchase of property, plant and equipment	13	(8,950)	(8,832)	-	-
Interest received		4,929	4,315	16	11
Proceeds from disposal of:					
- Property, plant and equipment		190	786	-	-
- Investment property		-	1,230	-	-
- assets held-for-sale		3,326	-	-	-
Net (purchase of)/proceeds from disposal of investment securities		(8,666)	(9,218)	1,200	2,600
Withdrawal/(Placement) of deposits with licensed banks		2,708	(14,326)	-	-
Net cash flows (used in)/generated from investing activities		(6,463)	(26,045)	1,216	2,611
Cash flows from financing activities					
Repayments of loans and borrowings		(22,422)	(18,418)	-	-
Drawdown of loans and borrowings		18,223	5,269	-	-
Repayments of lease liabilities	26	(281)	(300)	-	-
Treasury shares acquired	22	(432)	-	(432)	-
Dividends paid on ordinary shares	12	(11,734)	(7,798)	(11,734)	(7,798)
Net cash flows used in financing activities		(16,646)	(21,247)	(12,166)	(7,798)
Net changes in cash and cash equivalents					
		(11,535)	7,547	238	(44)
Effects of exchange rate changes		(20,300)	(1,655)	(2)	-
Cash and cash equivalents at beginning of the year		172,010	166,118	679	723
Cash and cash equivalents at end of the year	21	140,175	172,010	915	679

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at Lot 3356, Batu 7 ³/₄, Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and the provision of management services to the subsidiaries.

The principal activities of the subsidiaries are disclosed in Note 16.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 October 2025.

2. Summary of accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared on a historical cost basis except as disclosed in below accounting policies.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except as follows. On 1 July 2024, the Group and the Company adopted the following amendments to MFRSs which are mandatory for annual periods beginning on or after 1 January 2024.

Descriptions		Effective for annual periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107	Supplier Finance Arrangements	1 January 2024

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

2. Summary of accounting policies (cont'd)

2.3 Standards issued but not effective

The standards that are issued but not yet effective up to the date of issuance of the financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Descriptions		Effective for annual periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instrument	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	Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	1 January 2026
Amendments to MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability:Disclosure	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 standards and amendments to MFRSs are not expected to have material financial impact to the financial statements of the Group and of the Company upon their initial application.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively the "Group") at the reporting date. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company controls an investee if, and only if, the Company has all of the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

2. Summary of accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

When the Group has less than a majority of the voting rights or similar rights of an investee, the Group considers all facts and circumstances in assessing whether the Group's voting rights in the investee are sufficient to give it power over the investee, including:

- (i) The contractual arrangement with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Total comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at fair value during the acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, any previously held equity interest is remeasured at fair value during the acquisition date and any resulting gain or loss is recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

2. Summary of accounting policies (cont'd)

2.5 Business combinations and goodwill (cont'd)

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal.

2.6 Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment loss, if any. On disposal of such investment, the difference between net disposal proceeds and its carrying amount is included in profit or loss.

2.7 Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the parent and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the company.

Changes in the company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

Total comprehensive income of a subsidiary is attributable to the non-controlling interest even if it results in a deficit balance.

2.8 Foreign currencies

(a) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss for the year except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income ("OCI") and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

2. Summary of accounting policies (cont'd)

2.8 Foreign currencies (cont'd)

(a) Foreign currency transactions (cont'd)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the translation of non-monetary items in respect of which gain and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(b) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to OCI. On disposal of a foreign operation, the cumulative amount recognised in OCI and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company, and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss, if any.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, at the following annual rates:

Buildings	10 to 50 years
Plant and machinery	10 to 20 years
Electrical installation	10 years
Furniture and fittings	5 to 10 years
Motor vehicles	5 to 8 years
Office equipment and computer software	3 to 10 years
Renovation	10 years

Buildings under construction are not depreciated as these assets are not yet available for use.

The carrying amount of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The assets' residual value, useful life and depreciation method are reviewed at each reporting date and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

2. Summary of accounting policies (cont'd)

2.10 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation, or for both. Such properties are measured initially at cost including transaction costs. Following initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any. Freehold land has an unlimited useful life and therefore is not depreciated. Buildings are depreciated over 50 years on a straight line method.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.11 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company estimate the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to OCI. In this case, the impairment is also recognised in OCI up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

2. Summary of accounting policies (cont'd)

2.12 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and the categories include financial assets at amortised cost and financial assets at fair value through profit or loss.

(a) Financial assets at amortised cost

Financial assets at amortised cost are measured using the effective interest method. Gains and losses are recognised in profit or loss when the financial assets at amortised cost are derecognised or impaired, and through the amortisation process.

Financial assets at amortised cost are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

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

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

This category comprises of the derivative instruments and fund placements with licensed financial institutions. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Dividends are recognised as revenue in the profit or loss when the right of payment has been established. Interests are recognised as interest income in profit or loss on an accrual basis using the effective interest rate ("EIR") method.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statements of financial position) when:

- The rights to receive cash flows from the asset has expired; or
- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or
 - (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

2. Summary of accounting policies (cont'd)

2.13 Impairment of financial assets

The Group and the Company assess at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and Company consider factors such as the profitability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand, deposits with licensed banks for the maturity of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash at banks and in hand, and deposits with licensed banks as defined above, net of deposits with licenced banks with maturity more than three months and bank overdraft.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on weighted average basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Financial liabilities

Initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as financial liabilities at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in near term.

Gains or losses on liabilities held for trading are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

2. Summary of accounting policies (cont'd)

2.16 Financial liabilities (cont'd)

Initial recognition (cont'd)

(b) Financial liabilities at amortised cost

Financial liabilities at amortised cost are measured using the EIR method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

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

2.17 Financial guarantee contracts

A financial contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

2. Summary of accounting policies (cont'd)

2.19 Employee benefits expenses

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(c) Provision for severance allowance

The severance pay to employees of the subsidiaries in Vietnam is accrued at the end of each reporting period for all employees who have more than 12 months in service up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance in Vietnam. Commencing 1 January 2009, the average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Any changes to the accrued amount will be recognised in profit or loss.

(d) Retirement benefit obligation - defined benefit plans

The Group estimates and recognises the obligation of employee retirement benefits in profit or loss for which a foreign subsidiary shall have to pay in accordance with the labour law of Thailand by using the current salary of employees and the probability that employees will work until retirement ages.

(e) Share based compensation

The Group's Employees' Share Scheme ("ESS"), an equity-settled, share based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share options reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, or until the option expires, upon which it will be transferred directly to retained earnings.

The proceeds received, net of any directly attributable transaction costs, are credited to equity when the options are exercised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

2. Summary of accounting policies (cont'd)

2.20 Leases

As lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date of the underlying asset is available for use). Right-of-use assets are measured at cost less accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

Right-of use assets are depreciated on a straight-line basis over the shorter of lease term and the estimated useful lives of the assets are as follows:

Building	3 years
Land use rights	20 to 50 years
Leasehold land	20 to 68 years

The carrying amount of right-of-use assets is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, or a change in the lease term, or a change in the lease payments.

Short-term leases and leases of low-value assets

The Group and the Company have applied recognition exemption for leases of low-value assets and short term leases. Lease payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

As lessor

Lease income is recognised on a straight-line basis over the lease term of the relevant lease and is included in profit or loss. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as lease income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

2. Summary of accounting policies (cont'd)

2.21 Revenue

(i) Revenue from contracts with customers

(a) Sale of goods and services

Revenue is recognised at a point in time upon control of the goods and services are transferred to the customers, generally on delivery of goods and services. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

(b) Management fees

Management fees are recognised when services are rendered.

(ii) Revenue from other sources

(a) Lease income

Lease income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of lease income over the lease term on a straight-line basis.

(b) Dividend income

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

(c) Interest income

Interest income is recognised using the EIR method.

2.22 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current tax is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in OCI or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

2. Summary of accounting policies (cont'd)

2.22 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.23 Sales and Service Tax ("SST")

Revenues, expenses and assets are recognised net of the amount of SST except:

- where the SST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the SST is recognised as part of the cost of acquisition of the asset or as part of the expenses item as applicable; and
- receivables and payables that are stated with the amount of SST included.

The net amount of SST recoverable from, or payable to, the taxation authority is included as part of other receivables or other payables in statements of financial position.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments that engage in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The operating segment's operating results are reviewed regularly by the management of the Group whom to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2.25 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.26 Treasury shares

Treasury shares that are reacquired are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the retained earnings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

2. Summary of accounting policies (cont'd)

2.27 Assets held-for-sale

The Group classifies the assets under the assets of disposal groups classified as held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The assets of disposal groups classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held-for-sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sale will be withdrawn. Management must be committed to the plan to sell the asset and it is expected to be completed within one year from the date of the classification.

Right-of-use assets are not depreciated or amortised once classified as held-for-sale.

Assets and liabilities classified as assets and liabilities of disposal group classified as held-for-sale are presented separately as current items in the statements of financial position.

2.28 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

2. Summary of accounting policies (cont'd)

2.28 Fair value measurement (cont'd)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial period.

3. Significant accounting judgements and estimates

The preparation of the Group's and the Company's financial statements require management to make judgement, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates result in outcomes that could require a material adjustment to the carrying amount of the asset and liability affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

At the reporting date, the carrying amounts of the Group's tax recoverable and tax payable are RM2,302,000 (2024: RM1,407,000) and RM24,518,000 (2024: RM31,129,000), respectively.

(b) Inventories costing

The Group applies actual cost of raw materials and predetermined labour and overhead expenses to derive at the costs of work-in-progress and finished goods. Significant management estimates are involved during the allocation of labour and overhead expenses into different types of inventories.

At the reporting date, a 1% (2024: 1%) difference in the work-in-progress and finished goods balance would result in RM802,000 (2024: RM835,000) fluctuation in the Group's profit for the year.

At the reporting date, the carrying amount of inventories of the Group is disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

3. Significant accounting judgements and estimates (cont'd)

Key sources of estimation uncertainty (cont'd)

(c) Impairment assessment of property, plant and equipment and right-of-use assets

The Group and the Company assess at each reporting date whether there is any indication that the property, plant and equipment and right-of-use assets may be impaired. If any such indication exists, the Group estimates the recoverable amount of smallest cash generating unit ("CGU") or groups of CGU. The recoverable amount is measured at the higher of fair value less cost of disposal ("FVLCD") and value-in-use ("VIU").

The Group is required to perform an impairment test for each CGU whenever there is an indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount. As at 30 June 2025, the market capitalisation of the Group is lower than the net assets of the Group and certain subsidiaries of the Group reported losses for the financial year ended 30 June 2025. In addition, the operations of the Group were impacted by the United States of America ("USA") tariffs as elaborated in Note 37. Consequently, there are indicators that the carrying amounts of property, plant and equipment and right-of-use assets may be impaired.

The Group performed impairment assessments on the property, plant and equipment and right-of-use assets to determine the recoverable amount of the respective CGUs. The Group also engaged independent valuation specialists to assess the fair value of certain land and buildings of the Group. The recoverable amounts were determined based on the FVLCD, and these amounts exceeded the carrying amounts of the respective CGUs. Consequently, no impairment adjustments were recognised in respect of the property, plant and equipment and the right-of-use assets of the Group.

The management has assessed that there is no significant impact on the impairment assessments which may arise from the changes in assumptions and inputs used. These assumptions and inputs include market transactions of comparable properties, adjustment factors applied for differences in location, size and the estimated remaining useful lives of the properties. The net carrying amounts of property, plant and equipment and right-of-use assets of the Group are disclosed in Notes 13 and 15 respectively.

4. Revenue

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers:				
Sale of goods and services	514,560	520,000	-	-
Others revenue:				
Lease income	1,364	1,624	-	-
Dividend income from subsidiaries	-	-	12,000	6,000
	515,924	521,624	12,000	6,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

4. Revenue (cont'd)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Geographical market:				
United States	444,739	452,817	-	-
Southeast Asia	48,134	51,512	12,000	6,000
Australia	3,202	6,567	-	-
Canada	5,165	3,038	-	-
France	3,195	7	-	-
Mexico	8,596	3,678	-	-
Others	2,893	4,005	-	-
	515,924	521,624	12,000	6,000
Timing of revenue recognition:				
At a point in time	514,560	520,000	-	-

5. Other income

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income	4,929	4,315	16	11
Gain on disposal of:				
- Property, plant and equipment	122	351	-	-
- Investment property	-	346	-	-
Net fair value gain on:				
- Investment securities	1,048	732	355	294
- Derivative	23	12	-	-
Lease income	1,485	1,116	-	-
Reversal of allowance for expected credit losses on trade receivables	150	-	-	-
Distribution from investment securities	1,964	1,833	200	354
Miscellaneous income	811	807	-	-
	10,532	9,512	571	659

6. Finance costs

	Group	
	2025 RM'000	2024 RM'000
Interest expenses on:		
- Term loans	615	1,095
- Lease liabilities	116	128
- Others	178	131
	909	1,354

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

7. Profit before tax

The following items have been included in arriving at profit before tax:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
- Statutory audit				
- Ernst & Young PLT	315	287	95	89
- Member firm of Ernst & Young Global	243	261	-	-
- Other auditor	21	20	-	-
- Other services				
- Ernst & Young PLT	15	13	15	13
Depreciation of:				
- Property, plant and equipment	17,285	18,227	-	-
- Investment properties	374	397	-	-
- Right-of-use assets	1,145	1,216	-	-
Allowance for expected credit losses on:				
- Trade receivables	275	-	-	-
- Other receivables	5	-	-	-
Net realised loss on foreign exchange	1,393	2,236	-	-
Net unrealised loss on foreign exchange	3,429	2,929	2	-
Inventories written down	-	1,317	-	-
Impairment loss on investments in subsidiaries	-	-	5,000	-
Provision for severance allowance	85	141	-	-

8. Employee benefits expenses

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	122,793	114,472	-	-
Social security contributions	9,939	10,690	-	-
Defined contribution plan	1,786	1,772	-	-
Retirement benefit expenses	89	56	-	-
Employees' Share Scheme expenses	772	890	772	890
Other benefits	5,767	5,675	12	12
	141,146	133,555	784	902

Included in employee benefits expenses of the Group and of the Company are executive directors' remuneration amounting to RM1,935,000 (2024: RM2,162,000) and RM161,000 (2024: RM162,000), respectively, as further disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

9. Directors' remuneration

The details of remuneration receivable by directors of the Group and of the Company during the year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive:				
- Salaries and other emoluments	1,696	1,922	12	12
- Employees' Share Scheme expenses	149	150	149	150
- Defined contribution plan	90	90	-	-
Total executive directors' remuneration	1,935	2,162	161	162
Non-executive:				
- Fee	312	312	312	312
- Other benefits	34	35	34	35
Total non-executive directors' remuneration	346	347	346	347
Total directors' remuneration (Note 29(b))	2,281	2,509	507	509

10. Income tax expense

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current income tax:				
- Malaysian income tax				
- Current tax	616	2,660	-	-
- Under provision in prior years	17	51	2	-
- Foreign income tax				
- Current tax	9,737	8,370	-	-
- Over provision in prior years	(3,834)	(2,945)	-	-
	6,536	8,136	2	-
Deferred tax: (Note 17)				
- Reversal of temporary differences	(838)	(29)	-	-
- Under/(Over) provision in prior years	3	(25)	-	-
	(835)	(54)	-	-
Income tax expense recognised in profit or loss	5,701	8,082	2	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

10. Income tax expense (cont'd)

Reconciliations of income tax expense applicable to profit before tax at the statutory income tax rate to the income tax expense at the effective income tax rate are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit before tax	15,891	19,314	6,043	5,008
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	3,814	4,635	1,450	1,202
Different tax rates in other countries	(3,020)	(2,736)	-	-
Non-taxable income	(2,059)	(570)	(3,013)	(1,596)
Non-deductible expenses	8,150	6,809	1,563	394
Utilisation of previously unrecognised deferred tax assets	(282)	(165)	-	-
Deferred tax assets not recognised	2,912	3,028	-	-
Under/(Over) provision of income tax in prior years				
- Malaysian income tax	17	51	2	-
- Foreign income tax	(3,834)	(2,945)	-	-
Under/(Over) provision of deferred tax in prior years	3	(25)	-	-
	5,701	8,082	2	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the year.

The normal corporate income tax rate in Vietnam and Thailand is currently at 20% of the estimated assessable profit for the year. Certain foreign subsidiaries in Vietnam enjoy various tax incentives with preferential tax rate of 10% (2024: 10%).

Below are the deferred tax assets of the Group and of the Company which have not been recognised in the financial statements as they are not probable to be used to offset against the taxable profits of the respective entities within the Group:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Unutilised reinvestment allowances	9,564	9,564	-	-
Unutilised tax losses	54,624	43,979	772	772
Unabsorbed capital allowances	28,167	27,853	-	-
	92,355	81,396	772	772

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

10. Income tax expense (cont'd)

The utilisation periods of unutilised tax losses and unutilised reinvestment allowances not recognised by the Group and the Company which are available for offsetting against future taxable profits of the respective entities within the Group are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Utilisation period				
Expiring in 2025	9,564	9,564	-	-
Expiring in 2028	20,761	20,761	772	772
Expiring in 2030	1,843	1,843	-	-
Expiring in 2032	3,909	3,909	-	-
Expiring in 2033	6,647	6,647	-	-
Expiring in 2034	10,819	10,819	-	-
Expiring in 2035	10,645	-	-	-
	64,188	53,543	772	772

The unabsorbed capital allowances do not expire under the current legislation in Malaysia and can be utilised against income from the same business sources, subject to no substantial change in shareholdings.

11. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares, excluding treasury shares, during the financial year.

	Group	
	2025 RM'000	2024 RM'000
Profit for the year, net of tax, attributable to owners of the Company	11,048	12,449

	Group	
	2025 Number of shares '000	2024 Number of shares '000
Weighted average number of ordinary shares, excluding treasury shares	195,169	194,654

	Group	
	2025 Sen	2024 Sen
Basic earnings per share	5.7	6.4

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

11. Earnings per share (cont'd)

(b) Diluted

The Group does not have any potential dilutive ordinary shares at the reporting date.

There have been no other transactions involving ordinary shares or potential dilutive ordinary shares between the reporting date and the date of authorisation of these financial statements.

12. Dividends

	Group and Company	
	2025	2024
	RM'000	RM'000
Recognised during the financial year:		
In respect of the financial year ended 30 June 2023:		
Final single-tier dividend of 3 sen per share on 194,962,300 ordinary shares	-	5,849
In respect of the financial year ended 30 June 2024:		
First interim single-tier dividend of 1 sen per share on 194,962,300 ordinary shares	-	1,949
Final single-tier dividend of 3 sen per share on 195,582,300 ordinary shares	5,867	-
In respect of the financial year ended 30 June 2025:		
First interim single-tier dividend of 3 sen per share on 195,582,300 ordinary shares	5,867	-
	11,734	7,798

At the forthcoming Annual General Meeting, a final single-tier dividend of 1 sen per share on 195,212,800 ordinary shares, in respect of the financial year ended 30 June 2025, amounting to RM1,952,128 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2026.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

13. Property, plant and equipment

Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Electrical installation RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment and computer software RM'000	Renovation RM'000	Buildings under construction RM'000	Total RM'000
2025										
Cost										
At beginning of the year	21,050	252,527	311,333	3,694	605	5,979	4,636	2,278	12,244	614,346
Additions	-	895	6,693	40	2	605	52	-	663	8,950
Disposals	-	-	(401)	-	-	(472)	-	-	-	(873)
Write-off	-	-	(8,255)	-	(1)	-	(30)	-	-	(8,286)
Transferred to investment properties (Note 14)	(430)	(671)	-	-	-	-	-	-	-	(1,101)
Reclassification	-	11,763	-	-	-	-	-	-	(11,763)	-
Exchange differences	24	(17,692)	(20,304)	32	6	(318)	(416)	20	(540)	(39,188)
At end of the year	20,644	246,822	289,066	3,766	612	5,794	4,242	2,298	604	573,848
Accumulated depreciation										
At beginning of the year	-	91,497	253,932	3,501	529	3,503	4,093	2,092	-	359,147
Charge for the year	-	6,390	10,059	55	13	542	181	45	-	17,285
Disposals	-	-	(401)	-	-	(404)	-	-	-	(805)
Write-off	-	-	(8,255)	-	(1)	-	(30)	-	-	(8,286)
Transferred to investment properties (Note 14)	-	(291)	-	-	-	-	-	-	-	(291)
Exchange differences	-	(6,774)	(17,785)	32	5	(169)	(398)	19	-	(25,070)
At end of the year	-	90,822	237,550	3,588	546	3,472	3,846	2,156	-	341,980
Net carrying amount										
At 30 June 2025	20,644	156,000	51,516	178	66	2,322	396	142	604	231,868

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

13. Property, plant and equipment (cont'd)

Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Electrical installation RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment and computer software RM'000	Renovation RM'000	Buildings under construction RM'000	Total RM'000
2024										
Cost										
At beginning of the year	22,652	254,099	306,780	3,839	613	5,310	4,429	2,251	9,672	609,645
Additions	463	-	3,560	-	5	1,678	224	74	2,828	8,832
Disposals	-	-	(761)	-	-	(1,038)	(19)	-	-	(1,818)
Write-off	-	-	(190)	(70)	-	-	(43)	-	-	(303)
Transferred to investment properties (Note 14)	(2,009)	(3,131)	-	-	-	-	-	-	-	(5,140)
Reclassification	-	-	335	-	-	-	-	-	(335)	-
Exchange differences	(56)	1,559	1,609	(75)	(13)	29	45	(47)	79	3,130
At end of the year	21,050	252,527	311,333	3,694	605	5,979	4,636	2,278	12,244	614,346
Accumulated depreciation										
At beginning of the year	-	85,468	242,052	3,588	529	4,146	3,930	2,092	-	341,805
Charge for the year	-	6,579	10,983	58	13	370	181	43	-	18,227
Disposals	-	-	(336)	-	-	(1,028)	(19)	-	-	(1,383)
Write-off	-	-	(190)	(70)	-	-	(43)	-	-	(303)
Transferred to investment properties (Note 14)	-	(1,121)	-	-	-	-	-	-	-	(1,121)
Exchange differences	-	571	1,423	(75)	(13)	15	44	(43)	-	1,922
At end of the year	-	91,497	253,932	3,501	529	3,503	4,093	2,092	-	359,147
Net carrying amount										
At 30 June 2024	21,050	161,030	57,401	193	76	2,476	543	186	12,244	255,199

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

13. Property, plant and equipment (cont'd)

The property, plant and equipment with net carrying amount of RM1,637,000 (2024: nil) are pledged as securities for loans and borrowings as disclosed in Note 25.

14. Investment properties

	Group	
	2025 RM'000	2024 RM'000
Freehold land and buildings		
Cost		
At beginning of the year	48,417	55,243
Disposals	-	(11,954)
Transferred from property, plant and equipment (Note 13)	1,101	5,140
Exchange differences	6	(12)
At end of the year	49,524	48,417
Accumulated depreciation		
At beginning of the year	4,037	2,519
Charge for the year	374	397
Transferred from property, plant and equipment (Note 13)	291	1,121
At end of the year	4,702	4,037
Net carrying amount	44,822	44,380

The investment properties with net carrying amount of RM37,789,000 (2024: RM38,086,000) are pledged as securities for loans and borrowings as disclosed in Note 25.

At the reporting date, the directors have estimated the fair value of investment properties of the Group to be RM95,065,000 (2024: RM93,262,000). The fair value has been determined by reference to the market evidence of transaction prices for similar properties.

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2025 RM'000	2024 RM'000
Lease income	1,364	1,624
Depreciation of investment properties	374	397
Quit rent and assessment	103	128

The fair value of the investment properties are within Level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

15. Right-of-use assets

The carrying amounts of the right-of-use assets and the movements during the year are as follows:

Group	Building RM'000	Leasehold land RM'000	Land use rights RM'000	Total RM'000
2025				
Cost				
At beginning of the year	2,629	5,746	45,972	54,347
Transferred to assets held-for-sale	-	-	(11,197)	(11,197)
Exchange differences	(283)	(112)	(4,941)	(5,336)
At end of the year	2,346	5,634	29,834	37,814
Accumulated depreciation				
At beginning of the year	2,629	2,193	17,191	22,013
Charge for the year	-	98	1,047	1,145
Transferred to assets held-for-sale	-	-	(1,621)	(1,621)
Exchange differences	(283)	(51)	(1,892)	(2,226)
At end of the year	2,346	2,240	14,725	19,311
Net carrying amount				
At 30 June 2025	-	3,394	15,109	18,503
2024				
Cost				
At beginning of the year	2,598	5,734	45,426	53,758
Exchange differences	31	12	546	589
At end of the year	2,629	5,746	45,972	54,347
Accumulated depreciation				
At beginning of the year	2,598	2,089	15,877	20,564
Charge for the year	-	99	1,117	1,216
Exchange differences	31	5	197	233
At end of the year	2,629	2,193	17,191	22,013
Net carrying amount				
At 30 June 2024	-	3,553	28,781	32,334

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

16. Investments in subsidiaries

	Company	
	2025	2024
	RM'000	RM'000
Unquoted shares, at cost	218,929	218,929
Less: Impairment loss	(5,000)	-
	213,929	218,929

Movement in allowance

	Company	
	2025	2024
	RM'000	RM'000
At beginning of the year	-	-
Charge for the year	5,000	-
At end of the year	5,000	-

At the reporting date, the Company performed impairment assessments on certain investments in subsidiaries, based on the adjusted net assets values of these subsidiaries, after incorporating the fair value adjustments, which represents the directors' estimation of fair value less cost to sell for the properties hold by these subsidiaries. Consequently, these assessments resulted to the recognition of impairment loss on certain investment in a subsidiary of RM5,000,000.

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Proportion of ownership interest	
			2025 %	2024 %
<i>Held by the Company:</i>				
Latitude Tree Furniture Sdn. Bhd.	Malaysia	Manufacture and sale of wooden furniture and components	100	100
Rhong Khen Industries Sdn. Bhd.	Malaysia	Manufacture and sale of decorative wood panels and papers	100	100
Rhong Khen Timbers Sdn. Bhd.	Malaysia	Manufacture and sale of wooden furniture parts and components	100	100
Latitude Tree Sdn. Bhd.	Malaysia	Investment holding	100	100
L-Tree Resources Sdn. Bhd.	Malaysia	Investment holding	100	100
Grob Holz Sdn. Bhd.	Malaysia	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

16. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Proportion of ownership interest	
			2025 %	2024 %
Held by the Company: (cont'd)				
Uptown Promenade Sdn. Bhd.	Malaysia	Investment holding	100	100
Latitude Tree International Limited	Malaysia/ British Virgin Islands ^	Investment holding	100	100
Great Paddy Pte. Ltd.	Malaysia/ British Virgin Islands ^	Investment holding and general trading	100	100
Held through Latitude Tree Sdn. Bhd.:				
Latitude Tree Vietnam Joint Stock Company *	Vietnam	Manufacture and sale of wooden furniture and components	100	100
Held through Grob Holz Sdn. Bhd.:				
Grob Holz Company Limited #	Thailand	Manufacture and sale of wooden furniture parts and components	100	100
Held through L-Tree Resources Sdn. Bhd.:				
RT Industries Co., Ltd. *	Vietnam	Manufacture and sale of upholstery furniture	100	100
Held through Rhong Khen Industries Sdn. Bhd.:				
Excite Group Sdn. Bhd.	Malaysia	Manufacture and sale of furniture, panel board furniture and components	51	51

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

16. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Proportion of ownership interest	
			2025 %	2024 %
<i>Held through Latitude Tree Vietnam Joint Stock Company:</i>				
RK Resources Co., Ltd. *	Vietnam	Manufacture and sale of wooden furniture and components	100	100

^ The country of incorporation is British Virgin Islands

* Audited by member firm of Ernst & Young Global in Vietnam

Audited by a firm of auditors other than Ernst & Young

Summarised financial information for non-controlling interests have not been disclosed as the carrying amount of non-controlling interests is not material to the Group's consolidated statement of financial position.

17. Deferred tax assets/(liabilities)

	Group	
	2025 RM'000	2024 RM'000
At beginning of the year	(2,736)	(2,801)
Recognised in profit or loss (Note 10)	835	54
Exchange differences	(102)	11
At end of the year	(2,003)	(2,736)
Presented after appropriate offsetting as follows:		
Deferred tax assets	980	903
Deferred tax liabilities	(2,983)	(3,639)
	(2,003)	(2,736)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

17. Deferred tax assets/(liabilities) (cont'd)

Deferred tax assets/(liabilities) provided in financial statements are in respect of the following temporary differences:

	Group	
	2025 RM'000	2024 RM'000
Property, plant and equipment	(6,238)	(5,384)
Provisions	4,117	1,969
Others	118	679
	(2,003)	(2,736)

18. Inventories

	Group	
	2025 RM'000	2024 RM'000
Cost		
Raw materials	58,738	54,105
Work-in-progress	25,626	24,907
Finished goods	53,454	56,753
	137,818	135,765
Net realisable value		
Finished goods	1,109	1,798
	138,927	137,563

The cost of inventories recognised as expenses in cost of sales of the Group is RM453,428,000 (2024: RM454,768,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

19. Trade and other receivables

	Group	
	2025 RM'000	2024 RM'000
Trade receivables		
Third parties	33,505	29,090
Less: Allowance for expected credit losses	(898)	(773)
Trade receivables, net	32,607	28,317
Other receivables		
Other indirect taxes	7,327	6,536
Sundry receivables	1,929	13,696
Deposits	712	389
	9,968	20,621
Less: Allowance for expected credit losses	(283)	(276)
Other receivables, net	9,685	20,345
Total trade and other receivables	42,292	48,662

(a) Trade receivables

The Group's normal trade credit terms range from 7 to 90 days (2024: 7 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of Group's trade receivables is as follows:

	Group	
	2025 RM'000	2024 RM'000
Neither past due nor impaired	19,211	20,844
1 to 30 days past due not impaired	8,168	4,302
31 to 60 days past due not impaired	3,657	2,076
61 to 90 days past due not impaired	688	204
91 to 120 days past due not impaired	255	224
More than 121 days past due not impaired	628	667
	13,396	7,473
Impaired	898	773
	33,505	29,090

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

19. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM13,396,000 (2024: RM7,473,000) that are past due at the reporting date but not impaired. These receivables are not secured by any collateral or credit enhancement.

Trade receivables that were past due but not impaired relate to customers that have a good track record with the Group. Based on past experience and no adverse information to date, the management are of the opinion that no allowance for expected credit losses is necessary in respect of these balances as there have not been a significant change in the credit quality and the balances are still considered fully recoverable.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2025	2024
	RM'000	RM'000
At beginning of the year	773	6,319
Charge for the year	275	-
Reversal during the year	(150)	-
Written off during the year	-	(5,582)
Exchange differences	-	36
At end of the year	898	773

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

19. Trade and other receivables (cont'd)

(b) Other receivables

Other receivables that are impaired

The Group's other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2025 RM'000	2024 RM'000
At beginning of the year	276	282
Charge for the year	5	-
Exchange differences	2	(6)
At end of the year	283	276

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The currency profiles of the trade and other receivables are as follows:

	Group	
	2025 RM'000	2024 RM'000
Ringgit Malaysia	7,789	19,443
United States Dollar	25,538	19,790
Vietnam Dong	8,292	7,955
Thai Baht	673	1,474
	42,292	48,662

20. Investment securities

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fair value through profit or loss				
Funds placed with licensed financial institutions in Malaysia	86,297	75,221	15,046	15,692

The currency profiles of the investment securities are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	80,641	75,221	15,046	15,692
United States Dollar	5,656	-	-	-
	86,297	75,221	15,046	15,692

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

21. Cash and bank balances

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash at banks and in hand	73,677	149,374	915	679
Deposits with licensed banks	104,166	65,778	-	-
Total cash and bank balances	177,843	215,152	915	679
Add: Cash and bank balances attributable to assets held-for-sale (Note 28)	4,203	-	-	-
Less: Deposits with licensed banks with tenure more than three months	(40,434)	(43,142)	-	-
Less: Bank overdraft	(1,437)	-	-	-
	140,175	172,010	915	679

Deposits with licensed banks of the Group have the maturity period ranging from 30 days to 365 days (2024: 1 day to 368 days) and earn interests at the rates ranging from 2.45% to 5.00% (2024: 0.80% to 5.00%) per annum.

Deposits with licensed banks of the Group amounting to RM3,643,000 (2024: RM3,575,000) are pledged as securities for loans and borrowings as disclosed in Note 25.

The currency profiles of the cash and bank balances are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	38,480	39,858	897	659
United States Dollar	58,174	102,649	18	20
Singapore Dollar	177	459	-	-
Vietnam Dong	80,254	71,734	-	-
Thai Baht	229	447	-	-
European Dollar	529	5	-	-
	177,843	215,152	915	679

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

22. Share capital and treasury shares

	Group and Company			
	2025		2024	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid-up ordinary shares				
At beginning of the year	195,073	99,323	194,363	98,433
Issuance of shares pursuant to Employees' Share Scheme	620	772	710	890
At end of the year	195,693	100,095	195,073	99,323
Treasury shares				
At beginning of the year	(110)	(167)	(110)	(167)
Purchase of treasury shares	(370)	(432)	-	-
At end of the year	(480)	(599)	(110)	(167)
Total	195,213	99,496	194,963	99,156

The holders of ordinary shares are entitled to receive dividends as and when declared from time to time by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

During the financial year, the Company increased its ordinary shares from RM99,323,000 to RM100,095,000 by way of issuance of 620,000 ordinary shares at issue price of approximately RM1.25 per ordinary share for awarded to the eligible senior executives and employees under the ESS. The total number of ordinary shares, including transaction costs, amounting to RM772,000 was recognised as an expense in the statements of comprehensive income.

During the financial year, the Company purchased 369,500 ordinary shares from the open market at an average price of RM1.17 per share. The shares purchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. The total consideration paid for the purchased of treasury shares, including transaction costs, was RM432,000.

At the reporting date, the Company held treasury shares of 479,700 out of its 195,692,500 ordinary shares. Such treasury shares are held at the net carrying amount of RM599,000.

23. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 30 June 2025 and 30 June 2024 under the single-tier system.

24. Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

25. Loans and borrowings

	Group	
	2025 RM'000	2024 RM'000
Non-current		
Secured:		
Term loans	7,025	14,574
Current		
Secured:		
Bankers' acceptances	5,222	1,937
Term loans	2,742	2,962
Bank overdraft	1,437	-
	9,401	4,899
Total loans and borrowings	16,426	19,473

The remaining maturities of the loans and borrowings are as follows:

	Group	
	2025 RM'000	2024 RM'000
On demand or within one year	9,401	4,899
More than 1 year and less than 2 years	2,760	2,937
More than 2 years and less than 5 years	4,265	9,064
5 years or more	-	2,573
	16,426	19,473

The currency profiles of the loans and borrowings are as follows:

	Group	
	2025 RM'000	2024 RM'000
Ringgit Malaysia	9,726	7,309
United States Dollar	5,263	12,164
Thai Baht	1,437	-
	16,426	19,473

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

25. Loans and borrowings (cont'd)

Reconciliation of loans and borrowings arising from financing activities are as follows:

	Group	
	2025	2024
	RM'000	RM'000
At beginning of the year	19,473	32,439
Repayments of loans and borrowings	(22,422)	(18,418)
Drawdown of loans and borrowings	18,223	5,269
Effects of exchange rate changes	(285)	183
At end of the year	14,989	19,473

Bank overdraft is excluded from the reconciliation balance of loans and borrowings as it forms part of cash and cash equivalents as disclosed in Note 21.

Term loans

The term loans are secured by the following:

- (a) Fixed charges over freehold land of RM25,992,000 (2024: RM25,992,000) and freehold buildings of RM11,797,000 (2024: RM12,094,000) of a subsidiary, as disclosed in Note 14; and
- (b) A corporate guarantee from the Company.

At the reporting date, the interest rates of term loans are ranging from 4.42% to 6.38% (2024: 4.42% to 6.49%) per annum.

Bankers' acceptances

The bankers' acceptances are secured by short term deposits of RM3,643,000 (2024: RM3,575,000) with licensed banks of the subsidiaries, negative pledges over the assets of certain subsidiary and a corporate guarantee from the Company.

At the reporting date, the interest rate of bankers' acceptances is 4.14% (2024: 4.03%) per annum.

Bank overdraft

The bank overdraft is collateralised by the mortgage/pledge of the land, including plant and machinery of RM1,637,000 (2024: nil) of a subsidiary, as disclosed in Note 13.

At the reporting date, the interest rates of bank overdraft are ranging from 6.20% to 6.60% (2024: nil) per annum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

26. Lease liabilities

	Group	
	2025 RM'000	2024 RM'000
At beginning of the year	5,153	5,262
Interest expense	116	128
Payments during the year	(281)	(300)
Exchange differences	(548)	63
At end of the year	4,440	5,153

Lease liabilities are analysed as follows:

	Group	
	2025 RM'000	2024 RM'000
Current	162	178
Non-current	4,278	4,975
	4,440	5,153

At the reporting date, lease liabilities are determined based on discount rate of 2.75% (2024: 2.75%).

The expenses relating to payments not included in the measurement of the lease liabilities during the financial year is as follows:

	Group	
	2025 RM'000	2024 RM'000
Expenses relating to short-term leases and leases of low-value assets	236	241

27. Trade and other payables

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade payables				
Third parties	35,032	40,926	-	-
Other payables				
Sundry payables	11,257	8,925	1	16
Accruals	9,961	8,976	107	119
Sales and services tax	102	109	-	-
	21,320	18,010	108	135
Total trade and other payables	56,352	58,936	108	135

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

27. Trade and other payables (cont'd)

(a) Trade payables

Trade payables are normally settled on 2 to 90 (2024: 2 to 90) days terms.

(b) Other payables

Sundry payables are normally settled on an average term of 30 (2024: 30) days.

The currency profiles of the trade and other payables are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	13,065	12,852	108	135
United States Dollar	5,852	3,853	-	-
Vietnam Dong	34,347	39,236	-	-
Thai Baht	3,088	2,995	-	-
	56,352	58,936	108	135

28. Assets held-for-sale and liabilities associated with assets held-for-sale

On 23 January 2025, the subsidiaries of the Group entered into an In-Principle Agreement with Maideli Pte. Ltd. ("Maideli") for the disposal of the entire (100%) equity interest in RT Industries Company Limited ("RTI"), a wholly-owned subsidiary of the Group, for a sales consideration of USD 7.1 million (approximately RM 31.7 million). Consequently, the assets and liabilities of RTI have been presented in the consolidated statement of financial position as "Assets held-for-sale" and "Liabilities associated with assets held-for-sale," in accordance with MFRS 5 Non-current Assets Held-for-Sale and Discontinued Operations.

On 18 February 2025, Maideli made the first payment of 10% of the sales consideration amounting to USD 0.7 million (approximately RM 3.3 million). On 15 August 2025, Maideli made the second payment of 30% of the sales consideration amounting to USD 2.1 million (approximately RM 9.0 million). On 27 August 2025, Maideli made the remaining payment of 60% of the sales consideration amounting to USD 4.3 million (approximately RM 18.1 million).

The details of the carrying amounts of assets held-for-sale and liabilities associated with assets held-for-sale are as follows:

	Group 2025 RM'000
Assets	
Right-of-use assets	9,576
Other receivables	1,098
Cash and bank balances	4,203
	14,877
Liability	
Other payables	88
Net assets	14,789

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

29. Related party disclosures

(a) Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and the related parties took place at terms agreed between the parties during the financial year:

	Company	
	2025 RM'000	2024 RM'000
Dividend income from subsidiaries	12,000	6,000

(b) Compensation of key management personnel

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries and other emoluments	6,740	6,582	358	359
Employees' Share Scheme expenses	772	890	772	890
Defined contribution plan	231	191	-	-
	7,743	7,663	1,130	1,249

Included in the remuneration of key management personnel are:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' remuneration (Note 9)	2,281	2,509	507	509

30. Capital commitments

At the reporting date, the capital commitment is as follows:

	Group	
	2025 RM'000	2024 RM'000
Approved and contracted for: Property, plant and equipment	1,566	2,789

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

31. Fair value of financial instruments

A. Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	19
Cash and bank balances	21
Loans and borrowings	25
Lease liabilities	26
Trade and other payables	27

The carrying amounts of these current financial assets and liabilities 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 reporting date.

The fair values of loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

B. Fair value of financial instruments that are carried at fair value

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The following table shows an analysis of the asset carried at fair value by level of fair value hierarchy:

	Note	Significant observable inputs (Level 1)	
		2025 RM'000	2024 RM'000
Group			
Financial asset:			
Investment securities	20	86,297	75,221
Company			
Financial asset:			
Investment securities	20	15,046	15,692

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

31. Fair value of financial instruments (cont'd)

B. Fair value of financial instruments that are carried at fair value (cont'd)

Fair value hierarchy (cont'd.)

The following table shows an analysis of the asset carried at fair value by level of fair value hierarchy: (cont'd.)

	Significant observable inputs (Level 2)	
	2025	2024
	RM'000	RM'000
Group		
Financial asset:		
Derivative	35	12

The derivative relates to foreign exchange forward contracts with a nominal value of RM961,000 (2024: RM3,290,000).

32. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity 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 Managing Director and Management. The Audit Committee provides independent oversight on the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's and the Company's policy that no derivative shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding 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.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. Trade receivables are monitored on an ongoing basis via the Group's management reports.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

32. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.
- A nominal amount of RM16,426,000 (2024: RM19,473,000) relating to corporate guarantees provided by the Company to financial institutions for credit facilities granted to subsidiaries as disclosed in Note 25.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:

	Group			
	2025		2024	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	6,540	20%	7,734	27%
United States	24,808	76%	18,925	67%
Thailand	461	1%	853	3%
Others	798	3%	805	3%
	32,607	100%	28,317	100%

At the reporting date, approximately 58% (2024: 54%) of the trade receivables were due from 5 major overseas customers (2024: 5 major overseas customers).

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met.

The Group's and the Company's overall liquidity risk management are to maintain sufficient levels of cash or cash convertible investments to meet the working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group and the Company are able to raise fundings from shareholders, capital markets and financial institutions and balance their portfolios with some short and long term fundings so as to achieve overall cost effectiveness.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

32. Financial risk management objectives and policies (cont'd)

(b) Liquidity 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 financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations:

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
2025				
Financial assets				
Trade and other receivables, excluding other indirect taxes	34,965	-	-	34,965
Derivative	35	-	-	35
Investment securities	86,297	-	-	86,297
Cash and bank balances	177,843	-	-	177,843
Total undiscounted financial assets	299,140	-	-	299,140
Financial liabilities				
Trade and other payables, excluding sales and services tax	56,250	-	-	56,250
Loans and borrowings	9,940	7,508	-	17,448
Lease liabilities	269	1,077	4,318	5,664
Total undiscounted financial liabilities	66,459	8,585	4,318	79,362
Total net undiscounted financial assets/(liabilities)	232,681	(8,585)	(4,318)	219,778

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

32. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations: (cont'd)

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group (cont'd)				
2024				
Financial assets				
Trade and other receivables, excluding other indirect taxes	42,126	-	-	42,126
Derivative	12	-	-	12
Investment securities	75,221	-	-	75,221
Cash and bank balances	215,152	-	-	215,152
Total undiscounted financial assets	332,511	-	-	332,511
Financial liabilities				
Trade and other payables, excluding sales and services tax	58,827	-	-	58,827
Loans and borrowings	5,786	14,022	2,640	22,448
Lease liabilities	302	1,206	5,139	6,647
Total undiscounted financial liabilities	64,915	15,228	7,779	87,922
Total net undiscounted financial assets/(liabilities)	267,596	(15,228)	(7,779)	244,589

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

32. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations: (cont'd)

	On demand or within one year	
	2025	2024
	RM'000	RM'000
Company		
Financial assets		
Investment securities	15,046	15,692
Cash and bank balances	915	679
Total undiscounted financial assets	15,961	16,371
Financial liabilities		
Trade and other payables	108	135
Financial guarantees	16,426	19,473
Total undiscounted financial liabilities	16,534	19,608
Total net undiscounted financial liabilities	(573)	(3,237)

At the reporting date, the financial guarantee contract provided by the Company is RM16,426,000 (2024: RM19,473,000). The counterparty to the financial guarantees does not have a right to demand cash as the default has not occurred.

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposure arising from sales or purchases that are denominated in a currency other than the functional currencies of the companies within the Group. The foreign currencies in which these transactions are denominated are mainly Vietnam Dong ("VND") and United States Dollar ("USD").

	VND	USD
	RM'000	RM'000
2025		
Trade and other receivables	8,292	2,843
Investment securities	-	5,656
Cash and bank balances	80,254	14,715
Loans and borrowings	-	5,263
Trade and other payables	34,347	3,417

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

32. Financial risk management objectives and policies (cont'd)

(c) Foreign currency risk (cont'd)

	VND RM'000	USD RM'000
2024		
Trade and other receivables	7,955	898
Cash and bank balances	71,734	26,419
Loans and borrowings	-	12,164
Trade and other payables	39,236	113

The following table demonstrates the sensitivity of the Group's profit for the year to a reasonably possible change in VND and USD exchange rates against the functional currency of the respective companies within the Group with all other variables held constant.

Sensitivity analysis for foreign currency risk

	Profit for the year	
	VND RM'000	USD RM'000
2025		
- strengthened 10%	4,119	1,105
- weakened 10%	(4,119)	(1,105)
2024		
- strengthened 10%	3,074	1,143
- weakened 10%	(3,074)	(1,143)

There is no impact expected on the equity/other comprehensive income of the Group and the Company arising from any reasonable possible change in the foreign exchange rates as at 30 June 2025 and 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

33. Categories of financial instruments

Financial assets and financial liabilities are measured either at fair value through profit or loss or at amortised cost. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Note	At amortised cost RM'000	At fair value through profit or loss RM'000
Group			
Financial assets			
2025			
Trade and other receivables, excluding other indirect taxes	19	34,965	-
Derivative		-	35
Investment securities	20	-	86,297
Cash and bank balances	21	177,843	-
		212,808	86,332
2024			
Trade and other receivables, excluding other indirect taxes	19	42,126	-
Derivative		-	12
Investment securities	20	-	75,221
Cash and bank balances	21	215,152	-
		257,278	75,233
Financial liabilities			
2025			
Trade and other payables, excluding sales and services tax	27	56,250	-
Lease liabilities	26	4,440	-
Loans and borrowings	25	16,426	-
		77,116	-
2024			
Trade and other payables, excluding sales and services tax	27	58,827	-
Lease liabilities	26	5,153	-
Loans and borrowings	25	19,473	-
		83,453	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

33. Categories of financial instruments (cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (cont'd)

	Note	At amortised cost RM'000	At fair value through profit or loss RM'000
Company			
Financial assets			
2025			
Investment securities	20	-	15,046
Cash and bank balances	21	915	-
		915	15,046
2024			
Investment securities	20	-	15,692
Cash and bank balances	21	679	-
		679	15,692
Financial liability			
2025			
Trade and other payables	27	108	-
		108	-
2024			
Trade and other payables	27	135	-
		135	-

34. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2025 and 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

35. Segment information

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

- (i) Manufacturing
- (ii) Rental of investment properties
- (iii) Investment holding

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

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

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

	Manufacturing RM'000	Rental of investment properties RM'000	Investment holding RM'000	Consolidation adjustments RM'000	Consolidated financial Note statements RM'000
2025					
Revenue:					
External	514,026	1,364	534	-	515,924
Inter-segment	-	-	30,091	(30,091)	-
Total revenue	514,026	1,364	30,625	(30,091)	515,924
Results:					
Interest income	3,687	224	1,018	-	4,929
Depreciation	19,286	333	325	(1,140)	18,804
Other non-cash net (income)/expenses	(93)	(228)	14,859	(11,998)	2,540
Segment profit before tax	19,073	814	12,803	(16,799)	15,891
Assets:					
Additions to property, plant and equipment	8,950	-	-	-	8,950
Segment assets	641,954	43,311	479,165	(406,633)	757,797
Liabilities:					
Segment liabilities	60,082	9,837	3,647	4,440	78,006

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

35. Segment information (cont'd)

	Manufacturing RM'000	Rental of investment properties RM'000	Investment holding RM'000	Consolidation adjustments RM'000	Consolidated financial Note statements RM'000
2024					
Revenue:					
External	517,886	1,624	2,114	-	521,624
Inter-segment	-	-	29,782	(29,782)	A -
Total revenue	517,886	1,624	31,896	(29,782)	521,624
Results:					
Interest income	3,050	413	852	-	4,315
Depreciation	20,731	333	346	(1,570)	19,840
Other non-cash net expenses/(income)	9,618	(299)	326	(6,643)	B 3,002
Segment profit before tax	20,682	594	27,826	(29,788)	C 19,314
Assets:					
Additions to property, plant and equipment	8,832	-	-	-	D 8,832
Segment assets	684,036	61,695	487,511	(422,329)	E 810,913
Liabilities:					
Segment liabilities	60,880	17,913	412	4,975	F 84,180

Notes: Nature of consolidation adjustments to arrive at amounts reported in the consolidated financial statements.

A Inter-segment revenue are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

35. Segment information (cont'd)

Notes: Nature of consolidation adjustments to arrive at amounts reported in the consolidated financial statements. (cont'd)

B Other material non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:

	Note	2025 RM'000	2024 RM'000
Net unrealised loss on foreign exchange	7	3,429	2,929
Net fair value gain on:			
- Investment securities	5	(1,048)	(732)
- Derivative	5	(23)	(12)
Gain on disposal of:			
- Property, plant and equipment	5	(122)	(351)
- Investment property	5	-	(346)
Allowance for expected credit losses on:			
- Trade receivables	7	275	-
- Other receivables	7	5	-
Reversal of allowance for expected credit losses on trade receivables	5	(150)	-
Provision for severance allowance	7	85	141
Inventories written down	7	-	1,317
Retirement benefit expenses	8	89	56
		2,540	3,002

C The following items are (deducted from)/added to segment profit to arrive at "profit before tax" presented in the consolidated statement of comprehensive income:

	2025 RM'000	2024 RM'000
Revenue from inter-segment	(30,091)	(29,782)
Cost of sales from inter-segment	(494)	(588)
Other income from inter-segment	(4,906)	(3,420)
Other expenses from inter-segment	18,692	4,002
	(16,799)	(29,788)

D Additions to non-current assets consist of:

	2025 RM'000	2024 RM'000
Property, plant and equipment	8,950	8,832

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

35. Segment information (cont'd)

Notes: Nature of consolidation adjustments to arrive at amounts reported in the consolidated financial statements. (cont'd)

E The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2025 RM'000	2024 RM'000
Tax recoverable and deferred tax assets	3,282	2,310

F The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2025 RM'000	2024 RM'000
Tax payable and deferred tax liabilities	27,501	34,768

Geographical information

Revenue and non-current assets information based on the geographical location of the operations of the Group are as follows:

	Revenue		Non-current assets	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysia	100,597	121,433	145,869	145,913
Vietnam	400,480	384,671	130,757	166,821
Thailand	14,847	15,520	19,628	20,163
	515,924	521,624	296,254	332,897

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position.

	2025 RM'000	2024 RM'000
Property, plant and equipment	231,868	255,199
Investment properties	44,822	44,380
Right-of-use assets	18,503	32,334
Other investment	81	81
Deferred tax assets	980	903
	296,254	332,897

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

35. Segment information (cont'd)

Information about major customers

Revenue from major customers amounting to RM324,617,000 (2024: RM312,700,000), arising from sales by the top 5 major customers (2024: top 5 major customers) which accounted for 63% (2024: 60%) of the total revenue of the Group.

36. Employees' Share Scheme ("ESS")

At an Extraordinary General Meeting held on 26 February 2021, shareholders approved the establishment and implementation of an Employees' Share Scheme ("ESS") for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company to eligible senior executives and employees respectively.

The ESS entails the granting to eligible directors (including non-executive directors but shall not include alternate and/or substitute directors) and/or eligible employees of the Group the following awards:

- (a) the right to receive new and/or existing shares at specified dates ("ESS Shares"); and/or
- (b) ESS options which entitle the selected person the right to exercise and receive shares at specified dates at pre-determined prices ("ESS Options").

The aggregate number of awards that may be allocated to a selected person shall be subject to the following:

- (a) the directors (including non-executive directors but shall not include alternate and/or substitute directors) and senior management do not participate in the deliberation and discussion of their own allocation and/or allocation to persons connected to them;
- (b) no allocation of more than 80% of the total awards will be made in aggregate to the directors and/or senior management of the Group;
- (c) no allocation of more than 10% of the total awards will be made to each of the director; and
- (d) no allocation of more than 10% of the total awards will be made to any selected persons who, either singly or collectively through persons connected to them, hold 20% or more of the total number of issued shares of the Company (excluding treasury shares if any).

The other salient terms of the ESS are as follows:

- (a) The total number of shares to be offered under the ESS shall not exceed 10% of the issued shares (excluding treasury shares) of the Company at any point of time during the duration of the ESS.
- (b) The ESS shall continue to be in force for a period of 5 years from the effective date provided always that on or before the expiry thereof, the Board shall have the discretion upon the recommendation of the ESS Committee, to extend in writing the tenure of the ESS for another 5 years or such shorter period as it deems fit immediately from the expiry of the first 5 years. The ESS shall continue to be in force commencing on the date which the last of the approvals and/or conditions stipulated in the By-Laws have been obtained and/or complied with, or such longer period as may be allowed by the relevant authorities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

36. Employees' Share Scheme ("ESS") (cont'd)

The other salient terms of the ESS are as follows: (cont'd)

- (c) Subject to the determination and sole discretion of the ESS Committee and in accordance with the terms of the By-Laws, any director (including non-executive directors but shall not include alternate and/or substitute directors) or employee of the companies within the Group which are not dormant, and such employee may include persons connected to a director or major shareholder who meet the following criteria at the offer date shall be eligible for consideration and selection as a selected person by the ESS Committee (as the case maybe):
 - (i) if he has attained the age of 18 years and is not an undischarged bankrupt;
 - (ii) if he is employed on a full-time basis and is on the payroll of any corporation (not being dormant) in the Group and has not served a notice to resign or received a notice of termination;
 - (iii) if his employment has been confirmed in writing prior to the offer date and is not under probationary period;
 - (iv) if he is a director, chief executive officer, major shareholder of the Company and/or an employee who is person connected with them, the specific allocation of awards granted by the Company under the ESS to him in his capacity as a director, chief executive officer, major shareholder of the Company and/or a person connected with them has been approved by the shareholders of the Company at a general meeting;
 - (v) if he is serving in a specific designation under an employment contract for a fixed duration excluding those who are employed for a specific project or on short-term contract or any other employees under contract as may be determined by the ESS Committee;
 - (vi) if he is not participating or entitled to participate in any other ESS or incentive scheme implemented by any other corporation which is in force for the time being provided that he may be eligible for consideration notwithstanding his participation or entitlement to participate if the ESS Committee shall so determine; and/or
 - (vii) if he fulfils any other criteria and/or falls within such category as may be set by the ESS Committee from time to time.

During the financial year, the Company increased its ordinary shares from RM99,323,000 to RM100,095,000 by way of issuance of 620,000 ordinary shares at issue price of approximately RM1.25 per ordinary share for awarded to eligible senior executives and employees under the ESS. The total number of ordinary shares, including transaction costs, amounting to RM772,000 was recognised as an expense in the statements of comprehensive income.

37. Significant and subsequent events

- (a) On 3 April 2025, the Government of the United States of America ("USA") announced tariff rates of 24% on imports from Malaysia and 46% on imports from Vietnam. Subsequent to the financial year ended, the tariff rates were revised in August 2025 to 19% for Malaysia and 20% for Vietnam. On 29 September 2025, the Government of USA announced additional import tariffs of 10% on lumber and 25% on kitchen cabinets and furniture, effective from 14 October 2025.

These newly imposed tariffs are expected to have a financial impact on the Group's business operations due to increased export costs and reduced market demand for its wood-based product segments in the USA market. The Group has considered the effects of the tariffs during the preparation of the financial statements for the financial year ended 30 June 2025, as they adversely impact the market outlook and operating conditions of the business segments of the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

37. Significant and subsequent events (cont'd)

- (a) The financial results and position of the Group and the Company during the financial year, as well as subsequent to the end of the financial year, are expected to be impacted by various factors, including the following:
- Softening demand and outlook of the furniture industry, which may affect the revenue of the Group and would require assessments of the net realisable values of the inventories of the Group.
 - As these external developments are indicators of impairment, there is a requirement to perform impairment assessments for the property, plant and equipment and right-of-use assets of the Group. Based on this assessment, no impairment adjustments were recognised during the financial year. The significant judgements and estimates are disclosed in Notes 3(c), 13 and 15 respectively.

The Group is undertaking comprehensive measures to mitigate the risks arising from the tariffs imposed by the USA, which include the proposed disposal of certain assets and the careful and prudent management of cash flows generated from its operating, investing and financial activities. These actions are intended to ensure financial stability and sustain operational efficiency on the challenges posed by the USA tariff.

- (b) On 15 August 2025, a subsidiary of the Group entered into a sale and purchase agreement with Pantech Steel Industries Sdn. Bhd. for the proposed disposal of its investment property, a vacant freehold land held under HS(D) 169727 PT 87823 in the Mukim of Kapar, District of Klang, State of Selangor Darul Ehsan, for a sales consideration of RM29,000,000. This transaction is expected to be completed in November 2025.

PROPERTIES HELD BY THE COMPANY AND ITS SUBSIDIARIES AS AT 30 JUNE 2025

Location	Description	Tenure	Year Lease Expiring	Age of Building (years)	Site Area (sq ft)	Net Book Value (RM'000)	Date of Revaluation (R) / Acquisition (A)
Lot 3356, Batu 7 ¾, Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan, Malaysia	Industrial land with 2 blocks of factory building and 1 two-storey office building	Freehold	N/A	32	167,433	7,613	25 September 2002 (R)
Lot 3358, Batu 7 ¾, Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan, Malaysia	Industrial land with a three-storey office building and 1 block of factory building	Freehold	N/A	25	168,800	9,540	27 January 2010 (A)
Lot 3360, Batu 7 ¾, Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan, Malaysia	Industrial land with 1 block of factory building	Freehold	N/A	27	171,518	7,350	19 March 2003 (A)
Lot 6147, Kawasan Perindustrian Ajil, Fasa 2, Batu 21, Jalan Ajil, Kuala Berang, 21800 Hulu Terengganu, Terengganu Darul Iman, Malaysia	Industrial land with 9 blocks of factory building and 1 single-storey office building	Leasehold	2059	27	674,879	8,662	3 August 1999 (A)
Lot 5803, Kawasan Perindustrian Ajil, Fasa 2, Batu 21, Jalan Ajil, Kuala Berang, 21800 Hulu Terengganu, Terengganu Darul Iman, Malaysia	Industrial land with 5 blocks of factory building	Leasehold	2058	25	671,345	10,620	30 May 2000 (A)
Lot 6686, Kawasan Perindustrian Ajil, Mukim Tanggul, 21800 Hulu Terengganu, Terengganu Darul Iman, Malaysia	Vacant industrial land	Leasehold	2064	N/A	143,784	129	15 October 2003 (A)
PT 64526, Batu 8, Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan, Malaysia	Industrial land with 3 blocks of factory building and 1 two-storey office building	Freehold	N/A	22/33	332,939	18,560	2 May 2001 (R)
H.S 270, PT No. 5920, Batu 8 ½, Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan, Malaysia	Agricultural land with 1 block of warehouse building	Leasehold	2071	31	103,727	334	14 April 2003 (A)
H.S.(M) 207582, PT 90052, Batu 8, Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan, Malaysia	Workers' quarters	Freehold	N/A	2	49,783	6,574	18 December 2006 (A)
Title Deed No. 18571, 18572, 19359, 19942 and 19943, Moo 1, Tung Mo Subdistrict, Sadao District, Songkhla Province, Thailand	Industrial land with 3 blocks of factory buildings and 4 blocks of workers' quarters	Freehold	N/A	19	858,830	10,577	21 January 2005 (A)

**PROPERTIES HELD BY
THE COMPANY AND ITS SUBSIDIARIES
AS AT 30 JUNE 2025 (CONT'D)**

Location	Description	Tenure	Year Lease Expiring	Age of Building (years)	Site Area (sq ft)	Net Book Value (RM'000)	Date of Revaluation (R) / Acquisition (A)
Title Deed No. 18604, Moo 1, Tung Mo Subdistrict, Sadao District, Songkhla Province, Thailand	Vacant land	Freehold	N/A	N/A	347,588	528	21 January 2005 (A)
Title Deed No. 17617 and 42908, Moo 1, Tung Mo Subdistrict, Sadao District, Songkhla Province, Thailand	Vacant land	Freehold	N/A	N/A	322,443	725	16 February 2017 (A)
No. 29, Road DT 743 Song Than Industrial Zone 2, Di An Ward, Ho Chi Minh City, Vietnam	Industrial land with 5 blocks of factory building, 1 office building and 2 blocks of workers' quarters	Leasehold	2045	24	637,869	15,968	February 2001 (A)
Lot L, Road 27, Song Than Industrial Zone 2, Di An Ward, Ho Chi Minh City, Vietnam	Industrial land with 1 block of warehouse building	Leasehold	2045	25	140,243	3,231	March 2006 (A)
Lot N, Road 26, Song Than Industrial Zone 2, Di An Ward, Ho Chi Minh City, Vietnam	Industrial land with 3 blocks of factory building	Leasehold	2030	24	111,008	3,169	September 2010 (A)
Lot 241, 242, 249, 250 and 251, Bau Bang Commune, Ho Chi Minh City, Vietnam	Industrial land with 3 blocks of factory building and 1 block of warehouse building	Leasehold	2052	20	780,082	17,786	May 2002 (A)
Lot 231 and 240, Bau Bang Commune, Ho Chi Minh City, Vietnam	Industrial land with 2 blocks of factory building and 2 blocks of warehouse building	Leasehold	2052	18	1,011,043	23,788	May 2002 (A)
Lot 77, 232, 243 and 244, Bau Bang Commune, Ho Chi Minh City, Vietnam	Industrial land with 3 blocks of factory building and 1 block of office building	Leasehold	2052	17	1,035,962	18,011	May 2002 (A)
Lot 299, Bau Bang Commune, Ho Chi Minh City, Vietnam	Industrial land with 2 blocks of factory building and 2 blocks of workers' quarters	Leasehold	2052	18	1,116,670	23,774	November 2006 (A)
Lot A_15B_CN, Bau Bang Industrial Park, Bau Bang Commune, Ho Chi Minh City, Vietnam	Vacant land	Leasehold	2057	N/A	475,690	9,576	Feb 2020 (A)

**PROPERTIES HELD BY
THE COMPANY AND ITS SUBSIDIARIES
AS AT 30 JUNE 2025 (CONT'D)**

Location	Description	Tenure	Year Lease Expiring	Age of Building (years)	Site Area (sq ft)	Net Book Value (RM'000)	Date of Revaluation (R) / Acquisition (A)
Lot 765, Jalan Haji Sirat, off Jalan Meru, 42100 Klang, Selangor Darul Ehsan, Malaysia	Industrial land with a three-storey office building and 1 block of factory building	Freehold	N/A	31	190,757	19,157	8 October 2014 (A)
H.S.(D) 169727, PT87823, Jalan Haji Abdul Manan, Kawasan Perindustrian Meru Selatan, 41050 Klang, Selangor Darul Ehsan, Malaysia	Vacant industrial land	Freehold	N/A	N/A	210,854	18,632	25 November 2019 (A)
No. 6, Jalan Sungai Burung Y 32/Y, Bukit Rimau, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia	Two-storey shop	Freehold	N/A	14	1,647	1,692	24 May 2022 (A)
PT 10549, Kawasan Perindustrian Ajil, Mukim Tanggul, 21800 Hulu Terengganu, Terengganu Darul Iman, Malaysia	Industrial land with 1 block of factory building	Leasehold	2074	8	175,226	4,595	13 July 2014 (A)
PT 10550, Kawasan Perindustrian Ajil, Mukim Tanggul, 21800 Hulu Terengganu, Terengganu Darul Iman, Malaysia	Industrial land with 1 block of factory building	Leasehold	2074	8	199,100	4,400	13 July 2014 (A)
PT 10551, Kawasan Perindustrian Ajil, Mukim Tanggul, 21800 Hulu Terengganu, Terengganu Darul Iman, Malaysia	Vacant industrial land	Leasehold	2074	N/A	137,014	158	13 July 2014 (A)

ANALYSIS OF SHAREHOLDINGS AS AT 3 OCTOBER 2025

Total Number of Issued Shares	: 195,692,500 (including shares held as Treasury Shares)
Treasury Shares	: 479,700 Ordinary Shares
Class of Shares	: Ordinary Shares
Voting Rights	: One vote per Ordinary Share

Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Shares
1 - 99	420	17.38	15,464	0.01
100 - 1,000	324	13.40	130,824	0.07
1,001 - 10,000	1,158	47.91	4,985,528	2.55
10,001 - 100,000	448	18.54	11,643,522	5.97
100,001 - 9,760,639	61	2.52	62,745,248	32.14
9,760,640 (5% of Issued Shares) and above	6	0.25	115,692,214	59.26
Total	2,417	100.00	195,212,800	100.00

THIRTY LARGEST SHAREHOLDERS/DEPOSITORS AS AT 3 OCTOBER 2025

Name of Shareholders/Depositors	No. of Shares	%
1. Lin Chen, Jui-Fen	31,238,800	16.00
2. Konsortium Kontrek Sdn. Bhd.	29,804,400	15.27
3. Lin Chen, Jui-Fen	18,445,326	9.45
4. HSBC Nominees (Asing) Sdn. Bhd. Quintet Luxembourg For Samarang UCITS – Samarang Asian Prosperity	14,195,688	7.27
5. Lin, Chin-Hung	11,808,000	6.05
6. Lin, Cheng-Hung	10,200,000	5.23
7. Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Eonplus Industry Sdn. Bhd.	9,700,786	4.97
8. Kenanga Nominees (Asing) Sdn. Bhd. Liu Hsu-Chou	8,604,060	4.41
9. Chen, Chiu-Chin	8,081,456	4.14
10. Affin Hwang Nominees (Asing) Sdn. Bhd. Pledged Securities Account For Li, Yi-Ping	5,815,828	2.98
11. Kenanga Nominees (Asing) Sdn. Bhd. Liu Chia-Hsing	3,865,660	1.98
12. Lim Pei Tiam @ Liam Ahat Kiat	3,100,000	1.59
13. Ho Sue Bia	2,361,242	1.21
14. Thong Thye Siang Sdn. Bhd.	2,256,500	1.16
15. Cimb Group Nominees (Asing) Sdn. Bhd. Exempt An For DBS Bank Ltd (SFS)	2,100,800	1.08
16. Affin Hwang Nominees (Asing) Sdn. Bhd. Pledged Securities Account For Lin, Chin-Hung	1,804,800	0.92
17. Tan Jian Jong	1,388,884	0.71
18. Liu Chia-Hsing	1,313,760	0.67
19. Liu Hsu-Chou	1,144,440	0.59
20. Kenanga Nominees (Tempatan) Sdn. Bhd. Rakuten Trade Sdn. Bhd. For Lim Chin Soon	1,059,100	0.54
21. Ang Siew Siang	900,000	0.46
22. Au Yong Mun Yue	505,000	0.26
23. Affin Hwang Nominees (Asing) Sdn. Bhd. Phillip Securities Pte. Ltd. For Toh Ong Tiam	454,300	0.23

ANALYSIS OF SHAREHOLDINGS AS AT 3 OCTOBER 2025 (CONT'D)

THIRTY LARGEST SHAREHOLDERS/DEPOSITORS AS AT 3 OCTOBER 2025 (CONT'D)

Name of Shareholders/Depositors	No. of Shares	%
24. Cartaban Nominees (Asing) Sdn. Bhd. Exempt An For Interactive Brokers (U.K.) Limited (Client)	447,300	0.23
25. Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Trustees Berhad For Dana Makmur Pheim	408,184	0.21
26. RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Yong Loy Huat	408,000	0.21
27. Chee Sai Mun	352,660	0.18
28. Loh Kok Wai	294,504	0.15
29. Lee Wen Siong	255,000	0.13
30. Ching Soon Yew	250,000	0.12
Total	172,564,478	88.40

LIST OF SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 3 OCTOBER 2025

Name of Substantial Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Lin Chen, Jui-Fen	49,858,036	25.54	-	-
Konsortium Kontrek Sdn. Bhd.	29,804,400	15.27	-	-
Samarang UCITS – Samarang Asian Prosperity	14,195,688	7.27	-	-
Lin, Chin-Hung	13,612,800	6.97	-	-
Lin, Cheng-Hung	10,200,000	5.23	-	-
Yek Siew Liong	-	-	29,804,400 ⁽¹⁾	15.27

Note:

⁽¹⁾ Deemed interested by virtue of Section 8(4)(c) of the Companies Act 2016, held through Konsortium Kontrek Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 3 OCTOBER 2025

Name of Directors	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dato' Dr Norraesah Binti Haji Mohamad	-	-	-	-
Lin Chen, Jui-Fen	49,858,036	25.54	-	-
Lin, Chin-Hung	13,612,800	6.97	-	-
Sandra Segaran A/L Muniandy @ Krishnan	-	-	-	-
Toh Seng Thong	-	-	-	-
Yek Siew Liong	-	-	29,804,400 ⁽¹⁾	15.27

Note:

⁽¹⁾ Deemed interested by virtue of Section 8(4)(c) of the Companies Act 2016, held through Konsortium Kontrek Sdn. Bhd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-First (“31st”) Annual General Meeting (“AGM”) of the Company will be held at The Saujana Hotel Kuala Lumpur, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 27 November 2025 at 12.30 pm to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2025 together with Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note A)
2. To approve a final single-tier dividend of 1.0 sen per ordinary share for the financial year ended 30 June 2025. **Resolution 1**
(Please refer to Explanatory Note B)
3. To approve the payment of Directors’ fees and Directors’ benefits up to RM350,000.00 for the period from 28 November 2025 until the next Annual General Meeting of the Company payable quarterly in arrears. **Resolution 2**
(Please refer to Explanatory Note C)
4. To re-elect the following Directors, who retire in accordance with Clause 96 of the Constitution of the Company and being eligible offer themselves for re-election:
 - (a) Mr. Yek Siew Liong **Resolution 3**
 - (b) Mr. Sandra Segaran A/L Muniandy @ Krishnan **Resolution 4**
 (Please refer to Explanatory Note D)
5. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 5**
(Please refer to Explanatory Note E)

SPECIAL BUSINESS

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

6. **ORDINARY RESOLUTION** **Resolution 6**
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY
TO PURCHASE ITS OWN ORDINARY SHARES (Please refer to Explanatory Note F)

“THAT subject to the Companies Act 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilise the maximum amount of funds available in the Company which shall not exceed the Company’s aggregate retained earnings to purchase such amount of shares in the Company (“Proposed Renewal of Share Buy-Back Authority”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company;

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

SPECIAL BUSINESS (CONT'D)

THAT an amount not exceeding the Company's retained earnings account be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority;

THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either cancel and/or retain the shares so purchased as treasury shares (in accordance with Section 127 of the Act);

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at:

- (a) the conclusion of the next AGM of the Company following the 31st AGM, at which such resolution was passed, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever occurs first,

but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any);

AND THAT the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Share Buy-Back Authority as may be agreed or allowed by any relevant governmental and/or regulatory authority."

7. ORDINARY RESOLUTION

AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES IN THE COMPANY PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016

Resolution 7

(Please refer to Explanatory Note G)

"THAT subject to Section 76 of the Act, the Directors be and are hereby empowered to issue and allot shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issuance.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

SPECIAL BUSINESS (CONT'D)

THAT in connection with the above, pursuant to Section 85 and Clause 59 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of new shares above by the Company.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

8. To transact any other business of which due notice shall have been given in accordance with the Act.

BY ORDER OF THE BOARD

YEOH JOE SON (MIA 9238)
(SSM PC No.: 202008004222)
TAI YIT CHAN (MAICSA 7009143)
(SSM PC No.: 202008001023)
TIA HWEI PING (MAICSA 7057636)
(SSM PC No.: 202008001687)
 Company Secretaries

Selangor Darul Ehsan
 Dated: 29 October 2025

NOTES:

- (1) A member [other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991] entitled to attend and vote at the meeting is entitled to appoint a maximum of two (2) proxies to attend, participate, speak and vote on his/her behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.
- (2) Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- (3) Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”) as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (4) The Proxy Form shall be signed by the appointer or his/her attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTES: (CONT'D)

- (5) The original instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Company's Share Registrar office at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.
- (6) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available a Record of Depositors as at 21 November 2025 and only Members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.
- (7) Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all the resolutions set out in the Notice of the 31st AGM will be put to vote by way of poll. Poll administrators and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

EXPLANATORY NOTES:

(A) Audited Financial Statements for Financial Year Ended 30 June 2025

Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval from shareholders of the Company and hence, Agenda 1 is not put forward for voting.

(B) Ordinary Resolution 1: Final Single-tier Dividend

The Board of Directors ("Board") had on 29 August 2025 proposed a final single-tier dividend of 1.0 sen per ordinary share for the financial year ended 30 June 2025, subject to the shareholders' approval at the forthcoming 31st AGM of the Company.

(C) Ordinary Resolution 2: Directors' Fees and Benefits Payable

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors of the Company and its subsidiaries shall be approved at a general meeting.

The Proposed Ordinary Resolution 2 is to facilitate the payment of Directors' fees and Directors' benefits for the period from 28 November 2025 up to the date of the next AGM, calculated based on the current board size and the number of scheduled Board and Board Committees meetings for the period commencing from the date immediately after this AGM. In the event the Directors' fees and Directors' benefits proposed are insufficient (due to enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall. The Directors' benefits comprised of meeting allowances.

(D) Ordinary Resolutions 3 and 4: Re-election of Directors

Mr. Yek Siew Liong and Mr. Sandra Segaran A/L Muniandy @ Krishnan, who retire in accordance with Clause 96 of the Constitution of the Company, are eligible for re-election and hence, they have offered themselves for re-election as the Directors of the Company at the 31st AGM.

Each of the Directors standing for re-election had undergone a performance evaluation and had provided their annual declaration on their fitness and propriety to continue acting as Directors of the Company in accordance with the Fit and Proper Policy of the Group.

Upon the Nomination Committee's ("NC") assessment, the performance and suitability of each of the retiring Directors was found to be satisfactory and that each of the retiring Directors had demonstrated their commitment to the role and continues to be the effective and valuable members of the Board.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES: (CONT'D)

(D) Ordinary Resolutions 3 and 4: Re-election of Directors (cont'd)

Based on the above premise, the NC had recommended for the retiring Directors to be re-elected at the 31st AGM and the Board had endorsed NC's recommendations. The retiring Directors had abstained from deliberations and decisions on their re-election at the NC and Board meetings.

The detailed profile of each retiring Director, including their career history, competencies and experience can be found on pages 14 and 16 of the Annual Report 2025.

(E) Ordinary Resolution 5: Re-appointment of Messrs Ernst & Young PLT

The Audit Committee and the Board have considered the re-appointment of Messrs Ernst & Young PLT ("EY") as Auditors of the Company following the annual assessment of the suitability and independence of the Auditors and collectively agreed that EY have met the relevant criteria prescribed by Paragraph 15.21 of the MMLR of Bursa Securities.

(F) Ordinary Resolution 6: Proposed Renewal of Share Buy-Back Authority

Ordinary Resolution 6 is to seek the renewal of the share buy-back authority granted by the shareholders to the Company at the Thirtieth ("30th") AGM of the Company held on 28 November 2024, which will lapse at the conclusion of the 31st AGM to be held on 27 November 2025. The resolution, if passed, will authorise the Company to make market purchases of its own shares as permitted by the Act.

If the share buy-back authority is renewed at the 31st AGM, the Board will be allowed to purchase up to ten percent (10%) of the Company's total number of issued shares, should market conditions and price justify such purchase(s). The Board intends to make such purchase(s) under the share buy-back authority if doing so could lead to an increase in the net assets value per share held by the remaining shareholders and the purchase(s) are in the best interests of the Company in general, having due regard to appropriate gearing levels, alternative investment opportunities and the overall financial position of the Company.

Any purchase of shares of the Company would be by means of market purchases through Bursa Securities. Shares purchased under the share buy-back authority may either be cancelled or held as treasury shares by the Company. Such treasury shares may subsequently be cancelled, or resold for cash, or distributed as dividends or be dealt with by the Directors in the manners allowed by the Act.

(G) Ordinary Resolution 7: Authority for Directors to Issue and Allot Shares in the Company pursuant to Section 76 of the Companies Act 2016

The Company had, during its 30th AGM held on 28 November 2024, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Act. As at the date of the notice, the Company did not issue any shares pursuant to this mandate obtained.

Ordinary Resolution 7 is a renewal of the general mandate for issuance of shares by the Company under Section 76 of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company for such purpose as the Directors consider would be in the best interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM.

With this renewed General Mandate, the Company will be able to carry any fund-raising activities, including but not limit to further placing of shares, for purpose of funding investment project(s) and/or working capital.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES: (CONT'D)

(G) Ordinary Resolution 7: Authority for Directors to Issue and Allot Shares in the Company pursuant to Section 76 of the Companies Act 2016 (cont'd)

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 59 of the Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



*I/We, _____ *NRIC No./Passport No./Registration No. _____

_____ and telephone no. _____

being a member/members of RHONG KHEN INTERNATIONAL BERHAD (the “**Company**”), hereby appoint :

OR failing *him/her, THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us, and on *my/our behalf at the Thirty-First ("31st") Annual General Meeting ("AGM") of the Company, will be held at The Saujana Hotel Kuala Lumpur, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 27 November 2025 at 12.30 pm or any adjournment thereof.

*I/We indicate with an "X" in the spaces below how *I/We wish *my/our vote to be cast.

Please indicate with an "X" in the spaces provided, how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.

Signed this _____ day of _____, 2025

**Strike out whichever is not applicable*

NOTES:

- (1) A member [other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991] entitled to attend and vote at the meeting is entitled to appoint a maximum of two (2) proxies to attend, participate, speak and vote on his/her behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.
- (2) Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- (3) Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (4) The Proxy Form shall be signed by the appointer or his/her attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.
- (5) The original instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Company's Share Registrar office at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.
- (6) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available a Record of Depositors as at 21 November 2025 and only Members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.
- (7) Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all the resolutions set out in the Notice of the 31st AGM will be put to vote by way of poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 October 2025.

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AFFIX STAMP

RHONG KHEN INTERNATIONAL BERHAD
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights, 50490 Kuala Lumpur
Malaysia

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RHONG KHEN INTERNATIONAL BERHAD
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