



3REN BERHAD

202101012445 (1412744-K)



SMARTer Strategic Convergence

Powering Growth in 2025 and Beyond

2025 ANNUAL REPORT

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Proxy Form



COVER RATIONALE

The cover design reflects 3REN's vision of integrating advanced technologies to drive innovation and sustainable growth. The theme "**Smarter Strategic Convergence**" highlights the company's strategic direction in bringing together intelligent systems, automation and semiconductor technologies.

Graphic elements inspired by the company's logo create a strong visual structure across the cover, symbolizing progress, connection and forward momentum.

The design merges imagery of robotic arms representing smart manufacturing solutions with IC validation visuals that reflect advanced semiconductor capabilities. This combination illustrates the convergence of technologies that power 3REN's innovative ecosystem.

The use of light green and cyan-blue corporate colours reinforces brand identity while conveying growth, technology and reliability, supporting the company's vision of powering progress in 2025 and beyond.

Corporate Information

BOARD OF DIRECTORS

- **Dato' Boonler Somchit**
Non-Independent Non-Executive Chairman
- **Koh Dim Kuan**
Executive Director/Chief Executive Officer (CEO)
- **Lee Chee Hoo**
Executive Director/Chief Revenue Officer
- **Ahmad Khairuddin Bin Abdul Rahim**
Independent Non-Executive Director
- **Hanita Binti Othman**
Independent Non-Executive Director
- **Joyce Wong Ai May**
Independent Non-Executive Director
- **Teresa Tan Siew Kuan**
Independent Non-Executive Director
- **Ts. Hj Mohammad Hazani Bin Hassan**
Non-Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairwoman

Joyce Wong Ai May

Members

Hanita Binti Othman
Teresa Tan Siew Kuan

REMUNERATION COMMITTEE

Chairman

Ahmad Khairuddin Bin Abdul Rahim

Members

Joyce Wong Ai May
Teresa Tan Siew Kuan

NOMINATION COMMITTEE

Chairwoman

Teresa Tan Siew Kuan

Members

Hanita Binti Othman
Joyce Wong Ai May

COMPANY SECRETARY

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

REGISTERED OFFICE

170-09-01, Livingston Tower
Jalan Argyll, 10050 George Town, Penang, Malaysia.
Telephone number: +604 229 4390
Fax number: +604 226 5860
Email: boardroom-kl@boardroomlimited.com

HEAD OFFICE/PRINCIPAL PLACE OF BUSINESS

No. 9, Jalan Industri Tangkas 1, Taman Industri Tangkas,
14000 Bukit Mertajam, Penang, Malaysia.
Telephone number: +604 508 9737
E-mail: ir@3ren.com.my
Website: www.3ren.com.my

PRINCIPAL BANKERS

RHB Bank Berhad
Maybank Islamic Berhad

AUDITOR

Grant Thornton Malaysia PLT
(Registration No. 201906003682
(LLP0022494-LCA) & AF 0737)
Level 5, Menara BHL
51 Jalan Sultan Ahmad Shah
10050 George Town, Penang, Malaysia.

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur, Malaysia.
Telephone Number: +603 2783 9299
Fax Number: +603 2783 9222
Email: is.enquiry@tricorglobal.com
Website: tricorglobal.com

SPONSOR

CGS International Securities Malaysia Sdn Bhd
(Registration No.: 197901004504 (48703-W))
Level 22 Menara IQ
Lingkaran TRX, Tun Razak Exchange
55188 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur, Malaysia.
Telephone Number +603 2276 8888
Website: www.cgsi.com.my

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: 3REN
Stock Code: 0328
Sector: Technology
Shariah Compliant

Group Profile

About Us

3REN Berhad was incorporated in Malaysia under the Companies Act 2016 on 5 April 2021 as a private limited company under the name 3REN Sdn Bhd. On 19 February 2024, the status was converted into a public limited company, adopting the current name to reflect our growth and ambitions.

As an investment holding company, 3REN Berhad (3REN or the Company) operates through its wholly-owned subsidiaries—Sophic Automation Sdn Bhd (Sophic Automation), Sophic MSC Sdn Bhd (Sophic MSC), HaliosPartners Sdn Bhd (Halios) formerly known as Pinkypye Sdn Bhd, Sophic Engineering Sdn Bhd (Sophic Engineering) and Sophic Singapore Pte Ltd (Sophic Singapore) which are principally involved in the provision of automation solutions and engineering services. Our mission is to provide cutting-edge and effective industrial automation solutions that empower businesses to achieve operational excellence.

The Group's core business segments are Product Engineering Services, Engineering Support Services, Digitalised Solutions and Automated Equipment. We take pride in product engineering services for the semiconductors, covering post-silicon validation in Integrated Circuit (IC) development, software engineering for lab operations and supporting new product introduction, engineering support services for semiconductor manufacturing, as well as design, development and sale of automation solutions across different industries.

With a commitment to driving industry advancements, the Group aims to be a trusted partner for businesses across diverse sectors, ensuring seamless integration of advanced technologies and long-term value creation.

3REN was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad (Bursa Securities) on 6 November 2024 and raised gross proceeds of RM30.8 Million.

Group Profile (cont'd)

Mission, Vision & Our Values

Mission

To continuously optimise our customers' businesses through our world-class solutions, services, and products. We ensure the success of our Company and subsidiaries (Group) by constantly and consistently satisfying our customers, employees, partners & suppliers.

Vision

To become a global specialist in enabling Smart Manufacturing implementations in factories worldwide through our integrated automation, and digitalisation solutions and engineering services.

DIVERSITY

Be inclusive and collaborative so that individuals with diverse backgrounds and talents can contribute and thrive.



WIN WIN WIN

Creating winning solutions for our Group, customers and community.



SOCIAL RESPONSIBILITY

We make a difference in the communities we serve.



QUALITY & EXCELLENCE

Be remarkable,
Take ownership,
Be proactive;
Execution matters.



INTEGRITY

We believe in doing what is right, complying with regulations, and adhering to laws, requirements and corporate culture.



INNOVATION

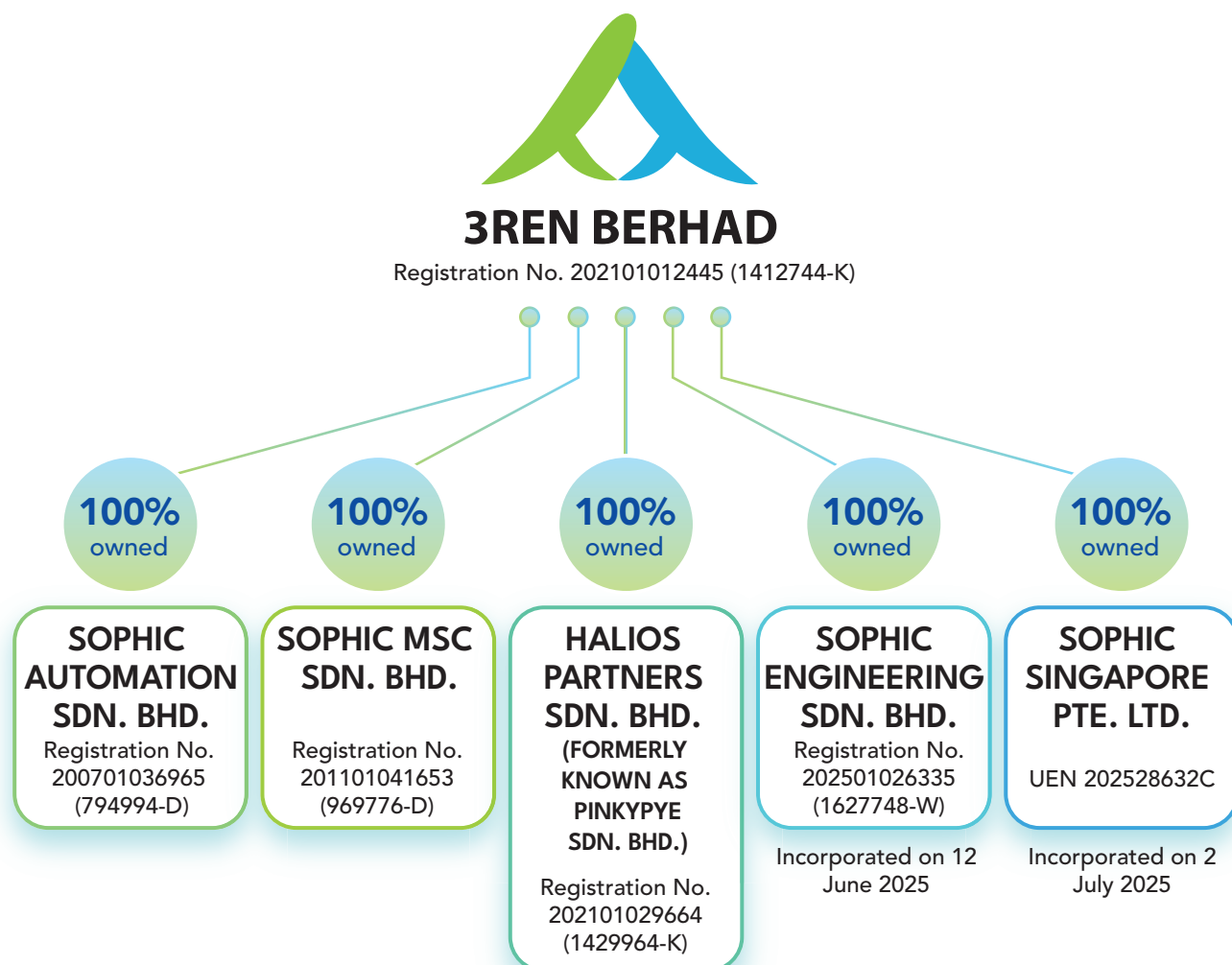
Embrace new knowledge and new thought processes, and be fearless of failures.



Group Profile (cont'd)

As At 31 December 2025

Our Group's corporate structure is set out below:-



COMPANY	DATE / COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	PRINCIPAL ACTIVITIES
Sophic Automation Sdn. Bhd.	7 November 2007 / Malaysia	100%	Provision of automation solutions and engineering services
Sophic MSC Sdn. Bhd.	29 November 2011 / Malaysia	100%	Provision of automation solutions
HaliosPartners Sdn. Bhd. (formerly known as Pinkypye Sdn. Bhd.)	13 September 2021 / Malaysia	100%	Provision of precision machining and related services
Sophic Engineering Sdn. Bhd.	12 June 2025 / Malaysia	100%	Provision of semiconductor manufacturing and engineering services
Sophic Singapore Pte. Ltd.	2 July 2025 / Singapore	100%	Provision of automation solutions and engineering services

* With effect from 13 June 2025, PInkypye Sdn. Bhd. has officially changed its name to HaliosPartners Sdn. Bhd.

Group Profile (cont'd)

BUSINESS SEGMENTS

Principal Activities	Engineering Services		Automation Solutions	
Key Business Segment	Semiconductor Design	Engineering Support Services	SMARTer Factory	
	Product Engineering Services	Engineering Support Services	Digitalised Solution	Automated Equipment
Services/Solutions	IC Design & Development <ul style="list-style-type: none"> • <i>Post silicon validation</i> • <i>Software development</i> • <i>NPI</i> 	Mass Production <ul style="list-style-type: none"> • <i>IC Assembly & testing</i> 	SMARTer Manufacturing <ul style="list-style-type: none"> • <i>Customization</i> • <i>Design & development led by customer needs</i> 	
End-user Industries	Semiconductor & electronics	Semiconductor & electronics	Semiconductor & electronics, automotive, consumer electronics, fast moving consumer goods ("FMCG"), medical device manufacturing and life sciences	
Revenue Model	Recurring revenue model (based on customers' OPEX spending)		Project-based revenue model (based on customers' CAPEX spending)	



Media Highlights

9 May 2025

3REN subsidiary wins RM7.14mil contract



CORPORATE NEWS

3REN subsidiary wins RM7.14mil contract

Friday, 09 May 2025 | 7:54 PM MYT



KUALA LUMPUR: 3REN Bhd's wholly-owned subsidiary Sophie Automation Sdn Bhd has inked a memorandum of understanding with regards to its acceptance of a financial incentives package from Invest-In-Penang Bhd for the development of integrated circuits designs into products.

18 July 2025

3REN, InvestPenang formalise integrated circuit design collaboration



3REN, InvestPenang formalise integrated circuit design collaboration

By Azzah Shuhla Anas July 18, 2025 @ 10:09pm



KUALA LUMPUR: 3REN Bhd, an on-site semiconductor firm, has signed an agreement with Invest-In-Penang Bhd (InvestPenang) to receive an incentive package aimed at boosting its integrated circuit (IC) design and development capabilities.

The deal follows an earlier memorandum of understanding (MOU) signed between the two parties in December 2024, under the Penang Silicon Design @50m+ initiative (PSD@50m+).

3REN said the package includes necessary subsidies, grants, and non-reimbursable payments from key stakeholders, effective for three years until May 2028.

The company intends to strategically attract these incentives to collectively play its part and foster further innovation within Malaysia's semiconductor and integrated chip design and development ecosystem.

Executive director and chief executive officer (CEO) Zhen Huan said the company's partnership with InvestPenang through the PSD@50m+ initiative aligns with its track record of seeking out available incentives and grants to progress its IC designs.

He added it also provides valuable opportunities to collaborate with local fabricators, IC design firms, electronic design automation tool providers and academic institutions, and enhance its access to cutting-edge IC design and development technologies.

18 July 2025

3REN gets Invest Penang funding to become full semiconductor solutions provider



3REN gets Invest Penang funding to become full semiconductor solutions provider

By Luqman Amin / theedgemalaysia.com

18 Jul 2025, 02:18 pm



KUALA LUMPUR (July 18): Automation and engineering firm 3REN Bhd (KL:3REN THE EDGE) has signed a deal with Invest-In-Penang Bhd to start an integrated circuit (IC) design project. Under the deal signed on Friday, Invest Penang will fund the project to help 3REN become a full semiconductor solutions provider, focusing on IC design and Internet of Things hardware for industry.

The project supports Penang's goal to become a top IC design hub.

The deal, made under Penang Silicon Design @50m+ initiative, will see Invest Penang help 3REN's unit Sophie Automation turn its IC designs into market-ready chips. Under the agreement, Invest Penang will provide financial support until May 13, 2028, by paying third-party suppliers for project needs.

18 July 2025

3REN subsidiary to undertake Invest Penang incentives package



CORPORATE NEWS

3REN subsidiary to undertake Invest Penang incentives package

Friday, 18 Jul 2025 | 1:08 PM MYT



KUALA LUMPUR: 3REN Bhd's wholly-owned subsidiary Sophie Automation Sdn Bhd has inked a memorandum of understanding with regards to its acceptance of a financial incentives package from Invest-In-Penang Bhd for the development of integrated circuits designs into products.

Media Highlights (cont'd)

6 August 2025

3REN grows recurring income amid semiconductor down cycle



3REN grows recurring income amid semiconductor down cycle

By Izzah Fathana Zamri / The Edge Malaysia

06 Aug 2025, 02:00 pm



Kiri: The market has normalised. Demand is coming back and we are getting more enquiries for our services compared to the first half (photo by 3REN)

This article first appeared in The Edge Malaysia Weekly on July 28, 2025 - August 3, 2025

PENANG-based 3REN Bhd (KL:3REN **EDGE**), which derives the bulk of its revenue from the US-based Intel group of companies, is looking to expand its operations by diversifying its client base and increasing its recurring income for greater resilience to industry volatility.

18 August 2025

3REN posts best quarterly earnings since November ACE Market debut



3REN posts best quarterly earnings since November ACE Market debut

By Syahqah Salim / theedgemalaysia.com

18 Aug 2025, 07:47 pm



KUALA LUMPUR (Aug 18): Automation and engineering firm 3REN Bhd (KL:3REN **EDGE**) posted its strongest quarterly performance since its ACE Market debut last November, driven by higher sales.

For the second quarter ended June 30, 2025 (2QFY2025), net profit jumped eight-fold to RM4.48 million from RM545,000 in the immediate preceding quarter, as revenue rose 35.2% to RM30 million from RM22.18 million. The improved performance was underpinned by stronger contributions from both its automation solutions and engineering services businesses.

1 October 2025

3REN signs MoU with Wawasan Open University to develop talent pipeline



Home / Business / News / 3REN signs MoU with Wawasan Open University to develop talent pipeline

3REN signs MoU with Wawasan Open University to develop talent pipeline



Wednesday, October 1st, 2025 at Business | News

3REN Bhd said it has entered into a memorandum of understanding (MoU) with Wawasan Open University (WOU) to establish a collaborative framework aimed at developing a sustainable talent pipeline and aligning academic programmes with industry needs.

The MoU, signed on Oct 1, also covers employee upskilling through training, workshops and micro-credential courses, as well as joint projects such as curriculum alignment, mentorship initiatives, seminars and conferences.

3REN said the collaboration seeks to foster knowledge exchange, research and innovation in relevant fields.

The MoU will be valid for one year and may be extended by mutual agreement.

The group added that the agreement will not have any financial impact on its earnings or balance sheet, as it does not create binding obligations until a definitive agreement is executed. — **THE**

2 October 2025

WOU perkasa TVET, fokus kukuh kerjasama akademia-industri di Pulau Pinang



TERKINI 02 Oct 2025 11:30 AM

DagangNews.com

WOU perkasa TVET, fokus kukuh kerjasama akademia-industri di Pulau Pinang



Dari kiri: Pua Kwee Chong, Pengarah Fasiliti TVET Centre Prof. Yap Eng Hwa, Timbalan Naib Canselor WOU, Ong Tee Ni, Naib Presiden MII Equipment, Professor Dr. Lily Chan, CEO dan Naib Canselor WOU, Aji Simi Ruan, CEO 3REN, dan Steven Khoo, Ketua WOU Academy pada majlis penandatangani MoU di Kampus WOU, Pulau Pinang pada 1 Oktober 2025.

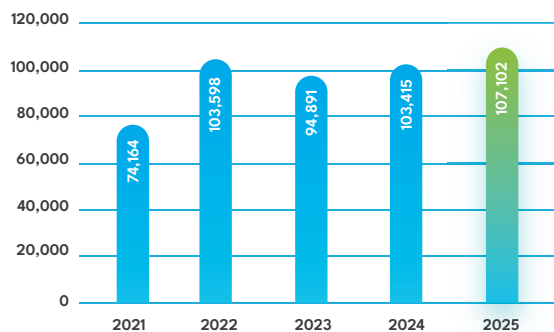
Oleh Amree Ahmad
amree@dagangnews.com

Financial Highlights

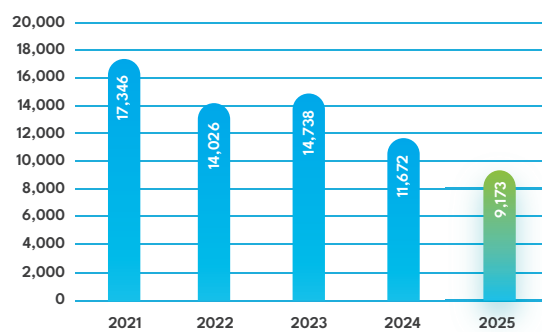
Financial Year Ended (FYE) 31 December

	2021	2022	2023	2024	2025
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	74,164	103,598	94,891	103,415	107,102
Earnings before interest, taxation, depreciation and amortization (EBITDA)	17,768	15,207	17,250	14,149	11,604
Profit before tax (PBT)	17,346	14,026	14,738	11,672	9,173
Profit after tax (PAT)	16,073	12,066	11,597	8,741	8,426
Basic Earnings per share (EPS) - sen	2.47	1.85	1.78	1.57	1.30
PBT Margin (%)	23.39	13.54	15.53	11.29	8.56
PAT Margin (%)	21.67	11.65	12.22	8.45	7.87

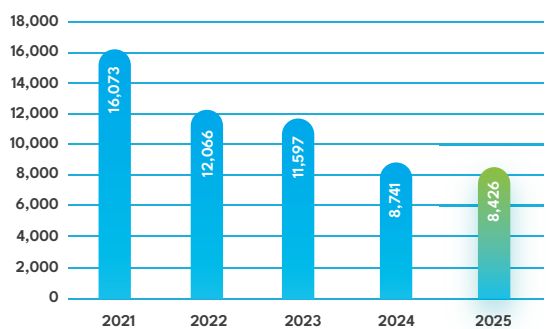
Revenue - (RM'000)



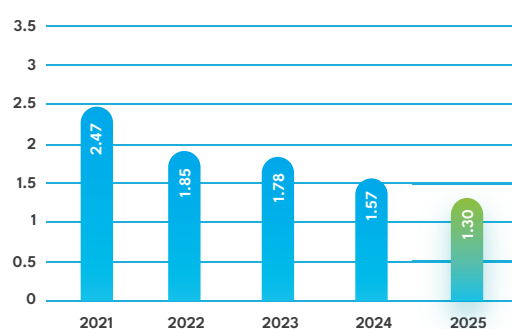
Profit before tax (PBT) - (RM'000)



Profit after tax (PAT) - (RM'000)



Basic Earnings per share (EPS) - sen



Profile of Directors

DATO' BOONLER SOMCHIT

Non-Independent Non-Executive Chairman

Date of appointment	20 March 2024
Age	73
Gender	Male
Nationality	Malaysian
Board meeting attendance	5/5



Academic/Professional Qualification (s)

- Bachelor of Science with Honours in Ecology (Honours), Universiti Malaya (UM), Malaysia

Membership of Board Committee

None

Present Directorship(s) and/or Appointment(s) in other Public Listed Companies

None

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Working Experience and Occupation

- Assistant Registrar, UM (1978 – 1984)
- Administration and Management, ASEAN Food Handling Bureau (1984 – 1988)
- Registrar, Sunway College Sdn Bhd (1988 – 1989)
- Chief Executive Officer, Penang Skills Development Centre (PSDC) (1989 – 2014)

Profile of Directors (cont'd)

KOH DIM KUAN

Executive Director & Chief Executive Officer

Date of appointment	8 February 2024
Age	45
Gender	Male
Nationality	Malaysian
Board meeting attendance	5/5



Academic/Professional Qualification (s)

- Diploma in Technology (Electronic Engineering), Tunku Abdul Rahman College, Malaysia
- Advanced Diploma in Technology (Electronic Engineering), Tunku Abdul Rahman College, Malaysia
- Bachelor in Electronics Systems Engineering, Sheffield Hallam University, United Kingdom

Membership of Board Committee

None

Present Directorship(s) and/or Appointment(s) in other Public Listed Companies

None

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

He does not have any conflict of interest with the Group except for the following:

He has an interest in a company incorporated in India and also has an indirect interest, via R3 Capital Sdn Bhd, in a company incorporated locally. Both companies carry on similar business activities as that of the Group.

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Working Experience and Occupation

- Validation Design (Senior), Intel Microelectronics (M) Sdn Bhd (2004 – 2008)
- Operation Manager, Sophic Design (2008 – 2009)
- Director, System Innotech Integration Experts Sdn Bhd (2009 – 2015)
- Chief Operations Officer/Chief Executive Officer Sophic Automation Sdn Bhd (2011 – 2020)
- Co-founder, Sophic MSC Sdn Bhd (2011)
- Chairman, Malaysia Industrial 4.0 System Integrator Association (2021 – 2023)

Directorship in 3REN Berhad's subsidiary companies

- Sophic Automation Sdn Bhd
- Sophic MSC Sdn Bhd
- HaliosPartners Sdn Bhd (formerly known as Pinkypye Sdn Bhd)
- Sophic Engineering Sdn Bhd
- Sophic Singapore Pte Ltd

Profile of Directors (cont'd)

LEE CHEE HOO

Executive Director & Chief Revenue Officer

Date of appointment	8 February 2024
Age	53
Gender	Male
Nationality	Malaysian
Board meeting attendance	5/5



Academic/Professional Qualification (s)

- Bachelor in Electrical and Electronics Engineering, Universiti Sains Malaysia, Malaysia

Membership of Board Committee

None

Present Directorship(s) and/or Appointment(s) in other Public Listed Companies

None

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

He does not have any conflict of interest with the Group except for the following:

He has an indirect interest, via R3 Capital Sdn Bhd, in a company incorporated locally which carries on similar business activities as that of the Group.

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Working Experience and Occupation

- Engineer, Golden Hope Fibreboard Sdn Bhd (1998 – 1999)
- Equipment & Process Engineer/Package Design Engineer/Electrical Analysis & Design Engineer, Intel Products (M) Sdn Bhd (1999 – 2004)
- Senior Design Integrator, Intel Technology Sdn Bhd (2004 – 2007)
- Founder, Sophic Design (2007 – 2011)
- Director, System Innotech Integration Experts Sdn Bhd (2012 – 2015)
- Co-founder, Sophic MSC Sdn Bhd (2011)
- Director/Chief Executive Officer, Sophic Automation Sdn Bhd (2008 – 2020)

Directorship in 3REN Berhad's subsidiary companies

- Sophic Automation Sdn Bhd
- Sophic MSC Sdn Bhd
- Sophic Engineering Sdn Bhd

Profile of Directors (cont'd)

AHMAD KHAIRUDDIN BIN ABDUL RAHIM

Independent Non-Executive Director

Date of appointment	20 March 2024
Age	64
Gender	Male
Nationality	Malaysian
Board meeting attendance	5/5



Academic/Professional Qualification (s)

- Diploma in Business Studies, Institut Teknologi MARA (now known as Universiti Teknologi MARA (UiTM)), Malaysia
- Bachelor of Business Administration, Eastern Michigan University, USA
- Master of International Business Administration, United States International University, USA

Membership of Board Committee

Chairman, Remuneration Committee

Present Directorship(s) and/or Appointment(s) in other Public Listed Companies

None

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Working Experience and Occupation

- Assistant Registrar, International Islamic University, Malaysia (1989 – 1990)
- Assistant Director (Resource Based Industries Division, Planning Division and Industry Support Division), Malaysian Investment Development Authority (MIDA), Malaysia (1991 – 1999)
- Assistant Director, MIDA London office (1999 – 2003)
- Senior Assistant Director, Manufacturing-related Services Division, MIDA (2003 – 2005)
- Deputy Director, Manufacturing-related Services Division, MIDA (2005 – 2008)
- Senior Deputy Director (Logistics & Regional Operations Division and Industry Support Division), MIDA (2008 – 2009)
- Director, MIDA Sydney office (2009 – 2013)
- Director, Clean Technology and Management Division, MIDA (2013 – 2014)
- Executive Director of Investments, MIDA (2014 – 2019)
- Senior Executive Director, Strategic Planning and Development, MIDA (2019)
- Deputy Chief Executive Officer Investment Development, MIDA, Malaysia (2019 – 2022)

Profile of Directors (cont'd)

HANITA BINTI OTHMAN

Independent Non-Executive Director

Date of appointment	20 March 2024
Age	61
Gender	Female
Nationality	Malaysian
Board meeting attendance	5/5



Academic/Professional Qualification (s)

- Association of Chartered Certified Accountants (ACCA), Emile Woolf College, United Kingdom
- Member, Malaysian Institute of Accountants (MIA)
- Fellow, ACCA, United Kingdom

Membership of Board Committee

- Member, Audit and Risk Management Committee
- Member, Nomination Committee

Present Directorship(s) and/or Appointment(s) in other Public Listed Companies

None

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Working Experience and Occupation

- Audit Manager, Coopers & Lybrand (now known as PricewaterhouseCoopers) Kuala Lumpur (1990 – 1997)
- Senior Accountant, SPK Sentosa Corporation Bhd (1997 – 1998)
- Audit Manager, PricewaterhouseCoopers, Kuala Lumpur (1998 – 1999)
- Bursa Malaysia Berhad Group
 - Manager of the Financial Review and Surveillance Department (1999 – 2000)
 - Head, Securities Issues Department (2001 – 2004)
 - Head, Group Strategic Planning Department (2005)
- Assistant General Manager, Securities Commission Malaysia (2006 – 2009)
- Bursa Malaysia Berhad Group
 - Head, Issuers – ACE Market Department (2009 – 2017)
 - Senior Vice President, Primary Market of Securities Market, Listing Development Department (2017 – 2021)
- Consultant, Brunei Darussalam Central Bank (2022 – current)

Profile of Directors (cont'd)

JOYCE WONG AI MAY

Independent Non-Executive Director



Date of appointment	20 March 2024
Age	50
Gender	Female
Nationality	Malaysian
Board meeting attendance	5/5

Academic/Professional Qualification (s)

- Bachelor of Commerce, University of Tasmania, Australia
- Member, MIA
- Corporate Member, Institute of Internal Auditors Malaysia
- Fellow Member, CPA, Australia

Membership of Board Committee

- Chairwoman, Audit and Risk Management Committee
- Member, Nomination Committee
- Member, Remuneration Committee

Present Directorship(s) and/or Appointment(s) in other Public Listed Companies

Independent Non-Executive Director of:

- FoundPac Group Berhad (listed on Bursa Securities)
- PCCS Group Berhad (listed on Bursa Securities)
- Edelteq Holdings Berhad (listed on Bursa Securities)

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Working Experience and Occupation

- Accounts Executive, Smith Zain Securities Sdn Bhd (1999-2002)
- Head of Finance, BBMB Securities Sdn Bhd (2002-2004)
- Internal Audit Officer, Hwang-DBS Securities Berhad (2004)
- Executive, Fastrack Corporate Sdn Bhd (2004-2005)
- Audit Manager, UHY Diong (2005-2011)
- Director, UHY TAC (2011-2016)
- Managing Director, JWC Consulting Sdn Bhd (2016 - current)

Present Directorship(s) and/or Appointment(s) in other organisations

- Independent Director, Caritas Malaysia (a non-profit organisation)
- Industry Advisory Panel, School of Business of DISTED College, Penang

Profile of Directors (cont'd)

TERESA TAN SIEW KUAN

Independent Non-Executive Director



Date of appointment	20 March 2024
Age	57
Gender	Female
Nationality	Malaysian
Board meeting attendance	5/5

Academic/Professional Qualification (s)

- Bachelor of Economics, University of Adelaide, Australia
- Fellow Member, CPA, Australia
- Member, MIA

Membership of Board Committee

- Chairwoman, Nomination Committee
- Member, Audit and Risk Management Committee
- Member, Remuneration Committee

Present Directorship(s) and/or Appointment(s) in other Public Listed Companies

Independent Director of:

- IQ Group Holdings Berhad (listed on Bursa Securities)
- BWYS Group Berhad (listed on Bursa Securities)

Independent Non-Executive Chairperson of:

- WTEC Group Berhad (listed on Bursa Securities)

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Working Experience and Occupation

- Audit Assistant, Kassim Chan + Co (now known as Deloitte) (1992 – 1993)
- Tax Assistant, Coopers & Lybrand (now known as PricewaterhouseCoopers) (1993 – 1995)
- Assistant Vice President, Corporate Finance and Acting Branch Manager, Malaysian International Merchant Bankers Berhad (now known as Hong Leong Investment Bank Berhad) (1995 – 2004)
- Senior Manager, Corporate Finance, K&N Kenanga Berhad (now known as Kenanga Investment Bank Berhad) (2004 – 2007)
- Lecturer, KDU College Penang (now known as UOW Malaysia KDU Penang University College) (2008 – 2009)
- Senior Manager, K&N Kenanga Berhad (now known as Kenanga Investment Bank Berhad) (2010 – 2014)
- Vice President, Business Development Manager, Kenanga Investors Berhad, Penang (2014 – 2017)
- Chief Finance Officer, TT Vision Holdings Berhad (2017 – 2019)

Profile of Directors (cont'd)

TS. HJ MOHAMMAD HAZANI BIN HASSAN

Non-Independent Non-Executive Director



Date of appointment	20 March 2024
Age	61
Gender	Male
Nationality	Malaysian
Board meeting attendance	5/5

Academic/Professional Qualification (s)

- Bachelor of Science in Mechanical Engineering, California State University, Sacramento, USA
- Diploma in Management for Technology, Singapore Institute of Engineering Technologists

Membership of Board Committee

None

Present Directorship(s) and/or Appointment(s) in other Public Listed Companies

None

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Working Experience and Occupation

- Research Assistant, SIRIM Berhad (1988 – 1989)
- Section Head, Omron (M) Sdn Bhd (1989 – 1993)
- Assistant General Manager, Investment and Special Project, Malaysian Technology Development Corporation Sdn Bhd (MTDC) (1993 – 2001)
- Principal, Kumpulan Modal Perdana Sdn Bhd (KMP) (2001 – 2012)
- Chief Executive Officer, MTDC (2012 – current)

Present Directorship(s) and/or Appointment(s) in other organisations

- Management Committee, Malaysian Venture Capital Association
- Council Member, Association of Development Financial Institution of Malaysia

Profile Of Key Senior Management

YEAP SIEW WEN

Chief Financial Officer

Age	33
Gender	Female
Nationality	Malaysian
Date of appointment	1 June 2023

Academic/Professional Qualification (s)

- Bachelor of Commerce (Hons) in Accounting, Universiti Tunku Abdul Rahman, Malaysia
- Member, MIA
- Fellow Member, ACCA, United Kingdom

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Working Experience and Occupation

- BDO PLT (previously known as BDO Malaysia) (“BDO”)
 - Audit Associate (2016 – 2017)
 - Audit Senior Associate (2017 – 2019)
 - Assistant Manager, Audit (2019 – 2021)
- Sophic Automation Sdn Bhd
 - Accounts and Finance Manager (2021 – 2022)
 - Corporate Development and Strategy Manager (2022 – 2023)
 - Head of Finance (2023 – 2025)
 - Chief Financial Officer (2025 – current)

She does not sit on the board of directors of any public companies and listed issuer

LOH PAIK HOE (JANNIECE)

Chief Culture Officer

Age	41
Gender	Female
Nationality	Malaysian
Date of appointment	1 March 2025

Academic/Professional Qualification (s)

- Bachelor of Business Administration (Hons), Universiti Utara Malaysia (UUM)

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Working Experience and Occupation

- Sony EMC (M) Pg Tec
 - Production Planner (2008 – 2010)
 - Senior Production Planner (2010 – 2015)
- Sophic Automation Sdn Bhd
 - Human Resource Manager (2018 – 2022)
 - Senior Human Resource Manager (2022 – 2023)
 - Head of Talent & Culture (2023 – 2025)
 - Chief Culture Officer (2025 – current)

She does not sit on the board of directors of any public companies and listed issuer

Profile Of Key Senior Management (cont'd)

LIEW CHEE KIN

CEO & Director of Sophic MSC

Age	44
Gender	Male
Nationality	Malaysian
Date of appointment	1 July 2016

Academic/Professional Qualification (s)

- Diploma in Electronic Engineering (Computer), Ungku Omar Polytechnic, Malaysia

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Working Experience and Occupation

- Mask Designer, Kelly Services (Malaysia) Sdn Bhd (2003 – 2004)
- Engineer Technician, Intel Microelectronics (M) Sdn Bhd (2005 – 2006)
- Service Engineer, Vitrox Technologies Sdn Bhd (2006 – 2007)
- Consulting Sales Engineer, Keyence (Malaysia) Sdn Bhd (2007 – 2009)
- Senior Sales and Application Engineer, Autovation Sdn Bhd (2009 – 2014)
- Technical Sales Engineer, Sophic Automation Sdn Bhd (2014-2016)
- Director, Sophic MSC Sdn Bhd (2016 - current)

He does not sit on the board of directors of any public companies and listed issuer

ELWYN TOH JIERN WAE

Head of Software Innovation

Age	32
Gender	Male
Nationality	Malaysian
Date of appointment	1 June 2023

Academic/Professional Qualification (s)

- Bachelor of Engineering (Hons) in Electrical and Electronic Engineering, University of Bradford, United Kingdom

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Working Experience and Occupation

- Sophic Automation Sdn Bhd
 - Junior Programmer (2017 – 2018)
 - Software Developer (2018 – 2019)
 - Assistant Manager (2019 – 2020)
 - Software Innovation Manager (2020 – 2023)
 - Head of Software Innovation (2023 – current)

He does not sit on the board of directors of any public companies and listed issuer

Profile Of Key Senior Management (cont'd)

LAI GOEY CHOO

Head of Product Engineering Services

Age	55
Gender	Female
Nationality	Malaysian
Date of appointment	1 March 2022

Academic/Professional Qualification (s)

- Certificate, Electrical Engineering Technicians (Microprocessors), City and Guilds of London Institute, United Kingdom
- Diploma in Business Administration, KDU College, Penang Malaysia
- Executive Master of Preventive Health, Open University Malaysia

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Working Experience and Occupation

- Intel Microelectronics (M) Sdn Bhd
 - Technician (1990 – 2000)
 - Product Development Engineer (2000 – 2006)
 - Component Design Engineer (2006 – 2014)
- Sophic Automation Sdn Bhd
 - Business Process Outsourcing Manager (2014 – 2022)
 - Head of Product Engineering Services (2022 – current)

She does not sit on the board of directors of any public companies and listed issuer

WONG SHIN GUEY

Head of Research and Development

Age	45
Gender	Male
Nationality	Malaysian
Date of appointment	1 June 2023

Academic/Professional Qualification (s)

- Bachelor of Engineering (Computer) (Hons), Universiti Teknologi Malaysia
- Master of Engineering (Electrical - Computer and Microelectronic System), Universiti Teknologi Malaysia

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Working Experience and Occupation

- Intel Technology Sdn Bhd
 - Electrical Validation Content Engineer (2005 – 2011)
 - Senior Electrical Validation Content Engineer (2011 – 2014)
- Sophic Automation Sdn Bhd
 - Industrial IoT Architect (2015 – 2023)
 - Head of Research and Development (2023 – current)

He does not sit on the board of directors of any public companies and listed issuer

Management Discussion & Analysis

OVERVIEW OF BUSINESS AND OPERATIONS

3REN Berhad (“3REN” or the “Company”) is an investment holding company whilst its subsidiaries (collectively referred as the “Group”) are principally involved in the provision of automation solutions and engineering services. The Group serves a diverse range of industries, including semiconductor and electronics, automotive, consumer electronics, fast moving consumer goods (“FMCG”), medical device manufacturing and life sciences.

Principal Activities	Engineering Services		Automation Solutions	
Key Business Segment	Semiconductor Design	Engineering Support Services	SMARTer Factory	
	Product Engineering Services	Engineering Support Services	Digitalised Solution	Automated Equipment
Services/ Solutions	IC Design & Development <ul style="list-style-type: none"> • Post silicon validation • Software development • NPI 	Mass Production <ul style="list-style-type: none"> • IC Assembly & testing 	SMARTer Manufacturing <ul style="list-style-type: none"> • Customization • Design & development led by customer needs 	
End-user Industries	Semiconductor & electronics	Semiconductor & electronics	Semiconductor & electronics, automotive, consumer electronics, fast moving consumer goods (“FMCG”), medical device manufacturing and life sciences	
Revenue Model	Recurring revenue model (based on customers' OPEX spending)		Project-based revenue model (based on customers' CAPEX spending)	

OPERATIONAL REVIEW

The financial year ended 31 December 2025 (“FYE 2025”) was characterised by a steady recovery within the global technology sector. As demand for advanced technology applications rebounded, customer orders gained momentum, reflecting renewed market confidence. While macroeconomic uncertainties and geopolitical tensions continued to weigh on global supply chains and foreign direct investment (“FDI”) in Malaysia, industry sentiment within the semiconductor space strengthened progressively throughout the year.

Against this backdrop, 3REN achieved a notable increase in revenue from the engineering services division, bolstered by positive demand from semiconductor back-end customers. This growth was further catalysed by the consolidation of key customer’s operations from Costa Rica into Malaysia and Vietnam, significantly increasing regional volumes for integrated circuits (“IC”) and assembly operations. Strategically, the Group also successfully penetrated the front-end segment; the order book is currently capitalising on the structural shift toward Artificial Intelligence (“AI”), High-Performance Computing (“HPC”) and the broader trend of industrial digitalisation.

Management Discussion & Analysis (cont'd)

FINANCIAL PERFORMANCE

(a) Revenue

For the FYE 2025, the Group achieved total revenue of RM107.10 million compared to RM103.42 million for FYE 2024, representing an improvement of 3.56% year-on-year (“YoY”). The increase in revenue was primarily driven by higher contributions from engineering support services, which grew by RM7.37 million (22.54%). This increase was partially offset by lower sales from the product engineering services and automation solutions during the financial year.

The revenue was mainly derived from customers located in Malaysia, which contributed 94.67% of the Group’s total revenue. The remaining export markets were from Thailand, Mexico, Philippines, India, Singapore and United States.

The breakdown of the Group’s revenue by business segments and geographical locations is as follows: -

Revenue by business segments

Business Segments	Audited FYE 2025		Audited FYE 2024	
	RM'000	%	RM'000	%
Product engineering services	33,624	31.39	33,716	32.60
Manufacturing operating solutions and services:				
- Engineering support services	40,055	37.40	32,686	31.61
- Automation solutions	33,423	31.21	37,013	35.79
TOTAL REVENUE	107,102	100.00	103,415	100.00

Revenue by geographical locations

Geographical Locations	Audited FYE 2025		Audited FYE 2024	
	RM'000	%	RM'000	%
Local				
Malaysia	101,384	94.67	93,500	90.41
Overseas				
Thailand	1,595	1.49	390	0.38
Mexico	1,332	1.24	78	0.07
Philippines	985	0.92	4,366	4.22
India	622	0.58	28	0.03
Singapore	580	0.54	4,639	4.49
United States	452	0.42	344	0.33
Others	152	0.14	70	0.07
	5,718	5.33	9,915	9.59
TOTAL REVENUE	107,102	100.00	103,415	100.00

Management Discussion & Analysis (cont'd)

FINANCIAL PERFORMANCE (cont'd)

(b) Profitability

For the FYE 2025, the Group's gross profit ("GP") margin declined from 26.78% in the financial year ended 31 December 2024 ("FYE 2024") to 23.38%, mainly attributable to lower margin from the automation solutions segment as a result of relatively high proportion of fixed manpower costs for the segment. The GP margins of the other business segments remained relatively stable.

The Group's profit before taxation ("PBT") decreased by RM2.50 million (21.42%), from RM11.67 million for FYE 2024 to RM9.17 million for FYE 2025. The decline was mainly attributable to lower GP margin coupled with higher marketing expenses to support overseas business expansions, employee welfare and benefits (including equity-settled share-based payment expenses) and research expenses. However, this was partially offset by the absence of listing expenses of RM2.67 million which was recorded in FYE 2024. Accordingly, the profit after taxation ("PAT") was reduced by RM0.31 million (3.55%), from RM8.74 million for FYE 2024 to RM8.43 million for FYE 2025.

(c) Capital Structure and Capital Resources

The Group's total assets increased by 6.80% YoY, rising from RM119.57 million for FYE 2024 to RM127.70 million for FYE 2025. This growth was primarily due to higher inventories, trade receivables, intangible assets and current tax assets.

Shareholders' equity strengthened by 6.57% YoY, reaching RM103.91 million for FYE 2025 compared to RM97.50 million for FYE 2024, mainly due to the increased retained earnings, share capital and share option reserve resulting from share-based payment transactions during the year.

Total liabilities rose by 7.79% YoY, amounting to RM23.79 million for FYE 2025 compared to RM22.07 million for FYE 2024, primarily due to increased contract liabilities and trade payables.

The Group maintained a healthy balance sheet, with cash and cash equivalents totaling RM12.78 million, supported by a current ratio of 8.35 times and a low gearing ratio of 0.10 times. Return on equity stood at 8.11%.

(d) Dividend

A Single Tier Interim Dividend of RM0.0075 per ordinary share, amounting to approximately RM4.88 million for the FYE 2025, was paid to shareholders on 31 March 2026.

Management Discussion & Analysis (cont'd)

CHALLENGES/RISKS AND STRATEGY

Customer Diversification And International expansion

While a significant portion of the Group's revenue remains tied to one of the major customers, Intel group of companies—both directly and through managed service providers—FYE 2025 marked a pivotal year in the strategic roadmap to broaden the earnings base. In a major milestone for the product engineering services, the Group secured a three-year contract for IT services and software development from a major semiconductor front-end player specialising in the supply of wafer equipment. Furthermore, the first Delivery Centre projects with a leading fabless semiconductor design company continued to yield steady revenue, underpinned by the burgeoning global demand for data center Graphics Processing Units (“GPUs”).

The Group's strategy of cross-selling solutions across different business segments has significantly enhanced customer stickiness and deepened market penetration. The Group has successfully onboarded and expanded its engineering support services to a diverse array of sectors, including:

- Electronic Design & Emulation: Providing test solutions for global industry leaders.
- Electronics Manufacturing Services (“EMS”): Strengthening its footprint in general electronics.
- Medical Technology: Diversifying into high-precision healthcare solutions industry.
- Memory Solutions: Securing new partnerships with flash memory storage providers.

Beyond its service expansion, 3REN has made significant inroads into the localisation strategies of global Multinational Corporations (“MNCs”). By aligning its technical competencies with the “Lighthouse Manufacturing” adoption trend, the Group has become a key partner for global firms seeking to localise advanced manufacturing technologies, factory automation and comprehensive digitalisation within the region.

The Group's strategic ascent up the value chain is further evidenced by a breakthrough in the AI supply chain, where the Group secured high-value orders for volume test rack infrastructure – a critical component for AI testing environments and automation equipment for data centre power supply and battery controller for the Electric Vehicle (“EV”) industry. This momentum is complemented by the automation solutions segment's successful penetration into the front-end semiconductor fabrication market in Singapore, marking a significant milestone in its regional growth.

Human Capital

As 3REN accelerates its transition up the value chain into front-end semiconductor and AI infrastructure, the primary challenge remains on the acquisition and retention of high-caliber technical talent in an increasingly competitive global landscape. The complexity of the evolving project portfolio demands a workforce with specialised competencies in IC design and validation, software engineering and advanced automation. To mitigate the risk of talent shortages, the Group remains committed to employees' development through structured training programs, aimed at enhancing technical expertise and leadership capabilities. To ensure a sustainable talent pipeline, 3REN also provides scholarships and sponsorships to deserving students, securing a dedicated pool of talents for its future growth.

Furthermore, the Group continues to deepen the strategic partnerships with academic institutions to bridge the gap between academia and industry. By facilitating diverse industrial training programs, the Group is actively cultivating a steady stream of “Industry 4.0-ready” graduates. These initiatives ensure that 3REN remains at the forefront of technological innovation through a highly skilled and resilient workforce.

Management Discussion & Analysis (cont'd)

OUTLOOK AND PROSPECTS

The recovery of the semiconductor sector in FYE 2025 served as a catalyst for a visible improvement in customer activities. This was evidenced by strengthened order visibility and a surge in business engagements, particularly within the AI, Machine Learning (“ML”) and HPC domains. The Group recorded higher order volumes from the semiconductor customers, reflecting renewed confidence and momentum across the industry.

Looking ahead, the Group is well-positioned to capitalise on a global semiconductor market projected to approach US\$1 trillion by 2027 (Source: Deloitte analysis and extrapolation based on data from World Semiconductor Trade Statistics). As the semiconductor customers report renewed confidence and accelerating momentum, the Group will continue to leverage on its expanding competencies and capabilities to secure higher order volume. By aligning the growth trajectory with Malaysia’s strategic rise in the global semiconductor value chain, the Group remains optimistic about delivering sustainable value in the coming financial year.

Sustainability Statement

INTRODUCTION

The Group is pleased to present the Annual Sustainability Statement (“**Sustainability Statement**”) or (the “**Statement**”) for the financial reporting period from 1 January 2025 to 31 December 2025 (“**FYE 2025**”), providing an overview of our Group’s sustainability initiatives and practices, highlighting our economic, environmental, social and governance impacts.

This sustainability statement has been prepared in accordance with the ACE Market Listing Requirements (“**AMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) as well as in reference to the following frameworks and standards:

- Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition) (“**Guide**”)
- FTSE4Good Bursa Malaysia Index
- Global Reporting Initiative (“**GRI**”) Standards
- Task Force on Climate-related Financial Disclosures (“**TCFD**”) Recommendations
- Sustainability Accounting Standards Board (“**SASB**”) Standards
- International Sustainability Standards Boards (“**ISSB**”) Standards



The Company and its subsidiaries (“**Group**”) have relied on the guidance provided under the Guide for its sustainability practices. The Guide provides guidance on how to embed sustainability in our organisation and helps us to identify, evaluate and manage our material economic, environmental, social and governance (“**EESG**”) risk and opportunities. Our sustainability practices aim to generate long term benefits for our stakeholders in terms of business continuity and value creation. Besides, we support the 17 United Nations Sustainability Development Goals and will progressively integrate these goals into our sustainability practices.

Sustainability Statement (cont'd)

SCOPE AND BASIS OF SCOPE

This Statement covers the Group's sustainability performance of our core business operations in Malaysia for the FYE 2025 unless stated otherwise.

Our core business operations comprised the provision of automation solutions and engineering services. We have excluded the operations in Singapore as we only have a sales office incorporated on 2 July 2025 in the country, namely Sophic Singapore Pte. Ltd. which has minimal impact on the Group's overall sustainability performance.

STATEMENT OF ASSURANCE

For the FYE 2025, this Statement has not undergone any internal audit review nor obtained an independent external assurance. Nonetheless, the subject matters covered in this Statement were prepared by the respective departments and reviewed by the Sustainability and Risk Management Team ("SRM Team").

In preparing this Statement, we conducted internal validation to verify the accuracy and integrity of the data disclosed. The content of this Statement has been reviewed and approved by our Board of Directors ("Board") and the SRM Team has ensured this Statement's relevance to the Group's business and that current and material issues are covered. The Group will consider obtaining external assurance for its sustainability reports in the future years.

AVAILABILITY

This Statement is made available on our Company's website at www.3ren.com.my.

FEEDBACKS

To continuously improve on our sustainability efforts, we welcome and encourage our stakeholders to provide feedback pertaining to this Statement or our sustainability practices and initiatives. Please email us at ir@3ren.com.my.



Sustainability Statement (cont'd)

COMMITMENT TO SUSTAINABILITY

Our corporate vision is to become a global specialist in enabling Smart Manufacturing implementations in factories worldwide through our integrated automation, and digitalisation solutions and engineering services, whilst our corporate mission is to continuously optimise our customers' businesses through our world-class solutions, services, and products. We remained committed to Sustainability and constantly engage with our customers, employees, partners and suppliers to support this initiative.

Our Board is committed to sustainability practices in our organisation and has appointed Mr. Koh Dim Kuan, the Chief Executive Officer ("CEO"), to lead the sustainability development efforts. He provides strong stewardship towards the implementation of the sustainability initiatives within the Group and is supported by the SRM Team, which mainly comprises members of the Key Senior Management ("KSM") and Heads of Departments ("HODs").

The reporting governance structure for sustainability is as follows:



The roles and responsibilities of the above governance bodies are:

The Board

- Oversees the sustainability and risk management process within the Group;
- Reviews and endorses the Group's material sustainability matters;
- Reviews and endorses the sustainability initiatives proposed by the SRM Team;
- Reviews and endorses the annual sustainability statement for inclusion in our annual report; and
- Sets strategies that support long-term value creation and includes strategies on EESG considerations underpinning sustainability.

SRM Team

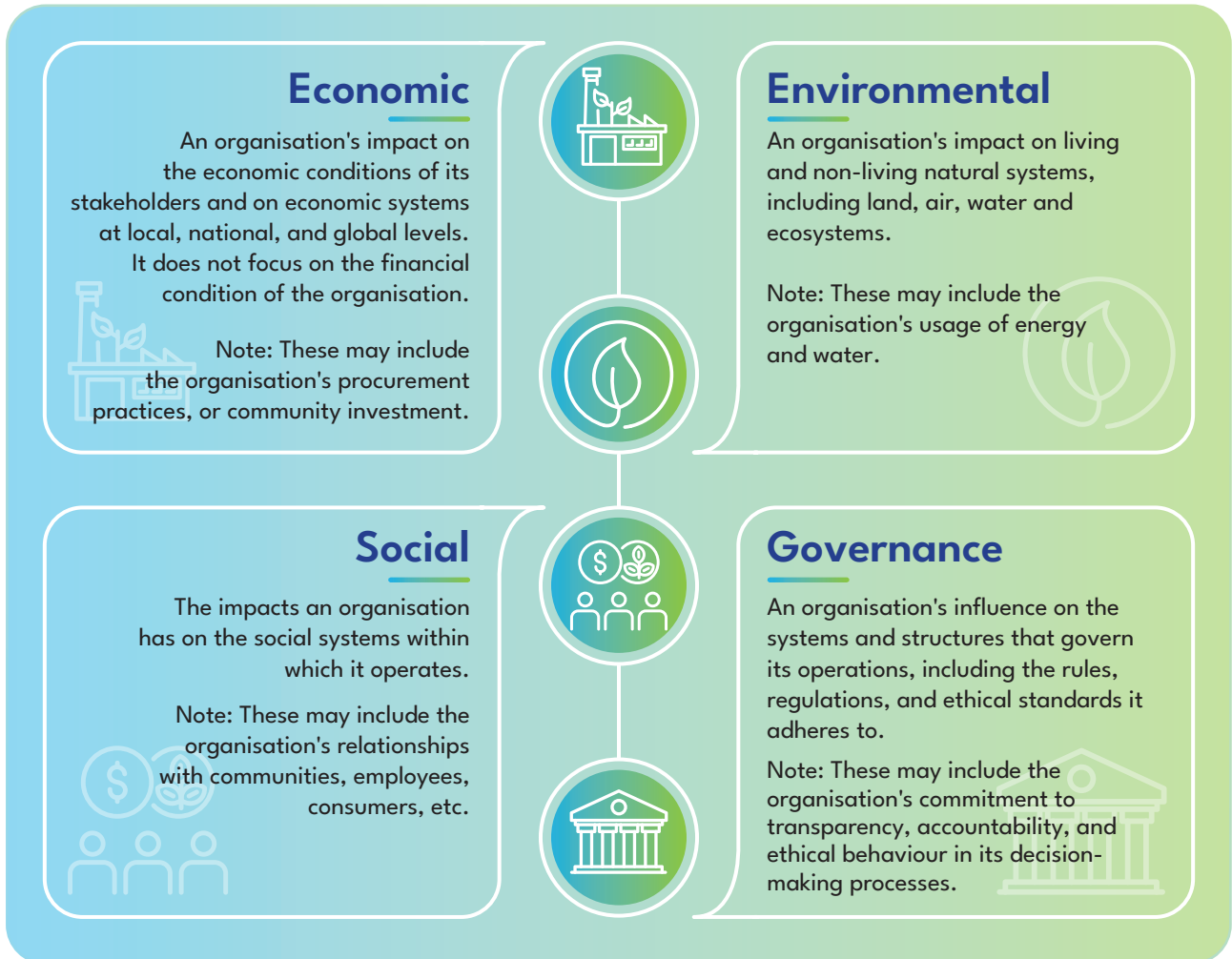
- Identifies material sustainability matters that are relevant to the Group's business operations;
- Proposes sustainability initiatives and measures to be implemented across the Group;
- Implements sustainability initiatives that have been approved by the Board;
- Conducts data gathering, validate and verify the data for sustainability reporting; and
- The CEO reports the overall progress of the Group's sustainability efforts to the Board.



Sustainability Statement (cont'd)

SUSTAINABILITY PRACTICES

In line with the Guide, sustainability is viewed in the context of EESG, as explained below.



STAKEHOLDER ENGAGEMENT

A stakeholder is essentially an individual or a group that has an effect on, or is affected by our Group and our activities. Naturally, our stakeholders influence the way we carry out our business activities and how we formulate our strategies to meet their expectations and to generate long term benefits to our stakeholders in terms of business sustainability and value creation.

The table below lists the needs of our different stakeholder groups and how we engaged and addressed their needs.

Sustainability Statement (cont'd)

STAKEHOLDER ENGAGEMENT (Cont'd)

Stakeholder Groups	Areas of Interest	Engagement Methods	Engagement Frequency
Investors/ Shareholders	<ul style="list-style-type: none"> Return on investment Business prospects Future roadmap Corporate governance 	<ul style="list-style-type: none"> Annual general meeting Quarterly reporting Company's website Roadshow/ Investor briefing Whistleblowing Policy Corporate Disclosure Policy 	<ul style="list-style-type: none"> Monthly, quarterly, annually
Directors	<ul style="list-style-type: none"> Return on investment Business prospects Future roadmap Corporate governance 	<ul style="list-style-type: none"> Board of Directors meetings Business updates and CEO presentations Company events 	<ul style="list-style-type: none"> Quarterly, annually
Management	<ul style="list-style-type: none"> Human capital Financial performance Production performance Business strategy 	<ul style="list-style-type: none"> Continuous management progress meetings and reporting On-going interaction Company events 	<ul style="list-style-type: none"> Daily, weekly, monthly, quarterly, annually
Employees	<ul style="list-style-type: none"> Competitive salary and benefits package Occupational safety and health Clear line of reporting and proper communication channel Work-life balance Career path and opportunities 	<ul style="list-style-type: none"> Employee handbook Monthly employee meetings Employee satisfaction survey and feedback Performance appraisal Internal training and development Engagement with employees Occupational safety and health programs Anti-Bribery and Anti-Corruption briefing 	<ul style="list-style-type: none"> Daily, weekly, monthly, quarterly, annually
Customers	<ul style="list-style-type: none"> Product and service quality Reliable delivery Competitive prices Technical advancement Customer service and responsiveness 	<ul style="list-style-type: none"> Customer feedback/ survey After-sales service Customer periodic visits/audits Customer evaluation on suppliers Training and development 	<ul style="list-style-type: none"> Daily, weekly, monthly, quarterly, annually
Suppliers/ vendors/ business partners	<ul style="list-style-type: none"> Procurement policy and procedures Product and service cost Industry standards and requirements Prompt payments within credit period Business prospects and financial stability 	<ul style="list-style-type: none"> Disseminate procurement policy and procedures Supplier evaluation and assessment on suitability of vendors Reinforcement of code of conduct for ethical practices Supplier periodic visit and audit 	<ul style="list-style-type: none"> Daily, weekly, monthly, quarterly, annually
Local communities/ societies	<ul style="list-style-type: none"> Impact of operations on surrounding environment Corporate social responsibility Corporate governance 	<ul style="list-style-type: none"> Engagement with local communities Provide job opportunities Pay attention to 3Rs (reduce, reuse and recycle) 	<ul style="list-style-type: none"> On an as needed basis and driven by events
Governments/ Regulatory authorities	<ul style="list-style-type: none"> Compliance with applicable laws and regulations Standards and certification 	<ul style="list-style-type: none"> Updates on rules and regulations Consultation with authorities Attendance at relevant seminars and conferences Member of the Malaysia Semiconductor Industry Association ("MSIA") 	<ul style="list-style-type: none"> Monthly, quarterly, annually

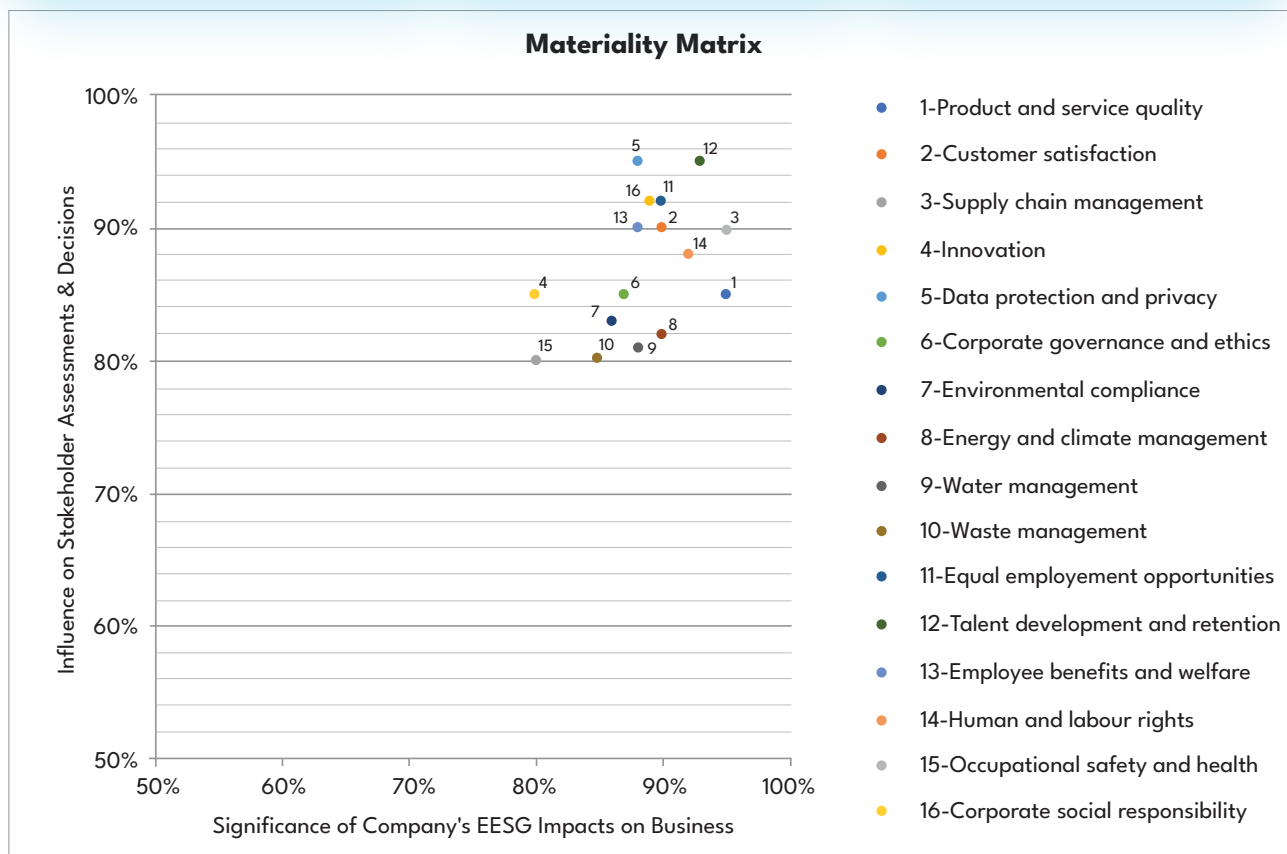
Sustainability Statement (cont'd)

MATERIALITY ASSESSMENT

Our materiality assessment process enables us to identify and assess key risks and opportunities to ensure long-term sustainable growth. Our first materiality assessment was conducted in FYE 2025, by gathering inputs from our internal stakeholders such as employees and representatives from different functional groups. External stakeholders were not directly involved in the materiality process, but rather represented through the ongoing stakeholder dialogues.

In FYE 2025, the SRM Team conducted a sustainability materiality assessment and developed a materiality matrix to illustrate the relative importance of each material sustainability matter. During the assessment, we have identified and prioritised the 16 material sustainability matters. The identified material sustainability matters and its materiality matrix are illustrated as below:

ECONOMIC AND GOVERNANCE	ENVIRONMENTAL	SOCIAL
<ul style="list-style-type: none"> Product and service quality Customer satisfaction Supply chain management Innovation Data protection and privacy Corporate governance and ethics 	<ul style="list-style-type: none"> Environmental compliance Energy and climate management Water management Waste management 	<ul style="list-style-type: none"> Equal employment opportunities Talent development and retention Employee benefits and welfare Human and labour rights Occupational safety and health Corporate social responsibility



Sustainability Statement (cont'd)



MATERIALITY ASSESSMENT (cont'd)

Looking ahead, our Group is committed to conducting periodic reviews of our material sustainability matters, ensuring they align with the dynamic business environment and evolving expectations of stakeholders.

UNITED NATION'S SUSTAINABLE DEVELOPMENT GOALS ("UN SDGs")


The UN SDGs are the blueprint that is set by United Nations with a collection of 17 interlinked global goals to achieve a better and more sustainable future for all. Our Group is committed to support the UN SDGs. We believe in the symbiotic partnership between business, regulatory and society in achieving sustainability in our organisation.

We focus on aligning our efforts to adopt the UN SDGs which are relevant to our operations. The table below showcases how our sustainability initiatives are aligned with the UN SDGs.

Sustainability Matters	Sustainability Goals	FYE 2025 Performance
ECONOMIC AND GOVERNANCE		
<ul style="list-style-type: none"> Product and service quality Customer satisfaction Supply chain management Innovation Data protection and privacy Corporate governance and ethics 	<ul style="list-style-type: none"> Deliver quality products and services which meet customers' requirements and expectations Promote local procurement Deliver financial values to shareholders such as growth in revenue and earnings and dividend pay out Uphold the high standard of corporate governance and ethics 	<ul style="list-style-type: none"> No major customer complaints received 94.03% procurement with local suppliers Zero complaints concerning breaches of customer privacy and losses of customer data Zero cases of major cyber security violations Zero cases for corruption or bribery
ENVIRONMENTAL		
<ul style="list-style-type: none"> Environmental compliance Energy and climate management Water management Waste management 	<ul style="list-style-type: none"> Compliance with local regulatory requirements for scheduled waste disposal Efficient in energy management Efficient in water management Efficient in waste management 	<ul style="list-style-type: none"> Zero cases reported for non-compliance and breach of environmental regulations

Sustainability Statement (cont'd)

UNITED NATION'S SUSTAINABLE DEVELOPMENT GOALS ("UN SDGs") (cont'd)

Sustainability Matters	Sustainability Goals	FYE 2025 Performance
SOCIAL		
<ul style="list-style-type: none"> • Equal employment opportunities • Talent development and retention • Employee benefits and welfare • Human and labour rights • Occupational safety and health • Corporate social responsibility 	<ul style="list-style-type: none"> • Provide equal employment and career growth opportunities for all irrespective of gender, race, religion and disabilities • Provide employment with career development and talent retention • Zero tolerance to discrimination and harassment • Protection of human and labour rights • Provide safe and healthy work environment • Support local communities through Corporate Social Responsibility programs 	<ul style="list-style-type: none"> • Zero cases reported for forced or child labour, discrimination, harassment, breach of human and labour rights • 3,148 hours of training to employees • Zero substantiated complaints concerning human rights violations • Zero cases of work-related fatalities • Organized regular employee wellness programs • Contributed RM51,100 in charity initiatives which benefited 12 institutions

ECONOMIC AND GOVERNANCE

i. Product and Service Quality

Our reputation is built upon the quality of products and services we deliver to our customers who are in the semiconductor, electrical and electronics (“E&E”), automotive, consumer electronics, fast moving consumer goods (“FMCG”), life science and medical technology industries which are mostly large Multinational Companies (“MNCs”). Orders from these customers often involve the exchange of confidential information, such as product technologies, designs and specifications. Trust and integrity of the service providers are, therefore, among the major deciding factors for MNCs in selecting their suppliers, and any leakage or unauthorised use of our customers’ confidential information could lead to loss of business from these customers. The quality management we have in place is designed to monitor and control the processes from planning and development to production, shorter lead time for delivery and after-sales service in order to fulfil our customers’ high demand for quality.

Our ability to provide integrated automation solutions and engineering services has enabled us:

- to participate in design and development activities through our involvement in our customers’ new production introduction activities; and
- to serve our customers better by enhancing their efficiency and productivity through automation and precision, improving quality and reducing error rate.

Our Group places emphasis on the quality of products (i.e. automation solutions) and engineering services rendered to customers. Our production facilities adhere to the standards required by the relevant authorities and we take pride in our accreditations, namely **ISO 9001:2015** for quality management system and **ISO/IEC 27001:2022** for information security management system.

Sustainability Statement (cont'd)

ECONOMIC AND GOVERNANCE (cont'd)

ii. Customer Satisfaction

Customer satisfaction is important to enhance customer loyalty and deepen market penetration across different business segments of the Group. The customers' loyalty and trust in our Group significantly reduce the likelihood of them switching suppliers while the goodwill developed with these customers will translate into more business opportunities through their recommendation to other prospective customers.

Our employees are well trained to give high priority to customer satisfaction. To achieve this attribute, our employees are required to attend trainings and soft skills development in line with the Quality Policy commitment within ISO 9001:2015

iii. Supply Chain Management

New Supplier Selection

As part of our supplier management activities, we are committed to ensure that all new suppliers are assessed through our supplier selection, qualification and evaluation procedures.

Our Anti-Bribery and Anti-Corruption Policy states our commitment to dealing with suppliers in a fair, honest and professional manner while seeking best values for the business. Potential suppliers are treated on an equal basis and no unmerited favouritism to be shown in the procurement of goods and services. Employees and business associates shall not enter into any contract on behalf of our Group or for our Group's benefits where the entry into the contract is in any way affected by a breach of Anti-Bribery and Anti-Corruption Policy as well as any applicable laws and regulations. We will not deal with prospective suppliers known for offering or providing bribes.

Supplier Evaluation

The Supply Chain Management ("SCM") Team conducts performance evaluation for suppliers from our approved vendor list that have impact on project performance and quality objective using Vendor Selection Evaluation Form for selected key projects. Our teams comprising the project execution team, sales personnel, and SCM team member will also conduct post-mortem review on key projects to analyse failures and for further improvement.

Responsible Supply Chain

Suppliers are required to sign and acknowledge their adherence to the Supplier Code of Conduct. The Supplier Code of Conduct sets out the expected requirements of suppliers regarding compliance with laws and regulations, corruption and bribery, social and working conditions, labour and human rights and the external environment. The main objective is to grow and partner with suppliers that share the same values as us and help to promote ethical behaviour further down the supply chain.

Local vs Foreign Procurement

In our commitment to promote the sustainability of the local economy, our Group prioritises the procurement of goods and services from local suppliers who meet our stringent standards. This approach not only supports local business but also has a positive environmental impact by minimising transportation needs, thereby indirectly contributing to a reduction in carbon emissions. In FYE 2025, our local procurement stood at 94.03% whereby our foreign procurement spending amounted to 5.97%.

Sustainability Statement (cont'd)

ECONOMIC AND GOVERNANCE (cont'd)

iii. Supply Chain Management (cont'd)

Local vs Foreign Procurement (cont'd)

The proportion of spending on local and foreign suppliers is illustrated as below:

Proportion of Spending	Unit	FYE 2025
Local suppliers	%	94.03
Foreign suppliers	%	5.97

iv. Innovation

Our Group views innovation as the primary catalyst for sustainable industrial transformation. Our commitment to research and development is increasingly focused on 'Eco-Efficiency'—the intersection where high-performance engineering meets resource optimization. By securing intellectual property that targets operational efficiency and automation, we ensure that our technological advancements provide long-term value to our stakeholders and the environment.

As of the current reporting period, our Group has the following registered patents with MyIPO:

Registered Owner	Title of Invention	Issuing Authority	Filing No./ Grant No.	Filing Date/ Grant Date/ Expiry Date
Sophic Automation	Wearable data extractor	MyIPO	PI 2016702378/ MY-193020-A	27.06.2016/ 22.09.2022/ 27.06.2036'
Sophic Automation	An Overhead Hoist Transport System	MyIPO	PI 2025004544/ MY-211952-A	29.07.2025/ 19.01.2026/ 29.07.2045'

Note: (1) The patent is subject to an annual payment of a renewal fee to MyIPO.

v. Data Protection and Privacy

Our business model relies heavily on the trust of our stakeholders in safeguarding their data. Our IT systems are equipped with comprehensive security features to protect against cyber threats, safeguard our databases, and ensure the confidentiality of customer, supplier and employee information. We implement integrated data protection and information security strategies to manage risks effectively and maintain operational resilience.

We recognise that cybersecurity is an evolving challenge. Accordingly, our IT Policy is reviewed and updated from time to time to strengthen controls and remain aligned with industry best practices, technological advancements and regulatory requirements.

Sustainability Statement (cont'd)

ECONOMIC AND GOVERNANCE (cont'd)

v. Data Protection and Privacy (cont'd)

Some of the key measures and controls currently in place include:

- Access controls i.e. access to sensitive data is restricted through strict password controls.
- A Disaster Recovery Plan has been documented and is tested at least once a year to ensure critical operations can continue in the event of system failures or major disruptions and that the backups can be restored within a short space of time;
- Regular data backups are conducted, securely stored offsite, and periodically tested to confirm integrity and recovery effectiveness;
- User access is tightly governed through an Access Limit Register, with management and IT approvals required to ensure that only authorised persons are permitted to view and use the company's data
- Up-to-date anti-virus protection is deployed across all devices and network access points, with continuous monitoring in place to prevent and detect new threats;
- Only licensed software approved and installed by the IT Department is permitted, ensuring compliance and preventing the use of unauthorised or pirated applications; and
- Our Internet and Email Policy sets clear protocols for responsible use, helping to minimise exposure to malicious content and upholding the Group's professional image. Employees are prohibited from activities that could introduce risks such as malware, copyright infringements, or reputational harm.

In FYE 2025, there were no reports of major cyber security violations and no complaints concerning breaches of customer privacy and losses of customer data.

vi. Corporate Governance and Ethics

Our Board has continuously pursued the advancement of sound governance by implementing policies that not only comply with the latest regulatory requirements but also adhere to the core principles of best corporate governance practices. These requirements and practices include, but are not limited to the AMLR and the principles of the Malaysian Code on Corporate Governance ("MCCG") 2021.

Below are our key policies and governance framework, which are readily accessible to the public on our website at www.3ren.com.my.



Code of Conduct and Ethics



Anti-Bribery and Anti-Corruption Policy



Whistleblowing Policy

Code of Conduct and Ethics

Our Code of Conduct and Ethics is formulated for Directors, key management and employees to reflect our corporate value on commitment to integrity, responsibility, diligence and professionalism. The Code of Conduct and Ethics is formulated to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims:

- To encourage high standards of honesty, integrity, ethical and law-abiding behaviour of Directors;
- To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administrating a company; and
- To provide guidance to our Board to maintain the confidence of shareholders and other stakeholders on our Company's integrity.

Sustainability Statement (cont'd)

ECONOMIC AND GOVERNANCE (cont'd)

Code of Conduct and Ethics (cont'd)

Our Code of Conduct and Ethics governs the rules implemented for Conflict of Interest, Human and Labour Rights, Confidentiality, Insider Information and Securities Trading, Protection of Assets and Funds, Compliance, Directorships in Other Companies, Gifts and Hospitality, Anti-Bribery and Anti-Corruption, Safety, Health and Environment. We communicated these Code of Conduct and Ethics to all Directors and employees to ensure they uphold our core values.

Stakeholders are encouraged to report the incidents via our whistleblowing channel should they know of or suspect any violation of the Code of Conduct and Ethics. In FYE 2025, there were no non-compliance cases and breach of Code of Conduct and Ethics.

Anti-Bribery and Anti-Corruption Policy

We adopt a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and expect the individuals and organisation we work with to uphold and adopt the same approach.

We pride ourselves on our reputation for acting fairly and ethically wherever we conduct business. Our reputation is built on our values as a company, the values of our employees and our collective commitment to acting with integrity throughout our organization.

With the implementation of Section 17A of the Malaysian Anti-Corruption Commission (“MACC”) Act 2009 which introduces corporate liability provision for bribery and corruption offences that came into effect on 1 June 2020, our Group has established the Anti-Bribery and Anti-Corruption Policy. We condemn corruption in all its forms and we will not tolerate it in our business or in those we do business with. It is our policy to conduct all of our business in an honest and ethical manner.

The prevention, detection and reporting of bribery is the responsibility of each employee and employee must report any activity or conduct which is not complying to Anti-Bribery and Anti-Corruption Policy as well as the applicable laws and regulations, through the whistleblowing channel. Stakeholders are encouraged to report the incidents via our whistleblowing channel should they be aware of or suspect any bribery and corruption activities.

Similarly, our Code of Conduct and Ethics also recognises that involvement in bribery by any Directors and employees will adversely affect the image and reputation of our Company and hence there is a clear need to create a corporate culture of good corporate governance free of bribery and other forms of corruption.

In FYE 2025, we organised anti-corruption and anti-bribery training to brief our employees on our Group policies and procedures pertaining to anti-bribery and anti-corruption measures, reaffirming our commitment to upholding highest ethical standards within our organisation.

The percentage of employees who have received training on anti-corruption by employee category is illustrated as below:

	Unit	FYE 2025
Executive	%	93.43
Non-executive	%	84.19
Manager and above	%	88.24

Sustainability Statement (cont'd)

ECONOMIC AND GOVERNANCE (cont'd)

In FYE 2025, there were no confirmed incidents of corruption.

	Unit	FYE 2025
Confirmed incidents of corruption	Number	0

Our commitment to anti-corruption extends beyond our workforce, our Supplier Code of Conduct emphasizes that our suppliers are equally accountable for conducting business in accordance with the highest ethical standards and complying with all relevant laws and regulations pertaining to corruption and bribery.

Currently, we have not conducted a comprehensive corruption risk assessment. Nevertheless, during the annual risk management exercise, we have examined corruption risk. We will review the necessity of performing a comprehensive corruption risk assessments in the future.

	Unit	FYE 2025
Percentage of operations assessed for corruption-related risks	%	0

Whistleblowing Policy

Our Board has defined the Whistleblowing Policy for our Group, which provides guidance for stakeholders to report genuine concerns of any possible improprieties pertaining to financial reporting, compliance, malpractices and unethical business conduct within our Group. The Whistleblowing Policy aims to instil confidence on and assure our employees that they will be protected from possible reprisals or victimization that if they raise concerns in good faith, and believing them to be true. The types of concerns can be reported through the whistleblowing mechanism which includes but not limited to the following:

- Financial malpractice, impropriety or fraud;
- Corruption, bribery or blackmail;
- Failure to comply with laws or regulations or group/ company policies and procedures;
- Criminal offences and miscarriage of justice;
- Endangerment of an individual's health and safety;
- Falsification or destruction of business or financial records or misrepresentation or suppression of financial information; or
- Concealment of any or a combination of the above.

In FYE 2025, there were no whistleblowing reports received.

ENVIRONMENT

vii. Environmental Compliance

We are aware of our responsibilities to protect the environment where we operate in and we believe in preserving the environment for the future generations whilst meeting the needs of our stakeholders. We are committed to sustainability development goals and to comply with all applicable environmental laws and regulations. We continuously develop and maintain a sustainable mechanism to protect the environment by managing our energy consumption, water consumption and waste generation throughout our businesses.

In FYE 2025, there were no non-compliance cases and breaches of environmental regulations.

viii. Energy and Climate Management

Carbon emissions are a major contributor to climate change, a critical global issue. Therefore, we are committed to an ongoing initiative aimed at reducing our carbon footprint. This initiative includes reducing electricity consumption to combat climate change.

Sustainability Statement (cont'd)

ENVIRONMENT (cont'd)

viii. Energy and Climate Management (cont'd)

Scope 1 Emissions

Mileage of Company Owned Vehicles	Unit	FYE 2025
Revenue	RM	107,102,423
Direct emissions (Scope 1)	tCO ₂ e	257.32
Percentage of Scope 1 over revenue	tCO ₂ e/RM	0.0002

Notes:

- The Greenhouse Gases (GHG) emission for Scope 1 is measured based on the mileage of company-owned cars, using the 'Distance-Based Method'.
- The GHG emission for Scope 1 is calculated using the Greenhouse Gas Protocol Calculator.

Scope 2 Emissions

Electricity Consumption	Unit	FYE 2025
Revenue	RM	107,102,423
Total electricity consumption	kWh	311,981
Percentage of electricity consumption over revenue	kWh/RM	0.29
Indirect emissions (Scope 2)	tCO ₂ e	241.47
Percentage of Scope 2 over revenue	tCO ₂ e/RM	0.0002

Notes:

- The consumption of electricity is measured based on the quantities consumed according to the electricity bill, which falls under Scope 2, indirect CO₂ emissions.
- The GHG emission for Scope 2 is calculated using the Grid Emission Factor for Peninsular Malaysia's electricity grid, obtained from Energy Commission (Suruhanjaya Tenaga) of Malaysia.

The Group supports all minor activities in our operation which do not appear to be significant but also can help in fighting climate change such as planting in the compound of our buildings, placing friendly reminder posters for users of electricity, putting photocopy machines into sleep mode during period of inactivity and purchasing energy saving equipment. Through these minor activities, we were able to contribute in preserving energy and reducing air pollution.



Sustainability Statement (cont'd)

ENVIRONMENT (cont'd)

ix. Water Management

Our operation sites utilise water from water supply companies with developed water distribution structure and we do not withdraw surface water from rivers, lakes, natural ponds, groundwater from wells, quarry water or sea water. Presently, our operations are not located in water stressed areas and our production activities do not cause water pollution. Nevertheless, our Group is committed to contribute to better water management and protect clean water. We place friendly reminder posters for users of water.

Water Consumption	Unit	FYE 2025
Revenue	RM	107,102,423
Total water consumption	m ³	797.24
Percentage of water consumption over revenue	m ³ /RM	0.0007

x. Waste Management

Our Group understands proper management of both hazardous and non-hazardous waste is vital to reducing environmental impact and safeguarding the health and well-being of our employees and surrounding communities. Our Code of Conduct also emphasises that all employees shall at all times be committed to prevent wasteful use of natural resources, protect the environment by minimizing and mitigating environmental impacts throughout the life cycle of operations. We are aware of our responsibility to reduce the waste generation and hence we manage our wastes through reduction, reuse and recycling.

At 3REN, the majority of waste generated comes from general waste in our office buildings. We have trained our employees to segregate recyclable and non-recyclable waste, and promote paperless documentation by transitioning to digital formats. We encourage waste reduction and recycling by urging employees to reuse materials such as paper, plastic, aluminium and providing designated bins for sorting different types of waste.

The total waste generated, general waste that is diverted from disposal and general waste that is directed to disposal were not tracked as the volume was assessed to be insignificant.



SOCIAL

xi. Equal Employment Opportunities

We strive to provide equal employment opportunity for all employees as we believe that true innovation and growth are built on a culture that respects diversity, inclusion and equality. We have implemented a standard recruitment procedure which will ensure the proper identification and recruitment of new talents to join our organisation and contribute to the growth of our business. All employment decisions are based on business needs and job requirement regardless of age, race, gender, religion, nationality, marital status, pregnancy, disability or any other status protected by the local laws or regulations. Bonuses, increments, benefits and promotions are provided to our employees, purely based on merits and aligned with the principles of equal employment opportunities.

Sustainability Statement (cont'd)

SOCIAL (cont'd)

FYE 2025		
Employee Distribution	Number	Percentage (%)
By Gender		
Male	1,330	71.20
Female	538	28.80
By Age		
Under 30	1,379	73.82
Between 30-50	448	23.98
Above 50	41	2.20
Permanent vs. Temporary		
Permanent	422	22.59
Temporary	1,446	77.41
Employee Category		
Executive	137	7.33
Non-Executive	1,714	91.76
Manager and above	17	0.91
By Gender – Employee Category		
Executive – Male	61	44.53
Executive – Female	76	55.47
Non-Executive – Male	1,258	73.40
Non-Executive – Female	456	26.60
Manager and above – Male	11	64.71
Manager and above – Female	6	35.29
By Age – Employee Category		
Executive – Under 30	61	44.53
Executive – Between 30-50	64	46.71
Executive – Above 50	12	8.76
Non-Executive – Under 30	1,318	76.90
Non-Executive – Between 30-50	375	21.88
Non-Executive – Above 50	21	1.22
Manager and above – Under 30	0	0.00
Manager and above – Between 30-50	9	52.94
Manager and above – Above 50	8	47.06

The details of the Board of Directors profile are presented as below:

FYE 2025		
Board of Director Distribution	Number	Percentage (%)
By Gender		
Male	5	62.50
Female	3	37.50
By Age		
Between 30-50	2	25.00
Above 50	6	75.00

Sustainability Statement (cont'd)

SOCIAL (cont'd)

xii. Talent Development and Retention

Our Group believes in empowering our employees by having in place a standard operating procedure on training and professional development. By providing appropriate training to our employees, it helps our employees to achieve excellence in their respective fields, enabling them to prepare for the future and providing better customer service, productivity improvements, better efficiency and better workplace safety practices.

In FYE 2025, we have carried out a total of 3,148 hours of training with an average of 11 training hours per employee.

Training Hours	Unit	FYE 2025
By Employee Category		
Executive	Hour	858
Non-Executive	Hour	1,922
Manager and above	Hour	368
Total	Hour	3,148

Training Types	Description
Orientation	<ul style="list-style-type: none"> • One-time program to welcome new employees. • The topics cover company overview, key corporate policies and conduct, overview of benefits and attendance, health and safety procedures. • Facility tour helps new employees to get acquainted with new workplace.
On-the-Job (OJT) Training	<ul style="list-style-type: none"> • Focus on departmental goals by delivering the necessary skills, knowledge, and core competencies to new employees to perform the task efficiently. • Mentoring program drives rich learning and development for both mentees and mentors.
Technical Skills Training	<ul style="list-style-type: none"> • It is job-specific training which focuses on building employee's prerequisite technical skills and competencies relevant to his roles. • Regular training is conducted to keep abreast of latest developments.
Soft Skills Training	<ul style="list-style-type: none"> • Soft skills development training is carried out periodically to enable our employees to work together as a team for their own benefit and the organisation's success. • The training module covers the topics such as leadership, communication, teamwork, collaboration, time management, problem-solving etc.

Sustainability Statement (cont'd)

SOCIAL (cont'd)

xii. Talent Development and Retention (cont'd)

As an integral component of our talent retention strategies, we are committed to fostering the growth of high potential employees, facilitating their development into senior positions within our Group. We conduct performance appraisals and it is our Company policy to first consider promoting suitable employees within our Company as far as possible before turning to recruitment from the external sources.

Employee Turnover	Unit	FYE 2025
By Employee Category		
Executive	Number	3
Non-Executive	Number	97
Manager and above	Number	0
Total	Number	100

We actively collaborate with schools and universities through industrial visits, providing students with the opportunity to gain real-world exposure, expand their knowledge, and hands-on experience in our operations.



Politeknik Balik Pulau Industrial Visit



Forward School Industrial Visit



Wawasan Open University Industrial Visit



Politeknik Sultan Abd Halim Muadzam Shah Industrial Visit

Sustainability Statement (cont'd)

SOCIAL (cont'd)

xiii. Employee Benefits and Welfare

We aim to provide a conducive working environment for our employees, supporting them in pursuing reasonable standard of lifestyle and work life balance. We provide competitive remuneration packages and benefits to attract and retain good talents.

To promote a healthy working life, we believe in providing a balanced work-life environment to all our employees to enable them to have more time for their families and/or to pursue their areas of interest. In this respect, we do not encourage overtime work unless it is absolutely necessary. In addition, our employees are entitled to annual leave, medical leave, maternity leave etc. The details of the employee benefits and welfare are outlined as follows:

Statutory & Remuneration Benefits	Leave Provision	Employment Benefits & Welfare	Facilities
<ul style="list-style-type: none"> Adhere to minimum wages Statutory contributions (EPF, SOCSO, EIS and Income Tax) Annual salary increment Performance bonus Service awards Overtime payments National and state public holidays Employee Share Option Scheme and Share Grant Scheme under the Long-Term Incentive Plan 	<ul style="list-style-type: none"> Annual leave Medical leave Hospitalization leave Maternity leave Marriage leave Paternity leave Compassionate leave 	<ul style="list-style-type: none"> Outpatient medical benefits Group hospitalization and surgical Insurance Group personal accident insurance Newborn baby gift Mileage claim Business travel insurance and expenses claim Dental and optical benefits Educational assistance Bereavement payment Employee privilege program (access to exclusive benefits, discounts and special offers from partnering companies) 	<ul style="list-style-type: none"> Car park Pantry Sports and games Dedicated parking space for disabled employees Prayer rooms



Work-Based Learning Engagement with Wawasan Open University



Employee Long Service Award

Sustainability Statement (cont'd)

SOCIAL (cont'd)

xiv. Human and Labour Rights

Basic human rights shall be universally protected by any responsible business. Our human rights practices are clearly stated in our Code of Conduct and Ethics and Employee Handbook and all employees are expected to adhere to these high standards.

- **Dedicated resources to oversee human and labour rights matters**

We will not tolerate the use of child or forced labour under any circumstances. Our Talent and Culture (“T&C”) department oversees the issues regarding human rights and ensure there are no forced and child labour within our operations.

- **Established policies**

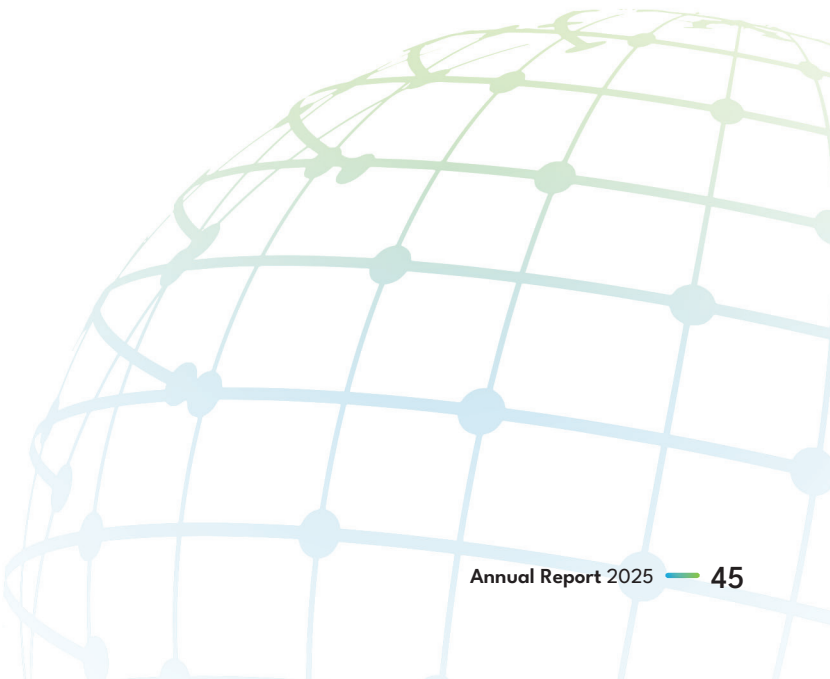
We maintain a working environment with zero tolerance towards unethical labour practices. Accordingly, we prohibit conduct that constitutes or that could lead to or contribute to harassment based on age, race, gender, religion, nationality, marital status, pregnancy, disability or sexual orientation.

- **Grievance management**

We have established Grievance Management procedures where an employee who feels violated or sexually harassed or discriminated can report the incidence or event to the respective Department Manager or file the grievances through formal channel to the T&C department.

In FYE 2025, there were no substantiated complaints concerning human rights violations and cases reported for child labour, discrimination or harassment incidents.

	Unit	FYE 2025
Substantiated complaints concerning human rights violations	Number	0



Sustainability Statement (cont'd)

SOCIAL (cont'd)

xv. Occupational Safety and Health

We are committed to provide a safe and healthy environment for all employees and customers while being in our company premises. We have complied to the best of our ability the existing laws and regulations relevant to our operations such as Occupational Safety and Health Act 1994, Environmental Quality Act 1974, Factories and Machinery Act 1967, Fire Services Act 1988 and Prevention and Control of Infectious Diseases Act 1988.



There were no work injuries in FYE 2025.

	Unit	FYE 2025
Number of work-related fatalities	Number	0
Lost time incident rate	Number	0

Our employees are required to always adopt a Safety-First attitude while performing their job and promptly report any potentially hazardous conditions. In FYE 2025, our Group organised an educational Health Awareness Talk dedicated to promoting better well-being among our employees. The session was designed to help our team gain a deeper understanding of common health risks, early prevention methods, and simple lifestyle changes that can contribute to long-term wellness.

The Group also provide the necessary trainings to increase the consciousness of safety, health and environment among employees.

	Unit	FYE 2025
Number of employees trained on health and safety standards	Number	4

Sustainability Statement (cont'd)

SOCIAL (cont'd)

xvi. Corporate Social Responsibility

We believe in the philosophy of giving back to society to show our gratitude and appreciation for our success and in giving, we strengthen the bond with the local communities which will contribute to nation building and at the same time help to create a culture of giving among our employees.

Over the years, our Group donated to the needy, including care homes, old folks' homes, orphanage, animal protection organisation, schools etc. The highlights of our Corporate Social Responsibility endeavours during FYE 2025 are outlined below:

	Unit	FYE 2025
Total amount invested in the community	RM	51,100
Total number of beneficiaries of the investment in community	Number	12



OKU Sports Carnival-Sekolah Sinar Harapan



Hari Merdeka Celebrations



Hari Raya Aidil Fitri Celebrations-Sekolah Sinar Harapan



Family Wellness Day And Blood Transfusion Campaign



Kayuhan Amal 3.0-Jelajah SPT 2025



Visit to Ru Yi (Children) Home

Sustainability Statement (cont'd)

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FYE 31/12/2025

3REN Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Anti-corruption	C1 (a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	93.43	—	No assurance	
Anti-corruption	C1 (a) Percentage of employees who have received training on anti-corruption by employee category - Non-executive	Percentage	84.19	—	No assurance	
Anti-corruption	C1 (a) Percentage of employees who have received training on anti-corruption by employee category - Manager and above	Percentage	88.24	—	No assurance	
Anti-corruption	C1 (b) Percentage of operations assessed for corruption-related risks	Percentage	0	—	No assurance	
Anti-corruption	C1 (c) Confirmed incidents of corruption and action taken	Number	0	To continuously create awareness among employees through trainings to maintain zero number of confirmed cases of corruption	No assurance	
Community/ Society	C2 (a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	51,100	—	No assurance	
Community/ Society	C2 (b) Total number of beneficiaries of the investment in communities	Number	12	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - By Gender (Male)	Percentage	71.20	—	No assurance	

Sustainability Statement (cont'd)

Date & Time: 2026-04-27 23:42:07
FYE 31/12/2025

3REN Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - By Gender (Female)	Percentage	28.80	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - By Age (Under 30)	Percentage	73.82	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - By Age (Between 30-50)	Percentage	23.98	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - By Age (Above 50)	Percentage	2.20	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Permanent	Percentage	22.59	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Temporary	Percentage	77.41	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Executive	Percentage	733	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Non-executive	Percentage	91.76	—	No assurance	

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Sustainability Statement (cont'd)

Date & Time: 2026-04-27 23:42:07
FYE 31/12/2025

3REN Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Manager and above	Percentage	0.91	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Executive, Male	Percentage	44.53	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Executive, Female	Percentage	55.47	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Non-executive, Male	Percentage	73.40	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Non-executive, Female	Percentage	26.60	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Manager and above, Male	Percentage	64.71	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Manager and above, Female	Percentage	35.29	—	No assurance	

Sustainability Statement (cont'd)

3REN Berhad
BMLR Transition Period

Date & Time: 2026-04-27 23:42:07
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Executive, Under 30	Percentage	44.53	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Executive, Between 30-50	Percentage	46.71	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Executive, Above 50	Percentage	8.76	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Non-executive, Under 30	Percentage	76.90	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Non-executive, Between 30-50	Percentage	21.88	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Non-executive, Above 50	Percentage	1.22	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Manager and above, Under 30	Percentage	0	—	No assurance	

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Sustainability Statement (cont'd)

3REN Berhad
BMLR Transition Period

Date & Time: 2026-04-27 23:42:07
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Manager and above, Between 30-50	Percentage	52.94	—	No assurance	
Diversity	C3 (a) Percentage of employees by gender and age group, for each employee category - Manager and above, Above 50	Percentage	47.06	—	No assurance	
Diversity	C3 (b) Percentage of directors by gender and age group - By Gender (Male)	Percentage	62.50	—	No assurance	
Diversity	C3 (b) Percentage of directors by gender and age group - By Gender (Female)	Percentage	37.50	—	No assurance	
Diversity	C3 (b) Percentage of directors by gender and age group - By Age (Between 30-50)	Percentage	25.00	—	No assurance	
Diversity	C3 (b) Percentage of directors by gender and age group - By Age (Above 50)	Percentage	75.00	—	No assurance	
Energy management	C4 (a) Total energy consumption (Electricity)	kWh	311,981	—	No assurance	
Health and safety	C5 (a) Number of work-related fatalities	Number	0	Zero case	No assurance	
Health and safety	C5 (b) Lost time incident rate	Number	0	Zero	No assurance	
Health and safety	C5 (c) Number of employees trained on health and safety standards	Number	4	—	No assurance	

Sustainability Statement (cont'd)

3REN Berhad
BMLR Transition Period

Date & Time: 2026-04-27 23:42:07
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour practices and standards	C6 (a) Total hours of training by employee category - Executive	Hour	858	—	No assurance	
Labour practices and standards	C6 (a) Total hours of training by employee category - Non-executive	Hour	1,922	—	No assurance	
Labour practices and standards	C6 (a) Total hours of training by employee category - Manager and above	Hour	368	—	No assurance	
Labour practices and standards	C6 (b) Percentage of employees that are contractors or temporary staff	Percentage	77.41	—	No assurance	
Labour practices and standards	C6 (c) Total number of employee turnover by employee category - Executive	Number	3	<20%	No assurance	
Labour practices and standards	C6 (c) Total number of employee turnover by employee category - Non-executive	Number	97	<20%	No assurance	
Labour practices and standards	C6 (c) Total number of employee turnover by employee category - Manager and above	Number	0	<20%	No assurance	
Labour practices and standards	C6 (d) Number of substantiated complaints concerning human rights violations	Number	0	Zero	No assurance	
Supply chain management	C7 (a) Proportion of spending on local suppliers	Percentage	94.03	To maintain >80% of local spending to stimulate local economy and eco-system growth	No assurance	

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Sustainability Statement (cont'd)

Date & Time: 2026-04-27 23:42:07
FYE 31/12/2025

3REN Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Data privacy and security	C8 (a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	Zero	No assurance	
Water	C9 (a) Total volume of water used	m ³	79724	—	No assurance	
Waste management	C10 (a) Total waste generated	Metric tonnes	0	—	No assurance	The information was not tracked as the volume was assessed to be insignificant.
Waste management	C10 (a) Total waste generated - total waste diverted from disposal	Metric tonnes	0	—	No assurance	The information was not tracked as the volume was assessed to be insignificant.
Waste management	C10 (a) Total waste generated - total waste directed to disposal	Metric tonnes	0	—	No assurance	The information was not tracked as the volume was assessed to be insignificant.
Emissions management	C11 (a) Scope 1 emissions in tonnes of CO2e	tCO2e	25732	—	No assurance	
Emissions management	C11 (b) Scope 2 emissions in tonnes of CO2e	tCO2e	241.47	—	No assurance	

Corporate Governance Overview Statement

The Board of Directors (“Board”) of 3REN (“3REN” or the “Company”) is pleased to present the Corporate Governance (“CG”) Overview Statement (“CG Statement”) to provide shareholders and investors with key insights into the CG practices of the Company and its subsidiaries (“Group”) for the financial year ended 31 December 2025 (“FYE 2025”). This CG Statement is prepared in compliance with Bursa Malaysia Securities Berhad (“Bursa Securities”) ACE Market Listing Requirements (“AMLR”) and is to be read together with the CG Report. This overview sets out the extent to which the key corporate governance principles specified in the Malaysian Code of Corporate Governance (“MCCG”) are applied in the Group during FYE 2025.

The Board has also provided specific disclosures on the application of each Practice in its CG Report which is available in the Company’s website at www.3ren.com.my as well as through an announcement made to Bursa Securities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Composition

The business affairs of the Group are managed by an experienced Board with diverse experience, which is responsible for guiding the Group in achieving its strategic goals, good governance and structure and increasing long-term shareholders value. The roles and responsibilities of the Board are set out in the Board Charter. The background, experiences and qualifications of the Directors are set out under the Profile of Directors in this Annual Report.

As at 31 December 2025, at least half of the board members are Independent Non-Executive Directors. The current composition of the Board consists of one (1) Non-Independent Non-Executive Chairman, one (1) Non-Independent Non-Executive Director, two (2) Executive Directors and four (4) Independent Non-Executive Directors.

The positions of Chairman and Chief Executive Officer (CEO) are held by different individuals. The Chairman of the Board, Dato’ Boonler Somchit is responsible for overseeing all Board meetings of directors, instilling good corporate governance practices and overseeing the effective functioning and leadership of the Board while the CEO, Mr. Koh Dim Kuan leads and sets the strategic business direction and operations of the Group, ensuring the management of daily operations align with the strategic plan and the implementation of the Board’s policies and decisions.

The Board acknowledges the positive impact of diversity in the Board to ensure high level of effectiveness and good corporate governance. Currently the Board consists of three (3) female members out of eight (8) members, which is more than 30% of the total number of directors.

The Board is supported by a suitably qualified and competent company secretary, Ms. Ong Tze-En (MAICSA 7026537) (SSM PC No.: 202008003397).

Board Responsibilities

The roles and responsibilities of the Board are set out in the Board Charter which will ensure that the Board is aware of their duties in carrying out their fiduciary functions and its obligations to the stakeholders. These responsibilities include overall leadership of the Group, adopting strategic plans, identify principal risks, oversee the implementation of the Group’s sustainability strategies, reviewing the adequacy and integrity of the Group’s internal control systems and management information systems and ensuring the Company’s financial statements are true, fair and conform to any applicable laws and/or regulations.

Corporate Governance Overview Statement (cont'd)

The Board delegates responsibility for the day-to-day operations of the businesses to the CEO who ensures that the Group is operating within a framework of prudent principles with proper due diligence and care.

The Board Charter is reviewed periodically to ensure that the Company is able to adapt to changing business environment and respond quickly to any development in rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities.

During the FYE 2025, five (5) Board meetings were held, and the Board members' attendance details are set out below:

Director	Number of meetings attended during FYE 2025
Dato' Boonler Somchit Non-Independent Non-Executive Chairman	5/5
Koh Dim Kuan Executive Director and Chief Executive Officer	5/5
Lee Chee Hoo Executive Director and Chief Revenue Officer	5/5
Ahmad Khairuddin Bin Abdul Rahim Independent Non-Executive Director	5/5
Hanita Binti Othman Independent Non-Executive Director	5/5
Joyce Wong Ai May Independent Non-Executive Director	5/5
Teresa Tan Siew Kuan Independent Non-Executive Director	5/5
Ts. Haji Mohammad Hazani Bin Hassan Non-Independent Non-Executive Director	5/5

The Board receives regular updates from the Company Secretary and management on the training programmes that are available from regulators and professional bodies. During the FYE 2025, the training programmes attended by each Director is shown in the table below:

Director	Training/Courses Attended	Organiser / Trainer	Date
Dato' Boonler Somchit	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia (ICDM)	18 & 19 June 2025
Koh Dim Kuan	Semiconductor Leadership Summit & Members' Networking Night	Institute of Corporate Directors Malaysia (ICDM)	27 Feb 2025
	SEMICON Southeast Asia 2025	SEMI SEA	20, 21 & 22 May 2025
	Silicon Friday with PSD@5KM+	Invest Penang	13 Jun 2025
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia (ICDM)	09 & 10 Jul 2025
Lee Chee Hoo	AI Horizon 2025	Tech Dome Penang	08 & 09 Aug 2025
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia (ICDM)	09 & 10 July 2025
Ahmad Khairuddin Bin Abdul Rahim	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia (ICDM)	25 & 26 Jun 2025

Corporate Governance Overview Statement (cont'd)

Director	Training/Courses Attended	Organiser / Trainer	Date
Hanita Binti Othman	Implementing Sustainability Reporting	ACCA	29 Apr 2025
	Withholding tax and the tax implications of cross-border transactions	ACCA	13 May 2025
	Mandatory Accreditation Programme Part II: Leading for Impact	Institute of Corporate Directors Malaysia (ICDM)	25 & 26 Jun 2025
	Cutting through the hype: AI in the real world	ACCA	16 Sept 2025
	The vital role of governance and leadership in AI	ACCA	18 Sept 2025
Joyce Wong Ai May	Malaysia E-invoicing Seminar: A Comprehensive Guide with Post-Implementation Insights	Grant Thornton Malaysia PLT	16 May 2025
	The Mindful Professional: Mental Clarity for High Performance in Business and Finance	CPA AUSTRALIA	07 Oct 2025
	Highlights form Budget 2026 – in collaboration with PwC Malaysia	CPA AUSTRALIA	14 Oct 2025
	2026 Budget Seminar for Corporate Accountants	Malaysian Institute of Accountants (MIA)	22 Oct 2025
	What We Need To Know About PDPA 2010	Malaysian Institute of Accountants (MIA)	03 Dec 2025
Teresa Tan Siew Kuan	Mandatory Accreditation Programme Part II - Leading for Impact (LIP)	Institute of Corporate Directors Malaysia (ICDM)	22 & 23 Jan 2025
	Share Capital - Issuance and Alteration (By Leong Oi Wah)	CPA AUSTRALIA	19 Mar 2025
	An Overview of Anti-Bribery in Malaysia (By Messrs Wong & Loh)	Wong & Loh (Advocates & Solicitors)	14 May 2025
	CFO Circle Webinar: Strategic Leadership in the Age of AI and RPA - Driving Purpose and Innovation	Malaysian Institute of Accountants (MIA)	19 May 2025
	Tax Seminar on Budget 2026 (By REMS)	REMS Tax Services Sdn Bhd	20 Nov 2025
Ts. Haji Mohammad Hazani Bin Hassan	SIDC Webinar - Malaysia's Climate Risks Are Growing—Is Your Business Prepared?	Securities Industry Development Corporation (SIDC)	27 Feb 2025
	ASEAN 2025 Finance Track Side Event	Khazanah Nasional Berhad	08 Apr 2025
	Intelligence Manufacturing Kuala Lumpur (IMKL) 2025	Messe Frankfurt	14, 15 & 16 May 2025
	Panelist For Annual Malaysia – Türkiye Finance Summit	Association of Development Finance Institutions of Malaysia (ADFIM)	18 & 19 Jun 2025
	ASEAN Semiconductor Summit 2025	Malaysia Semiconductor Industry Association	24 Jul 2025
	Panel Discussion- Navigating Talent Decisions in a Dynamic World	Pivotus Management & Consulting	02 Oct 2025
	Panelist: National Conference on Integrity and Governance (NCIG) 2025	Association of Development Finance Institutions of Malaysia (ADFIM)	07 & 08 Oct 2025

Board Committees

The Board has established Audit and Risk Management Committee (ARMC), Nomination Committee (NC), and Remuneration Committee (RC) that are delegated with specific responsibilities and authorities to assist the Board in executing its duties and to recommend significant issues and actions deliberated in the respective committees for Board's approval.

Each Committee is governed by its own Terms of Reference which sets out its functions and duties, composition, rights and meeting procedures. The Chairperson of these three Board Committees will report to the Board the outcome of the Committee meetings which will be recorded in the minutes of the Board meeting. The ultimate responsibility for decision making, however, lies with the Board.

Corporate Governance Overview Statement (cont'd)

Nomination Committee

The NC comprises three (3) members, all of whom are Independent Non-Executive Directors as follows:

Chairwoman : Teresa Tan Siew Kuan
Member : Joyce Wong Ai May
Member : Hanita Binti Othman

The Board has established a Directors' Fit and Proper Policy for the purpose of guiding the Board in their review and assessment of potential candidates for appointment as Directors as well as Directors who are seeking for re-election in 3REN Berhad and/or all its subsidiary companies within the Group.

This Policy will address the criteria for the assessment of directors and appointment of senior management i.e. they should possess character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities. The Policy will be subject to periodic review and aligned to any legal or regulatory changes and the best practices under the MCCG.

The NC will conduct self-assessment annually to evaluate the performance of the Board, Board Committees and individual Directors where each Director is required to complete a detailed questionnaire which covers among other things, contribution to the interaction, quality of input, skill, competency and understanding of their roles in their respective Board Committees.

Based on the evaluations carried out for FYE 2025, the NC is satisfied that the Board and Board committees have discharged their responsibilities in a commendable manner and contributed effectively to the Board.

In accordance with the Company's Constitution, 1/3 of the Board, or if the number is not 3 or a multiple of 3, then the number nearest to 1/3 will retire by rotation at every Annual General Meeting ("AGM") of the Company. Each Director shall retire at least once in every 3 years and shall be eligible for re-election.

The details of the NC's duties and responsibilities are formalised in its Terms of Reference and the Fit and Proper Policy which are available on the Company's website at www.3ren.com.my.

REMUNERATION

Remuneration Policy and Procedures

The Board has put in place a fair and transparent Remuneration Policy and Procedures with the objective of guiding the Group in attracting, retaining and motivating highly qualified and talented individuals to serve on the Board and as key senior management ("KSM") to guide the Group successfully.

In determining the remuneration of directors and KSM, the RC will consider the qualifications, skills, competency and experience of the directors and KSM, the demands and complexities of the Group's businesses, performance of the Group, market competitiveness and market benchmark. All the affected directors will abstain from participating and voting on his or her own remuneration.

The RC carried out an annual review of the remuneration package for directors and KSM for FYE 2025. All deliberations and recommendations of the RC are properly documented in the minutes of RC meetings and reported to the Board.

The detailed disclosure of the directors' remuneration for FYE 2025 is shown in Practice Note 8.1 in the Corporate Governance Report.

The Terms of Reference of the RC and the Remuneration Policy and Procedures are available on the Company's website at www.3ren.com.my.

Corporate Governance Overview Statement (cont'd)

Remuneration Committee

The RC comprises three (3) members, all of whom are Independent Non-Executive Directors as follows:

- Chairman** : Ahmad Khairuddin Bin Abdul Rahim
- Member** : Joyce Wong Ai May
- Member** : Teresa Tan Siew Kuan

The RC has put in place a Remuneration Policy and Procedures to ensure that the Company is able to attract and retain its directors and KSM and motivate them to run the Group successfully.

The RC will adopt the principles set out in the Remuneration Policy and Procedures to determine and recommend to the Board the remuneration for directors and KSM.

Code Of Conduct And Ethics

The Board has established a Code of Conduct and Ethics which covers the principles and standards of business ethics and conduct of the Group.

The Board promotes a culture of diversity, respect and equal opportunity across the workforce and advocates high standards of integrity in all business interactions, transactions and operations. The Group does not tolerate abuse of power, discrimination or prejudice, misconduct or harassment in any form.

The Code of Conduct and Ethics is available on the Company's website at www.3ren.com.my.

Whistleblowing Policy And Procedures

The Board has formalised a Whistleblowing Policy, with the aim of instilling confidence on and assuring the employees that they will be protected from possible reprisals or victimization that if they raise concerns in good faith, and believing them to be true.

The Whistleblowing Policy provides an avenue for raising concerns regarding possible breaches of business conduct, non-compliance of laws, improper conduct, malpractices or wrongdoing.

During FYE 2025, the Board did not receive any complaints from whistleblowers.

The said policy is available on the Company's website at www.3ren.com.my.

Anti-Bribery and Anti-Corruption Policy

The Board has established an Anti-Bribery and Anti-Corruption Policy ("ABAC Policy").

This Policy is applicable to anyone who is employed by or work with 3REN Group and encompasses employees, directors, company secretaries, consultants, contractors, agents, representatives and service providers of any kind for and on behalf of 3REN.

This Policy prohibits all forms of bribery and corruption practices, and makes no distinction between whether they are being made to persons in the public or private sectors and other external parties.

The Group's ABAC Policy is available on the Company's website at www.3ren.com.my.

Corporate Governance Overview Statement (cont'd)

ACCESS TO INFORMATION

The Board has direct access to the advice and services of the Company Secretary with full unrestricted access to information, documents, records and personnel in the performance of their duties. The Company Secretary assists the Board on matters related to the Company's constitution, policies and procedures and compliance with the relevant regulatory requirements and legislations. Whenever necessary, the Board may seek external independent professional advice to enable them to discharge their duties effectively and efficiently.

The meeting agenda and Board Papers are delivered beforehand to ensure the Board has sufficient time to read and seek any clarification that they need from the Company Secretary or KSM.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

i. Audit and Risk Management Committee ("ARMC")

Chairwoman : Joyce Wong Ai May
Member : Hanita Binti Othman
Member : Teresa Tan Siew Kuan

The ARMC comprises 3 members who are fully Independent Non-Executive Directors and the Chairman of the ARMC is not the Chairman of the Board. The ARMC supports the Board by overseeing the Group's risk management framework and regularly assessing the framework to ascertain its adequacy and effectiveness. A summary of the activities undertaken by the ARMC during the financial year is set out in the Audit and Risk Management Committee Report in this Annual Report.

The Company, through the ARMC has maintained a transparent and professional relationship with the external auditors which ensures the objectivity and independence of the external auditor's role.

It is established in the ARMC Terms of Reference not to appoint a former audit partner as a member of the ARMC unless a three-year cooling off period has been observed.

The details of the ARMC's duties and responsibilities of the ARMC are stated in its Terms of Reference which is available on the Company's website at www.3ren.com.my.

ii. Risk Management and Internal Control

The Board acknowledges its responsibility in establishing a sound system of internal control and risk management practices within the Group and has put in place an effective risk management and internal control framework. The Group has established a risk management and internal control policy to identify and assess key business and operational risks and take the necessary actions to mitigate these risks and ensure compliance with relevant laws and regulations in a proactive and ongoing manner.

The Board has formed a Sustainability and Risk Management Team ("SRM Team") which comprises senior management and heads of departments. The SRM Team will report the identified risks, the mitigation plan and the management implementation status to the Board.

The Statement on Risk Management and Internal Control is set out in the Company's Annual Report detailing the state and fundamentals of the risk management and internal control systems in the Group.

Corporate Governance Overview Statement (cont'd)

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

Communication with Stakeholders

The Board recognises the importance of information for the investing community to stay posted with the latest developments of the Group's business activities. The corporate development and financial performance information of the Group is communicated to the investors via the Company's annual reports, information on the Company's website and through various ongoing announcements made to Bursa Securities' website.

The Annual General Meeting ("AGM") is one of the various means used by the Board to disseminate information on major corporate developments and events and also a forum for open and candid discussions with the shareholders.

Conduct of General Meetings

For the forthcoming AGM in 2026, the notice of AGM to shareholders will be given at least 28 days before the meeting. By doing so, shareholders will have sufficient time to prepare and consider the resolutions that will be discussed in the AGM and will be able to make an informed decision when exercising their voting rights.

At the forthcoming AGM, there will be adequate opportunities for the shareholders or their proxies to raise their queries and concerns to the Board. The shareholders may enquire on the resolutions being proposed and on the financial and business operations of the Group during the Q & A session.

This Statement is made in accordance with the resolution of the Board dated 28 April 2026.

Statement on Risk Management and Internal Control

INTRODUCTION

This Statement on Risk Management and Internal Control (“Statement”) is prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). It is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies (SORMIC Guide 2025) pursuant to Guidance Note 11 of AMLR and aligns with the principles of the Malaysian Code on Corporate Governance 2021 (“MCCG”). This Statement outlines the nature and scope of risk management and internal control of 3REN Berhad (“3REN” or “the Company”) and its subsidiaries (“the Group”) for the financial year ended 31 December 2025 (“FYE 2025”).

BOARD’S RESPONSIBILITIES

The Board of Directors (“Board”) affirms its overall responsibility for risk management practices and internal control system of the Group in order to safeguard the shareholders’ interest and ensuring risk management practices are in place for the proper supervision and oversight of risks, costs and returns.

The Board is committed to establishing and maintaining a sound system of risk management and internal controls which are embedded in the activities of the Group in order to manage the Group’s risk to an acceptable level. The risk management and internal control systems address strategic, operational, financial and compliance risks. The Board wishes to highlight that such a system is designed to provide reasonable, but not absolute assurance against material misstatements, losses or fraud. As such, it cannot eliminate risks that may impede the Group’s corporate objectives and targets.

RISK MANAGEMENT FRAMEWORK

The Board acknowledges that the management of principal risks plays an important and integral part in achieving the Group’s corporate objectives.

The Group has established the Risk Management Framework which serves as a methodical approach for identifying, evaluating, managing and reporting key risks of the Group. It sets out the principles, structure, roles and responsibilities, approach and measurement criteria.

Under this Framework, the Sustainability and Risk Management (“SRM”) Team has been formed in February 2025 and consists of key senior management and heads of departments. These personnel have been tasked with the responsibility to identify the significant risks, assess the likelihood and impact of the identified risks, develop risk mitigation measures and ensuring action is taken to address these risks.

The SRM Team has conducted a review and assessment of the adequacy of the Group’s risk profile, risk management framework and effectiveness of internal controls. This review and assessment is presented to the Board at least once in each financial year.

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

The responsibilities of the SRM Team include the following:

- i) To review the adequacy and effectiveness of the risk management systems, internal control and governance process implemented by the Group;
- ii) To oversee and recommend the risk management policies and procedures of the Group and recommend changes as needed to ensure that the Group has in place at all times a risk management policy which addresses the strategic, operational, financial and compliance risks;
- iii) To implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Group's business risks;
- iv) To set reporting guidelines for management to report to the Audit and Risk Management Committee (ARMC) on the effectiveness of the Group's management of its business risks;
- v) To review the risk profile of the Group, the adequacy of management response and to evaluate the measures taken to mitigate the business risks; and
- vi) To report to the Board on the Group's major risk exposures, including the review on the risk assessment framework used to monitor the risk exposures and the Management's views on the acceptable and appropriate level of risks faced by respective business units/division of the Group.

INTERNAL CONTROL SYSTEM

The key internal controls are embedded in the work processes and procedures in order to support the function of the ARMC. The following are the key features of the control framework in place:

- The Board maintains an organisational structure with clearly defined levels of responsibility and authority and appropriate reporting procedures;
- Delegation and separation of responsibilities and duties between Board, Board Committees and Management of the Group in overseeing all aspects of the business of the Group;
- Clearly documented internal procedures such as standard operating procedures for guiding the employees of the Group on carrying out their duties effectively;
- Monitoring actual results against budget and investigation of significant variances are investigated and followed up and resolved;
- Regular management meetings, departments and performance monitoring are in place to ensure the business is progressing in accordance with its targets and objectives;
- Quality management systems of ISO 9001:2015 certification and information security management systems of ISO/IEC 27001:2022 certification are adopted within the Group for proper guidance of the employees in achieving operational effectiveness and efficiency;
- The Board has put in place a whistleblowing policy which allows, supports and encourages its employees to raise genuine concerns about any possible improprieties pertaining to financial reporting, compliance, malpractices and unethical business conduct within the Group at the earliest possible time and in an appropriate way;
- The Board has established the Code of Conduct and Ethics which sets out the principles and standards of business ethics and conduct of the Group; and
- The Group has adopted an Anti-Bribery and Anti-Corruption Policy to provide principles and guidelines to employees, directors, company secretaries, contractors, sub-contractors, consultants, agents, representatives and service providers to avoid improper conduct, solicitation, bribery and corrupt activities that are not in compliance with all applicable laws and regulations.

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

INTERNAL AUDIT FUNCTION

The Group has outsourced the internal audit function to Tan Yen Yeow & Company (“TTY” or “Internal Auditors”), an independent professional firm, which is independent of the activities and operations of the Group as an Internal Auditor to review the adequacy and sufficiency of systems, procedures and controls of the Group. The firm is free from any relationships or conflicts of interest, which could impair its objectivity and independence of the internal audit function. The firm does not have any direct operational responsibility or authority over any of the activities audited. Functionally, the Internal Auditors report directly to the ARMC. The primary responsibility of the Internal Auditors is to assist the Board and the ARMC in reviewing and assessing management systems of internal control and procedures. The ARMC reviews and approves the Internal Audit Engagement and fees to ensure the independence and objectivity of the Internal Auditors.

The Internal Audit engagement by TYY is led by Mr. Tan Yen Yeow, who is a Certified Internal Auditor (“CIA”) under the Institute of Internal Auditors Malaysia (“IIAM”) and a member of the Malaysian Institute of Accountants (“MIA”). He has accumulated over 20 years of experience in audit and advisory engagement. He provides the overall direction for the internal audit engagement and is responsible for all stages of the internal audit work. He also maintains contact with the Management to ensure open communication is practised and all internal audit works are carried out effectively and in a timely manner. All the personnel deployed by TYY do not have any family relationship or conflicts of interest with the Group that could impair their objectivity and independence during the course of their work.

The Internal Auditors execute the internal audit work based on a risk-based internal audit plan which will be approved by the ARMC before the commencement of work. The Internal Auditors conduct their work in consideration of the broad principles of the International Professional Practice Framework (“IPPF”) of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders.

During the financial year under review, the Internal Auditors conducted an internal audit focusing on Revenues, Receivables and Credit Control Function. The observations noted during the internal audit, together with the recommendations, were reported to Management and subsequently presented to the ARMC. The Management is responsible for ensuring that corrective actions were implemented accordingly. The total cost incurred for the internal audit function during the financial year under review was approximately RM13,000.

ASSURANCE TO THE BOARD

The Board has received assurance from the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) stating that to the best of their knowledge, the Group’s risk management and internal control system were operating adequately and effectively in all material aspects during the financial year, and were aligned with the Group’s strategic objectives and risk appetite.

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control as required under Rule 15.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. This limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements - ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the MIA. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is it factually inaccurate.

CONCLUSION

The Board is of the view that the risk management and internal control systems are operating satisfactorily and effectively to safeguard the interest of stakeholders and assets of the Group for the financial year under review, and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the annual report of the Company. The Board continues to take measures to review and, where necessary, enhance the risk management and internal control systems of the Group to meet the strategic objectives of the Group.

The Board is committed to maintaining a sound internal control system and an effective risk management throughout the Group and reaffirms its commitment to continuously review and where necessary, enhance further the risk management and internal control systems.

This Statement is made in accordance with the resolution of the Board dated 28 April 2026.

Audit and Risk Management Committee Report

COMPOSITION

The Audit and Risk Management Committee (“ARMC”) comprises three (3) members who are Independent Non-Executive Directors. The following is the composition of the ARMC:

Chairwoman : Joyce Wong Ai May
Member : Hanita binti Othman
Member : Teresa Tan Siew Kuan

The composition of the ARMC is in line with Rule 15.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“AMLR”) which prescribes that the ARMC must consist of at least three (3) members with majority of the members being Independent Non-Executive Directors and at least one member of the ARMC must be a member of the Malaysian Institute of Accountants.

The ARMC Chairwoman, Ms. Joyce Wong Ai May is a member of the Malaysian Institute of Accountants, corporate member of the Institute of Internal Auditors, Malaysia and a fellow member of the CPA, Australia.

The ARMC members have diverse backgrounds and experience in accountancy, taxation, legal and compliance practices. None of the members of the ARMC were former partners of the Company’s external audit firm. The detailed profiles of all members of the ARMC can be found in the Profile of Directors in the Annual Report.

The Board had assessed and evaluated the performance of the ARMC and its members through the Nomination Committee for the financial year ended 31 December 2025 (“FYE 2025”). Based on the outcome of the assessment, the Board is satisfied with the performance of the ARMC and its members and concluded that they have effectively discharged their functions, duties and responsibilities in accordance with the Terms of Reference (“TOR”) of the ARMC.

The TOR is published on the corporate website at www.3ren.com.my.

REVIEW OF THE TERMS OF REFERENCE

The TOR of the ARMC shall be reviewed periodically by the ARMC and the Board as and when required especially when there are changes to the AMLR, the Malaysian Code on Corporate Governance 2021 and Companies Act 2016.

Audit and Risk Management Committee Report (cont'd)

ATTENDANCE AT MEETINGS

There were five (5) ARMC meetings held in the financial year 2025 and all three (3) ARMC members attended the meeting as follows:

Director	Position	Attendance
Joyce Wong Ai May Independent Non-Executive Director	Chairwoman	5/5
Hanita Binti Othman Independent Non-Executive Director	Member	5/5
Teresa Tan Siew Kuan Independent Non-Executive Director	Member	5/5

SUMMARY OF ACTIVITIES

During the financial year, the activities undertaken by the ARMC in discharging its duties and functions concerning their responsibilities are summarised as follows:

- (a) Reviewed the External Audit Planning Memorandum and the Independence of the External Auditors

The ARMC conducted two (2) private dialogue sessions with the External Auditors without the presence of the Executive Directors and management on 21 February 2025 and 21 November 2025.

Before the commencement of external audit, the ARMC reviewed and deliberated with the External Auditors on their Audit Planning Memorandum in respect of the FYE 2025, in particular the audit approach, areas of significant risks, their independence and other matters relating to the accounting and reporting requirements.

- (b) Reviewed the Audited Financial Statements and Audit Completion Memorandum

On 21 April 2025, the ARMC conducted the following:

- i. Reviewed the Audited Financial Statements for the financial year ended 31 December 2024 ("FYE 2024") together with the Reports of Directors and Auditors before presentation to the Board for approval and for release to the authorities and public.
- ii. Reviewed and deliberated with the External Auditors on their Audit Completion Memorandum in respect of FYE 2024.

Audit and Risk Management Committee Report (cont'd)

SUMMARY OF ACTIVITIES

(c) Reviewed the Unaudited Quarterly Results

The ARMC reviewed the Unaudited Quarterly Results, cash flows, and financial positions with management. During this review, Chief Financial Officer (“CFO”) was invited to present and respond to questions raised by the ARMC on the financial performance and significant financial reporting concerning compliance with applicable approved accounting standards and other regulatory requirements. Based on the clarifications and explanations provided by management, the ARMC recommended the same to the Board of Directors for approval and subsequent announcement to Bursa Securities.

(d) Reviewed the Related Party Transactions and Conflict of Interest

In order to safeguard the interest of the Group and its minority shareholders, and to mitigate any potential conflict of interest, the ARMC reviewed the nature and significance of the Related Party Transactions and reported to the Board that there were no Conflict of Interest (“COI”) and potential COI of Directors and Key Senior Management, including the CFO who is not a member of the Board of Directors.

(e) Reviewed the Internal Audit Function

The ARMC approved the appointment of Tan Yen Yeow & Company (“TY” or “Internal Auditors”) as the internal auditors on 21 April 2025. The Internal Auditor presented its Internal Audit Report for FYE 2025 and reported its findings together with the management action plan and recommendations to the ARMC for review on 21 November 2025.

The ARMC also reviewed and approved the Internal Audit Plan for the financial year ending 31 December 2026 as presented by the Internal Auditor on 21 November 2025.

The ARMC also reviewed the adequacy of the scope, function, competency and resources of the internal audit function, and ensures that it has the necessary authority to carry out its work. The ARMC and Management work closely with the outsourced internal audit function to review the internal control issues and ensure that significant issues are brought to the attention of the Board.

(f) Reviewed the Audit and Risk Management Committee Report, Corporate Governance Report, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and Sustainability Statement

The ARMC reviewed the Audit and Risk Management Committee Report, Corporate Governance Report, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and Sustainability Statement prior to recommending the same for Board’s approval for inclusion in the Annual Report 2024.

Audit and Risk Management Committee Report (cont'd)

INTERNAL AUDIT FUNCTION

During the FYE 2025, the Group has outsourced the internal audit function to TYY, an independent professional firm, which is independent of the activities and operations of the Group as its Internal Auditor to review the adequacy and sufficiency of systems, procedures and controls of the Group. The annual cost incurred for the Group's internal audit function is RM13,000.

Functionally, the Internal Auditors report directly to the ARMC. The primary responsibility of the Internal Auditors is to assist the Board and the ARMC in reviewing and assessing the effectiveness of management systems of internal control and procedures. The ARMC reviews and approves the Internal Audit Engagement and fees to ensure the independence and objectivity of the Internal Auditors.

The Internal Auditors will execute the internal audit work based on a risk-based internal audit plan which will be approved by the ARMC before the commencement of work. The Internal Auditors will conduct their work in consideration of the broad principles of the International Professional Practice Framework ("IPPF") of the Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders.

During the financial year under review, one internal audit cycle was completed, which covered the following audit scopes of work to evaluate the effectiveness of the internal control systems:

No.	Audit Area	Reporting Date
1.	Revenues, Receivables and Credit Control Function	13 November 2025

Findings arising from the internal audit exercise with recommendations and management action plan were reported and discussed at the ARMC meeting on 21 November 2025.

This Statement is made in accordance with the resolution of the Board dated 28 April 2026.

Nomination Committee Statement

COMPOSITION

The Nomination Committee (“NC”) comprises three (3) members who are Independent Non-Executive Directors. The following is the composition of the NC:

Chairwoman : Teresa Tan Siew Kuan
Member : Hanita binti Othman
Member : Joyce Wong Ai May

TERMS OF REFERENCE (“TOR”)

The TOR is published on the corporate website at www.3ren.com.my.

ATTENDANCE AT MEETINGS

During the financial year ended 31 December 2025 (“FYE 2025”), there was only one (1) meeting held. This meeting was attended by all members of the NC.

SUMMARY OF ACTIVITIES

On 21 February 2025, the NC reviewed the outcome of an annual evaluation process on the Board, Board Committees and individual Directors, reviewing their performance and assesses their effectiveness and contribution during the year under review. The assessment is administered using questionnaires that incorporate a range of criteria including Board composition, skills and competencies, meeting conduct and administration as well as self and peer evaluation model with an eye towards improvement opportunities. The NC evaluated each individual Director taking into consideration of their skillsets, experience, competence and commitment required of them to discharge their respective role and is satisfied with the performance of all the directors.

NC has conducted a review on the term of office and performance of the Audit and Risk Management Committee (“ARMC”) and each of the members individually for FYE 2025. Upon its assessment, the NC is satisfied and has recommended to the Board that the ARMC and its members have discharged their duties in accordance with the ARMC’s terms of reference.

In addition, NC also reviewed and is satisfied with the current Board structure, size and composition which ensured appropriate balance and size of non-executive participation as well as having the right mix of skill sets and diversity of experience. The NC and Board are supportive of gender diversity to comprise more than 30% of woman directors as recommended by the Malaysian Code on Corporate Governance 2021 and currently there are three (3) female Directors (equivalent to 37.5% of the board composition) sitting on the Board.

NC has also assessed and recommended to the Board of the proposed re-election and re-appointment of Encik Ahmad Khairuddin bin Abdul Rahim and Cik Hanita binti Othman by the shareholders at the forthcoming AGM after reviewing their skill and experience.

This Statement is made in accordance with the resolution of the Board dated 28 April 2026.

Statement Of Directors' Responsibility

The Directors are responsible to ensure the annual audited financial statement of the Group and of the Company are drawn up in accordance with applicable Malaysian Financial Reporting Standards, the provisions of the Companies Act 2016 and the Rule 15.26(a) of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) so as that give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the financial performance and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements for the financial year ended 31 December 2025, the Directors have:-

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensure all applicable Malaysian Financial Reporting Standards have been complied with; and
- prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company maintain proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy to ensure that the financial statements comply with the Companies Act 2016.

The Directors are responsible for taking reasonable steps to ensure that appropriate systems of internal controls and procedures are in place to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

Additional Compliance Information

1. UTILISATION OF PROCEEDS

3REN Berhad was successfully listed on the Bursa Securities on 6 November 2024. The Company has raised funds totalling RM 30.8 Million in the IPO at an issue price of RM0.28 per share. The gross proceeds of approximately RM30.80 million from the Public Issue are intended to be utilised in the following manner:-

Details of the Use of Proceeds	Estimated Timeframe for Utilisation Upon Listing ⁽¹⁾	Proposed Utilisation RM'000	Actual Utilisation as at 31.12.2025 RM'000	Unutilised Balance RM'000	Percentage Utilised %
Setting up new Delivery Centres	Within 36 months	7,200	(2,012)	5,188	27.94
Research & development expenditure	Within 36 months	5,100	(3,558)	1,542	69.76
Establishment of new Singapore office	Within 36 months	3,000	(84)	2,916	2.80
Working capital requirements ⁽²⁾	Within 36 months	11,500	(8,727)	2,773	75.89
Estimated listing expenses	Immediate	4,000	(4,000)	-	100.00
		30,800	(18,381)	12,419	

Notes:

(1) From the date of listing of the Company on the ACE Market of Bursa Securities on 6 November 2024.

(2) On 5 May 2025, the Company announced that the entire RM7.60 million earmarked for the repayment of bank borrowings was reallocated to working capital requirements with the timeframe for its utilisation extended for an additional 18 months from 5 May 2025 until 5 November 2026.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees rendered to the Group and the Company for the FYE 2025 by the Group's Auditors are as follows:

	Audit Fees RM	Non- Audit Fees * RM
Company	50,000	5,000
Group	141,000	5,000

* Non audit fees include review of Statement on Risk Management and Internal Control

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interests of the Directors and major shareholders during the financial year.

Additional Compliance Information (cont'd)

4. CONTRACT RELATED TO LOANS

There were no material contracts relating to loans entered into by the Group involving the Directors and major shareholders during the financial year ended 31 December 2025.

5. RECURRENT RELATED PARTY TRANSACTIONS

There were no material recurrent related party transactions with related parties undertaken by the Group during the financial year ended 31 December 2025.

6. LONG TERM INCENTIVE PLAN ("LTIP")

On 5 November 2024, 3REN Berhad established and implemented the Share Grant Plan ("SGP") and Share Option Plan ("SOP") to eligible directors and employees of the Group

The LTIP will be in force for a period of 5 years from its effective date on 5 November 2024 and shall expire on 4 November 2029. The LTIP may be extended for an additional 5 years and shall not in aggregate exceed 10 years from its effective date.

The vesting period of the SOP Options offered are as follows:

Vesting Date	Maximum % of SOP Option Exercisable
30 June 2025	25%
30 June 2026	25%
30 June 2027	25%
30 June 2028	25%

(i) SOP

The details of the SOP during the FYE 2025 are as below

Description Number	Number of SOP Options
Outstanding as at 1 January 2025 (Offered on 6 November 2024)	13,737,500
Granted during the financial year	Nil
Forfeited during the financial year	792,500
Exercised during the financial year	1,277,000
Outstanding as at 31 December 2025	11,668,000
Exercisable as at 31 December 2025	1,959,250

Additional Compliance Information (cont'd)

6. LONG TERM INCENTIVE PLAN (“LTIP”) (cont'd)

(i) SOP (cont'd)

The SOP granted to the respective categories of participants are as follows:

Categories of participants	Aggregate granted during the financial year	Aggregate granted since commencement	Aggregate forfeited since commencement	Aggregate exercised since commencement	Aggregate Outstanding
Directors	-	150,000	-	27,500	122,500
Senior Management	-	4,850,000	-	712,500	4,137,500
Other Eligible Employees	-	8,737,500	792,500	537,000	7,408,000
Total	-	13,737,500	792,500	1,277,000	11,668,000

Since the commencement of the scheme, approximately 35.30% of the total number of Shares available under the LTIP have been granted to senior management.

(ii) The percentage of SOP granted to the directors and senior management under LTIP are as follows:

Directors and Senior Management	Since commencement up to 31 December 2025
Aggregate maximum allocation	50.00%
Actual granted	36.40%

(iii) Breakdown of the SOP offered to and exercised by, or shares granted to and vested in (if any) non-executive directors pursuant to an Employee Share Scheme in respect of the financial year as follows:

Name of Director	Amount of SOP Options Granted	Amount of SOP Options Exercised / Shares Vested*
1. Dato' Boonler Somchit (Non-Independent Non-Executive Chairman)	50,000	12,500 / 12,500
2. Ahmad Khairuddin Bin Abdul Rahim (Independent Non-Executive Director)	20,000	0 / 5,000
3. Hanita Binti Othman (Independent Non-Executive Director)	20,000	5,000 / 5,000
4. Joyce Wong Ai May (Independent Non-Executive Director)	20,000	5,000 / 5,000
5. Teresa Tan Siew Kuan (Independent Non-Executive Director)	20,000	5,000 / 5,000
6. Mohammad Hazani Bin Hassan (Non-Independent Non-Executive Director)	20,000	0 / 5,000
Total	150,000	27,500 / 37,500

Other than the LTIP, there was no other schemes established by the Company.

* Being 25% of the total amount vested per year.

Additional Compliance Information (cont'd)

7. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Rule 9.25A of the ACE Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

		Group	
Total Income	Remarks	2025 RM	2024 RM
Revenue		107,102,423	103,415,538
Other Income		1,091,228	256,542
Finance income		728,013	620,494
Total		108,921,664	104,292,574
Total Assets		127,698,701	119,574,284

(B) Business Activities

		Group	
Shariah Non-Compliant Activities	Remarks	2025 RM	2024 RM
Interest Income		544,751	620,494
Total		544,751	620,494

(C) Components of Financial Position

(i) Cash Component

		Group	
Islamic Account / Instruments	Remarks	2025 RM	2024 RM
Cash at banks (exclude cash in hand)		304,850	271,006
Cash in hand		-	3,551
Deposits with licensed banks		1,127,031	1,088,154
Money market instruments		30,175,598	-
Total		31,607,479	1,362,711
Conventional Account / Instruments			
Cash at banks (exclude cash in hand)		6,186,023	38,183,740
Cash in hand		-	-
Deposits with licensed banks		5,163,164	7,188,399
Money market instruments		-	-
Total		11,349,187	45,372,139

Additional Compliance Information (cont'd)

7. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (cont'd)

(C) Components of Financial Position (cont'd)

(ii) Debt Component

		Group	
Islamic Financing	Remarks	2025 RM	2024 RM
Current			
	Bank Borrowings	522,912	480,799
	Islamic Hire Purchase payables	57,072	54,237
Non - Current			
	Bank Borrowings	9,446,777	9,965,571
	Islamic Hire Purchase payables	42,852	99,924
Total		10,069,613	10,600,531

		Group	
Conventional Borrowing	Remarks	2025 RM	2024 RM
Current			
	Bank Borrowings	17,439	16,606
	Conventional Hire Purchase payables	215,603	175,779
Non - Current			
	Bank Borrowings	6,525	24,031
	Conventional Hire Purchase payables	214,907	197,146
Total		454,474	413,562

The background of the page features a hand in a white shirt holding a black pen, poised to write on a document. The document contains various financial charts, including bar graphs and pie charts. A large, stylized globe with a grid pattern is positioned in the lower right quadrant. The overall color scheme is light green and blue, with a white diagonal line separating the top image from the bottom text area.

FINANCIAL STATEMENTS

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3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended **31 December 2025**.

PRINCIPAL ACTIVITIES

The principal activity of the Company in the course of the financial year remains unchanged and consists of investment holding.

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

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

RESULTS

	GROUP RM	COMPANY RM
Profit for the financial year	<u>8,426,352</u>	<u>3,931,984</u>

In the opinion of the directors, the results of operations of the Group and of the Company for the financial year ended **31 December 2025** have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Since the end of the previous financial year, the Company has declared a single tier interim dividend of RM0.005 per ordinary share amounting to RM3,250,000 in respect of financial year ended 31 December 2024 on 21 February 2025 and paid on 28 March 2025.

On 24 February 2026, the Company has declared a single tier interim dividend of RM0.0075 per ordinary share amounting to RM4,884,751 in respect of financial year ended 31 December 2025 and paid on 31 March 2026. Such dividend will be accounted for in shareholders' equity as appropriation of retained profits in the financial year ending 31 December 2026.

The directors do not recommend any final dividend payment for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company has increased its issued and fully paid-up ordinary share capital by way of issuance of 1,277,000 new ordinary shares pursuant to the exercise of share option plan (“SOP”) at an exercise price of RM0.28 per SOP for a total cash consideration of RM357,560.

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

LONG TERM INCENTIVE PLAN (“LTIP”)

The Company’s LTIP is governed by the By-Laws which were approved by the Company’s directors (“Board”) at an Extraordinary General Meeting held on 12 September 2024. The LTIP is to be in force for a period of 5 years from 5 November 2024. The LTIP comprises the share grant awards pursuant to the employees’ share grant plan and/or the award of number of options pursuant to the share option plan (“SOP”). The Board will have the discretion upon the recommendation of the LTIP Committee to extend the LTIP for another 5 years as it deemed fit immediately from the expiry of the first 5 years, provided that the LTIP does not exceed a maximum period of 10 years in its entirety. The LTIP shall not in aggregate exceed 15% of the total number of issued shares (excluding treasury shares, if any) at any point of time during the duration of the LTIP.

The salient features of the SOP are disclosed in Note 36 to the financial statements.

The movement of the shares options during the financial year is as follows:

Grant date	Exercise price RM	Number of SOP			Balance at 31.12.2025
		Balance at 1.1.2025	Exercised	Lapsed*	
6.11.2024	0.28	13,737,500	(1,277,000)	(792,500)	11,668,000

* Lapsed due to resignation.

Details of share grants granted to the directors are disclosed in the section of Directors’ Interests In Shares in this report.

DIRECTORS

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

Directors of the Company:

Dato’ Boonler Somchit
 * Koh Dim Kuan
 * Lee Chee Hoo
 Ahmad Khairuddin Bin Abdul Rahim
 Hanita Binti Othman
 Joyce Wong Ai May
 Teresa Tan Siew Kuan
 Mohammad Hazani Bin Hassan

Directors of the subsidiaries:

Liew Chee Kin
 Lau Ann Siong (appointed on 2.7.2025)

* The directors are also directors of the Company’s certain subsidiaries.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:

	|----- Number of ordinary shares -----|				
	Balance at 1.1.2025	Bought	SOP*	Sold	Balance at 31.12.2025
The Company					
Direct Interest:					
Dato' Boonler Somchit	500,000	-	12,500	(200,000)	312,500
Koh Dim Kuan	28,292,700	-	-	-	28,292,700
Lee Chee Hoo	129,211,000	100,000	-	-	129,311,000
Ahmad Khairuddin Bin Abdul Rahim	100,000	-	-	-	100,000
Hanita Binti Othman	100,000	-	5,000	-	105,000
Joyce Wong Ai May	100,000	-	5,000	-	105,000
Teresa Tan Siew Kuan	100,000	-	5,000	-	105,000
Mohammad Hazani Bin Hassan	150,000	-	-	-	150,000
Deemed Interest:					
¹ Koh Dim Kuan	260,000,000	-	-	-	260,000,000
¹ Lee Chee Hoo	260,000,000	-	-	-	260,000,000

* Arising from the SOP granted.

	|----- Number of share grants -----|			
	Balance at 1.1.2025	Granted	Exercised	Balance at 31.12.2025
The Company:				
Deemed Interest:				
Dato' Boonler Somchit	50,000	-	(12,500)	37,500
Ahmad Khairuddin Bin Abdul Rahim	20,000	-	-	20,000
Hanita Binti Othman	20,000	-	(5,000)	15,000
Joyce Wong Ai May	20,000	-	(5,000)	15,000
Teresa Tan Siew Kuan	20,000	-	(5,000)	15,000
Mohammad Hazani Bin Hassan	20,000	-	-	20,000

¹ Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through R3 Capital Sdn. Bhd.

By virtue of their shareholdings in the Company, **Mr. Koh Dim Kuan** and **Mr. Lee Chee Hoo** are also deemed interested in the shares of all the subsidiaries of the Company, to the extent that the Company has interests.

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Directors' fees	306,000	-	306,000
Salaries, bonus and allowances	9,000	600,040	609,040
Defined contribution plan	-	72,000	72,000
Social security contribution and employment insurance scheme	-	2,785	2,785
	<u>315,000</u>	<u>674,825</u>	<u>989,825</u>

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than the share options awarded pursuant to the SOP.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

No indemnity has been given to or insurance effected for any of the directors and officers of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION

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 bad debts to be written off and no provision for doubtful debts was required; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

- (i) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other persons; or
- (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

Registration No. 202101012445 (1412744-K)

AUDITORS

The auditors, **Grant Thornton Malaysia PLT**, have expressed their willingness to continue in office.

The total amount of fees paid to or receivable by the auditors as remuneration for their services to the Group and the Company for the financial year ended 31 December 2025 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	141,000	50,000
Assurance related services	5,000	5,000
Total	146,000	55,000

The Company has agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

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

.....
Koh Dim Kuan

.....
Lee Chee Hoo

Penang,

Date: 28 April 2026

Registration No. 202101012445 (1412744-K)

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 91 to 141 are properly drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 December 2025** and of their financial performance and cash flows for the financial year then ended.

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

.....
Koh Dim Kuan

.....
Lee Chee Hoo

Date: 28 April 2026

STATUTORY DECLARATION

I, **Koh Dim Kuan**, the director primarily responsible for the financial management of **3REN Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 91 to 141 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **28th**)
day of **April 2026**.)

.....
Koh Dim Kuan

Before me,

.....
Goh Suan Bee (P125)
Commissioner for Oath

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 3REN BERHAD

Registration No. 202101012445 (1412744-K)

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **3REN Berhad**, which comprise the statements of financial position as at **31 December 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 financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 91 to 141.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

**Independent Auditors' Report To The Members Of
3REN Berhad (cont'd)
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)**

Key Audit Matters	How Our Audit Addressed the Key Audit Matters
<p>Impairment of trade receivables <i>(Note 10 to the financial statements)</i></p> <p>The Group has significant trade receivables as at 31 December 2025 which include certain amounts that are long outstanding and these are subject to credit risk exposure.</p> <p>We focus on this area as the assessment of recoverability of trade receivables involved management judgement and estimation uncertainty in determining the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.</p>	<p>Our audit procedures in relation to the management's impairment of trade receivables included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of: <ul style="list-style-type: none"> - the Group's control over the customers' collection process; - the process of identifying and assessing impairment of trade receivables; and - the basis of how the Group makes the accounting estimates for impairment of trade receivables; • Evaluated techniques and methodology in the expected credit loss approach against the requirement of MFRS 9; • Reviewed the ageing analysis of trade receivables and tested the reliability thereof; • Reviewed subsequent collections for major customers and overdue amounts; • Made inquiries of management regarding the action plans to recover overdue balances; and • Examined other evidence including customer correspondences.

**Independent Auditors' Report To The Members Of
3REN Berhad (cont'd)
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)**

Key Audit Matters	How Our Audit Addressed the Key Audit Matters
<p>Revenue recognition <i>(Note 22 to the financial statements)</i></p> <p>The Group's revenue is derived from the manufacturing operating solutions and services, engineering support services and product engineering services.</p> <p>We focus on this area due to the magnitude and voluminous transactions which may give rise to a higher risk of material misstatements in respect of the timing and amount of revenue recognised. In addition, different customers with different deliverable arrangements could impact the point at which the control of the goods is passed on to the customers.</p>	<p>Our audit procedures in relation to the revenue recognition included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's revenue recognition process and application; • Performed analytical procedures on the trend of revenue recognised to identify for any abnormalities; • Performed substantive testing on a sampling basis to verify that revenue recognition criteria was properly applied by checking to the documents which evidenced the delivery of goods to the customers; • Assessed whether revenue was recognised in the correct period by testing cut-off through assessing sales transactions taking place at either side of the reporting date as well as reviewing credit notes and sales returns issued after the reporting date; and • Reviewed the sales ledger to identify any sales transactions that were entered using journals or non-sales invoices references and evaluated the nature of the transactions to determine whether they were <i>bona fide</i> transactions.

There are no key audit matters to be communicated in the audit of the separate financial statements of the Company.

**Independent Auditors' Report To The Members Of
3REN Berhad (cont'd)
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)**

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the 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 misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

**Independent Auditors' Report To The Members Of
3REN Berhad (cont'd)
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the 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 threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

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

**Independent Auditors' Report To The Members Of
3REN Berhad (cont'd)
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)**

Other Matter

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.

**Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants**

**Loo Wei Teng
No. 03487/03/2028 J
Chartered Accountant**

Penang

Date: 28 April 2026

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	16,163,335	17,068,317	8,483	10,843
Intangible assets	5	7,818,605	6,263,624	-	-
Right-of-use assets	6	671,964	982,252	-	-
Investment in subsidiaries	7	-	-	57,752,672	54,223,386
Contract assets	8	-	389,433	-	-
		<u>24,653,904</u>	<u>24,703,626</u>	<u>57,761,155</u>	<u>54,234,229</u>
Current assets					
Inventories	9	13,324,406	6,605,143	-	-
Trade and other receivables	10	37,297,567	34,405,817	8,018,222	4,278,678
Contract assets	8	6,301,306	5,403,080	-	-
Contract costs	11	976,900	1,503,523	-	-
Other investments	12	30,175,598	-	23,113,184	-
Current tax assets		2,187,951	218,245	10,000	-
Cash and bank balances	13	12,781,069	46,734,850	192,459	28,592,828
		<u>103,044,797</u>	<u>94,870,658</u>	<u>31,333,865</u>	<u>32,871,506</u>
TOTAL ASSETS		<u>127,698,701</u>	<u>119,574,284</u>	<u>89,095,020</u>	<u>87,105,735</u>
EQUITY AND LIABILITIES					
Share capital	14	84,060,571	83,519,634	84,060,571	83,519,634
Merger deficit	15	(44,340,000)	(44,340,000)	-	-
Reserves	16	915,165	226,051	958,040	226,051
Retained profits	17	63,272,854	58,096,502	4,006,221	3,324,237
Total equity		<u>103,908,590</u>	<u>97,502,187</u>	<u>89,024,832</u>	<u>87,069,922</u>
Non-current liabilities					
Borrowings	18	9,711,061	10,286,672	-	-
Lease liabilities	6	40,338	157,327	-	-
Deferred income	19	-	558	-	-
Deferred tax liabilities	20	1,701,000	1,704,000	-	-
		<u>11,452,399</u>	<u>12,148,557</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	21	5,508,332	3,887,590	70,188	7,813
Borrowings	18	813,026	727,421	-	-
Lease liabilities	6	116,991	313,654	-	-
Contract liabilities	8	5,898,971	4,164,800	-	-
Deferred income	19	392	672	-	-
Current tax liabilities		-	829,403	-	28,000
		<u>12,337,712</u>	<u>9,923,540</u>	<u>70,188</u>	<u>35,813</u>
Total liabilities		<u>23,790,111</u>	<u>22,072,097</u>	<u>70,188</u>	<u>35,813</u>
TOTAL EQUITY AND LIABILITIES		<u>127,698,701</u>	<u>119,574,284</u>	<u>89,095,020</u>	<u>87,105,735</u>

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	22	107,102,423	103,415,538	5,000,000	6,350,000
Cost of sales		<u>(83,304,152)</u>	<u>(75,720,437)</u>	-	-
Gross profit		23,798,271	27,695,101	5,000,000	6,350,000
Other income	23	1,091,228	256,542	708,044	-
Administrative expenses		(15,946,456)	(16,213,450)	(939,151)	(3,097,621)
Allowance for expected credit losses on trade and other receivables		-	(154,656)	-	-
Other operating expenses		-	-	(967,469)	-
Operating profit		8,943,043	11,583,537	3,801,424	3,252,379
Finance costs	24	(497,914)	(532,366)	-	-
Finance income	25	728,013	620,494	131,778	127,674
Profit before tax	26	9,173,142	11,671,665	3,933,202	3,380,053
Taxation	27	(746,790)	<u>(2,930,924)</u>	(1,218)	<u>(28,000)</u>
Profit for the financial year		8,426,352	8,740,741	3,931,984	3,352,053
Other comprehensive income, net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		<u>(42,875)</u>	-	-	-
Total other comprehensive income for the financial year		8,383,477	8,740,741	3,931,984	3,352,053
Earnings per share attributable to owners of the Company (sen)					
- Basic	28	1.30	1.57		
- Diluted	28	1.29	1.56		

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

NOTE	Attributable to Owners of the Company						Total Equity RM
	Share Capital RM	Merger Deficit RM	Share Option Plan Reserve RM	Foreign Translation Reserve RM	Retained Profits RM	Distributable	
2025							
	83,519,634	(44,340,000)	226,051	-	58,096,502	97,502,187	
Balance at beginning							
	-	-	-	(42,875)	8,426,352	8,383,477	
Total comprehensive income for the financial year							
<i>Transactions with owners of the Company:</i>							
Issuance of shares pursuant to exercise of share option plan ("SOP")	357,560	-	-	-	-	357,560	
Grant of SOP to employees	-	-	915,366	-	-	915,366	
Transfer of SOP reserve upon exercised	183,377	-	(183,377)	-	-	-	
Dividend	-	-	-	-	(3,250,000)	(3,250,000)	
Total transactions with owners of the Company	540,937	-	731,989	-	(3,250,000)	(1,977,074)	
Balance at end	84,060,571	(44,340,000)	958,040	(42,875)	63,272,854	103,908,590	

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

NOTE	Share Capital RM	Non- distributable Share Option Plan Reserve RM	Distributable Retained Profits RM	Total Equity RM
2025				
Balance at beginning	83,519,634	226,051	3,324,237	87,069,922
Total comprehensive income for the financial year	-	-	3,931,984	3,931,984
<i>Transactions with owners of the Company:</i>				
Issuance of shares pursuant to exercise of SOP	14	357,560	-	-
Grant of SOP to employees:				
- recognised in profit or loss	26	-	10,758	-
- included in investment in subsidiaries		-	904,608	-
Transfer of SOP reserve upon exercised	14	183,377	(183,377)	-
Dividend	29	-	-	(3,250,000)
Total transactions with owners of the Company		540,937	731,989	(3,250,000)
Balance at end	84,060,571	958,040	4,006,221	89,024,832
2024				
Balance at beginning	2	-	(27,816)	(27,814)
Total comprehensive income for the financial year	-	-	3,352,053	3,352,053
<i>Transactions with owners of the Company:</i>				
Issuance of shares pursuant to:				
- acquisition of subsidiaries	14	54,000,000	-	-
- public issue	14	30,800,000	-	-
Share issuance expenses	14	(1,280,368)	-	-
Grant of SOP to employees:				
- recognised in profit or loss	26	-	2,665	-
- included in investment in subsidiaries		-	223,386	-
Total transactions with owners of the Company		83,519,632	226,051	-
Balance at end	83,519,634	226,051	3,324,237	87,069,922

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

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

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	9,173,142	11,671,665	3,933,202	3,380,053
Adjustments for:				
Accretion of interest on lease liabilities	16,357	24,962	-	-
Allowance for expected credit losses on trade and other receivables	-	154,656	-	-
Amortisation of government grant	(838)	(504)	-	-
Amortisation of intangible assets	667,682	718,737	-	-
Depreciation of:				
- property, plant and equipment	1,682,569	1,572,181	2,360	957
- right-of-use assets	310,288	274,810	-	-
Distribution income	(5,140)	-	(5,140)	-
Dividend income from:				
- other investments	(46,252)	-	(46,252)	-
- a subsidiary	-	-	(5,000,000)	(6,350,000)
Equity-settled share-based payments	915,366	226,051	10,758	2,665
Fair value gain on other investments	(678,466)	-	(661,792)	-
Impairment loss on investment in subsidiaries	-	-	967,469	-
Interest expenses	481,557	507,404	-	-
Interest income	(544,751)	(620,494)	(126,638)	(127,674)
Unrealised loss on foreign exchange	200,290	161,935	-	-
Unwinding discounts on:				
- contract assets	-	(30,737)	-	-
- trade receivables	(178,122)	1,154	-	-
Operating profit/(loss) before working capital changes	11,993,682	14,661,820	(926,033)	(3,093,999)
Changes in:				
Inventories	(6,719,263)	(3,249,911)	-	-
Receivables	(2,895,257)	(4,845,885)	356,541	(1,638,549)
Contract assets	(508,793)	(642,248)	-	-
Contract costs	526,623	(763,102)	-	-
Payables	1,631,760	(30,161)	62,375	(20,003)
Contract liabilities	1,734,171	1,503,281	-	-
Cash generated from/(used in) operations	5,762,923	6,633,794	(507,117)	(4,752,551)
Interest paid	(481,557)	(507,404)	-	-
Interest received	544,751	620,494	126,638	127,674
Income tax paid	(3,727,120)	(2,264,926)	(39,218)	-
Income tax refunded	178,221	-	-	-
Net cash from/(used in) operating activities	2,277,218	4,481,958	(419,697)	(4,624,877)

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

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

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions of:					
- property, plant and equipment	A	(497,587)	(890,039)	-	(11,800)
- intangible assets		(2,222,663)	(2,333,966)	-	-
- investment in subsidiaries		-	-	(3,592,147)	-
- other investments		(53,284,454)	-	(46,200,000)	-
Dividend income from a subsidiary		-	-	6,350,000	-
Placement of fixed deposits with licensed banks		(4,058,795)	(6,550,131)	-	-
Withdrawal of:					
- fixed deposits with licensed banks		6,045,153	-	-	-
- other investments		23,800,000	-	23,800,000	-
Net cash used in investing activities		(30,218,346)	(9,774,136)	(19,642,147)	(11,800)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(3,250,000)	-	(3,250,000)	-
Proceeds from issuance of ordinary shares		357,560	30,800,000	357,560	30,800,000
Net changes in subsidiaries' balances		-	-	(5,446,085)	2,429,503
Repayment of:					
- finance lease liabilities	B	(276,652)	(220,276)	-	-
- lease liabilities	B	(330,009)	(268,858)	-	-
- promissory notes	B	-	(109,896)	-	-
- term loans	B	(493,354)	(480,179)	-	-
Net cash (used in)/from financing activities		(3,992,455)	29,720,791	(8,338,525)	33,229,503
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(31,933,583)	24,428,613	(28,400,369)	28,592,826
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(33,840)	(164,951)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING		38,458,297	14,194,635	28,592,828	2
CASH AND CASH EQUIVALENTS AT END		6,490,874	38,458,297	192,459	28,592,828

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

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

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
The cash and cash equivalents are represented by:					
Fixed deposits with licensed banks		6,290,195	8,276,553	-	-
Cash in hand and at banks		6,490,874	38,458,297	192,459	28,592,828
		<u>12,781,069</u>	<u>46,734,850</u>	<u>192,459</u>	<u>28,592,828</u>
Less: Fixed deposits pledged to licensed banks		(156,109)	(933,154)	-	-
Fixed deposits with maturity more than three months		(6,134,086)	(7,343,399)	-	-
		<u>6,490,874</u>	<u>38,458,297</u>	<u>192,459</u>	<u>28,592,828</u>
A. Purchase of property, plant and equipment					
Total acquisition cost		777,587	890,039	-	11,800
Acquired under finance lease liabilities	B	(280,000)	-	-	-
Total cash acquisition		<u>497,587</u>	<u>890,039</u>	<u>-</u>	<u>11,800</u>

B. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning RM	Cash flows RM	Others ¹ RM	Balance at end RM
GROUP				
2025				
Borrowings	11,014,093	(490,006)	-	10,524,087
Lease liabilities	470,981	(330,009)	16,357	157,329
Total liabilities arising from financing activities	<u>11,485,074</u>	<u>(820,015)</u>	<u>16,357</u>	<u>10,681,416</u>
2024				
Borrowings	11,824,444	(810,351)	-	11,014,093
Lease liabilities	395,577	(268,858)	344,262	470,981
Total liabilities arising from financing activities	<u>12,220,021</u>	<u>(1,079,209)</u>	<u>344,262</u>	<u>11,485,074</u>

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

Registration No. 202101012445 (1412744-K)

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

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

¹ Others consist of non-cash movements as follows:

	GROUP	
	2025	2024
	RM	RM
Accretion of interest on lease liabilities	16,357	24,962
Addition of lease liabilities	-	319,300
	16,357	344,262

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025

1. CORPORATE INFORMATION

General

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

The registered office of the Company is located at 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Penang.

The principal place of business of the Company is located at No. 9, Jalan Industri Tangkas 1, Taman Industri Tangkas, 14000 Bukit Mertajam, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 April 2026.

Principal Activities

The principal activity of the Company in the course of the financial year remains unchanged and consists of investment holding.

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

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for other investments that are measured at fair values.

2.3 Functional and Presentation Currency

Ringgit Malaysia ("RM") is the presentation currency of the Group and of the Company.

RM is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the entity operates. The Group's foreign operation has different functional currency.

2.4 Adoption of Amendments to MFRSs

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial years except for the adoption of the following amendments to MFRSs that are mandatory for the current financial year:

Effective for annual period beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

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

2.5 Standards/Amendments to MFRSs Issued But Not Yet Effective

The following are accounting standards/amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group and for the Company:

Effective for annual period beginning on or after 1 January 2026

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments
Annual Improvements to Malaysian Financial Reporting Standards - Volume 11
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

Effective for annual period beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements
MFRS 19 Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosure
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards/amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for *MFRS 18 Presentation and Disclosure in Financial Statements*.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to *MFRS 107 Statement of Cash Flows* and *MFRS 134 Interim Financial Reporting*.

The amendments will have an impact on the Group's and on the Company's presentation of statements of comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group is currently assessing the impact of *MFRS 18* and plans to adopt the new standard on the required effective date.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

(i) Development costs

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on the management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset only when all the criteria as set out in *MFRS138 Intangible assets* are met, whereas research costs are expensed as incurred. The Group's management also monitors whether the recognition requirements for development costs continue to be met. This is necessary as the economic success of any product under development is uncertain and may be subject to future technical problems after the time of recognition.

The carrying amount of the Group's development costs as at the end of the reporting period is disclosed in Note 5 to the financial statements.

(ii) Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group has not included the extension option period as part of the lease term for lease of office premises as it is not reasonably certain that the extension option will be exercised. The period covered by termination option is included as part of the lease term only when it is reasonably certain not to be exercised.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period 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:

(i) Inventories

The management reviews for slow-moving and obsolete inventories. This review requires management to estimate the potentially excess and obsolete inventories after considering forecasted demand for the products as well as technical obsolescence. Possible changes in these estimates could result in revisions to the valuations of inventories.

The carrying amount of the Group's inventories as at the end of the reporting period is disclosed in Note 9 to the financial statements.

(ii) Provision for expected credit losses ("ECL") of receivables

The Group uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECL on the Group's trade receivables is disclosed in Note 33.3.1 to the financial statements.

(iii) Leases – Estimating the incremental borrowing rate ("IBR")

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(iv) **Impairment of investment in subsidiaries**

Investment in subsidiaries are tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such indication exists, based on the evaluation of both internal and external sources of information.

If any such indication exists, management assesses the recoverable amount of the investment in subsidiaries based on the higher of value in use or fair value less cost to sell as at the end of the reporting period. If the recoverable amount of the investment in subsidiaries is less than its carrying amount, an impairment loss is recognised in profit or loss to reduce the carrying amount of the investment in subsidiaries. An impairment loss of RM967,469 is recognised in profit or loss to write down a subsidiary to its recoverable amount.

(v) **Employees' share option**

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

The assumptions and model used for estimating fair value for share-based payment transactions, sensitivity analysis and the carrying amounts are disclosed in Note 36 to the financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Freehold land RM	Buildings RM	Machinery RM	Furniture, fittings and office equipment RM	Renovation RM	Motor vehicles RM	Total RM
2025							
At cost							
Balance at beginning	4,574,536	7,087,965	2,052,286	3,406,376	3,208,306	1,699,280	22,028,749
Additions	-	-	3,950	410,376	57,150	306,111	777,587
Balance at end	<u>4,574,536</u>	<u>7,087,965</u>	<u>2,056,236</u>	<u>3,816,752</u>	<u>3,265,456</u>	<u>2,005,391</u>	<u>22,806,336</u>
Accumulated depreciation							
Balance at beginning	-	450,994	636,815	1,923,606	1,159,950	789,067	4,960,432
Current charge	-	138,314	279,685	509,993	588,040	166,537	1,682,569
Balance at end	-	<u>589,308</u>	<u>916,500</u>	<u>2,433,599</u>	<u>1,747,990</u>	<u>955,604</u>	<u>6,643,001</u>
Carrying amount	<u>4,574,536</u>	<u>6,498,657</u>	<u>1,139,736</u>	<u>1,383,153</u>	<u>1,517,466</u>	<u>1,049,787</u>	<u>16,163,335</u>

GROUP

2024	Freehold land RM	Buildings RM	Machinery RM	Furniture, fittings and office equipment RM	Renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
At cost								
Balance at beginning	4,574,536	7,087,965	2,019,836	2,966,143	2,591,938	1,690,967	207,325	21,138,710
Additions	-	-	32,450	440,233	409,043	8,313	-	890,039
Reclassification	-	-	-	-	207,325	-	(207,325)	-
Balance at end	4,574,536	7,087,965	2,052,286	3,406,376	3,208,306	1,699,280	-	22,028,749
Accumulated depreciation								
Balance at beginning	-	312,685	362,063	1,434,626	627,459	651,418	-	3,388,251
Current charge	-	138,309	274,752	488,980	532,491	137,649	-	1,572,181
Balance at end	-	450,994	636,815	1,923,606	1,159,950	789,067	-	4,960,432
Carrying amount	4,574,536	6,636,971	1,415,471	1,482,770	2,048,356	910,213	-	17,068,317

	COMPANY	
	2025	2024
	RM	RM
Furniture, fittings and office equipment		
At cost		
Balance at beginning	11,800	-
Additions	-	11,800
	<u>11,800</u>	<u>11,800</u>
Balance at end	11,800	11,800
Accumulated depreciation		
Balance at beginning	957	-
Current charge	2,360	957
	<u>3,317</u>	<u>957</u>
Balance at end	3,317	957
Carrying amount	8,483	10,843

- (i) The entire freehold land and buildings of the Group are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 18 to the financial statements.
- (ii) The carrying amount of motor vehicles of the Group which are pledged as securities for the finance lease liabilities as disclosed in Note 18 to the financial statements are **RM975,530** (2024: RM861,221).

Material accounting policy information

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Buildings	1.75% - 2%
Machinery	10% - 20%
Furniture, fittings and office equipment	10% - 20%
Renovation	10% - 20%
Motor vehicles	10%

Freehold land is not depreciated as it has an infinite life.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

5. **INTANGIBLE ASSETS**

	Development costs	
	2025	2024
	RM	RM
GROUP		
At cost		
Balance at beginning	7,828,861	5,494,895
Additions	2,222,663	2,333,966
Balance at end	10,051,524	7,828,861
Accumulated amortisation		
Balance at beginning	1,565,237	846,500
Current charge	667,682	718,737
Balance at end	2,232,919	1,565,237
Carrying amount	7,818,605	6,263,624

The intangible assets represent development cost incurred for automation solutions such as automated equipment, command and control centre, operational efficiency solutions, asset management system and manufacturing operating system framework.

The amortisation of development costs is included in the “administrative expenses” line item in the statements of comprehensive income.

Material accounting policy information

Expenditures incurred on projects to develop new products or solutions are capitalised as development costs when the Group can demonstrate the technical feasibility of completing the asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditures during the development. Development costs which do not meet these criteria are recognised in profit or loss as incurred.

Capitalised development costs which comprise direct attributable costs incurred for development are considered to have finite useful lives and are stated at cost less accumulated amortisation and any accumulated impairment losses. Capitalised development costs are amortised using the straight-line basis over the commercial lives of the underlying products from the commencement of the commercialisation of the products, typically over 5 years period.

6. **RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

The Group has lease contracts for leasehold land and the rental of office premises used in its operations. The lease term of the land is 57 years while the lease term of the office premises is 3 years with an option to renew the leases for another 3 years. The lease contracts restrict the Group from assigning and subleasing the leased assets.

The Group has certain leases of storage with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases. Such lease payments are charged to profit or loss on the straight-line basis over the lease term.

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets and the movements during the financial year:

	Leasehold land RM	Office premises RM	Total RM
GROUP			
2025			
Balance at beginning	540,654	441,598	982,252
Depreciation	<u>(10,601)</u>	<u>(299,687)</u>	<u>(310,288)</u>
Balance at end	<u>530,053</u>	<u>141,911</u>	<u>671,964</u>
2024			
Balance at beginning	551,255	386,507	937,762
Addition	-	319,300	319,300
Depreciation	<u>(10,601)</u>	<u>(264,209)</u>	<u>(274,810)</u>
Balance at end	<u>540,654</u>	<u>441,598</u>	<u>982,252</u>

The entire leasehold land of the Group is pledged to a licensed bank as securities for banking facilities granted to a subsidiary as disclosed in Note 18 to the financial statements.

Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the financial year:

	Office premises	
	2025 RM	2024 RM
GROUP		
Balance at beginning	470,981	395,577
Addition	-	319,300
Accretion of interest	16,357	24,962
Payments	<u>(330,009)</u>	<u>(268,858)</u>
Balance at end	<u>157,329</u>	<u>470,981</u>
Represented by:		
Non-current	40,338	157,327
Current	<u>116,991</u>	<u>313,654</u>
	<u>157,329</u>	<u>470,981</u>

The maturity analysis of lease liabilities is disclosed in Note 33.4 to the financial statements.

The following are the amounts recognised in profit or loss:

	GROUP	
	2025	2024
	RM	RM
Depreciation of right-of-use assets	310,288	274,810
Accretion of interest on lease liabilities	16,357	24,962
Expenses relating to leases of low-value assets	5,428	5,363
Expenses relating to short-term leases	86,982	42,063
Total amount recognised in profit or loss	419,055	347,198

The total cash outflows for leases of the Group during the financial year are **RM422,419** (2024: RM316,284).

Material accounting policy information

Right-of-use assets

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

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

Leasehold land	57 years
Office premises	3 years

7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2025	2024
	RM	RM
Unquoted shares, at cost	57,592,147	54,000,000
Employees' share option granted to employees of subsidiaries	1,127,994	223,386
	58,720,141	54,223,386
Less: Allowance for impairment loss		
Current year/Balance at end	(967,469)	-
	57,752,672	54,223,386

The details of the subsidiaries, all of which were incorporated and principal place of business in Malaysia, except where indicated, are as follows:

Name of Companies	Effective Equity Interest		Principal Activities
	2025	2024	
	%	%	
Sophic Automation Sdn. Bhd. ("SA")	100	100	Provision of automation solutions and engineering services.
Sophic MSC Sdn. Bhd. ("MSC")	100	100	Provision of automation solutions.

Name of Companies	Effective Equity Interest		Principal Activities
	2025 %	2024 %	
HaliosPartners Sdn. Bhd. (formerly known as Pinkypye Sdn. Bhd.) ("HP")	100	100	Provision of precision machining and related services.
Sophic Engineering Sdn. Bhd. ("SE")	100	-	Provision of semiconductor manufacturing and engineering services.
* Sophic Singapore Pte. Ltd. ("SS") (Incorporated and principal place of business in Singapore)	100	-	Provision of automation solutions and engineering services.

* Not audited by Grant Thornton Malaysia PLT.

7.1 Incorporation and acquisition of subsidiaries

2025

- (i) On 12 June 2025 and 1 August 2025, the Company has subscribed 1 and 999,999 ordinary shares in SE respectively for a cash consideration of RM1,000,000. Subsequent to the subscription, SE has become a wholly-owned subsidiary of the Company.
- (ii) On 2 July 2025 and 22 September 2025, the Company has subscribed 1 and 249,999 ordinary shares in SS respectively for a cash consideration of RM834,500. Subsequent to the subscription, SS has become a wholly-owned subsidiary of the Company.

2024

On 23 July 2024, the Company had completed the acquisition of SA, followed by the acquisitions of MSC and HP on 30 July 2024, pursuant to the internal restructuring.

7.2 Subscription of ordinary shares in a subsidiary

On 30 December 2025, the Company has subscribed additional 1,757,647 ordinary shares in HP by way of converting amount due from HP of RM1,757,647. No changes in equity interest in HP subsequent to the subscription of ordinary shares.

7.3 Impairment on investment in a subsidiary

The Company reviews the material investment in subsidiaries for impairment when there is an indication of impairment. The recoverable amounts of the investment in subsidiaries are assessed by reference to the higher of value in use or fair value less cost to sell of the respective subsidiaries as at the end of the reporting period. Accordingly, an impairment loss of **RM967,469** (2024: RM Nil) is recognised in other operating expenses in respect of investment in HP during the year due to the continuous losses incurred by the subsidiary. The fair value measurement of the subsidiary is disclosed in Note 34.2 to the financial statements.

Material accounting policy information

Investment in subsidiaries are measured at cost less any impairment losses in the Company's separate financial statements.

8. **CONTRACT ASSETS/(LIABILITIES)**

		GROUP	
	NOTE	2025 RM	2024 RM
Non-current assets			
Contract assets			
- Revenue contracts	8.1	<u>-</u>	<u>389,433</u>
Current assets			
Contract assets			
- Revenue contracts	8.1	<u>6,301,306</u>	<u>5,403,080</u>
Total contract assets		<u>6,301,306</u>	<u>5,792,513</u>
Current liabilities			
Contract liabilities			
- Deposits received from customers	8.2	<u>(5,898,971)</u>	<u>(4,164,800)</u>

8.1 **Contract assets – revenue contracts**

	GROUP	
	2025 RM	2024 RM
Balance at beginning	5,792,513	5,120,682
Increase as a result of revenue recognised during the financial year	76,606,542	66,402,755
Decrease as a result of progress billings during the financial year	<u>(76,097,749)</u>	<u>(65,730,924)</u>
Balance at end	<u>6,301,306</u>	<u>5,792,513</u>

Contract assets represent the Group's right to consideration for goods delivered and work completed on service contracts but not yet billed at the end of the reporting period.

8.2 **Contract liabilities – deposits received from customers**

	GROUP	
	2025 RM	2024 RM
Balance at beginning	(4,164,800)	(2,630,589)
Decrease as a result of revenue recognised during the financial year	3,977,611	1,536,980
Increase as a result of progress billings during the financial year	<u>(5,711,782)</u>	<u>(3,071,191)</u>
Balance at end	<u>(5,898,971)</u>	<u>(4,164,800)</u>

Contract liabilities of the Group represent deposits received from customers in advance for sales orders before commencing production activity. The deposits will be reversed and recognised as revenue upon satisfying the performance obligation.

8.3 **Unsatisfied performance obligations**

The transaction price allocated to the remaining performance obligations of the Group (unsatisfied or partially unsatisfied) to be fulfilled within one year as at the end of the reporting period is **RM11,819,297** (2024: RM9,426,115).

9. INVENTORIES

	GROUP	
	2025 RM	2024 RM
At cost		
Raw materials	275,143	425,125
Work-in-progress	<u>13,049,263</u>	<u>6,180,018</u>
	<u>13,324,406</u>	<u>6,605,143</u>

The inventories recognised as cost of sales in the profit or loss of the Group amounted to **RM20,667,054** (2024: RM22,505,377).

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined on the first-in, first-out basis.

10. TRADE AND OTHER RECEIVABLES

		GROUP		COMPANY	
	NOTE	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables					
Third parties	10.1	34,301,502	31,703,583	-	-
Less: Allowance for expected credit losses					
Balance at beginning		<u>(153,304)</u>	<u>(43,648)</u>	<u>-</u>	<u>-</u>
Current year		<u>-</u>	<u>(109,656)</u>	<u>-</u>	<u>-</u>
Balance at end		<u>(153,304)</u>	<u>(153,304)</u>	<u>-</u>	<u>-</u>
		<u>34,148,198</u>	<u>31,550,279</u>	<u>-</u>	<u>-</u>
Other receivables					
Sundry receivables		<u>273,400</u>	<u>321,740</u>	<u>-</u>	<u>201,840</u>
Less: Allowance for expected credit losses		<u>-</u>	<u>(45,000)</u>	<u>-</u>	<u>-</u>
		<u>273,400</u>	<u>276,740</u>	<u>-</u>	<u>201,840</u>
Dividend receivable		-	-	5,000,000	-
Amount due from subsidiaries	10.2	-	-	3,016,582	3,920,497
Refundable deposits		304,020	273,557	1,640	-
Prepayments		<u>2,571,949</u>	<u>2,305,241</u>	<u>-</u>	<u>156,341</u>
		<u>3,149,369</u>	<u>2,855,538</u>	<u>8,018,222</u>	<u>4,278,678</u>
Total trade and other receivables		<u>37,297,567</u>	<u>34,405,817</u>	<u>8,018,222</u>	<u>4,278,678</u>

10.1 Trade receivables

The trade receivables are non-interest bearing and generally on **30 to 120 days** (2024: 30 to 120 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables was an amount of RM1,730,550 arising from sales in the previous financial years which have been arranged to be repaid over 24 months commencing December 2023. The amount has been fully settled during the financial year.

10.2 Amount due from subsidiaries

The amount due from subsidiaries are unsecured, non-interest bearing and classified based on the expected timing of realisation.

The currency profile of trade and other receivables is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	33,873,216	30,130,874	8,009,689	4,278,678
United States Dollar	3,312,674	4,202,355	-	-
Singapore Dollar	105,523	-	8,533	-
Euro	6,154	-	-	-
Renminbi	-	72,588	-	-
	<u>37,297,567</u>	<u>34,405,817</u>	<u>8,018,222</u>	<u>4,278,678</u>

11. CONTRACT COSTS

	GROUP	
	2025 RM	2024 RM
Cost to fulfill contracts	<u>976,900</u>	<u>1,503,523</u>

Cost to fulfil contracts in relation to the manufacture of automated equipment comprises costs incurred to manufacture automated equipment for which its corresponding sales have yet to be recognised as revenue.

These costs are amortised to profit or loss when the corresponding sales of automated equipment is recognised. During the financial year, the amount of amortisation is **RM4,214,567** (2024: RM342,406).

12. OTHER INVESTMENTS

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial assets at fair value through profit or loss ("FVTPL")				
Short term funds with licensed financial institutions	<u>30,175,598</u>	-	<u>23,113,184</u>	-

Short term funds with licensed financial institutions of the Group and of the Company are primarily invested in a mixture of money market instruments with different maturity period. The funds can be redeemed at any point in time upon request.

The currency profile of other investments is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	27,122,756	-	23,113,184	-
United States Dollar	3,052,842	-	-	-
	30,175,598	-	23,113,184	-

13. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed deposits with licensed banks				
- Unencumbered	6,134,086	7,343,399	-	-
- Encumbered	156,109	933,154	-	-
	6,290,195	8,276,553	-	-
Cash in hand and at banks	6,490,874	38,458,297	192,459	28,592,828
	12,781,069	46,734,850	192,459	28,592,828

The encumbered fixed deposits of the Group are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 18 to the financial statements.

The effective interest rates per annum and maturities of the fixed deposits with licensed banks of the Group as at the end of the reporting period range from **2.05% to 4.00%** (2024: 2.50% to 3.80%) per annum and **3 months to 12 months** (2024: 3 months to 12 months) respectively.

The currency profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	10,459,325	43,195,660	192,459	28,592,828
United States Dollar	1,497,020	3,539,190	-	-
Singapore Dollars	824,724	-	-	-
	12,781,069	46,734,850	192,459	28,592,828

14. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2025	2024	2025 RM	2024 RM
Issued and fully paid with no par value:				
Balance at beginning	650,000,000	2	83,519,634	2
Issuance of shares pursuant to:				
- acquisition of subsidiaries	-	539,999,998	-	54,000,000
- public issue	-	110,000,000	-	30,800,000
- exercise of share option plan ("SOP")	1,277,000	-	357,560	-
Transfer of SOP reserve upon exercised	-	-	183,377	-
Share issuance expenses	-	-	-	(1,280,368)
Balance at end	651,277,000	650,000,000	84,060,571	83,519,634

2025

During the financial year, the Company has increased its issued and fully paid-up ordinary share capital by way of issuance of 1,277,000 new ordinary shares pursuant to the exercise of SOP at an exercise price of RM0.28 per SOP for a total cash consideration of RM357,560. Upon the exercise of the SOP, the related fair value of the SOP amounting to RM183,377 was transferred from the SOP reserve to share capital.

2024

In the previous financial year, the Company had increased its issued and fully paid-up ordinary share capital by way of issuance of:

- (i) 539,999,998 new ordinary shares amounting to RM54,000,000 to satisfy the acquisition of SA, MSC and HP in conjunction with the internal restructuring of the Company; and
- (ii) 110,000,000 new ordinary shares in conjunction with the Initial Public Offering ("IPO") exercise.

15. MERGER DEFICIT

GROUP

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of subsidiaries upon consolidation under the merger accounting principles.

16. RESERVES

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
Share option plan reserve	16.1	958,040	226,051	958,040	226,051
Foreign translation reserve	16.2	(42,875)	-	-	-
		915,165	226,051	958,040	226,051

16.1 **Share option plan reserve**

Share option plan reserve represents the equity-settled share options awarded to the Company's directors and employees of certain subsidiaries. This reserve is made up of the cumulative value of services received from the employees recorded on the grant date of share options, and is reduced by the exercise or lapse of share options.

16.2 **Foreign translation reserve**

This is in respect of foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

17. **RETAINED PROFITS**

COMPANY

The franking of dividends of the Company is under the single tier system and therefore, there is no restriction on the Company to distribute dividends subject to the availability of retained profits.

18. **BORROWINGS**

	GROUP	
	2025	2024
	RM	RM
Non-current		
Secured:		
<u>Finance lease liabilities</u>		
Minimum payments:		
Within one year	290,352	247,977
More than one year and less than two years	131,533	254,472
More than two years and less than five years	140,357	53,039
	562,242	555,488
Future finance charges	(31,808)	(28,402)
	530,434	527,086
Amount due within one year included under current liabilities	(272,675)	(230,016)
	257,759	297,070
<u>Term loans</u>		
Total amount payable	9,993,653	10,487,007
Amount due within one year included under current liabilities	(540,351)	(497,405)
	9,453,302	9,989,602
	9,711,061	10,286,672
Current		
Secured:		
Finance lease liabilities	272,675	230,016
Term loans	540,351	497,405
	813,026	727,421
Total borrowings	10,524,087	11,014,093

The borrowings are secured by way of:

- (i) legal charge over the freehold land and building of certain subsidiaries as disclosed in Note 4 to the financial statements;
- (ii) legal charge over the leasehold land of a subsidiary as disclosed in Note 6 to the financial statements;
- (iii) pledged of fixed deposits with licensed banks of certain subsidiaries as disclosed in Note 13 to the financial statements;
- (iv) corporate guarantees of the Company;
- (v) joint and several guarantee by certain directors of the Company; and
- (vi) lease assets as disclosed in Note 4 to the financial statements.

A summary of the effective interest rates per annum and the maturities of the borrowings is as follows:

	Effective interest rates per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
GROUP						
2025						
Finance lease liabilities	3.78 to 6.40	530,434	272,675	123,221	134,538	-
Term loans	4.05 to 7.90	9,993,653	540,351	510,323	1,434,847	7,508,132
2024						
Finance lease liabilities	3.78 to 6.40	527,086	230,016	245,645	51,425	-
Term loans	3.50 to 8.15	10,487,007	497,405	553,562	1,528,268	7,907,772

19. **DEFERRED INCOME**

	GROUP	
	2025 RM	2024 RM
Government grant		
Balance at beginning	1,230	1,734
Amortisation	(838)	(504)
Balance at end	392	1,230
Represented by:		
Non-current	-	558
Current	392	672
	392	1,230

Government grant has been received for the reimbursement of capital expenditure on computer software. There are no unfulfilled conditions or contingencies attached to the government grant.

Material accounting policy information

The Company has elected to present government grants related to assets as deferred income.

20. DEFERRED TAX LIABILITIES

	GROUP	
	2025 RM	2024 RM
Balance at beginning	1,704,000	1,609,000
Recognised in profit or loss	72,000	176,000
	<u>1,776,000</u>	<u>1,785,000</u>
Over provision in prior year	(75,000)	(81,000)
Balance at end	<u>1,701,000</u>	<u>1,704,000</u>

The deferred tax liabilities of the Group are represented by temporary differences arising from:

	GROUP	
	2025 RM	2024 RM
Property, plant and equipment	182,000	267,000
Intangible assets	1,510,000	1,504,000
Other deductible temporary differences	9,000	(67,000)
	<u>1,701,000</u>	<u>1,704,000</u>

21. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables				
Third parties	<u>2,933,674</u>	<u>1,446,880</u>	<u>-</u>	<u>-</u>
Other payables				
Sundry payables	<u>327,654</u>	<u>315,568</u>	<u>14,332</u>	<u>7,224</u>
Accruals	<u>2,247,004</u>	<u>2,125,142</u>	<u>55,856</u>	<u>589</u>
	<u>2,574,658</u>	<u>2,440,710</u>	<u>70,188</u>	<u>7,813</u>
Total trade and other payables	<u>5,508,332</u>	<u>3,887,590</u>	<u>70,188</u>	<u>7,813</u>

The trade payables of the Group are non-interest bearing and are normally settled within **30 to 60 days** (2024: 30 to 60 days) credit terms.

The currency profile of trade and other payables is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	5,447,222	3,871,192	70,188	7,813
Singapore Dollar	46,021	-	-	-
United States Dollar	14,896	6,483	-	-
Euro	193	9,388	-	-
Others	-	527	-	-
	5,508,332	3,887,590	70,188	7,813

22. REVENUE

22.1 Disaggregated revenue information

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Types of revenue				
Manufacturing operating solutions and services				
- Engineering support services	40,055,548	32,686,371	-	-
- Automation solutions	33,423,191	37,012,783	-	-
Product engineering services	33,623,684	33,716,384	-	-
Total revenue from contracts with customers	107,102,423	103,415,538	-	-
Dividend income from a subsidiary, representing other revenue	-	-	5,000,000	6,350,000
Total revenue	107,102,423	103,415,538	5,000,000	6,350,000
Timing of revenue recognition				
At a point in time	33,423,191	37,012,783	-	-
Over time	73,679,232	66,402,755	-	-
Total revenue from contracts with customers	107,102,423	103,415,538	-	-

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Geographical markets				
Malaysia	101,384,020	93,500,362	-	-
Thailand	1,594,556	390,213	-	-
Mexico	1,332,360	78,340	-	-
Philippines	984,978	4,365,511	-	-
India	621,942	27,711	-	-
Singapore	580,169	4,638,933	-	-
United States of America	452,059	343,710	-	-
Vietnam	82,135	47,610	-	-
Others	70,204	23,148	-	-
Total revenue from contracts with customers	107,102,423	103,415,538	-	-

22.2 Contract balances

	GROUP	
	2025 RM	2024 RM
Trade receivables (Note 10)	34,148,198	31,550,279
Contract assets (Note 8)	6,301,306	5,792,513
Contract liabilities (Note 8)	5,898,971	4,164,800

22.3 Performance obligations

The performance obligations of the Group to recognise revenue are as follows:

Manufacturing operating solutions and services

Manufacturing operating solutions and services comprise revenue from design, development and sales of digitalised solutions and automated equipment and provision of engineering support services for integrated circuit ("IC") assembly and testing.

(i) ***Automation solutions***

The Group designs, develops, assembles, integrates, configures, tests and commission production/operational modernisation digitalised solutions and automated equipment based on customer orders received.

Revenue is recognised at a point in time when controls of the goods are transferred to the customer, which typically occurs upon shipment or delivery depending on the terms of the underlying contract. Under certain circumstances, customer acceptance is conducted at customer's site, i.e. to ensure that the equipment purchased can fulfil the technical specifications and requirements, and can be integrated with the customer's production flow and systems. Under such circumstance, revenue is only recognised once customer acceptance has been received at customer's site.

(ii) ***Engineering support services***

The Group provides engineering support services for IC assembly and testing and other manufacturing processes. Revenue from engineering support services is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group.

Product engineering services

The Group is also involved in the provision of product engineering services, which entails mainly post-silicon validation services, software development and new product introduction. Revenue from product engineering services is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group.

23. OTHER INCOME

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Amortisation of government grant	838	504	-	-
Dividend income from other investments	46,252	-	46,252	-
Fair value gain on other investments	678,466	-	661,792	-
Government grant income	115,519	-	-	-
Realised gain on foreign exchange	-	4,194	-	-
Rental income	198,000	-	-	-
Sundry income	52,153	251,844	-	-
	1,091,228	256,542	708,044	-

24. FINANCE COSTS

	GROUP	
	2025 RM	2024 RM
Accretion of interests on lease liabilities	16,357	24,962
Interest expenses on:		
- bank overdraft	2	-
- finance lease liabilities	28,513	27,716
- term loans	453,042	479,688
	497,914	532,366

25. FINANCE INCOME

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Distribution income	5,140	-	5,140	-
Interest income from financial institutions	544,751	620,494	126,638	127,674
Unwinding discounts on trade receivables	178,122	-	-	-
	728,013	620,494	131,778	127,674

26. **PROFIT BEFORE TAX**

This is arrived at:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
After charging:				
Amortisation of intangible assets	667,682	718,737	-	-
Auditors' remuneration				
- Statutory audit				
- Grant Thornton Malaysia PLT				
- current year	141,000	133,000	50,000	50,000
- under provision in prior year	2,000	3,000	25,000	-
- Assurance related services				
- Grant Thornton Malaysia PLT	5,000	10,000	5,000	5,000
Depreciation of:				
- property, plant and equipment	1,682,569	1,572,181	2,360	957
- right-of-use assets	310,288	274,810	-	-
Directors' fees	306,000	215,161	306,000	215,161
Expenses relating to leases of low-value assets	5,428	5,363	-	-
Expenses relating to short-term leases	86,982	42,063	-	-
Impairment loss on investment in subsidiaries	-	-	967,469	-
Realised loss on foreign exchange	395,685	183,760	-	-
Research and development expenses	347,728	326,307	-	-
* Staff costs	69,209,815	60,520,714	19,758	7,765
Unrealised loss on foreign exchange	200,290	161,935	-	-
Unwinding discounts on trade receivables	-	1,154	-	-
And crediting:				
Unwinding discounts on contract assets	-	30,737	-	-

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
* Staff costs				
- Salaries, bonus, overtime, and allowances	61,453,289	53,018,305	9,000	5,100
- Defined contribution plan ("EPF")	6,822,557	6,297,519	-	-
- Social security contribution ("SOCSO") and employment insurance scheme ("EIS")	1,098,214	978,839	-	-
- Equity-settled share-based payments	915,366	226,051	10,758	2,665
	70,289,426	61,940,295	19,758	7,765
Less: Capitalised in development costs	(1,079,611)	(1,419,581)	-	-
	69,209,815	60,520,714	19,758	7,765

Directors' emoluments included in the staff costs of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Executive directors of the Company:				
- Salaries, bonus, and allowances	600,040	600,040	-	-
- EPF	72,000	72,000	-	-
- SOCSO and EIS	2,785	2,434	-	-
	674,825	674,474	-	-
Non-executive directors of the Company:				
- Directors' fee	306,000	215,161	306,000	215,161
- Allowances	9,000	41,088	9,000	5,100
	315,000	256,249	315,000	220,261
Executive directors of the subsidiaries:				
- Salaries, bonus, and allowances	304,779	252,784	-	-
- EPF	38,933	30,264	-	-
- SOCSO and EIS	1,393	1,217	-	-
	345,105	284,265	-	-
Total directors' remuneration	1,334,930	1,214,988	315,000	220,261

27. TAXATION

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysian income tax: Based on results for the financial year				
- Current tax	(748,572)	(2,908,000)	-	(28,000)
- Deferred tax relating to the origination and reversal of temporary differences	(72,000)	(176,000)	-	-
	(820,572)	(3,084,000)	-	(28,000)
Over/(Under) provision in prior year				
- Current tax	(1,218)	72,076	(1,218)	-
- Deferred tax	75,000	81,000	-	-
	73,782	153,076	(1,218)	-
	(746,790)	(2,930,924)	(1,218)	(28,000)

The reconciliation of taxation of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	9,173,142	11,671,665	3,933,202	3,380,053
Income tax at Malaysian statutory rate at 24%	(2,201,554)	(2,801,200)	(943,968)	(811,213)
Income not subject to tax	244,607	-	1,369,931	1,524,000
Expenses not deductible for tax purposes	(561,377)	(933,375)	(425,963)	(740,787)
Deferred tax assets not recognised	(18,749)	(105,978)	-	-
Utilisation of unrecognised unused tax losses and unabsorbed capital allowances	44,651	-	-	-
Pioneer income not subject to tax	1,671,850	756,553	-	-
	(820,572)	(3,084,000)	-	(28,000)
Over/(Under) provision in prior year	73,782	153,076	(1,218)	-
	(746,790)	(2,930,924)	(1,218)	(28,000)

The Group has been granted pioneer status for five years from 21 January 2021 to 20 January 2026 under Section 4D of the Promotion of Investments Act 1986 on:

- (i) tax exemption on 100% of statutory income for the activities of automated guided vehicle/automated mobile robot, automated intelligent vision inspection system, automated intelligent material management system, intelligent command center system and automated intelligent handling and testing system; and
- (ii) tax exemption on 70% of statutory income for the activities of augmented reality smart glass.

The following deferred tax assets (gross amount) have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised. At as the end of the reporting period, the Group's deferred tax position is as follows:

	GROUP	
	2025	2024
	RM	RM
Deferred tax recognised:		
Property, plant and equipment	633,878	549,333
Unabsorbed capital allowances	(427,738)	(210,952)
Unused tax losses	(206,140)	(338,381)
	-	-
Deferred tax assets not recognised:		
Unabsorbed capital allowances	(895)	(102,476)
Unused tax losses	(753,324)	(837,788)
Others deductible temporary differences	(78,218)	(100)
	(832,437)	(940,364)

The gross amount and future availability of unused tax losses and unabsorbed capital allowances which are available to be carried forward for set-off against future taxable income are estimated as follows:

	GROUP	
	2025	2024
	RM	RM
Unabsorbed capital allowances	428,633	313,428
Unused tax losses	959,464	1,176,169

The unused tax losses can be carried forward for ten (10) consecutive years of assessment immediately following that year of assessment ("YA") of which tax losses was incurred. However, unabsorbed capital allowances can be carried forward indefinitely.

The unused tax losses will be disregarded in the following YAs:

	GROUP	
	2025	2024
	RM	RM
YA 2034	341,831	558,536
YA 2035	617,633	617,633
	959,464	1,176,169

28. EARNINGS PER SHARE

(i) Basic earnings per share

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

	GROUP	
	2025	2024
Profit attributable to owners of the Company (RM)	<u>8,426,352</u>	<u>8,740,741</u>
Weighted average number of ordinary shares in issue	<u>650,226,078</u>	<u>556,575,342</u>
Basic earnings per share (sen)	<u>1.30</u>	<u>1.57</u>

(ii) Diluted earnings per share

The diluted earnings per share of the Group is calculated by dividing the profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year adjusted for the dilutive effects of all potential ordinary shares as follows:

	GROUP	
	2025	2024
Profit attributable to owners of the Company (RM)	<u>8,426,352</u>	<u>8,740,741</u>
Weighted average number of ordinary shares in issue	<u>650,226,078</u>	<u>556,575,342</u>
Adjustment for dilutive effect of SOP	<u>2,878,022</u>	<u>3,960,338</u>
	<u>653,104,100</u>	<u>560,535,680</u>
Diluted earnings per share (sen)	<u>1.29</u>	<u>1.56</u>

29. DIVIDEND

	GROUP AND COMPANY	
	2025	2024
	RM	RM
In respect of financial year ended 31 December 2024:		
- Single tier interim dividend of RM0.005 per ordinary share	<u>3,250,000</u>	<u>-</u>

On 24 February 2026, the Company has declared a single tier interim dividend of RM0.0075 per ordinary share amounting to RM4,884,751 in respect of financial year ended 31 December 2025 and paid on 31 March 2026. Such dividend will be accounted for in shareholders' equity as appropriation of retained profits in the financial year ending 31 December 2026.

30. SEGMENTAL INFORMATION

Operating segment is presented in respect of the Group's business segments. The business segments are based on the Group's management and internal reporting structure. These business segments are involved in different activities and managed by segment managers who report directly to the Group's executive directors.

Business segments

The Group comprises the following main business segments:

- (i) Manufacturing operating solutions and services - Design, development and sales of digitalised solutions and automated equipment and provision of engineering support services for IC assembly and testing and other manufacturing processes
- (ii) Product engineering services (“PES”) - Provision of product engineering services for post-silicon validation services, software development and new product introduction
- (iii) Others - Investment holding

Management monitors its business units separately up to segment results for the purpose of making decisions about performance assessment. Segment assets and liabilities information are not presented to the decision makers by management as management does not distinguish assets and liabilities into the two operating segments. Hence, no disclosure is made on segment assets and liabilities.

	Manufacturing operating solutions and services RM	PES RM	Others RM	Total RM
2025				
Revenue from external sales, representing total revenue	73,478,739	33,623,684	-	107,102,423
Result				
Segment results	3,546,789	5,627,361	(231,107)	8,943,043
Finance costs				(497,914)
Finance income				728,013
Profit before tax				9,173,142
Taxation				(746,790)
Profit for the financial year				8,426,352
2024				
Revenue from external sales, representing total revenue	69,699,154	33,716,384	-	103,415,538
Result				
Segment results	7,473,165	7,080,319	(2,969,947)	11,583,537
Finance costs				(532,366)
Finance income				620,494
Profit before tax				11,671,665
Taxation				(2,930,924)
Profit for the financial year				8,740,741

Geographical segments

Revenue information of the Group based on the geographical location of the customers are disclosed in Note 22.1 to the financial statements.

Location of assets

The entire non-current assets of the Group are derived from Malaysia.

Information about major customers

The major customers which individually contributed to 10% or more of the Group's revenue are as follows:

	Segment	GROUP	
		2025 RM	2024 RM
Customer A	Manufacturing operating solutions and services PES	44,936,814 15,791,434 60,728,248	44,000,072 18,244,289 62,244,361
Customer B	PES	12,014,680	13,666,262

31. CAPITAL COMMITMENT

	GROUP	
	2025 RM	2024 RM
Contracted but not provided for: - Property, plant and equipment	-	308,776

32. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group has related party relationship with its subsidiaries and key management personnel.

(ii) Related party transactions

Related party transactions have been entered into at terms agreed between the parties during the financial year.

	COMPANY	
	2025 RM	2024 RM
Debt assignment from a subsidiary	1,757,647	-
Dividend income from a subsidiary	5,000,000	6,350,000
Net advances to a subsidiary	3,000,000	-
Payment on behalf to subsidiaries	14,986	2,429,503

(iii) **Compensation of key management personnel**

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, directly or indirectly.

The Group and the Company have no other members of key management personnel apart from the Board of Directors which compensation has been shown in Note 26 to the financial statements.

The directors have been granted with the following number of share options.

	GROUP AND COMPANY	
	Number of SOP	
	2025	2024
	RM	RM
Balance at beginning	150,000	-
Granted	-	150,000
Exercised	(27,500)	-
Balance at end	122,500	150,000

The SOP was granted on the same terms and conditions as those offered to other employees of the Group, as disclosed in Note 36 to the financial statements.

33. **FINANCIAL INSTRUMENTS**

33.1 **Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") and FVTPL.

	Carrying amount	AC	FVTPL
	RM	RM	RM
GROUP			
2025			
Financial assets			
Trade and other receivables (excluding prepayments)	34,725,618	34,725,618	-
Other investments	30,175,598	-	30,175,598
Cash and bank balances	12,781,069	12,781,069	-
	77,682,285	47,506,687	30,175,598
Financial liabilities			
Borrowings	10,524,087	10,524,087	-
Trade and other payables	5,508,332	5,508,332	-
	16,032,419	16,032,419	-

	Carrying amount RM	AC RM	FVTPL RM
2024			
Financial assets			
Trade and other receivables (excluding prepayments)	32,100,576	32,100,576	-
Cash and bank balances	46,734,850	46,734,850	-
	<u>78,835,426</u>	<u>78,835,426</u>	<u>-</u>
Financial liabilities			
Borrowings	11,014,093	11,014,093	-
Trade and other payables	3,887,590	3,887,590	-
	<u>14,901,683</u>	<u>14,901,683</u>	<u>-</u>
COMPANY			
2025			
Financial assets			
Trade and other receivables	8,018,222	8,018,222	-
Other investments	23,113,184	-	23,113,184
Cash and bank balances	192,459	192,459	-
	<u>31,323,865</u>	<u>8,210,681</u>	<u>23,113,184</u>
Financial liability			
Trade and other payables	70,188	70,188	-
2024			
Financial assets			
Trade and other receivables (excluding prepayments)	4,122,337	4,122,337	-
Cash and bank balances	28,592,828	28,592,828	-
	<u>32,715,165</u>	<u>32,715,165</u>	<u>-</u>
Financial liability			
Trade and other payables	7,813	7,813	-

33.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign exchange risk and equity price risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

33.3 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables whilst the Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees provided to financial institutions in respect of credit facilities granted to certain subsidiaries.

33.3.1 Trade receivables

The Group gives its customers credit terms that range between **30 to 120 days** (2024: 30 to 120 days). Credit terms extended to its customers is based on careful evaluation of the customers' financial condition and credit history. Receivables are monitored on an on-going basis via the Group's management reporting procedures and action will be taken for long outstanding debts. In order to further minimise its exposure to credit risk, the Group requires deposits from its customers or requests for progressive payments as the work is performed.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts as disclosed in Note 10 to the financial statements.

The ageing analysis of trade receivables of the Group as at the end of the reporting period is as follows:

	Gross RM	Allowance for ECL RM	Net RM
GROUP			
2025			
Not past due	27,613,613	-	27,613,613
1 to 30 days past due	984,318	-	984,318
31 to 60 days past due	652,970	-	652,970
61 to 90 days past due	584,996	-	584,996
More than 90 days past due	4,312,301	-	4,312,301
	6,534,585	-	6,534,585
Individually impaired	153,304	(153,304)	-
	34,301,502	(153,304)	34,148,198
2024			
Not past due	24,349,648	-	24,349,648
1 to 30 days past due	1,100,104	-	1,100,104
31 to 60 days past due	1,012,333	-	1,012,333
61 to 90 days past due	81,466	-	81,466
More than 90 days past due	5,006,728	-	5,006,728
	7,200,631	-	7,200,631
Individually impaired	153,304	(153,304)	-
	31,703,583	(153,304)	31,550,279

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired has been renegotiated during the financial year.

The Group has trade receivables amounting to **RM6,534,585** (2024: RM7,200,631) that are past due but not impaired at the end of the reporting period as the management is of the view that these debts will be collected in due course.

As at the end of the reporting period, the Group has significant concentration of credit risk in the form of outstanding balance due from **1 customer** (2024: 1 customer), representing **36%** (2024: 49%) of the total trade receivables.

Maximum exposure of credit risk

The following table provides information about the exposure to credit risk and ECL for trade receivables and contract assets as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Gross RM	Allowance for ECL RM	Net RM
Credit risk rating			
GROUP			
2025			
Low risk	40,449,504	-	40,449,504
Individually impaired	153,304	(153,304)	-
	40,602,808	(153,304)	40,449,504
2024			
Low risk	37,342,792	-	37,342,792
Individually impaired	153,304	(153,304)	-
	37,496,096	(153,304)	37,342,792

In managing the credit risk of the trade receivables and contract assets, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group measures the allowance for ECL of trade receivables and contract assets at an amount equal to lifetime ECL using a simplified approach. The ECL on trade receivables and contract assets are estimated based on past default experience and an analysis of the trade receivables' and contract assets' current financial position, adjusted for factors that are specific to the trade receivables and contract assets such as liquidation and bankruptcy. Forward looking information such as gross domestic products ("GDP") rate has been incorporated in determining the ECL.

Trade receivables are usually collectible and the Group does not have much material historical bad debts written off or impairment of trade receivables and contract assets. There are circumstances where the settlement of trade receivables will take longer than the credit terms given to the customers. The delay in settlement is mainly due to disagreement of pricing and quality issue or administrative matter. No ECL is provided for the low credit risk trade receivables during the financial year based on the above assessment as the impact to the Group's financial statements is not material.

33.3.2 Intercompany balances

The Company provides advances to its subsidiaries and monitors the results of the subsidiaries regularly.

The maximum exposure to credit risk is represented by the carrying amount as disclosed in Note 10 to the financial statements.

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of these advances.

33.3.3 Financial guarantees

The Company provides unsecured financial guarantees to financial institutions for banking facilities granted to certain subsidiaries. The limit and the maximum exposure of the financial guarantees are **RM18,759,305** (2024: RM2,335,000) and **RM9,045,383** (2024: RM1,530,621) respectively.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by them. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment. The directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

33.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM	More than five years RM
GROUP					
2025					
<i>Non-derivative financial liabilities</i>					
Borrowings	10,524,087	15,507,159	1,182,394	3,749,707	10,575,058
Lease liabilities	157,329	163,072	122,304	40,768	-
Trade and other payables	5,508,332	5,508,332	5,508,332	-	-
Total undiscounted financial liabilities	16,189,748	21,178,563	6,813,030	3,790,475	10,575,058
2024					
<i>Non-derivative financial liabilities</i>					
Borrowings	11,014,093	15,703,223	1,202,407	4,098,247	10,402,569
Lease liabilities	470,981	493,082	330,010	163,072	-
Trade and other payables	3,887,590	3,887,590	3,887,590	-	-
Total undiscounted financial liabilities	15,372,664	20,083,895	5,420,007	4,261,319	10,402,569

	Carrying amount RM	Contractual cash flows RM	Within one year RM
COMPANY			
2025			
<i>Non-derivative financial liabilities</i>			
Trade and other payables	70,188	70,188	70,188
Financial guarantees *	-	9,045,383	9,045,383
	<u>70,188</u>	<u>9,115,571</u>	<u>9,115,571</u>
Total undiscounted financial liabilities	<u>70,188</u>	<u>9,115,571</u>	<u>9,115,571</u>
2024			
<i>Non-derivative financial liabilities</i>			
Trade and other payables	7,813	7,813	7,813
Financial guarantees *	-	1,530,621	1,530,621
	<u>7,813</u>	<u>1,538,434</u>	<u>1,538,434</u>
Total undiscounted financial liabilities	<u>7,813</u>	<u>1,538,434</u>	<u>1,538,434</u>

* The financial guarantees are included for illustration purpose only as they have not crystallised as at the end of the reporting period.

33.5 Interest rate risk

The Group's fixed rate instruments are exposed to a risk of change in its fair value due to changes in interest rates. The Group's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's interest-bearing financial instruments based on their carrying amounts as at the end of the reporting period are as follows:

	GROUP	
	2025 RM	2024 RM
Fixed rate instruments		
Financial assets	6,290,195	8,276,553
Financial liabilities	<u>530,434</u>	<u>527,086</u>
Floating rate instrument		
Financial liabilities	<u>9,993,653</u>	<u>10,487,007</u>

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at FVTPL, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have decreased the Group's profit before tax and equity by the amount shown below, and a corresponding decrease would have an equal but opposite effect. These changes are considered to be reasonably possible based on the observation of current market conditions. This analysis assumes that all other variables remain constant.

	GROUP	
	2025	2024
	RM	RM
Decrease in profit before tax	24,984	26,218
Decrease in equity	18,988	19,926

33.6 Foreign currency risk

The objectives of the Group's foreign exchange policies are to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than the functional currency of the Group entities. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Singapore Dollar ("SGD").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit before tax and equity. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have decreased profit before tax and equity by the amount shown below and a corresponding weakening would have an equal but opposite effect.

	GROUP	
	2025	2024
	RM	RM
USD	784,764	773,506
SGD	88,423	-
Others	596	(992)
Decrease in profit before tax	873,783	772,514
Decrease in equity	664,075	587,111

33.7 Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial assets designated at FVTPL will fluctuate because of changes in market prices. Equity price risk arises from the Group's and the Company's other investments which are the investment in short term funds with licensed financial institutions.

Management of the Group and of the Company monitor the investment in short term funds and it can be redeemed at any time upon notice given to the financial institutions.

Sensitivity analysis for equity price risk

As at the end of the reporting period, if the prices of the short term funds has been 1% higher/lower, with all other variables held constant, the Group's and the Company's profit before tax and equity would have been impacted by the amount shown below, arising as a result of higher/lower fair value gain on investment in short term funds.

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Increase in profit before tax and equity	301,756	-	231,132	-

34. FAIR VALUE MEASUREMENT

The carrying amounts of the financial assets (other than other investments) and financial liabilities of the Group and of the Company as at the end of the reporting period approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rate on or near the end of the reporting period.

The carrying amount of the non-current portion of finance lease liabilities is reasonable approximation of fair values due to the insignificant impact of discounting.

34.1. Financial assets that are measured at fair value on a recurring basis

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Carrying amount RM
GROUP					
2025					
Financial asset					
Other investments	30,175,598	-	-	30,175,598	30,175,598
COMPANY					
2025					
Financial asset					
Other investments	23,113,184	-	-	23,113,184	23,113,184

Level 1 fair value

Level 1 fair value of the other investments is derived by reference to their quoted market prices in active markets at the end of reporting period.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, 2 and 3 during the financial year.

34.2. Non-financial assets that are measured at fair value

Level 3 fair value - fair value of investment in subsidiaries

The fair value less cost to sell of certain investment in subsidiaries is determined based on the adjusted net assets of those subsidiaries.

The fair value measurement for the fair value less cost to sell is categorised as level 3 fair value based on the management best estimates.

Description of valuation technique and input used	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value measurements
Adjusted net asset method which derives the fair value of the assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, 2 and 3 during the financial year.

35. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management policy is to maintain a strong capital base to support their business and to maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it in the light of changes in economic conditions or expansion of the Group and of the Company. The Group and the Company may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

The Group and the Company consider their total equity and total loans and borrowings to be the key components of their capital structure. The Group and the Company monitor capital using a debt to equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Total borrowings	10,524,087	11,014,093	-	-
Less: Cash and bank balances	(12,781,069)	(46,734,850)	(192,459)	(28,592,828)
Net cash	(2,256,982)	(35,720,757)	(192,459)	(28,592,828)
Total equity	103,908,590	97,502,187	89,024,832	87,069,922
Gearing ratio	N/A⁽ⁱ⁾	N/A ⁽ⁱ⁾	N/A⁽ⁱ⁾	N/A ⁽ⁱ⁾

⁽ⁱ⁾ N/A – Not applicable as net cash position

36. **LONG TERM INCENTIVE PLAN (“LTIP”)**

The Company’s LTIP is governed by the By-Laws which were approved by the Company’s directors (“Board”) at an Extraordinary General Meeting held on 12 September 2024. The LTIP is to be in force for a period of 5 years from 5 November 2024. The LTIP comprises the share grant awards pursuant to the employees’ share grant plan and/or the award of number of options pursuant to the share option plan (“SOP”). The Board will have the discretion upon the recommendation of the LTIP Committee to extend the LTIP for another 5 years as it deemed fit immediately from the expiry of the first 5 years, provided that the LTIP does not exceed a maximum period of 10 years in its entirety. The LTIP shall not in aggregate exceed 15% of the total number of issued shares (excluding treasury shares, if any) at any point of time during the duration of the LTIP.

The salient features of the SOP are as follows:

- (i) The total number of new ordinary shares which are available to be issued under the SOP shall not exceed fifteen percent (15%) of the total issued and fully paid-up share capital of the Company at any time throughout the duration of the SOP.
- (ii) The option price shall be determined at a discount of not more than 10% from the weighted average market quotation of the Company’s shares as quoted on Bursa Malaysia Securities Berhad (“Bursa Securities”) for the five (5) market days immediately preceding the date of the offer.
- (iii) The shares under options shall remain unissued until the options are exercised and shall, on allotment, rank *pari passu* in all respects with the existing shares of the Company at the time of allotment save and except that the holders of such new shares shall not be entitled to any dividends, rights and/or other forms of distribution declared, made or paid to ordinary shareholders, where the entitlement precedes the date of issuance and allotment of such new shares pursuant to the exercise of the SOP granted under LTIP and will be subject to the provisions of the Constitution of the Company and ACE Market Listing Requirements of Bursa Securities.
- (iv) The Board of Directors has the absolute discretion, without the approval of the Company’s shareholders in general meeting to extend the duration of the SOP for up to further five (5) years.

Movement of SOP during the financial year

The movement of the SOP during the financial year is as follows:

Grant date	Exercise price RM	Number of SOP				Balance at 31.12.2025
		Balance at 1.1.2025	Granted	Exercised	Lapsed*	
6.11.2024	0.28	13,737,500	-	(1,277,000)	(792,500)	11,668,000

Grant date	Exercise price RM	Number of SOP				Balance at 31.12.2024
		Balance at 1.1.2024	Granted	Exercised	Lapsed*	
6.11.2024	0.28	-	13,737,500	-	-	13,737,500

* Lapsed due to resignation.

The weighted average fair value of SOP during the financial year is **RM0.1436** (2024: RM0.1436).

The weighted average share price at the date of the SOP exercised during the financial year is **RM0.37** (2024: RM0.39).

Fair value of SOP

The fair value of the SOP granted were estimated at the grant date using the Black-Scholes Model, taking into account the terms and conditions upon which the SOP were granted.

The following table lists the inputs to the Black-Scholes Model for the financial year ended 31 December:

	GROUP
	6.11.2024
Grant date	
Fair value of SOP at grant date (RM)	0.1436
Expected volatility (%)	10
Risk-free interest rate (% p.a.)	3.59
Expected dividend yield (%)	0
Expected life of option (days)	1,322
Share price (RM)	0.395
Exercise price (RM)	0.28

The expected life of the SOP is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the SOP is indicative of future trends, which may not necessarily be the actual outcome.

List Of Properties

Registered Owner	Location	Description and Existing Use	Land Area/ Built-up Area (sq ft)	Date of CF/CCC* Issuance	Land Status/ Category of Land Used	Encumbrances	Audited NBV** as at 31.12.2025 (RM'000)
Sophic Automation	Address No. 9, Jalan Industri Tangkas 1, Taman Industri Tangkas, 14000, Bukit Mertajam, Penang Title Lot 31599, Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang held under GM 9712	Tangkas 9 Plant comprised three- storey link terraced factory used as the Group's corporate headquarters, production facility and future innovation lab	9,332.31/ 11,981	18.03.2020 and 05.12.2022	Freehold/ No restriction of category of land used and it is currently being used as industrial land	A charge in favour of RHB Islamic Bank Berhad and RHB Bank Berhad registered on 29.11.2021 and 28.03.2023 respectively	5,083
Sophic Automation	Address No. 3, Jalan Industri Tangkas 2, Taman Industri Tangkas, 14000, Bukit Mertajam, Penang Title Lot 31605, Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang held under GM 9718	Tangkas 3 Plant comprised three-storey link terraced factory. Ground and 1st floor Office cum precision and assembly facility for Halios Partners Sdn Bhd. 2nd floor Engineering office for Sophic Automation.	5,995.50/ 11,981	18.03.2020	Freehold/ No restriction of category of land used and it is currently being used as industrial land	A charge in favour of RHB Islamic Bank Berhad and RHB Bank Berhad registered on 27.04.2022 and 28.03.2023 respectively	3,638
Sophic Automation	Address 6, Lorong Perindustrian Bukit Minyak 1/1, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang Title Lot 20839, Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang held under PNI1572	Double-storey semi-detached terrace factory used as the production facility and engineering office	3,153.83/ 3,087.10	22.11.2016 and 16.11.2021	60-year lease expiring on 13 April 2075/ Industrial	A charge in favour of Maybank Islamic Berhad registered on 09.10.2018 and 22.08.2019	618

*CC-Certificate of Fitness, CCC-Certificate of Completion and Compliance

**NBV-Net Book Value

List Of Properties (cont'd)

Registered Owner	Location	Description and Existing Use	Land Area/ Built-up Area (sq ft)	Date of CF/CCC* Issuance	Land Status/ Category of Land Used	Encumbrances	Audited NBV** as at 31.12.2025 (RM'000)
Sophic Automation	Address No. 8, Lorong Perindustrian Bukit Minyak 1/1, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang	Double-storey semi-detached terrace factory used as the warehouse and office	3,153.83/ 3,087.10	22.11.2016 and 16.11.2021	60-year lease expiring on 13 April 2075/ Industrial	A charged in favour of Maybank Islamic Berhad registered on 09.10.2018 and 22.08.2019	618
	Title Lot 20840, Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang held under PN11573						
Sophic MSC	Address 21-13A, Stellar Suites, Jalan Puteri 4/7, Bandar Puteri Puchong, 47140 Puchong, Selangor	A unit on the 21st floor of a 31-storey building used as an office	861/ 861	29.06.2022 and 05.03.2024	Freehold/ Industrial	A charged in favour of Maybank Islamic Berhad registered on 29.05.2023	455
	Title Bangunan M1, Tingkat No. 21 Petak No. 198 Petak Aksesori No. A334 held under Hakmilik Strata No. Geran 33526/ M1/21/198, Lot No. 115900, Mukim Petaling, Daerah Petaling, Negeri Selangor						
Sophic MSC	Address 21-16, Stellar Suites, Jalan Puteri 4/7, Bandar Puteri Puchong, 47140 Puchong, Selangor	A unit on the 21st floor of a 31-storey building used as an office	893/ 893	29.06.2022 and 05.03.2024	Freehold/ Industrial	A charged in favour of Maybank Islamic Berhad registered on 29.05.2023	486
	Title Bangunan M1, Tingkat No. 21 Petak No. 199 Petak Aksesori No. A157 held under Hakmilik Strata No. Geran 33526/ M1/21/199, Lot No. 115900, Mukim Petaling, Daerah Petaling, Negeri Selangor						

*CC-Certificate of Fitness, CCC-Certificate of Completion and Compliance

**NBV-Net Book Value

Analysis Of Shareholdings

AS AT 03 APRIL 2026

Total number of issued shares	: 651,300,125
Number of shareholders	: 2,429
Class of Shares	: Ordinary Shares
Voting Rights	: One vote per Ordinary Share on a poll

DISTRIBUTION OF SHAREHOLDERS

Size of Holdings	No of holders	%	No of shares	%
1-99	4	0.165	179	0.000
100-1,000	333	13.709	159,770	0.025
1,001 – 10,000	988	40.675	5,807,825	0.892
10,001 – 100,000	906	37.299	33,528,551	5.148
100,001 – 32,565,005 (*)	195	8.028	235,562,700	36.168
32,565,006 and above (**)	3	0.124	376,241,100	57.767
TOTAL	2,429	100.000	651,300,125	100.000

Remark: * Less than 5% of issued shares **5% and above of issued shares

DIRECTORS' SHAREHOLDINGS

Name	No of shares (Direct)	%	No of shares (Indirect)	%
Ahmad Khairuddin Bin Abdul Rahim	100,000	0.015	...	...
Dato' Boonler Somchit	312,500	0.049	...	...
Hanita Binti Othman	105,000	0.016	...	...
Joyce Wong Ai May	105,000	0.016	...	...
Koh Dim Kuan	28,322,700	4.349	260,000,000*	39.920
Lee Chee Hoo	129,311,000	19.854	260,000,000*	39.920
Ts. Hj Mohammad Hazani Bin Hassan	150,000	0.023	...	...
Teresa Tan Siew Kuan	105,000	0.016	...	...

* Deemed interested by virtue of their respective shareholdings in R3 Capital Sdn Bhd

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Name	No of shares (Direct)	%	No of shares (Indirect)	%
1. Lee Chee Hoo	129,311,000	19.854	260,000,000*	39.920
2. R3 Capital Sdn Bhd	260,000,000	39.920	...	...
3. Koh Dim Kuan	28,322,700	4.349	260,000,000*	39.920

* Deemed interested by virtue of their respective shareholdings in R3 Capital Sdn Bhd

Thirty Largest Shareholders

AS AT 03 APRIL 2026

No.	Name	No of shares	%
1	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR R3 CAPITAL SDN BHD	130,000,000	19.960
2	LEE CHEE HOO	129,211,000	19.838
3	R3 CAPITAL SDN BHD	117,030,100	17.968
4	MALAYSIAN TECHNOLOGY DEVELOPMENT CORPORATION SDN BHD	31,220,000	4.793
5	KOH DIM KUAN	28,009,000	4.300
6	LOW CHEE ONN	20,318,395	3.119
7	PHILLIP NOMINEES (TEMPATAN) SDN BHD OCTOWILL TRUSTEES BERHAD FOR PROVEN VENTURE	17,750,000	2.725
8	KENANGA NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR OCTOWILL TRUSTEES BERHAD	12,969,900	1.991
9	CITY EXOTIC SDN. BHD.	11,939,500	1.833
10	LIEW CHEE KIN	11,300,000	1.734
11	KEJAYA KAYA SDN. BHD.	5,350,100	0.821
12	DKIC CAPITAL SDN. BHD.	4,059,900	0.623
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YIP TUCK LEONG	3,685,700	0.565
14	KHOO CHOON KEAT	3,350,300	0.514
15	CHONG CHEE KEONG	3,178,429	0.488
16	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AHAM ASSET MANAGEMENT BERHAD (TSTAC/CLNTT)	2,962,000	0.454
17	MNOSYS SDN. BHD.	2,900,000	0.445
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR ETHEREAL CAPITAL SDN BHD - QUANTUM ALPHAFUND (469982)	2,500,000	0.383
19	YSY CAPITAL SOLUTIONS SDN BHD	2,135,900	0.327
20	LEE PENG SOON	2,000,000	0.307
21	TNG KEE MENG	2,000,000	0.307
22	AW KHENG TONG	1,994,900	0.306
23	HAMINNUDDIN BIN ABD HAMID	1,899,100	0.291
24	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOW DAI YING (M&A)	1,800,000	0.276
25	LIEW YUEN TENG	1,750,000	0.268
26	LIM CHOW LIN TERANCE	1,550,000	0.237
27	WONG SHIN GUEY	1,500,000	0.230
28	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KOK SAN	1,400,000	0.214
29	SOONG TZE CHOONG	1,360,000	0.208
30	JOMAN SDN BHD	1,275,000	0.195

Notice of Third Annual General Meeting

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting (“3rd AGM”) of 3REN BERHAD (“the Company”) will be held at Perdana 1 & 2, Level 3, Cititel Penang, 66, Jalan Penang, 10000 George Town, Pulau Pinang, Malaysia on Friday, 05 June 2026 at 10.00am or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions, with or without any modifications:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of Directors and Auditors thereon.
2. To re-elect the following Directors, each of whom retires in accordance with Clause 188 of the Company’s Constitution and being eligible, offers themselves for re-election:
 - (a) Encik Ahmad Khairuddin Bin Abdul Rahim; and **Ordinary Resolution 1**
 - (b) Cik Hanita Binti Othman. **Ordinary Resolution 2**Ts. Hj Mohammad Hazani Bin Hassan who also retires in accordance with Clause 188 of the Company’s Constitution, has expressed his intention not to seek for re-election at this 3rd AGM. Hence, he will retain office until the conclusion of the 3rd AGM.
3. To approve the payment of Directors’ fees to the Directors of an amount up to RM350,000 for the period from the next day of the 3rd AGM until the conclusion of the next annual general meeting (“AGM”) of the Company in 2027. **Ordinary Resolution 3**
4. To approve the payment of benefits to the Directors of an amount up to RM50,000 for the period from the next day of the 3rd AGM until the conclusion of the next AGM of the Company in 2027. **Ordinary Resolution 4**
5. To re-appoint Grant Thornton Malaysia PLT as auditors of the Company and to authorise the Directors to determine their remuneration. **Ordinary Resolution 5**

AS SPECIAL BUSINESS

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

6. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Ordinary Resolution 6**

“THAT subject to the Companies Act 2016 (“the Act”), the Company’s Constitution, the ACE Market Listing Requirements (“ACE LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant government or regulatory authorities, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued share capital (excluding treasury shares, if any) of the Company for the time being.

THAT the Directors are also empowered to obtain the approval for the listing and quotation for the additional shares so issued on the Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

Notice of Third Annual General Meeting (cont'd)

THAT pursuant to Section 85 of the Act to be read together with Clause 37 of the Constitution of the Company, all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of the offer in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled (“Pre-emptive Rights”).

THAT should this resolution be passed by the shareholders, this resolution shall have the effect of the shareholders having agreed to irrevocably waive their Pre-emptive Rights pursuant to Section 85 of the Act and Clause 37 of the Constitution of the Company in respect of the new shares to be issued and allotted by the Company and the issuance of such new shares of the Company will result in a dilution to their shareholding percentage in the Company. Subsequent to the passing of this resolution, if this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect.

AND THAT the new shares to be issued shall, upon issuance and allotment, 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.”

7. To transact any other business of which due notice shall have been given.

By Order of the Board

ONG TZE-EN (MAICSA 7026537 | SSM PC No. 202008003397)

Company Secretary

Penang, 30 April 2026

Notice of Third Annual General Meeting (cont'd)

NOTES:

APPOINTMENT OF PROXY

1. A proxy need not be a shareholder and a shareholder may appoint any person to be his/her proxy without limitation save that the proxy must be of full age.
2. The proxy form must be deposited/submitted via the following manner at least forty-eight (48) hours before the time set for holding the AGM or at any adjournment thereof PROVIDED that in the event the shareholder duly executes the proxy form but does not name any proxy, such shareholder shall be deemed to have appointed the Chairman of the meeting as his/her proxy, provided always that the rest of the proxy form, other than the particulars of the proxy(ies) have been duly completed by the shareholder:
 - (a) By hardcopy form
In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia or in the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.
 - (b) By electronic form
The proxy form can be electronically submitted via Vistra Share Registry and IPO (MY) portal (“**The Portal**”) at <https://srmy.vistra.com>. Please refer to the Administrative Guide on the procedure for electronic lodgement of the proxy form via The Portal.
3. A shareholder is entitled to appoint not more than two (2) proxies to exercise all or any of the shareholder’s rights to attend, speak and vote at the meeting. The proxy(ies) appointed shall have the same rights as the shareholders to speak at the meeting.
4. If a shareholder appoints more than one (1) proxy, they must specify, in the proxy form, the proportion of the shareholder’s shareholdings to be represented by each proxy.
5. Where a shareholder is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. A proxy form given by:
 - (a) an individual must be signed by the individual or an attorney who is authorised to act on behalf of the individual; and
 - (b) a corporation must be sealed with the corporation’s seal or signed by an officer of the corporation or an attorney who is authorised to act on behalf of the corporation.
7. In respect of deposited securities, only shareholders whose names appear on the Record of Depositors on 29 May 2026 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

EXPLANATORY NOTES

1. **Ordinary Resolutions 1 and 2** deal with the re-election of Encik Ahmad Khairuddin Bin Abdul Rahim and Cik Hanita Binti Othman. Both of them are standing for re-election and being eligible, have offered themselves for re-election at this 3rd AGM. The Board of Directors (“**the Board**”), through the Nomination Committee (“**NC**”), had conducted assessments on Encik Ahmad Khairuddin Bin Abdul Rahim and Cik Hanita Binti Othman and considered the results of the assessments which include commitment, contributions, knowledge, integrity and experience and their overall performance and was satisfied that both of them met the performance in the discharge of their duties and responsibilities.

Notice of Third Annual General Meeting (cont'd)

Encik Ahmad Khairuddin Bin Abdul Rahim and **Cik Hanita Binti Othman** are the Independent Non-Executive Directors (“INEDs”) of the Company and fulfil the requirements on independence as set out in the ACE LR of Bursa Securities. Both of them have demonstrated objectivity through their proactive engagements during meetings of the Board and **Board Committees** (collectively, the Audit and Risk Management Committee, NC and Remuneration Committee (“RC”)) (as applicable) by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion. They have exercised due care and carried out their professional duties proficiently and effectively throughout their tenure as INEDs of the Company.

The retiring Directors do not have any conflict of interest with the Company and had also abstained from deliberation and decision making on their re-election at Board meeting. The information of the Directors standing for re-election are set out under the Profile of Directors in the Annual Report 2025.

2. In respect of **Ordinary Resolution 3** and **Ordinary Resolution 4**, the Directors’ fees and benefits have been reviewed by the RC and the Board which considered the fees and benefits are in the best interest of the Company and in accordance with the remuneration framework. The fee also includes a contingency sum to cater to unforeseen circumstances such as the appointment of any additional Director and/or for the formation of additional Board Committees. The benefits payable comprises of meeting day allowances and is calculated based on the number of days scheduled for meetings of the Board and Board Committees. It also included contingency sum to account for additional unscheduled meeting days. In the event the proposed amounts are insufficient, approval will be sought at the next AGM for the shortfall. Details of Directors’ fees for the financial year ended 31 December 2025 are enumerated under the Corporate Governance Report of the Company.
3. **Ordinary Resolution 6: Authority to issue and allot shares pursuant to Sections 75 and 76 of the Act**
This Ordinary Resolution, is for the purpose of granting authority to the Board to issue and allot ordinary shares up to a maximum of ten per centum (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier (“**General Mandate**”).

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 30 May 2025 and which will lapse at the conclusion of the 3rd AGM.

The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment projects, working capital and/or acquisitions as well as to avoid any delay and cost in convening general meeting to specifically approve such issuance of shares.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 37 of the Company’s 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.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the General Mandate is obtained, the Company will make announcement in respect thereof.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Rule 8.29(2) of the ACE LR)

As at the date of this notice, no individual is standing for election as a Director at the forthcoming 3rd AGM of the Company.

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3REN BERHAD

Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

PROXY FORM

No. of Shares held	CDS Account No.

*I/We _____
(Full Name in Block Letters and NRIC No./Passport No./Company No.)

of _____ and _____
(Address) (Tel. No./Email Address)

being a shareholder/shareholder(s) of 3REN Berhad (the "Company"), hereby appoint

Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of shareholding

* and/or failing *him/her

Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of shareholding

or failing *him/her, the CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Third Annual General Meeting ("3rd AGM") of the Company, to be held at Perdana 1 & 2, Level 3, Cititel Penang, 66, Jalan Penang, 10000 George Town, Pulau Pinang, Malaysia on Friday, 05 June 2026 at 10.00am or at any adjournment thereof.

Please indicate with an "X" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

No.	Ordinary Resolutions	For	Against
	To re-elect the following Directors, each of whom retires in accordance with Clause 188 of the Company's Constitution and being eligible, offers themselves for re-election:		
1.	Encik Ahmad Khairuddin Bin Abdul Rahim		
2.	Cik Hanita Binti Othman		
3.	To approve the payment of Directors' fees to the Directors of an amount up to RM350,000 for the period from the next day of the 3rd AGM until the conclusion of the next annual general meeting ("AGM") of the Company in 2027		
4.	To approve the payment of benefits to the Directors of an amount up to RM50,000 for the period from the next day of the 3rd AGM until the conclusion of the next AGM of the Company in 2027.		
5.	To re-appoint Grant Thornton Malaysia PLT as auditors of the and to authorise the Directors to determine their remuneration		
	Special Business		
6.	Authority to issue and allot shares pursuant to sections 75 and 76 of the Companies Act 2016		

Signed this _____ day of _____ 2026

Signature of Shareholder(s)/ Common Seal

**Strike out whichever is not desired.*

NOTES:

APPOINTMENT OF PROXY

1. A proxy need not be a shareholder and a shareholder may appoint any person to be his/her proxy without limitation save that the proxy must be of full age.
2. The proxy form must be deposited/submitted via the following manner at least forty-eight (48) hours before the time set for holding the AGM or at any adjournment thereof PROVIDED that in the event the shareholder duly executes the proxy form but does not name any proxy, such shareholder shall be deemed to have appointed the Chairman of the meeting as his/her proxy, provided always that the rest of the proxy form, other than the particulars of the proxy(ies) have been duly completed by the shareholder:

(a) By hardcopy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or in the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

(b) By electronic form

The proxy form can be electronically submitted via Vistra Share Registry and IPO (MY) portal ("**The Portal**") at <https://srmv.vistra.com>. Please refer to the Administrative Guide on the procedure for electronic lodgement of the proxy form via The Portal.

3. A shareholder is entitled to appoint not more than two (2) proxies to exercise all or any of the shareholder's rights to attend, speak and vote at the meeting. The proxy(ies) appointed shall have the same rights as the shareholders to speak at the meeting.
4. If a shareholder appoints more than one (1) proxy, they must specify, in the proxy form, the proportion of the shareholder's shareholdings to be represented by each proxy.
5. Where a shareholder is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. A proxy form given by:
 - (c) an individual must be signed by the individual or an attorney who is authorised to act on behalf of the individual; and
 - (d) a corporation must be sealed with the corporation's seal or signed by an officer of the corporation or an attorney who is authorised to act on behalf of the corporation.
7. In respect of deposited securities, only shareholders whose names appear on the Record of Depositors on 29 May 2026 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Personal Data Privacy

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 3rd AGM of the Company and any adjournment thereof.

Please fold across the line and close

**AFFIX
STAMP**

The Share Registrar

3REN BERHAD (202101012445 (1412744-K))
C/O TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD.
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

Please fold across the line and close



3REN BERHAD

202101012445 (1412744-K)

HEAD OFFICE

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E-mail: ir@3ren.com.my
Website: www.3ren.com.my