



# Inside This Report



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## 2025 Annual General Meeting



For more information, visit our website [www.megafortris.com](http://www.megafortris.com)



### Venue

Kota Permai Golf & Country Club,  
Permai Ballroom,  
No. 1 Jalan Anggerik Vanilla 31/100A,  
Kota Kemuning, Seksyen 31,  
40460 Shah Alam, Selangor



### Date

Thursday,  
27 November 2025  
at 10.00 a.m.

# Corporate Information



## BOARD OF DIRECTORS

### Non-Independent Non-Executive Chairman

- ▶ Dato’ Ng Meng Kee

### Group Managing Director cum Group Chief Executive Officer

- ▶ Datuk Ng Meng Poh

### Executive Director

- ▶ Ng Weng Choi

### Senior Independent Non-Executive Director

- ▶ Shireen Iqbal Binti Mohamed Iqbal  
*(resigned w.e.f. 18 February 2025)*

### Independent Non-Executive Directors

- ▶ Lew Siew Yen
- ▶ Tan Kok Yang  
*(resigned w.e.f. 2 September 2025)*
- ▶ Chew Wei Keong  
*(appointed w.e.f. 17 March 2025)*

- ▶ Teoh Hooi Cheng  
*(appointed w.e.f. 17 March 2025)*
- ▶ Dato’ Sasikala Devi A/P Subramaniam  
*(appointed w.e.f. 21 May 2025)*

**AUDIT COMMITTEE****Chairman**

Chew Wei Keong  
(appointed w.e.f. 17 March 2025)

**Member**

Shireen Iqbal Binti Mohamed Iqbal  
(ceased w.e.f. 18 February 2025)

Tan Kok Yang  
(re-designated w.e.f. 17 March 2025)  
(ceased w.e.f. 2 September 2025)

Lew Siew Yen  
Dato' Sasikala Devi A/P Subramaniam  
(appointed w.e.f. 2 September 2025)

**REMUNERATION COMMITTEE****Chairperson**

Lew Siew Yen

**Member**

Shireen Iqbal Binti Mohamed Iqbal  
(ceased w.e.f. 18 February 2025)

Tan Kok Yang  
(resigned w.e.f. 17 March 2025)

Chew Wei Keong  
(appointed w.e.f. 17 March 2025)

Teoh Hooi Cheng  
(appointed w.e.f. 17 March 2025)

**NOMINATING COMMITTEE****Chairperson**

Shireen Iqbal Binti Mohamed Iqbal  
(ceased w.e.f. 18 February 2025)

Teoh Hooi Cheng  
(appointed w.e.f. 17 March 2025)

**Member**

Tan Kok Yang  
(ceased w.e.f. 2 September 2025)

Lew Siew Yen  
Dato' Sasikala Devi A/P Subramaniam  
(appointed w.e.f. 2 September 2025)

**SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE****Chairperson**

Shireen Iqbal Binti Mohamed Iqbal  
(ceased w.e.f. 18 February 2025)

Tan Kok Yang  
(re-designated w.e.f. 17 March 2025)  
(ceased w.e.f. 2 September 2025)

Dato' Sasikala Devi A/P Subramaniam  
(appointed w.e.f. 2 September 2025)

**Member**

Lew Siew Yen  
(resigned w.e.f. 17 March 2025)

Datuk Ng Meng Poh  
Chew Wei Keong  
(appointed w.e.f. 17 March 2025)

Teoh Hooi Cheng  
(appointed w.e.f. 17 March 2025)

**COMPANY SECRETARIES**

Teo Soon Mei  
(SSM PC No. 201908000235)  
(MAICSA 7018590)

Tee Wan Ting  
(SSM PC No. 202208000388)  
(MAICSA 7077906)

**SHARE REGISTRAR**

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.  
Tel : (603) 2783 9299  
Fax : (603) 2783 9222  
Website : www.tricorglobal.com

**PRINCIPAL PLACE OF BUSINESS**

No 29, Jalan Anggerik Mokara 31/47,  
Kota Kemuning, Seksyen 31,  
40460 Shah Alam,  
Selangor.  
Tel : (603) 5122 6118  
Fax : (603) 5121 7118  
E-mail : info@megafortris.com  
Website : www.megafortris.com

**REGISTERED OFFICE**

No. D-09-02, Level 9, EXSIM Tower,  
Millerz Square @ Old Klang Road,  
Megan Legasi,  
No. 357, Jalan Kelang Lama,  
58000 Kuala Lumpur,  
Wilayah Persekutuan.  
Tel : (603) 7971 8080  
Fax : (603) 7972 8585  
Email : info@amerits.com.my  
Website : www.amerits.com.my

**AUDITORS**

BDO PLT  
201906000013  
(LLP0018825-LCA & AF0206)  
Level 8, BDO @ Menara CenTARa,  
360, Jalan Tuanku Abdul Rahman,  
50100 Kuala Lumpur,  
Wilayah Persekutuan.  
Tel : (603) 2616 2888  
Fax : (603) 2616 2970  
Website : www.bdo.my

**PRINCIPAL BANKERS**

AmBank (M) Berhad  
[196901000166 (8515-D)]

RHB Bank Berhad  
[196501000373 (6171-M)]

United Overseas Bank (Malaysia) Bhd  
[199301017069 (271809-K)]

**PRINCIPAL ADVISER**

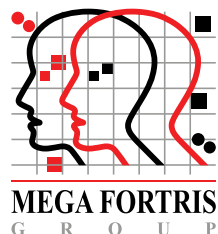
(responsible for the Company's  
admission to the Official List)

RHB Investment Bank Berhad  
[197401002639 (19663-P)]

**STOCK EXCHANGE LISTING**

Main Market  
Bursa Malaysia Securities Berhad  
Stock Name: MEGAFB  
Stock Code : 5327  
Sector : Industrial Products & Services

# Corporate Structure



## Mega Fortris Berhad Malaysia

Investment holding, design and manufacturing of security seals and trading of related products and services

- 100%
Malaysia

➤ **Mega Fortris Security Bags (Malaysia) Sdn Bhd**  
Manufacturing & trading of tamper evident bags

---

- 100%
Malaysia

➤ **Fortrich Manufacturing (M) Sdn Bhd**  
Manufacturing of tool & die

---

- 100%
Malaysia

➤ **Mega Pandai Global Sdn Bhd**  
Manufacturing and printing of paper-based products

---

- 70%
Singapore

➤ **Mega Fortris (Singapore) Pte Ltd**  
Trading of security seals and tamper evident products

---

- 100%
Hong Kong

➤ **Mega Fortris (HK) Limited**  
Trading of security seals and tamper evident products

---

- 51%
Republic of South Africa

➤ **Mega Fortris South Africa (Pty) Ltd**  
Trading of security seals and tamper evident products

---

- 100%
Denmark

➤ **Mega Fortris (Europe) ApS Ltd**  
Trading of security seals and tamper evident products

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- 84.75%
United Kingdom

➤ **Mega Fortris (UK) Limited**  
Trading of security seals and tamper evident products

---

- 100%
Netherlands

➤ **Mega Fortris BNL B.V.**  
Trading of security seals and tamper evident products

- 100%
The United States of America

➤ **Mega Fortris Americas, Inc.**  
Trading of security seals and tamper evident products

---

- 75%
Australia

➤ **Mega Fortris Australia Pty Ltd**  
Trading of security products

---

- 75%
New Zealand

➤ **Mega Fortris New Zealand Limited**  
Wholesale of security seals

---

**Legend:**

- In liquidation process since February 2021
- In the process of voluntary liquidation

- 51%
Denmark

➤ **Mega Fortris Load Secure Nordic ApS**  
Trading of security seals and tamper evident products

---

- 51%
United Arab Emirates

➤ **Mega Fortris ME FZCO**  
Trading of packing and packaging materials and packing and packaging equipment

---

- 60%
Hungary

➤ **Mega Fortris HU Kft**  
Trading of security seals and tamper evident products

---

- 80%
France

➤ **Mega Fortris France SAS**  
Trading of security seals and tamper evident products

# Directors' Profile



## OUR LEADERSHIP

- 1 DATO' NG MENG KEE**  
Non-Independent Non-Executive Chairman
- 2 DATUK NG MENG POH**  
Group Managing Director cum Group Chief Executive Officer

- 3 NG WENG CHOI**  
Executive Director
- 4 CHEW WEI KEONG**  
Independent Non-Executive Director
- 5 DATO' SASIKALA DEVI A/P SUBRAMANIAM**  
Independent Non-Executive Director
- 6 TEOH HOOI CHENG**  
Independent Non-Executive Director
- 7 LEW SIEW YEN**  
Independent Non-Executive Director

# Directors' Profile



## DATO' NG MENG KEE

Non-Independent Non-Executive Chairman

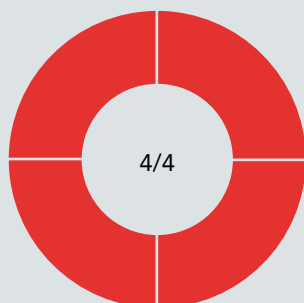
**Age**  
75

**Gender**  
Male

**Nationality**  
Malaysian



### Board Meetings Attended in the Financial Year



### Qualification

Georgetown Secondary School, Pulau Pinang

### Occupation

Director

### Board Committee

None

### Date First Appointed to the Board

20 June 2001

### Working Experience

**Dato' Ng Meng Kee ("Dato' Nick Ng")** was appointed to the Board on 20 June 2001. He is currently responsible to lead the Board in the adoption of good corporate governance practices and steer the Board to perform its responsibilities to enhance the effectiveness of the Board.

He attended Georgetown Secondary School, Pulau Pinang for his secondary education until 1968. Upon completing his secondary education, he was on a three-year sabbatical from 1969 to 1972 to travel abroad and pursue his personal interests.

He started his career in 1973 to join his family business, Soon Motors in Pulau Pinang, a sole proprietorship principally involved in operating an automobile workshop where he assisted in repairing and servicing automobiles up to 1978. In 1979, he started his own business and set up Fire Protection Services, a sole proprietorship principally involved in the selling and services of fire-fighting equipment.

In 1980, he set up Windex Trading Company, a sole proprietorship to venture into the import, export, and trading of fruits. In 1982, he formed two partnerships, namely The Card International and The Card Travels & Tours, to engage in general services including among others, reservation of air tickets and organisation of tours. In 1985, he returned to Soon Motors at the request of his father to assist with the family business. He left Soon Motors in 1992 and took a 6-year career break.

In 1998, he joined Fortris (Malaysia) Sdn. Bhd. as an adviser and consultant at the request of his brother, Datuk Ng Meng Poh, to venture collectively into the security seals business in 2000 by went into a joint venture arrangement with the Company. In 2001, he became the Director upon the completion of the asset transfer and subsequently promoted as the Executive Chairman in September 2014. He was primarily responsible for the Group's business expansion and revenue growth by expanding the Group's range of security seal products and was also responsible for managing the Group's public relations.

On 1 August 2023, he took a step back from his executive role and was re-designated as the Non-Independent Non-Executive Chairman of the Company where he has assumed his current responsibilities.

#### Other Directorships in Public Companies and Listed Issuers

None

#### Conflict of Interest

As disclosed in Audit Committee Report

#### List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

#### Securities Holding in the Company

##### (a) Direct

5,700,000 ordinary shares

##### (b) Indirect

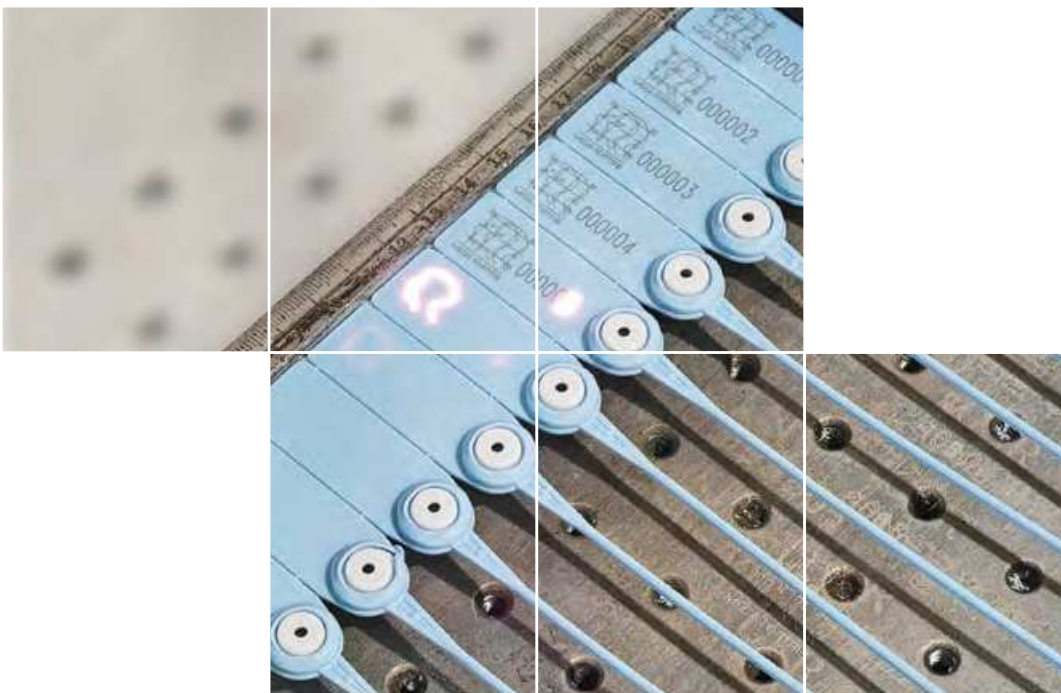
549,578,480 ordinary shares

#### Securities Holding in Subsidiaries

Deemed to have interest in shares of the subsidiary companies to the extend the Company has an interest

#### Family Relationship with any Director and/or Major Shareholders of the Company

Brother of Datuk Ng Meng Poh, Group Managing Director cum Group Chief Executive Officer



# Directors' Profile



## DATUK NG MENG POH

Group Managing Director cum Group Chief Executive Officer

**Age**  
60

**Gender**  
Male

**Nationality**  
Malaysian



### Board Meetings Attended in the Financial Year



### Qualification

European Master of Business Administration, Paris Graduate School of Management

### Occupation

Director

### Board Committee

Member of the Sustainability and Risk Management Committee

### Date First Appointed to the Board

20 June 2001

### Working Experience

**Datuk Ng Meng Poh ("Datuk Adrian Ng")** was appointed to the Board on 20 June 2001, and is currently responsible for the formulation of the overall direction and business development strategies of the Group. He is also a member of the Sustainability and Risk Management Committee.

He obtained a European Master of Business Administration from the Paris Graduate School of Management in May 2004. He started his career in 1986 with his family business, Soon Motors at Pulau Pinang, a sole proprietorship principally involved in operating an automobile workshop where he assisted in repairing and servicing automobiles.

He left Soon Motors to join Hong Leong Finance Berhad in May 1991 as a Management Trainee based in Kuala Lumpur, where he assisted, among others, in the assessment of bridging loans for property development projects. He left Hong Leong Finance Berhad in July 1991 to join Abric PSP Sdn. Bhd., a company principally involved in manufacturing of security seal products as a Marketing Executive, and was later promoted to the position of Marketing Manager in July 1992 where he was in charge of sales and marketing of security seal products in domestic market.

He resigned from Abric PSP Sdn. Bhd. in January 1994 to travel overseas to evaluate business and market opportunities in the security seal industry, and to explore the economic benefits of integrating intellectual properties within the security seal products. In 1995, he was invited and became a director and shareholder in Fortris (Malaysia) Sdn. Bhd. ("**Fortris Malaysia**") to market and carry out the trading of beverage products together with his family members.

In 2000, he spearheaded the business cooperation between Fortris Malaysia and Bloxwich Security Products Ltd, a United Kingdom subsidiary of Mega First Corporation Berhad specialising in manufacturing and trading of cable security seals, to jointly market their respective security seal products. Subsequently, he led the merger of Fortris Malaysia's business operation with the Company under the joint venture arrangement where Fortris Malaysia transferred and disposed of all its businesses and assets to Mega Fortris before it eventually ceased business.

Following the asset transfer, he was appointed as the Marketing Director of the Company in 2001. He was also seconded to Bloxwich Engineering Ltd ("**Bloxwich Engineering**") in United Kingdom from December 2000 to 2003 to assist in the expansion and growth of the Company's United Kingdom and Europe markets. During his tenure at Bloxwich Engineering, he was also responsible for streamlining Bloxwich Engineering's security seal's business operation with Mega Fortris (UK). In 2004, he returned to Malaysia and continued to serve as Marketing Director of the Company, where he was responsible for the development of marketing strategies and global sales network of the Group, managing product development and key client relationships, and identifying and developing new business opportunities.

He was promoted to Group Chief Executive Officer in September 2014 and assumed additional responsibility of overseeing the operations of the Group's foreign subsidiaries. He was re-designated as the Group Managing Director cum Group Chief Executive Officer in October 2023, where he assumed his current responsibilities.

#### Other Directorships in Public Companies and Listed Issuers

None

#### Conflict of Interest

As disclosed in Audit Committee Report

#### List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

#### Securities Holding in the Company

##### (a) Direct

Nil

##### (b) Indirect

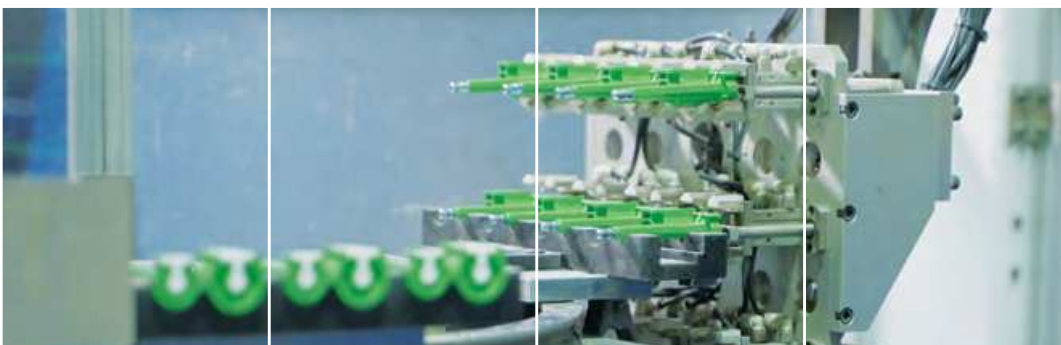
550,828,480 ordinary shares

#### Securities Holding in Subsidiaries

Deemed to have interest in shares of the subsidiary companies to the extend the Company has an interest

#### Family Relationship with any Director and/or Major Shareholders of the Company

Brother of Dato' Ng Meng Kee, Non-Independent Non-Executive Chairman



# Directors' Profile



## NG WENG CHOI

Executive Director

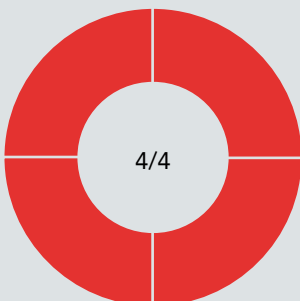
**Age**  
70

**Gender**  
Male

**Nationality**  
Malaysian



### Board Meetings Attended in the Financial Year



### Qualification

Bachelor of Business Administration, Newport University, California, USA

### Occupation

Director

### Board Committee

None

### Date First Appointed to the Board

19 September 2017

### Working Experience

**Ng Weng Choi** was appointed as the Executive Director on 19 September 2017. In his capacity as the Executive Director, he oversees the human resource and business development departments, where he is responsible for planning and implementing the Group's human resource and business development strategies to align with the Group's overall goals and objectives.

He enrolled in a course with the Association of Chartered Certified Accountants at London School of Accountancy, United Kingdom in 1980. As part of the course, he joined Kalman, Blech & Co, an audit firm in the United Kingdom in August 1981 as a Trainee Audit Clerk. He left the course to pursue a Bachelor of Business Administration from Newport University in California, USA, from which he graduated in July 1985.

Upon graduation, he returned to Malaysia and joined Double RR Debts Collection (Malaysia) Sdn. Bhd. in 1986 as an Accounts and Administrative Manager, where he was involved in accounts, supervised the debt collectors and furnished reports to clients. He left to join Five Objectives (M) Sdn. Bhd. in December 1989 as an Administrative Executive, where he negotiated with defaulters on a scheme of settlement and report to the clients which were financial institutions.

He left Five Objectives (M) Sdn. Bhd. in 1996 to join Fortris (Malaysia) Sdn. Bhd. in April 1996 as an Administrative and Accounts Manager, and was appointed as a Director in February 1997. He subsequently joined Mega Fortris in September 2000 as a General Manager where he supervised various departments (such as Human Resource, Accounts and Finance). From 2001 to 2008, he was the Alternate Director to Datuk Ng Meng Poh in the Company. He later resigned as Alternate Director and was appointed as Director in January 2008. He resigned as a Director in October 2014 to pursue his personal interest.

In September 2017, he has assumed his current position as the Executive Director, where he has assumed his current responsibilities.

#### Other Directorships in Public Companies and Listed Issuers

None

#### Conflict of Interest

None

#### List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

#### Securities Holding in the Company

(a) **Direct**  
2,500,000 ordinary shares

(b) **Indirect**  
Nil

#### Securities Holding in Subsidiaries

Nil

#### Family Relationship with any Director and/or Major Shareholders of the Company

None



# Directors' Profile



## CHEW WEI KEONG

Independent Non-Executive Director

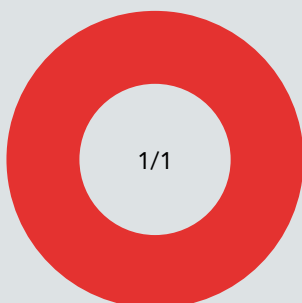
**Age**  
69

**Gender**  
Male

**Nationality**  
Malaysian



### Board Meetings Attended in the Financial Year



### Qualification

- (a) Fellow of the Chartered Association of Certified Accountants
- (b) Member of the Malaysian Institute of Accountants and the Malaysian Association of Certified Public Accountants

### Occupation

Business Adviser

### Board Committee

- (a) Chairman of Audit Committee
- (b) Member of Remuneration Committee
- (c) Member of Sustainability and Risk Management Committee

### Date First Appointed to the Board

17 March 2025

### Working Experience

**Chew Wei Keong** was appointed as the Independent Non-Executive Director of the Company on 17 March 2025. He is also the Chairman of the Audit Committee, and a member of the Remuneration Committee and Sustainability and Risk Management Committee.

He is a Fellow of the Chartered Association of Certified Accountants and a member of the Malaysian Institute of Accountants and the Malaysian Association of Certified Public Accountants. He joined Mega First Corporation Berhad (“MFCB”) since September 1990 as Group Accountant after having spent more than 10 years with a major accounting firm as well as other public listed companies by holding management positions. He was then promoted as Executive Director of MFCB since March 1995 and was re-designated as Group Chief Operating Officer in February 2003 up to September 2006.

Mr. Chew has then joined the Company in November 2006 as Deputy Executive Chairman and was also the adviser to the Chairman and Board of Directors (“the Board”). He also assisted the Board in conducting Board meetings and setting the Company’s direction and strategy as well as public relations with financial institution to secure financing for growth and expansion of the Company, until his retirement in September 2017.

**Other Directorships in Public Companies and Listed Issuers**

None

**Conflict of Interest**

None

**List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences**

None

**Securities Holding in the Company**

(a) Direct  
Nil

(b) Indirect  
Nil

**Securities Holding in Subsidiaries**

Nil

**Family Relationship with any Director and/or Major Shareholders of the Company**

None



# Directors' Profile



## DATO' SASIKALA DEVI A/P SUBRAMANIAM

Independent Non-Executive Director

**Age**  
60

**Gender**  
Female

**Nationality**  
Malaysian



### Board Meetings Attended in the Financial Year



### Qualification

- (a) Certificate in Legal Practice
- (b) Master in Business Administration (Finance), Universiti Putra Malaysia
- (c) Bachelor in Jurisprudence, University of Malaya
- (d) Bachelor of Economics (Business Administration), University Malaya

### Occupation

Director

### Board Committee

- (a) Chairperson of Sustainability and Risk Management Committee
- (b) Member of Audit Committee
- (c) Member of Nominating Committee

### Date First Appointed to the Board

21 May 2025

### Working Experience

**Dato' Sasikala Devi A/P Subramaniam** was appointed as the Independent Non-Executive Director on 21 May 2025. She was subsequently appointed as the Chairperson of Sustainability and Risk Management Committee and member of the Audit Committee and Nominating Committee on 2 September 2025.

She graduated from University of Malaya with a Bachelor of Economics, majoring in Business Administration in 1988. She later pursued a Master of Business Administration (Finance) at Universiti Putra Malaysia and graduated in 2001. In 2006, she obtained a Bachelor of Jurisprudence from the University of Malaya, followed by the Certificate in Legal Practice (CLP) in 2007.

She joined the Royal Malaysia Police (PDRM) as a Cadet Assistant Superintendent of Police (ASP) between 1989 to 1991, undergoing extensive physical and legal training in the Malaysian Police Training Centre (PULAPOL) and Maktab Kuala Kubu Baru, which included practical training as a Criminal Investigation Department (CID) Investigation Officer in IPD Sentul, Kuala Lumpur and Prosecuting Officer in Jalan Duta Magistrates' Courts in early years.

From 1991 to 1998, she served as an Investigation Officer in the Commercial Crime Investigation Department (CCID), Bukit Aman, where she was appointed to investigate commercial crime matters related to corporate fraud and cheating cases. Subsequently, her expertise led to her appointment as the International Liaison Head of the Narcotics Crime Investigation Department (NCID) at Bukit Aman from 2001 to 2004, where she coordinated networking with international agencies related to drugs.

She was the Head of Special Investigation (NCID) between 2004 to 2006 in which she headed all investigations on narcotics cases in Malaysia, provided guidelines and advice on investigation papers. She also coordinated cases of interest to ensure speed and efficiency of investigation for the purpose of prosecution.

She held the position of an Assistant Director of Legal/Investigation (NCID), Bukit Aman, for ten (10) years, from 2006 to 2016 by overseeing all narcotics cases in Malaysia related to arrests and investigation, formulating policies to enhance professionalism in investigation, she even facilitated and gave lectures on investigation to NCID officers at the PDRM college.

During her tenure as the Principal Assistant Director of Financial and Corporate Crime Fraud in the CCID, Bukit Aman between April 2016 to November 2020, she oversees investigation related to financial fraud and corporate crime fraud in Malaysia, included preparing course materials pertaining to development and assessment for training.

She was promoted in 2020 to Deputy Director of Investigation (CCID), Bukit Aman, overseeing all investigation relating to commercial crime fraud across Malaysia, included but not limited to formulating policies and guidelines for performance in investigation and collaborating with agencies such as Bank Negara Malaysia, Securities Commission, and engaged with related agencies to discuss and formulate policies for the prevention of fraud.

In March 2022, she assumed the role of Deputy Chief Police Officer of Selangor, the second-in-command to the Chief Police Officer of Selangor, managing policing operations across 16 districts and 68 police stations with a workforce of 15,000 personnel. She briefly served as Acting Chief Police Officer of Selangor from January 2023 to February 2023 to oversee public safety, inter-agency collaboration, strategic planning, budgeting, performance management, and ensuring the highest standards of integrity and professionalism within the police force before her retirement in February 2025.

#### Other Directorships in Public Companies and Listed Issuers

None

#### Conflict of Interest

None

#### List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

#### Securities Holding in the Company

(a) Direct  
Nil

(b) Indirect  
Nil

#### Securities Holding in Subsidiaries

Nil

#### Family Relationship with any Director and/or Major Shareholders of the Company

None



# Directors' Profile



## TEOH HOOI CHENG

Independent Non-Executive Director

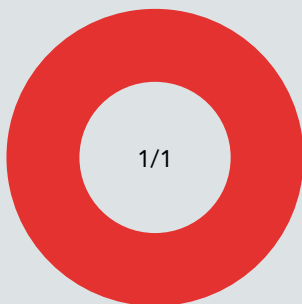
**Age**  
39

**Gender**  
Female

**Nationality**  
Malaysian



### Board Meetings Attended in the Financial Year



### Qualification

- (a) LLB (Hons), University of Northumbria at Newcastle Upon Tyne, United Kingdom
- (b) Certificate of Legal Practice, Legal Profession Qualifying Board
- (c) Chartered Secretary and Chartered Governance Professional, a member of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)

### Occupation

Lawyer

### Board Committee

- (a) Chairperson of the Nominating Committee
- (b) Member of the Remuneration Committee
- (c) Member of the Sustainability and Risk Management Committee

### Date First Appointed to the Board

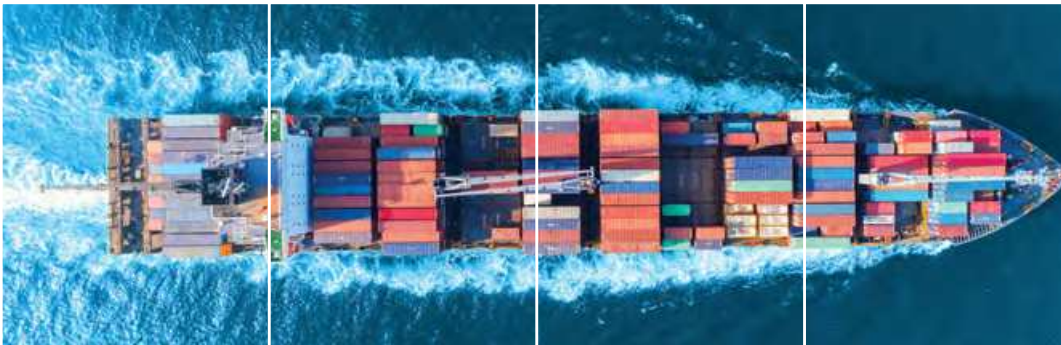
17 March 2025

## Working Experience

**Teoh Hooi Cheng** was appointed as the Independent Non-Executive Director on 17 March 2025. She is also the Chairperson of the Nominating Committee, and a member of the Remuneration Committee and the Sustainability and Risk Management Committee.

She holds a Bachelor of Laws (LLB Hons) from the University of Northumbria at Newcastle Upon Tyne, United Kingdom, which she completed in 2008. She subsequently obtained the Certificate in Legal Practice (CLP) from the Legal Profession Qualifying Board of Malaysia in 2009. On 12 November 2010, she was admitted and enrolled as an Advocate & Solicitor of the High Court of Malaya. In addition to her legal credentials, she is also a Chartered Secretary and Chartered Governance Professional, having become a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) in 2022/2023.

She began her legal career at Messrs. Cheah Teh & Su (CTS) as a pupil in November 2010, where she trained under the guidance of senior counsel and gaining invaluable exposure to high-profile litigation. Her dedication and legal acumen saw her rise through the ranks—from Associate to Senior Associate, and eventually being made a Partner in January 2021.



As a Partner at CTS, a top-tier litigation firm, she specialises in corporate and commercial court disputes. With over 14 years of experience, she has represented high-profile individuals and public listed companies in complex legal disputes. Her areas of expertise include employment disputes, shareholder disputes, breaches of contract, fiduciary and statutory duty violation, conspiracy, and fraud. She has also successfully negotiated and drafted complex settlement agreements to resolve litigation cases.

She has developed a solid foundation in advocacy through appearances before courts at all levels in Malaysia and has contributed to significant matters alongside senior counsel before the Court of Appeal and the Federal Court. Additionally, she provides legal counsel on corporate matters, including advising on and drafting agreements related to joint ventures, share sales, asset acquisitions, employment, partnerships, and franchise agreements.



### Other Directorships in Public Companies and Listed Issuers

None

### Conflict of Interest

None

### List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

### Securities Holding in the Company

(a) **Direct**  
Nil

(b) **Indirect**  
Nil

### Securities Holding in Subsidiaries

Nil

### Family Relationship with any Director and/or Major Shareholders of the Company

None

# Directors' Profile



## LEW SIEW YEN

Independent Non-Executive Director

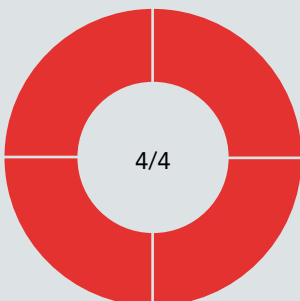
**Age**  
65

**Gender**  
Female

**Nationality**  
Malaysian



### Board Meetings Attended in the Financial Year



### Qualification

- (a) Bachelor of Commerce (Accounting), University of Birmingham
- (b) Certified Public Accountant, Malaysian Institute of Certified Public Accountants

### Occupation

Director

### Board Committee

- (a) Chairperson of the Remuneration Committee
- (b) Member of Nominating Committee
- (c) Member of Audit Committee

### Date First Appointed to the Board

20 October 2023

### Working Experience

**Lew Siew Yen** was appointed as the Independent Non-Executive Director on 20 October 2023. She is also the Chairperson of the Remuneration Committee, and a member of the Audit Committee and Nominating Committee.

She graduated from University of Birmingham with a Bachelor of Commerce (Accounting) in July 1983. She is a certified public accountant of the Malaysian Institute of Certified Public Accountants (formerly known as the Malaysian Association of Certified Public Accountants) since January 1990. She has more than 34 years of working experience in the banking industry (mainly commercial and corporate banking).

She began her career in June 1984 when she joined Hanafiah Raslan & Mohamad (which was subsequently merged with Ernst & Young in 2002) as an audit assistant and left the firm as an Audit Senior in June 1988. She was responsible for conducting statutory audit works on companies across various industries.

She left to join Sungei Way Properties Sdn. Bhd. as an Accountant in July 1988 where she was responsible for preparing the budget and projected cashflow for property development projects, assisting the general manager in the implementation of strategic plans for property management and property development projects and supporting the accounting and treasury function of the property division of the company.

Subsequently, she left to join Overseas Union Bank (M) Berhad (which was then acquired by United Overseas Bank (M) Berhad ("UOB") in February 2002) as a Senior Officer for the bank's Leboh Pasar Branch's operations in April 1989 and was promoted to the position of Senior Team Leader, Commercial Banking (Commercial Lending I – Branch Management) in May 2002. She was primarily responsible for growing the commercial banking business in Klang Valley's middle market sector whilst supporting the business growth of Penang, Johor and Melaka branches.

In October 2002, she left to join AmBank Berhad as an Assistant General Manager, Business Banking Division where she was responsible for expanding the loan base of the bank in the middle market sector, the establishment and business growth of commercial business centres in

Klang, Damansara Utama and Medan Pasar areas, as well as coordinating the provision of training modules to improve staff's performance.

She then left to join EON Bank Berhad (which was then acquired by Hong Leong Bank Berhad) in March 2004 as a Vice President, Group Enterprise Banking by reviewing new and existing loan profiles using in-depth credit assessment measures and cross-selling the bank's products and services including loans, trade facilities, deposits and foreign exchange business.

She joined Hong Kong Shanghai Bank Corporation Malaysia Berhad ("HSBC") in September 2006 as a Senior Relationship Manager, Commercial Banking and responsible for business development to expand the bank's corporate client profile. She then left HSBC in April 2007 and took a short career break.

In July 2007, she joined Citibank as a Relationship Manager in Global Relationship Banking. Subsequently, she was promoted to Director of Global Subsidiaries Group in January 2012. In May 2016, she returned to UOB and assumed dual roles as a Head of Multinational Corporate in Wholesale Banking and as a General Manager for UOB's Labuan branch. As Head of Multinational Corporate in Wholesale Banking, she was primarily responsible for setting up and developing the MNCs corporate business and portfolio for the bank (with a focus on USA and European entities) and leading the bank's client engagement efforts at C-suite levels in both country and regional levels. As the General Manager for the bank's Labuan branch, she was responsible for managing the bank's Labuan offshore business and developing corporate relationships with customers of the bank's Labuan office. In January 2023, she was elevated to the position of Adviser at Multinational Corporate, Corporate Banking, a position she assumed until she retired from UOB in end of March 2023.

Currently, she is also a director and shareholder of a private limited company.

#### Other Directorships in Public Companies and Listed Issuers

None

#### Conflict of Interest

None

#### List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

#### Securities Holding in the Company

##### (a) Direct

Nil

##### (b) Indirect

Nil

#### Securities Holding in Subsidiaries

Nil

#### Family Relationship with any Director and/or Major Shareholders of the Company

None

# Key Senior Management Profile



## SIM LI HUANG

Group Chief Finance Officer

Age  
51

Gender  
Female

Nationality  
Malaysian

**Sim Li Huang** is the Group Chief Finance Officer. She is responsible for overseeing the Group's accounting, financial, and treasury functions which includes financial planning and review, cash flow management, and financial reporting. She obtained her London Chamber of Commerce and Industry Higher Group Diploma in Accounting in July 1993, and professional qualifications in the Association of Chartered Certified Accountants in February 1999.

She is a member of the Association of Chartered Certified Accountants since June 1999 and the Malaysian Institute of Accountants since July 2000. In July 2004, she was admitted as a Fellow Member of the Association of Chartered Certified Accountants. She has more than 29 years of working experience in accounting, finance and audit.

She began her career with T Y & Associates in April 1996 as an Audit Assistant, and later promoted to an Audit Senior in November 1999, where she was involved in statutory audits, preparation of consolidated accounts and preparation of accountant reports. She left T Y & Associates in May 2000 and joined GT Group Management Sdn. Bhd. in the same month, and was later transferred to its related company, DKH Management Sdn. Bhd. in March 2001, as an Assistant Accountant where she was involved in the preparation of management reports, company's accounts, and financial statements.

She left DKH Management Sdn. Bhd. in June 2002 and took a three-months career break. She later joined Mega Fortris as an Accountant in September 2002, and was later promoted to Group Accountant in May 2012 and Chief Finance Officer in January 2022. She was later re-designated as the Group Chief Finance Officer in January 2023 where she has assumed her current responsibilities.

Currently, she does not hold any directorships and shares outside our Group.

### Date of Appointment

1 January 2023

### Directorships in Public Companies and Listed Issuers

None

### Family Relationship with any Director and/or Major Shareholders of the Company

None

### Conflict of Interest with Listed Issuers

None

### List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

## JASON FRANCIS WHITE

Group Chief Operating Officer

**Age**  
49

**Gender**  
Male

**Nationality**  
South African

**Jason Francis White** is the Group Chief Operating Officer. He is responsible for overseeing our manufacturing activities which includes the production of goods, implementation of new technologies and quality assurance of the products and services. He is also responsible for improving service delivery, warehouse activities and capital expenditure budgeting.

He graduated with a Diploma of Advanced Project Management from Damelin (Pty) Ltd in August 2004, and was awarded with a Bachelor of Commerce in Business Informatics from University of South Africa in November 2019. He has more than 24 years of working experience in production and operations of various companies.

He began his career in Rhombic Engineering (Pty) Ltd (a company principally involved in manufacture of components, sub-assemblies and assemblies of electrical hardware, high voltage components and transmission equipment, based in Gauteng, South Africa) in December 1999 as an apprentice, involved in the design and manufacture of tooling necessary for mass production within a workshop.

He left Rhombic Engineering (Pty) Ltd in November 2002 to join Ulrich Engineering (Pty) Ltd in December 2002 as an Operations Manager, where he was involved in procurement management, planning and scheduling machine and staff operations, and managing customer delivery and lead time.

He became a Director of Ulrich Engineering (Pty) Ltd on 24 February 2004 before he left in December 2006 to join Solar Harvest (Pty) Ltd in January 2007 as a Production Development Engineer where he oversaw the planning, preparation, and implementation of a custom-built manufacturing facility, and was responsible for being the Project Manager for design and production of solar water heaters. He later became a Director of Solar Harvest (Pty) Ltd on 13 April 2007 before he left in September 2009 to join Misa Projects and Water Management CC in October 2009 as a Project Manager, where he was responsible for designing new mechanical product solutions for credit control projects and managing production facilities to meet product manufacturing lines.

He left Misa Projects and Water Management CC in May 2012 and rejoined Ulrich Engineering (Pty) Ltd in the same month as a Production Manager and was later promoted to Operations Director in January 2015, where he was mainly responsible for developing and implementing the overall operational strategy for the facility. He left Ulrich Engineering (Pty) Ltd in August 2020 to join Mega Fortris in September 2020 as a Director of Production. He was later promoted to the Group Chief Operating Officer in July 2023 where he has assumed his current responsibilities.

Currently, he does not hold any directorships and shares outside our Group.



### Date of Appointment

1 July 2023

### Directorships in Public Companies and Listed Issuers

None

### Family Relationship with any Director and/or Major Shareholders of the Company

None

### Conflict of Interest with Listed Issuers

None

### List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

# Key Senior Management Profile



## NG FOONG YUON

Compliance Director

Age  
65

Gender  
Female

Nationality  
Malaysian

**Ng Foong Yuon** is the Compliance Director. She is primarily responsible for the Group's compliance with relevant guidelines and regulations governing the business, maintaining effective relationship with regulatory bodies, and risk management. She obtained her General Certificate of Education in 1978. She has more than 28 years of working experience including more than 16 years in the security seals industry.

She began her career with Behn Meyer (Malaysia) Sdn. Bhd. ("**Behn Meyer**") in 1980 as an Administration and Shipping Clerk, where she was responsible for the import of fertilisers, chemicals, dye stuffs, machineries and reselling to distributors and agents. She also handled customs clearance for the company's import shipments. She left Behn Meyer in 1984 and joined Harrisons & Crosfield (Malaysia) Sdn. Bhd. ("**H&C**") in June 1984 as a Confidential Secretary. She supported and assisted the registered company secretary of the company in arranging for board meetings, preparing meeting minutes and handling all matters related to the board.

She left H&C in August 1990 and took a 15-year career break to be a full-time homemaker. She joined Mithril Saferay Sdn. Bhd. in June 2005 as a Personal Assistant to the Chief Executive Officer ("**CEO**") of the company. Her responsibilities included supporting and assisting the CEO of the company, arranging for board meetings, preparing meeting minutes and handling all matters related to the board.

She left Mithril Saferay Sdn Bhd in June 2007 to join Mega Fortris as an Administration Manager in July 2007. She was then promoted to a Corporate Affairs Manager in June 2011 and subsequently, re-designated to Corporate Affairs Director in January 2017 where she was responsible for all corporate related affairs of our Company which includes liaison with local authorities and government regulatory bodies such as Immigration Department of Malaysia, Royal Malaysia Customs Department, Ministry of Investment, Trade and Industry (MITI) and Malaysian Investment Development Authority (MIDA). She was redesignated as our Compliance Director in January 2024 and has assumed additional responsibilities of overseeing the compliance, sustainability, internal control, ESG and corporate affairs of the Group.

She is currently the Secretary General of the Malaysian Consortium of Mid-Tier Companies, City Executive Committee Member of City Cancer Challenge for Greater Petaling and elected General Committee Member (Genco) of Malaysian International Chamber of Commerce and Industry (MICCI) in June 2025.

Currently, she does not hold any directorships and shares outside our Group.

### Date of Appointment

1 January 2024

### Directorships in Public Companies and Listed Issuers

None

### Family Relationship with any Director and/or Major Shareholders of the Company

Sister of Dato' Ng Meng Kee, the Non-Independent Non-Executive Chairman and Datuk Ng Meng Poh, the Group Managing Director cum Group Chief Executive Officer

### Conflict of Interest with Listed Issuers

None

### List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

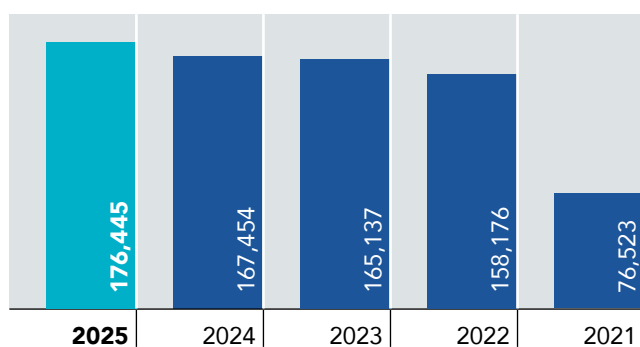
# 5 Years Group Financial Highlights

	FYE 2025 (RM'000)	FYE 2024 (RM'000)	FYE 2023 (RM'000)	FYE 2022 (RM'000)	FYE 2021 (RM'000)
<b>Statement of Financial Performance</b>					
Revenue	176,445	167,454	165,137	158,176	76,523
PBT	22,579	25,224	21,145	15,927	9,128
PAT (after discontinuing operations)	15,383	19,615	16,261	1,131	2,429
Profit attributable to owners of the Company	14,100	19,148	14,900	1,683	241
<b>Statement of Financial Position</b>					
Total loan and borrowings	78,120	85,806	52,019	53,502	36,400
Total assets	360,657	250,820	195,804	176,625	108,266
Total liabilities	126,626	124,664	87,140	99,147	63,211
Total shareholders equity	232,254	124,892	105,323	73,682	44,230
<b>Ratio</b>					
Net assets per share	0.28	0.18	3.12	2.22	39.42
Net debt to equity ratio (*) (#)	0.25	0.44	0.36	0.67	1.00

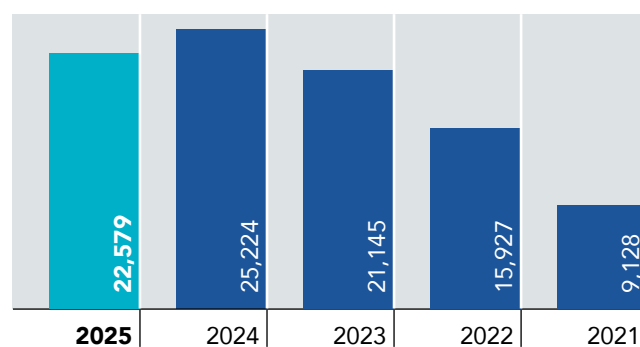
(\*) Total capital comprises share capital and reserves attributable to equity holders of the Company.

(#) Net debt include lease liabilities recognised under MFRS 16.

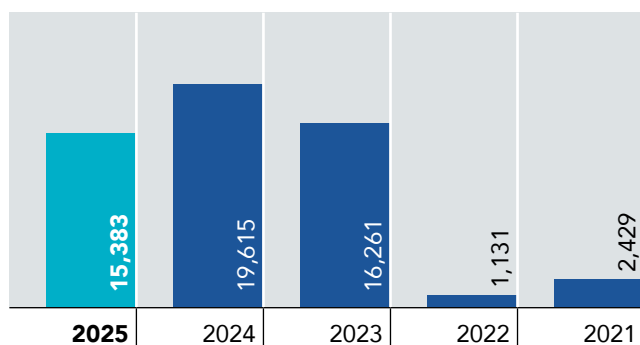
**Revenue (RM'000)**



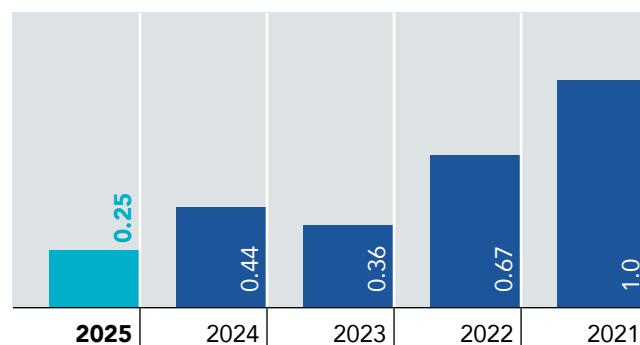
**PBT (RM'000)**



**PAT (after discontinuing operations) (RM'000)**



**Net debt to equity ratio (RM'000)**



# Management Discussion and Analysis

## Company and Business Overview

Mega Fortris Berhad (“**Mega Fortris**” or the “**Group**”) is a Malaysia-headquartered designer, manufacturer and global provider of tamper-evident security solutions. Recognised as one of the top global leaders in security seal solutions, the Group combines design-to-delivery capabilities with an international sales and distribution network to safeguard assets and supply chains across various industries. The Group was listed on the Main Market of Bursa Malaysia Securities Berhad on 11 November 2024, marking a significant milestone for the Group.



The Group brings over 3 decades worth of industry know-how to customers worldwide, underpinned by quality and environmental management systems certified to ISO 9001:2015 and ISO 14001:2015. Our seals are ISO 17712 standards-certified and supported by a portfolio of patents and recognitions from multiple issuing authorities across jurisdictions, reflecting product integrity and compliance credentials.

We provide a broad range of security seals and tamper-evident solutions: plastic, cable and high-security container (bolt) seals, supported by related products such as security bags/boxes, tamper-evident tapes and labels, load-securement systems, and emerging electronic/RFID-enabled solutions. Our plastic seal portfolio includes biodegradable variants that aligns with relevant ISO standards, affirming our commitment to sustainability while maintaining performance.

The Group operates a manufacturing facility in Kota Kemuning, Selangor. We serve customers spanning more than 120 countries through subsidiaries and operating entities across Asia-Pacific, Europe, the Americas, the Middle East and Africa, complemented by an extended commercial footprint.

To raise service levels for international demand, the Group is progressing a new facility in the United Kingdom (“**UK**”), while continuing automation upgrades in Malaysia.

As a newly public listed entity, the Group remains focused on the disciplined execution of our design-led, quality-accredited manufacturing model, deepening customer partnerships across priority industries, and scaling our global network to achieve sustainable, long-term growth.

# Management Discussion and Analysis

## Financial Overview

### Income Statement Highlights:

FYE 30 June	Revenue		Gross Profit		Profit Before Tax <sup>(1)</sup>		Profit After Tax <sup>(1)</sup>	
	RM mil	%	RM mil	%	RM mil	%	RM mil	%
2024	167.5	100.0	75.7	45.2	25.2	15.1	21.6	12.9
2025	<b>176.4</b>	<b>100.0</b>	<b>79.5</b>	<b>45.1</b>	<b>22.6</b>	<b>12.8</b>	<b>16.5</b>	<b>9.4</b>

Note: (1) Profits from continuing operations.

In financial year ended 30 June 2025 (“**FYE 2025**”), the Group had recorded a solid topline growth with resilient margins despite cost and foreign exchange headwinds. Group’s revenue rose 5.4% YoY to RM176.4 million (FYE 2024: RM167.5 million), underpinned by organic growth across core product lines. Gross profit increased to RM79.5 million (FYE 2024: RM75.7 million), with gross profit margin broadly steady at the region of 45%.

Profit before tax from continuing operations was recorded at RM22.6 million (FYE 2024: RM25.2 million), reflecting higher loss on foreign exchange, other operating expenses and impairment losses while finance costs were broadly flat. Tax expense increased to RM6.0 million (FYE 2024: RM3.6 million). Accordingly, profit after tax from continuing operations came in at RM16.5 million (FYE 2024: RM21.6 million). Losses from discontinued operations narrowed to RM1.2 million (FYE 2024: RM2.0 million), bringing total profit for the year to RM15.4 million (FYE 2024: RM19.6 million). Excluding discontinued operations and one-off listing expenses of RM3.4 million in FYE 2025, normalised continuing operational profit after tax was RM19.9 million, slightly impacted by foreign exchange fluctuations and impairment losses.

Basic earnings per share (“**EPS**”) for the financial year was 1.64 sen. The Board also declared a maiden single-tier dividend of 0.5 sen per share for FYE 2025 (Ex-date: 25 September 2025; Paid: 10 October 2025).

The Group’s financial position remains well-balanced, showing a well-capitalised, liquid position post-IPO with ample cash to manage short-term obligations, moderating gross debt, and low gearing. Total assets rose to RM360.7 million (FYE 2024: RM250.8 million) alongside a stronger equity of RM234.0 million (FYE 2024: RM126.2 million), contributing from our new shares issued and earnings for the financial year under review. Borrowings remained moderate with total borrowings standing at RM78.1 million (FYE 2024: RM85.8 million). Gearing remained manageable at 33.4%, providing the Group with sufficient debt headroom when additional debt funding is required.

Operating cash flow reflected working capital outflows, notably a RM45.8 million increase in receivables, resulting in net cash used in operating activities of RM20.5 million (FYE 2024: net inflow RM11.4 million). Investing outflows of RM5.0 million, mainly used for purchases of property, plant and equipment, while financing cash flow recorded a net inflow of RM77.7 million, boosted by initial public offering (“**IPO**”) proceeds. The Group’s cash position remains robust with cash and cash equivalents of RM93.0 million (FYE 2024: RM43.3 million).

#### Revenue

FYE 2025

**RM176.4** million

(FYE 2024: RM167.5 million)

#### Profit Before Tax

FYE 2025

**RM22.6** million

(FYE 2024: RM25.2 million)

#### Total assets

FYE 2025

**RM360.7** million

(FYE 2024: RM250.8 million)

# Management Discussion and Analysis

## Review of Operating Activities

During FYE 2025, we focused on strengthening our core and preparing for the next stage of growth. We kept our core operations running smoothly, improved execution across regions, and advanced two major growth initiatives: expanding our UK facility and developing a total life cycle solution for premium cards. These steps position Mega Fortris to serve customers as a more complete security solutions provider in the years ahead.

The Group remained export-weighted and diversified across regions. We delivered RM176.4 million in external revenue, contributed by operations in Asia Pacific RM76.2 million, Europe RM54.0 million, America RM36.7 million, Middle East RM9.1 million and Others RM0.4 million. Asia Pacific was notably stronger year-on-year (from RM56.5 million in FYE 2024), reflecting healthy home-region demand.

FYE 30 June	Asia Pacific		Europe		America		Middle East		Others		Total	
	RM mil	%	RM mil	%	RM mil	%	RM mil	%	RM mil	%	RM mil	%
2024	56.5	33.7	56.4	33.7	44.2	26.4	9.0	5.4	1.4	0.8	167.5	100.0
2025	<b>76.2</b>	<b>43.2</b>	<b>54.0</b>	<b>30.6</b>	<b>36.7</b>	<b>20.8</b>	<b>9.1</b>	<b>5.2</b>	<b>0.4</b>	<b>0.2</b>	<b>176.4</b>	<b>100.0</b>

We continually pursue product and solution innovation. In collaboration with partners, we are developing offerings that integrate real-time tracking and condition monitoring, strengthening our value proposition and giving partners a more compelling end-to-end solution. This balanced approach keeps us close to customers' operational needs while reinforcing cargo protection in transit and providing added assurance.

We have also established a strategic technology collaboration to enhance our data visibility and digital capabilities. This initiative strengthens our cloud infrastructure, supports real-time analytics, and drives greater operational efficiency and agility across our digital transformation journey.

Executed well, these initiatives would shift Mega Fortris toward a solutions-and-services model, expanding our addressable market, deepening our competitive moat, and supporting more stable cash generation and progressive margins over time.

## Business Outlook and Strategies

The Group enters FYE 2026 with strong fundamentals across our end-markets and a clearer pathway to becoming a total security solution provider. In mission-critical supply chains such as aviation, logistics, pharmaceuticals, cold chain, petrochemicals and regulated retail, tamper evidence and traceability are non-discretionary. Customers are asking for shorter lead times, stronger audit trails, and lower lifecycle impact, which aligns with our direction: trusted hardware anchored in quality manufacturing, layered with software, data and services that secure the full chain of custody from source to disposal.

Targeted and actionable strategies are in place to support strong organic expansion across our global subsidiaries. Additionally, our strategy will encompass cross-selling advancements in our subsidiaries brought about by our deepened analytical frameworks that will power our ability to scale regional multinational customers into global accounts serviced by all our subsidiaries. We are investing in our people to broaden our market reach, deepen technical expertise, and align leadership capacity with the next stage of scale. The expansion of our commercial resources will support our expected strong organic growth.

# Management Discussion and Analysis

## Establish a UK Facility

Commissioning the UK facility remains a near-term priority, planned in two phases. In the first phase, a centralised warehouse and distribution centre with a marking facility will be established, followed by the setup of an automated production facility in the second phase. This facility will service our customers in various regions including Europe, the Americas, the Middle East, and Africa and will work in conjunction with our Malaysian operations to optimise production planning, reduce lead times, minimise logistics costs, as well as improve the overall supply chain. With the UK facility coming onstream, we will enhance our competitive advantage through regional fulfilment and increase on-hand product availability, unlocking new commercial opportunities and improving service responsiveness.

## Roll-out a new integrated product solution

In line with its product innovation roadmap, the Group plans to launch a new integrated product solution in 2026 aimed at enhancing operational performance and customer experience. This initiative reinforces the Group's focus on developing high-value, technology-driven products that deliver efficiency, scalability, and reliability. It also positions the group to capture new opportunities and strengthen its competitive advantage in core markets.

Collectively, these developments signal the Group's shift from investment to execution, transforming strategic groundwork into operational performance and embedding the next phase of disciplined, organic growth.

## Anticipated Risks

Our Group is exposed to various risks that may materially affect our operations, performance, and financial condition. We have identified the following key risks and have plans to mitigate them:

<p><b>Centralisation Risk</b></p> <p>Mega Fortris concentrates core operations in Malaysia while relying on global shipping lanes, so geopolitics and trade frictions can trigger tariffs, route disruptions, container shortages and higher freight costs that delay deliveries and affect performance.</p> <p>To mitigate this, the Group is building regional resilience by establishing a UK-based facility. This new facility is set to improve production planning, reduce lead times, and minimise logistics costs, to better service our clients in regions like Europe, the Americas, the Middle East, and Africa. To ensure the UK facility is progressing smoothly, the Group is running structured risk reviews and maintaining a vetted pool of overseas Original Equipment Manufacturers ("OEM") and subcontractors as contingency capacity.</p>	<p><b>Sustainable Business Growth</b></p> <p>Revenue grew to RM176.4 million in FYE 2025, but momentum softened late in the financial year as tariff measures and broader geopolitical tensions affected orders, which heightens concentration and growth risk.</p> <p>The response is to widen the funnel through active tendering and business development, diversify products such as providing total solutions from manufacturing, supplying, and handling of premium cards, introducing real-time cargo tracking and monitoring with partners, developing test kits and laboratory analytics services, and extending market reach via the UK base to better serve Europe, the Americas, the Middle East and Africa.</p>	<p><b>Dependency on Key Personnel</b></p> <p>Performance relies heavily on the Group's senior leaders, including our Group Managing Director cum Group Chief Executive Officer, Group Chief Operating Officer, Group Chief Finance Officer, and respective Heads of Subsidiaries. Any sudden departures of key personnel could disrupt execution and operations.</p> <p>Our mitigation plan focuses on formal succession planning, enlarging and upskilling the leadership bench, clearer role segregation through an updated organisation chart, targeted hiring for critical operations roles and a training-needs programme to prepare identified successors.</p>
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# Management Discussion and Analysis

## Sustainability Efforts

Mega Fortris is embedding sustainability into how we design, manufacture and deliver security solutions, guided by recognised standards and a structured governance framework.

Our Sustainability Highlights include the establishment of our Sustainability Framework, the contribution of 430 volunteer hours, the certification that all our products are free from Per- and Polyfluoroalkyl Substances (“PFAS”), the reduction of approximately 10% in grid electricity demand through renewable energy use, the diversion of approximately 66% of total waste from landfill, and the screening of 100% of new suppliers based on environmental criteria. Collectively, these achievements underscore our commitment to sustainable and responsible operations.

### Sustainability Highlights:

<p><b>Establishment of Sustainability Framework</b></p> <p>integrating sustainability principles across all business operations</p>	<p><b>430</b> volunteer hours</p> <p>contributed across community events, donation drives, and local engagements</p>
<p><b>PFAS-Free Product Portfolio</b></p> <p>Certified that none of the products contain PFAS variants</p>	<p><b>~10%</b></p> <p>of grid electricity demand offset through 359.2 kWp rooftop solar system</p>
<p><b>256.0mt (66%)</b></p> <p>of total waste diverted from disposal</p>	<p><b>100%</b></p> <p>of new suppliers assessed on environmental criteria</p>

We run a practical, factory-first programme focused on materials circularity and resource efficiency. Our manufacturing repurposes by-products or plastic runners in production, reducing reliance on virgin materials. In May 2024, we advanced our sustainability journey by integrating the BioSphere® bio-additive into all product lines containing plastic, marking a major milestone in reducing environmental impact. Our hazardous waste is handled by licensed contractors who are registered under the Department of Environment (DOE), while solar adoption, energy-efficient machinery upgrades, and basic water-use discipline reduce operating footprint at source.

We prioritise a safe, skilled and inclusive workplace. Regular safety drills, skills-gap analysis and training, and decent work practices underpin daily operations. Our diversity agenda emphasises equal opportunities, with women in key leadership roles, and we empower local entrepreneurs through minority stakes in selected overseas subsidiaries. Through our community outreach programmes, we support a range of hands-on initiatives, from contributing food packs and celebrating festive seasons with the underprivileged, to organising blood donation drives and environmental activities such as beach clean-ups, reinforcing employee engagement and strengthening local partnerships.

Our sustainability journey is continuous, and we are committed to creating long-term value by growing Mega Fortris in ways that are responsible and beneficial to our people, customers, communities and other stakeholders. Detailed disclosures on our priorities, targets and year-on-year progress are set out in the Sustainability Statement of this Annual Report.

# Management Discussion and Analysis

## A Milestone Year of Growth

FYE 2025 marked a defining chapter for Mega Fortris, the Group's first financial year as a public company following our Main Market listing on 11 November 2024. We entered the market with a clear plan to strengthen our leadership in the security seal solution industry. Against that backdrop, we delivered resilient topline performance for the year, remained profitable, and signalled our commitment to shareholder returns with a maiden final dividend of 0.5 sen per share.

Strategically, we took tangible steps toward becoming a total security solution provider. We announced a collaboration to pair our proven physical seals with real-time tracking and condition monitoring, an entry point into connected, subscription-supported offerings for various industries. In parallel, we progressed the premium cards "total management" venture from hardware-only sales to an integrated lifecycle solution that combines sealed-in-box card printing with software-enabled handling and audit trails, laying the groundwork for recurring revenue and stickier customer relationships.

In summary, FYE 2025 was the year we translated our listing objectives into execution, sustaining the core, localising capacity, and scaling solution adjacencies that expand our addressable market and improve the quality and predictability of earnings. These foundations position Mega Fortris to deliver durable growth and progressive returns in the years ahead.

FYE 2026 marks a defining inflection point for Mega Fortris as multi-year investments transition from build-phase to operational impact. The coming year will be one of commissioning, commercialisation, and consolidation, translating strategy into measurable outcomes across production, digitalisation, and solution integration. Mega Fortris now enters a period where these foundations translate into measurable growth and value creation.

## Appreciation



The Board and Management wish to express our heartfelt appreciation to all who supported Mega Fortris in our first year as a listed company. To our shareholders, thank you for your confidence as we executed against our post-listing priorities and declared our maiden dividend. To our customers and business partners across different continents, your trust in our products and solutions drives our commitment to reliability, innovation and service excellence. We are equally grateful to our employees, whose professionalism, safety mindset and continuous-improvement culture kept our operations resilient while we prepare the next phase of growth.

We also acknowledge the guidance of our directors, advisors and regulators, and the steadfast support of our suppliers and financiers. Finally, we thank the communities in which we operate for their partnership in our sustainability initiatives. Your collective contributions enabled us to deliver a milestone year, and we remain focused on building a stronger, more connected total security solutions business that creates sustainable value for all stakeholders.

**Datuk Adrian Ng**

Group Managing Director cum Group Chief Executive Officer

# Sustainability Statement

## Chapter 1:

# Integrating Sustainability Across Our Value Chain

# Sustainability Statement

## Leadership Message

### Message from the Group Managing Director cum Group Chief Executive Officer

**"Sustainability in MFB is the bridge between today's business resilience and tomorrow's opportunities. At MFB, we believe that ethical governance, innovation, and care for our people are not just values, but the foundations upon which enduring success is built."**

**Datuk Adrian Ng**  
Group Managing Director cum Group Chief Executive Officer



### Resilience Through Change

In a world shaped by rapid economic shifts, heightened Environmental, Social and Governance ("ESG") expectations, and increasingly complex supply chains, resilience has become the cornerstone of sustainable success. At Mega Fortris Berhad ("MFB"), we believe that resilience is often forged in times of uncertainty. Over the past year, we have navigated challenges with adaptability, strategic foresight, and values-driven leadership—ensuring that our business not only withstands change but thrives in it.

### Navigating Growth Post-Listing

The past year marked a significant milestone in our journey with our successful listing on Bursa Malaysia. This achievement reflects years of careful strategic planning and disciplined execution. Recognition such as the Silver Award for Export Excellence has reinforced our direction and motivated us to raise the bar even higher.

Our growth has been underpinned by key advancements: embracing Industry 4.0 to automate production and administration processes, digitising groupwide data analytics, and embedding sustainability into our operations through the integration of biodegradable additives in all our products. These priorities have been complemented by strong investments in people development, equipping our teams to lead innovation and deliver excellence in a competitive global market.

# Sustainability Statement

## Building a Strong Sustainability Foundation

We view sustainability not as a compliance exercise but as a business imperative that enhances long-term competitiveness. In Financial Year Ended 30 June 2025 (“**FYE 2025**”), we established our Sustainability Framework, aligning our business strategy with environmental stewardship, social responsibility, and robust governance. By integrating sustainability principles into our corporate DNA, we are proactively managing risks while unlocking opportunities that strengthen our position in the global security solutions industry. Our approach is built on a strong internal culture, ethical leadership, and long-term thinking.

## Sustainability Achievements

During the year, we made notable progress on our environmental and social commitments:



### • Mitigating Climate Change Impacts

We established our official GHG emissions baseline for FYE 2025, verified by an independent third party in accordance with **ISO 14064-3** and the GHG Protocol. This will guide our annual emissions reporting and reduction strategies.



### • Energy Management

A comprehensive energy audit completed in December 2024 identified targeted efficiency measures. We also formed an internal Energy Efficiency Committee, chaired by our Group Operations General Manager, to oversee and execute reduction initiatives.



### • Community Engagement

We invested RM37,712 and over 400 volunteer hours in impactful outreach programmes, including monthly food distributions, festive celebrations at care homes, a Buka Puasa event for orphans, blood donation drives, and environmental activities such as the Tanjung Harapan beach clean-up.



### • Employee Wellbeing

We deepened our commitment to UN SDG 8 by expanding youth employment opportunities, closing skills gaps, and offering professional development. Engagement highlights included our IPO celebration dinner, senior management teambuilding in Penang, and free health screenings for employees.

# Sustainability Statement



## Strengthening Corporate Governance

Good governance is the bedrock of MFB's resilience and long-term sustainability. At MFB, we lead with integrity and purpose, guided by the highest standards of transparency, accountability, and ethical conduct in full alignment with the Malaysian Code on Corporate Governance. Our governance framework is built on a strong organisational structure with clearly defined responsibilities, supported by a comprehensive compliance framework and a centralised master list that enables us to proactively monitor regulatory requirements and ESG commitments. This disciplined approach ensures that every decision we make strengthens stakeholder trust and drives sustainable, responsible growth.

Our ethical foundations are strengthened by comprehensive policies, including the Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy, and our Code of Conduct and Ethics, which guide every interaction with our stakeholders. We safeguard our operations through rigorous risk and control systems, reinforced by ISO-aligned SOPs and stringent IT security measures, while upholding strict adherence to the Personal Data Protection Act 2010. Our globally recognised certifications, **ISO 9001:2015**, **ISO 14001:2015**, and **ISO 17712:2013** are a testament to our unwavering dedication to quality, environmental stewardship, and security standards. This governance framework is not just a safeguard, it is the strategic compass that keeps us on course toward responsible growth and stakeholder trust.

## Call to Action and Forward Outlook

Looking ahead, we will continue to advance our sustainability journey with innovation, agility, and purpose. We remain committed to enhancing our ESG performance, deepening stakeholder trust, and ensuring that MFB is well-positioned to thrive in an evolving global landscape. I encourage all Malaysian businesses to see sustainability, innovation, and agility not as optional extras, but as core levers for long-term growth.

### Datuk Adrian Ng

Group Managing Director cum  
Group Chief Executive Officer

# Sustainability Statement

## About the Report

This Sustainability Report outlines MFB's ESG performance for the FYE 2025. It serves as a transparent account of our progress, challenges, and commitments in advancing sustainability across our operations.

### Reporting Boundary

The disclosures in this report primarily cover MFB's operations in Malaysia.

### Reporting Scope

The report addresses our material ESG topics as identified through our materiality assessment process, covering environmental stewardship, business and products, social impact, and governance practices. These topics are aligned with stakeholder priorities and business objectives and are reported in accordance with internationally recognised frameworks.



# Sustainability Statement

## Reporting Frameworks

	Framework	Description	Audience and Scope
	Global Reporting Initiative ("GRI") Standards 2021	A global standard for sustainability reporting, providing topic-specific disclosures across environmental, social, and governance areas.	This framework enables MFB to transparently communicate our sustainability impacts to a wide range of stakeholders, including customers, regulators, employees, and the communities we operate in.
	International Financial Reporting Standards ("IFRS")	IFRS S1 and S2 are the sustainability disclosure standards issued by the International Sustainability Standards Board ("ISSB"). S1 covers general sustainability-related risks and opportunities, while S2 focuses on climate-related disclosures.	These standards guide our disclosures to meet the expectations of our investors and financial stakeholders by focusing on sustainability risks and opportunities that are financially material to MFB's long-term enterprise value.  We have adopted the IFRS standards in alignment with the National Sustainability Reporting Framework ("NSRF") of Malaysia.
	Sustainability Accounting Standards Board ("SASB")	Sector-specific ESG disclosure standards used to identify financially material issues relevant to specific industries (e.g. Industrial Machinery & Goods).	SASB helps MFB identify and report on ESG topics most relevant to our sector and financial performance, ensuring alignment with investor expectations and IFRS S1 compliance.
	Task Force on Climate-related Financial Disclosures ("TCFD")	A globally recognised framework for climate-related disclosure structured around four pillars: Governance, Strategy, Risk Management, and Metrics & Targets.	TCFD supports MFB in disclosing how climate-related risks and opportunities are integrated into our governance, operations, and long-term strategy, in ways that are meaningful to our investors, customers, and regulatory stakeholders.
	Bursa Malaysia's Sustainability Reporting Guide	A national guideline that helps listed issuers disclose material sustainability topics in line with Bursa's Listing Requirements and stakeholder expectations.	As a listed issuer, MFB applies this guide to ensure full regulatory compliance while maintaining high standards of disclosure expected by our shareholders, regulators, and local stakeholders.
	United Nations Sustainable Development Goals ("UNSDGs")	A global set of 17 goals providing a shared blueprint for peace, prosperity, and sustainability. Often used as a high-level alignment reference.	MFB references the UNSDGs to demonstrate our alignment with global development priorities and to guide our contributions toward a more inclusive, low-carbon, and circular economy, valued by our global partners and stakeholders.

## External Assurance Statement

This Sustainability Report has not undergone external assurance for the current reporting period. However, our greenhouse gas ("GHG") emissions data has been externally verified in accordance with **ISO 14064-3:2019** as meeting the requirements of GHG Protocol - A Corporate Accounting and Reporting Standard. We plan to extend external assurance to cover the entire Sustainability Report to reinforce our commitment to transparency and credibility in our disclosures.

# Sustainability Statement

## Mega Fortris Berhad - Our Legacy, Values, and Global Reach

Founded in 1998, MFB has evolved from a local security seal provider into a globally recognised leader in innovative security solutions. Headquartered in Malaysia, MFB operates with a strong international presence in over 11 countries, offering comprehensive design, manufacturing, and supply capabilities for security seals, tamper evident products, and integrated security systems.

Our solutions are trusted worldwide by industry leaders in logistics, shipping, aviation, manufacturing, retail, and energy, safeguarding supply chains with high-performance products that combine durability, innovation, and sustainability.

### Global Group Structure

MFB’s operations are strengthened by a dynamic global network of subsidiaries strategically located across Asia, Europe, Australasia, the Middle East, and North America. We are well-positioned to serve customers wherever they operate. This international footprint reflects not only our ability to reach diverse markets and sectors with agility but also our unwavering commitment to delivering secure, innovative, and high-quality solutions consistently across the globe.

At MFB, our values define who we are and guide every decision we make. We are driven by **High Performance** and **Value Deliverance**, committing to delivering superior quality and tangible benefits to our customers, colleagues, and stakeholders. We uphold the highest standards of **Integrity**, fostering trust through ethical conduct and aligning our actions with our promises. We are **People Focused**, recognising that our greatest asset is our team, and we invest in their growth, development, and retention. Through **Stewardship**, we encourage personal ownership and responsibility, supporting our community and environment while shaping a sustainable future. Our culture of **Innovation** drives us to continuously seek creative, effective solutions and fresh approaches to enhance our offerings. Finally, we remain **Agile** and **Adaptive**, ready to respond to change with flexibility and resilience in the pursuit of continual improvement and a brighter tomorrow.

### OUR VISION

To elevate product and service innovation on a platform of global excellence to improve the lifestyle of societies and to bring more value to businesses.

### OUR MISSION

To become the world’s most recognised brand for innovation, high-quality products, and exceptional service.

### OUR VALUES



#### High Performance, Value Deliverance

Commitment to superior performance and measurable value for customers, colleagues, and stakeholders.



#### People Focused

Investing in team growth, development, and retention.



#### Innovation

Encouraging creativity and continuous improvement in products and processes.



#### Integrity

Upholding ethical conduct and aligning behaviours with our promises.



#### Stewardship

Fostering personal ownership, environmental responsibility, and community support.



#### Agile and Adaptive

Remaining flexible and responsive in a rapidly changing global environment.

# Sustainability Statement

## Our Year at a Glance

### Workforce

Employees

**507**

(Permanent and Contract Employees)

### Operations

Countries of operation

**11**

### Energy Best Practices

Solar energy generated

**400,171 kWh**

(≈10% of site needs)

### Carbon Management

Verified GHG inventory

External verification completed by 3<sup>rd</sup> party auditors (Scopes 1, 2, 3)

Total GHG emissions

**3,530.26 tCO<sub>2</sub>e**

(Market-based)

**3,836.77 tCO<sub>2</sub>e**

(Location-based)

Base year establishment

**2024 - 2025**

(FYE 2025)

### Waste Management

Total waste generated

**390.04 MT**

Diverted from landfill

**256.04 MT**

(66%)

### Water Consumption

Water consumption

**13,473 m<sup>3</sup>**

### Procurement

Local sourcing

**80%**

(FYE 2025)

Supplier screening

**100%** of new suppliers assessed on environmental criteria

### Learning and Development

Total training hours

**4,452**

Average training hours

**8.9** hours/employee

### Community Well-Being

Social/community outreach

Ongoing community programs & supplier awareness sessions

Community contribution

**RM 37,712**

Volunteer Hours

**430** hours

# Sustainability Statement

## Achievements and Awards



**Silver Award – Industrial Products (Mid-Tier and Large Companies), Star Export Excellence Awards 2025**

At the prestigious Export Excellence Awards (EEA) 2024 Gala Night in Kuala Lumpur, Malaysia’s top exporters were recognised for their innovation, resilience, and contribution to the nation’s trade sector. Organised by Star Media Group in partnership with Standard Chartered Malaysia, the EEA has become a premier platform honouring outstanding Malaysian exporters. The award acknowledges MFB’s adaptability in navigating global market challenges, its forward-looking strategies, and its strong performance in strengthening Malaysia’s presence in the international marketplace. This recognition is a testament to our team’s dedication, innovation, and global mindset — values that continue to drive our mission of delivering trusted security solutions to clients around the world.



**2024 JCI Malaysia Sustainable Development Award – UNSDG 12: Responsible Consumption and Production**

On 22 September 2024, MFB was recognised for its commitment to sustainable manufacturing by winning the JCI Malaysia Sustainable Development Award under the United Nations Sustainable Development Goal 12. The award highlighted our “Recycle Material Usage Program in Manufacturing Process,” which focuses on incorporating externally sourced recycled plastic resins and reducing dependence on virgin materials. This recognition underscores MFB’s ongoing efforts to minimise environmental impact, champion responsible production, and maintain the highest quality standards in our security solutions.

# Sustainability Statement

## Framework-Driven Sustainability Journey

### Sustainability Framework

#### SUSTAINABILITY VISION

To deliver sustainable solutions that safeguard the integrity of our customers' products whilst minimising adverse social and environmental impact

#### SUSTAINABILITY PILLARS

**Innovating Seals for a Sustainable Future (Sustainable Products)**

- M1 Sustainable Materials
- M2 Product Safety and Quality

**Operating Ethically to Fulfil Environmental Responsibility (Sustainable Operations)**

- M3 Energy Management and Carbon Management
- M4 Waste Management
- M5 Sustainable Procurement
- M6 Regulatory Compliance
- M7 Corporate Governance and Business Ethics

**Empowering People, Enriching Communities (People & Communities)**

- M8 Health and Safety
- M9 Labour Practices and Human Rights
- M10 Human Capital Development
- M11 Community Engagement and Relations

#### SUPPORTED BY SUSTAINABILITY GOALS

- |   |  |  |
|---|--|--|
| <ol style="list-style-type: none"> <li>1. Develop eco-efficient products to improve products competitive edge.</li> <li>2. Sourcing sustainable materials to reduce carbon footprint.</li> <li>3. Ensuring all products comply with environmental and safety standards without compromising quality.</li> </ol> | <ol style="list-style-type: none"> <li>1. Reducing greenhouse gas emissions to combat climate change.</li> <li>2. Implementing circular economy approach to minimise waste and enhance waste recovery.</li> <li>3. Strengthening responsible sourcing in supply chain management.</li> <li>4. Maintaining good corporate governance and ethical business practices.</li> <li>5. Upholding integrity in alignment with regulatory standards.</li> </ol> | <ol style="list-style-type: none"> <li>1. Ensuring a safe and healthy work environment.</li> <li>2. Respecting human rights and practice fair labour practices.</li> <li>3. Improving employee wellbeing that promotes equal opportunities for growth.</li> <li>4. Enhancing corporate social responsibility efforts to support and uplift local communities.</li> </ol> |
|---|--|--|



# Sustainability Statement

## Pillar 1: Innovating Seals for a Sustainable Future

This pillar focuses on embedding sustainability into our core product offerings by improving eco-efficiency, reducing material impact, and ensuring compliance with international standards. The initiatives are designed to strengthen our competitive edge while addressing stakeholder expectations for responsible products.

Under this strategic pillar, our innovation strategy is aligned with sustainability imperatives. We will continue monitoring the reuse of our by-products (plastic runners) in production, while ensuring compliance with product durability requirements.

In parallel, we are strengthening compliance with international safety standards by retaining **ISO 17712:2013** certification consistently and planning to embed life cycle assessment (“**LCA**”) to quantify environmental impacts across selected product categories. Recognising customer expectations, we are also institutionalising Security Assessment Surveys to monitor and enhance product performance from a stakeholder perspective.

Together, these goals represent a comprehensive roadmap for embedding sustainability into product innovation, aligning with both market demands and stakeholder expectations on circularity, compliance, and product responsibility.

## Pillar 2: Operating Ethically to Fulfil Environmental Responsibility

At the heart of our operations lies a simple belief: long-term business success is only possible when we operate responsibly and ethically. This pillar of our sustainability framework reflects our commitment to ensure that every process, transaction, and decision is aligned with environmental responsibility and the highest standards of governance.

### Embedding Environmental Responsibility in Daily Operations

We recognise that the way we consume energy, manage waste, and procure materials has direct consequences for our stakeholders and the environment. By improving efficiency and reducing impact, we are not only protecting natural resources but also creating operational resilience that benefits our investors, customers, and communities alike.

In recent years, we have taken deliberate steps to integrate energy management and carbon reduction into our operational DNA. We are enhancing monitoring systems, identifying areas for efficiency improvements, and actively exploring renewable energy options. At the same time, waste management is moving beyond compliance — with renewed emphasis on segregation, recycling, and material recovery to reduce our landfill footprint.

### Ethical Operations and Supplier Accountability

Operating ethically extends beyond our factory walls. We continue to strengthen governance frameworks to uphold transparency, integrity, and accountability in everything we do. Our Code of Conduct is reinforced through employee training, internal compliance audits, and clear zero-tolerance policies against corruption and bribery.

Equally important is our work with suppliers. We are developing procurement practices that prioritise ESG-compliant partners, beginning with our Tier 1 suppliers, to build a responsible and transparent value chain. This ensures that the standards we hold ourselves to are consistently applied across our operations.

### Forward-Looking Targets and Commitments

By FYE 2028, we have set measurable commitments that guide our progress under this pillar:

- Reducing greenhouse gas emissions intensity through improved energy efficiency and renewable integration.
- Diverting more waste away from landfill by strengthening recycling and recovery initiatives.
- Implementing a supplier ESG engagement programme to cover priority Tier 1 suppliers.
- Maintaining full compliance with environmental laws.
- Ensuring 100% of employees receive training on business ethics and our Code of Conduct.

### Why This Matters to Our Stakeholders

For investors, these actions represent stronger risk management, operational resilience, and alignment with global sustainability expectations. For employees, they provide a workplace where integrity and responsibility are non-negotiable values. For customers and regulators, they provide confidence that our business is committed to ethical conduct and environmental stewardship.

Together, these efforts under Pillar 2 ensure that our growth is not only profitable but principled, balancing operational performance with the responsibility we owe to our people, our partners, and the planet.

# Sustainability Statement

## Pillar 3: Empowering People, Enriching Communities

At the heart of our sustainability journey lies a commitment to our people and the communities we serve. We recognise that our long-term success is closely tied to the wellbeing of our workforce and the wider society. Under this pillar, we have established clear priorities: ensuring workplace safety, upholding human rights, advancing employee growth and wellbeing, and enriching the communities in which we operate.

### Ensuring a Safe and Healthy Workplace

The safety and wellbeing of our employees remain our foremost responsibility. We aim to achieve 100% participation in health and safety training, ensuring every employee is equipped with the knowledge to operate in a safe environment. Building on this foundation, we will maintain universal participation in safety training through FYE 2028, while expanding our efforts to include online training modules for new joiners and specialised machine-safety training for operational staff.

Our goal is to reduce work-related injuries through strict adherence to safety protocols and continuous monitoring. In FYE 2025, our Lost Time Injury Frequency Rate ("LTIFR") stood at 9.2 per one million man-hours. We are implementing enhanced safety protocols and preventive measures to significantly reduce this rate moving forward.

### Respecting Human Rights and Fair Labour Practices

We uphold human rights and fair labour practices as non-negotiable standards. In FYE 2025, we recorded zero substantiated complaints related to human rights violations. To strengthen this culture of respect, we will conduct annual human rights training for all employees with plans to extend this initiative to suppliers. This will ensure that our expectations on ethical conduct and fair treatment are embedded not only within our organisation but also across our value chain.



### Developing Talent and Supporting Employee Wellbeing

Our people are our most valuable assets, and we remain committed to nurturing their growth and wellbeing. In FYE 2025, local employees represented 55.76% of our workforce, and we are committed to maintaining a local hiring ratio of at least 45% at our headquarters through FYE 2028. Talent development remains a cornerstone of our people strategy. We will continue implementing Training Needs Assessments ("TNA") to ensure our employees' skills are strengthened and aligned with future needs. At the same time, we are dedicated to maintaining low turnover rates—below 2% for executives and under 10% for non-executives. Employee engagement is equally vital to enhancing overall wellness, which in turn drives higher productivity.

Moving forward, we aim to expand our wellness programmes to boost morale and cultivate a supportive work environment. Recognising the importance of holistic wellbeing, our initiatives include festive celebrations, blood donation drives, and team-building events that strengthen workplace bonds. By FYE 2026, we plan to conduct at least four wellbeing programmes annually, with a target of seven by FYE 2028.

### Strengthening Communities Through CSR

We believe that creating shared value extends beyond our workforce to the communities in which we operate. In FYE 2025, our employees contributed 430 volunteer hours across activities such as community events, donation drives, and local engagements. Our target is to increase volunteer participation to 500 hours in FYE 2026 and reach 800 hours by FYE 2028.

Equally, our financial contributions to community development are set to expand significantly. With RM37,712 invested in FYE 2025, we aim to grow this to over RM100,000 by FYE 2028. These efforts underline our commitment to being a trusted partner in community growth and social progress.

## Zero

substantiated complaints related to human rights violations recorded in FYE 2025.

Contributed **430** volunteer hours across activities such as community events, donation drives, and local engagements.

# Sustainability Statement

## Materiality Assessment: Defining Our Priorities

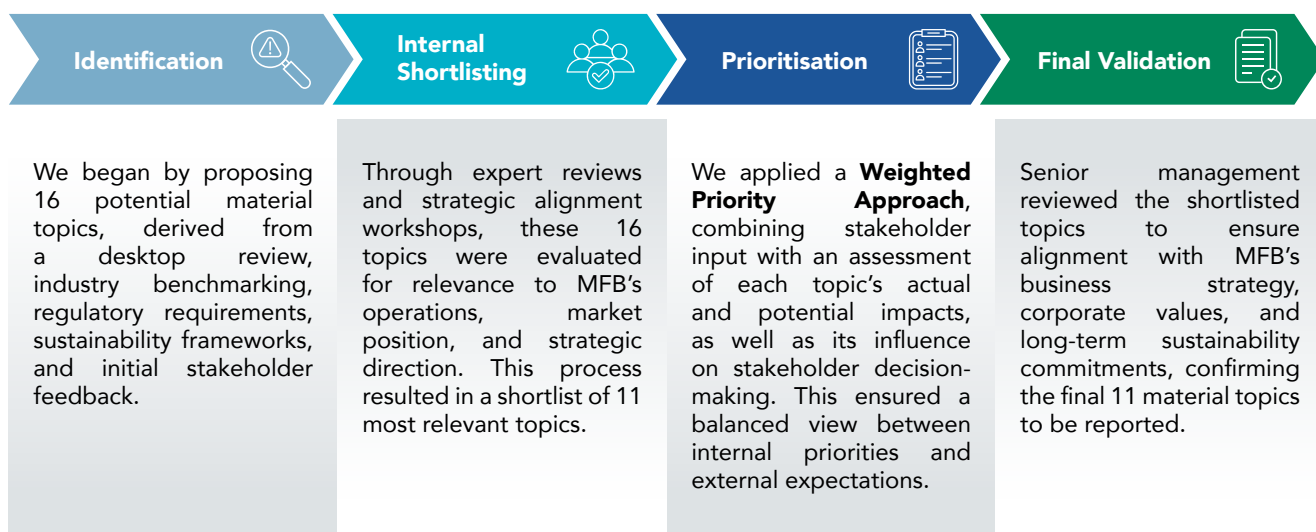
### Materiality Assessment

Our materiality assessment is a structured process designed to identify, evaluate, and prioritise the sustainability topics most relevant to MFB and its stakeholders. This exercise enables us to focus our resources on areas that have the greatest potential to influence our business success and our contribution to sustainable development.

Conducted earlier in collaboration with our sustainability consultants, the assessment considered both **impact materiality**, our organisation’s actual and potential impacts on the economy, environment, society and **financial materiality**—the sustainability factors that could influence our business performance and long-term value creation.

Our approach was guided by the GRI Standards, SASB and the Bursa Malaysia Sustainability Reporting Guide, while also reflecting readiness to align with emerging international standards such as IFRS S1 and S2.

#### Our Four-Phase Approach



Our process began with a clear definition of scope and objectives, supported by a multi-disciplinary working group representing Sustainability, Operations, HR, Finance, Compliance, and Senior Management. We first mapped our key stakeholder groups, engaging seven categories—employees, customers, Senior Management, the Board, investors and analysts, regulators, and suppliers/vendors—reflecting the breadth of MFB’s relationships and influence. To establish a shared understanding, we held an ESG awareness session for 20 internal stakeholders, outlining the relevance of sustainability to MFB’s operations, governance, and market positioning. This was followed by an interactive Risks & Opportunities workshop with 22 participants, including leaders from across the business, to link potential ESG topics to operational realities, strategic priorities, and financial outcomes. The outcome of these sessions was a long list of 16 potential topics, supplemented with initial insights into where risks and opportunities may emerge across our value chain.

Quantitative input was then gathered through a targeted survey, completed by 111 stakeholders across all seven groups. Using a Weighted Priority Approach, the feedback was analysed to balance influence, operational proximity, and long-term strategic significance. The analysis revealed varying priorities between internal and external stakeholders, which were carefully considered in the subsequent review.

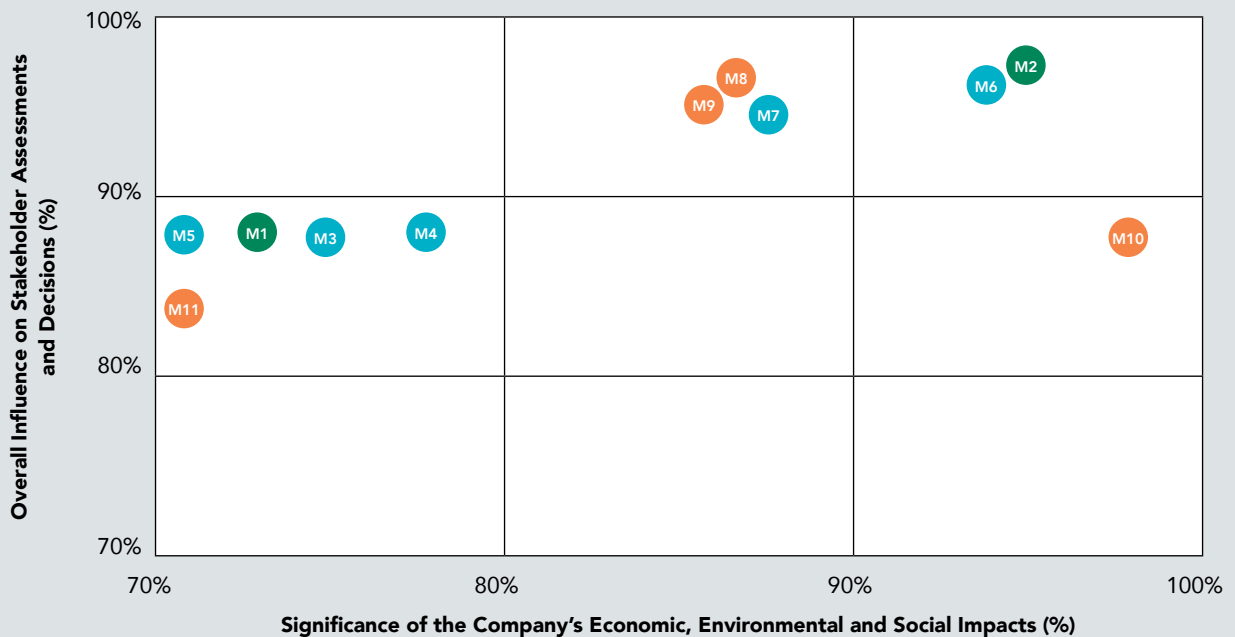
# Sustainability Statement

Through internal expert discussions and strategic alignment workshops, we consolidated overlapping issues and refined the scope to 11 material topics. Each topic was then assessed against dual criteria:

- **Impact Materiality:** considering severity, scale, persistence, and likelihood of impact.
- **Financial Materiality:** assessing the potential effect on revenue streams, cost drivers, capital expenditure, regulatory exposure, and financing terms.

To embed these priorities into decision-making, each material topic was mapped to the relevant stages of our value chain—upstream, midstream, or downstream—and assigned clear ownership, with defined KPIs and performance monitoring mechanisms. Topics with the highest financial relevance were earmarked for deeper integration into our **Sustainability-related Risks and Opportunities (“SRRO”)** mapping and **TCFD-aligned** disclosures.

Through this rigorous and transparent process, we have established a set of priority sustainability areas that reflect both stakeholder expectations and business imperatives, providing a strong foundation for measurable progress and meaningful reporting in the years ahead.



### Material Topics:

- |   |   |   |
|---|---|---|
| <ul style="list-style-type: none"> <li>M1 Sustainable Materials</li> <li>M2 Products Safety and Quality</li> <li>M3 Energy Management and Carbon Management</li> <li>M4 Waste Management</li> </ul> | <ul style="list-style-type: none"> <li>M5 Sustainable Procurement</li> <li>M6 Regulatory Compliance</li> <li>M7 Corporate Governance and Business Ethics</li> <li>M8 Health and Safety</li> </ul> | <ul style="list-style-type: none"> <li>M9 Labour Practices and Human Rights</li> <li>M10 Human Capital Development</li> <li>M11 Community Engagement and Relations</li> </ul> |
|---|---|---|

# Sustainability Statement

## Understanding Our Impact on Stakeholders

Our materiality assessment confirmed that certain sustainability topics carry a profound influence on the people and organisations connected to MFB. These topics not only shape our day-to-day operations but also guide the way we build trust, deliver value, and fulfil our purpose. By listening to our stakeholders and aligning with the GRI Standards, we have ensured that these priorities are firmly embedded in our strategy and reporting.

**Product Safety and Quality** emerged as our highest-priority topic, recognised by stakeholders as the foundation of our reputation. Customers and regulators alike expect us to deliver secure, reliable products all the time, with no room for compromise. This is why we invest heavily in product innovation, testing, and quality control, ensuring that safety and performance remain uncompromised.

**Regulatory Compliance and Corporate Governance & Ethics** followed closely, reflecting the critical role of responsible business conduct in maintaining stakeholder confidence. Our investors and partners view these areas as safeguards for long-term value, ensuring that MFB operates with integrity, transparency, and full adherence to local and international laws. Our people, the driving force of MFB, placed **Health and Safety** and **Human Capital Development** at the heart of our sustainability priorities. Protecting the wellbeing of our workforce and investing in their growth directly influences morale, productivity, and our ability to innovate. Stakeholders recognise these commitments as essential to retaining talent and supporting sustainable business performance.

Environmental stewardship was also strongly represented in stakeholder feedback. **Energy Management, Sustainable Procurement, and Waste Management** were highlighted as key areas where MFB can lead by example. By sourcing responsibly, using resources efficiently, and reducing waste, we not only protect the environment but also respond to the growing expectations of our global customers.

While topics like **Sustainable Materials** and **Community Engagement** ranked lower in immediate stakeholder influence, they remain important to our broader impact narrative. These areas present opportunities to deepen trust with communities and accelerate our transition to more sustainable product lifecycles.

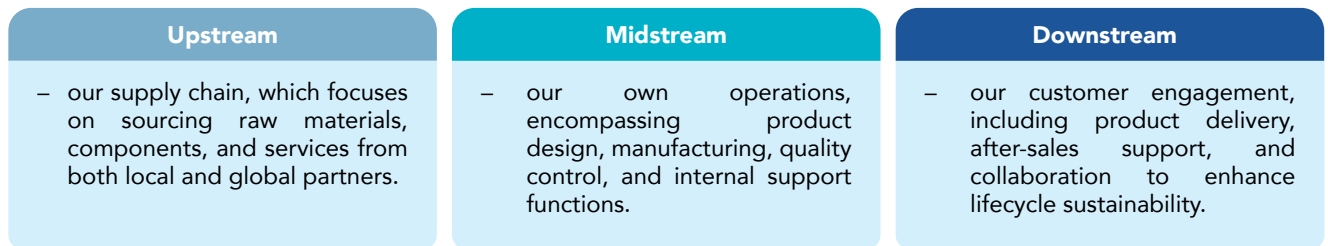
Each of these topics is addressed in detail in the following sections of this report, where we disclose both our performance and our plans for improvement. This ensures that stakeholders — from investors to customers, employees to communities — can see how MFB's sustainability journey is delivering measurable results where it matters most.



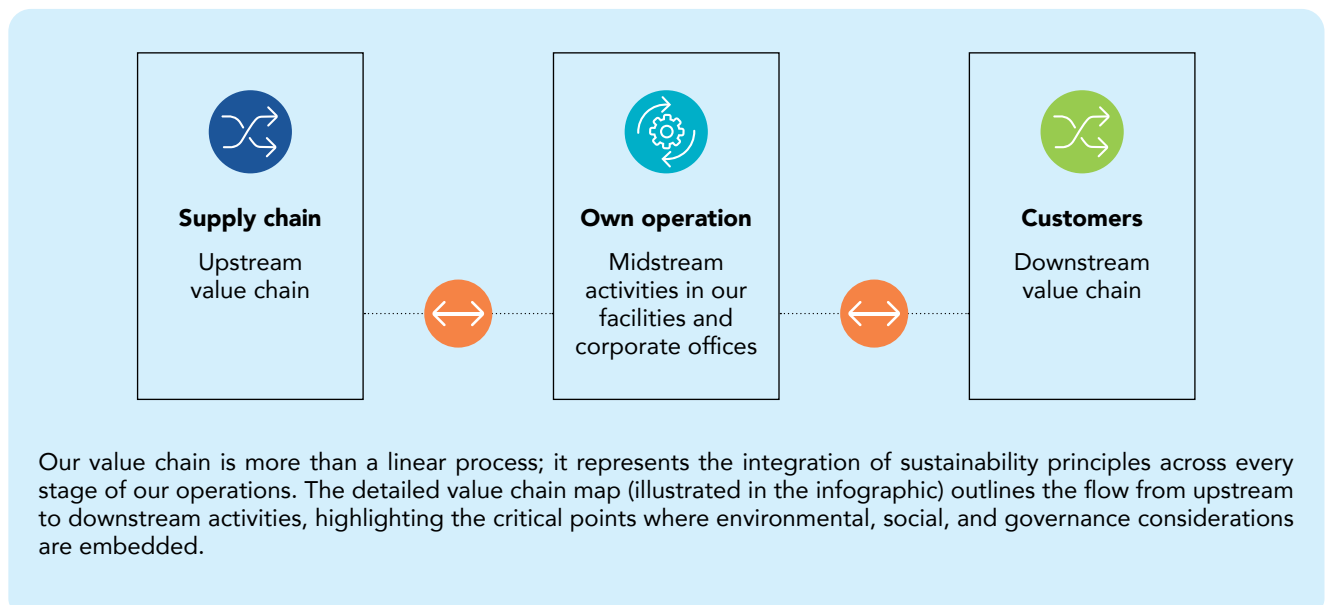
# Sustainability Statement

## A Strategically Mapped Value Chain

At MFB, our value chain is built around three interconnected segments:



### Own operation and value chain

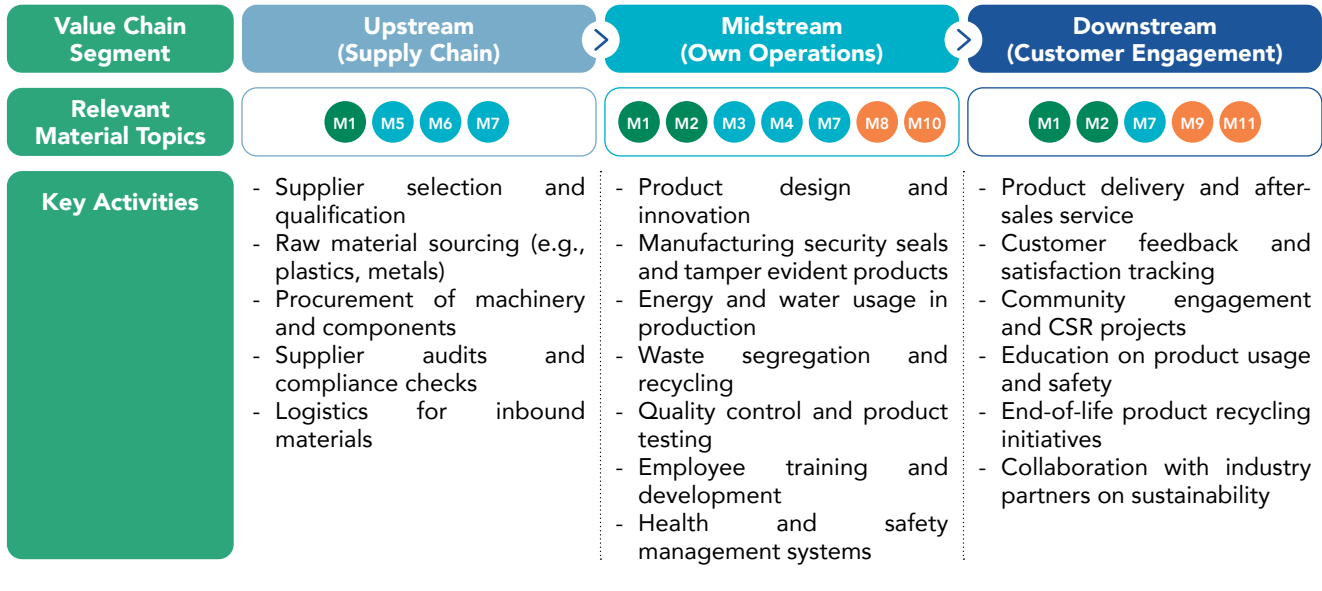


This mapping provides a **bird's-eye view** of our core activities, enabling us to:

- Identify where our material sustainability topics have the most significant impact;
- Align each stage of our operations with the SRRO mapping presented in subsequent sections of this report; and
- Strengthening the connection between our strategic goals, operational performance, and stakeholder expectations.

While the map captures key activities, it is not an exhaustive representation of every operational detail. Instead, it is a strategic tool that helps us target high-impact areas for improvement, innovation, and collaboration across our value chain.

# Sustainability Statement



## Material Topics:

- |  |   |  |
|--|---|--|
| M1 Sustainable Materials                   | M5 Sustainable Procurement                  | M9 Labour Practices and Human Rights   |
| M2 Products Safety & Quality               | M6 Regulatory Compliance                    | M10 Human Capital Development          |
| M3 Energy Management and Carbon Management | M7 Corporate Governance and Business Ethics | M11 Community Engagement and Relations |
| M4 Waste Management                        | M8 Health and Safety                        |  |

Our stakeholder engagement methods along the value chain are represented in the table below:

	Stakeholder Group	Stakeholder Group
	<b>Suppliers &amp; Vendors</b>	<b>Manufacturing Workforce</b>
	<b>Engagement Methods</b>	<b>Engagement Methods</b>
	Supplier audits, procurement meetings, sustainability requirement briefings, online supplier portal	Town halls, health & safety briefings, training sessions, employee surveys
<b>Frequency</b>	<b>Frequency</b>	<b>Frequency</b>
<ul style="list-style-type: none"> <li>Monthly</li> <li>Quarterly</li> <li>Annually</li> <li>Bi-annually</li> <li>Project-based</li> <li>As needed</li> <li>As per regulation</li> </ul>	<ul style="list-style-type: none"> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Quarterly</li> </ul>
	<b>Key Agenda for Engagements</b>	<b>Key Agenda for Engagements</b>
	Quality and compliance requirements, responsible sourcing policies, environmental standards, capacity building for sustainability performance	Workplace safety, skills development, employee wellbeing, updates on operational changes and sustainability initiatives

# Sustainability Statement

<p><b>Stakeholder Group</b></p> <p><b>Logistics &amp; Distribution Partners</b></p> <p><b>Engagement Methods</b></p> <p>Service-level review meetings, compliance audits, operational coordination calls</p> <p><b>Frequency</b></p> <p></p> <p><b>Key Agenda for Engagements</b></p> <p>Delivery performance, packaging sustainability, emissions reduction in transport, compliance with regulatory and customer standards</p>	<p><b>Stakeholder Group</b></p> <p><b>Customers (B2B)</b></p> <p><b>Engagement Methods</b></p> <p>Account management meetings, product demonstrations, customer satisfaction surveys, sustainability updates</p> <p><b>Frequency</b></p> <p></p> <p><b>Key Agenda for Engagements</b></p> <p>Product safety and quality, innovation updates, traceability, sustainability credentials, feedback on packaging and waste reduction initiatives</p>	<p><b>Stakeholder Group</b></p> <p><b>Investors &amp; Shareholders</b></p> <p><b>Engagement Methods</b></p> <p>Annual General Meeting (“AGM”), investor briefings, ESG performance reports</p> <p><b>Frequency</b></p> <p></p> <p><b>Key Agenda for Engagements</b></p> <p>Financial performance, ESG targets and progress, climate-related risks and opportunities, long-term strategy alignment</p>
<p><b>Stakeholder Group</b></p> <p><b>Regulators &amp; Standards Bodies</b></p> <p><b>Engagement Methods</b></p> <p>Compliance reporting, site inspections, industry forums</p> <p><b>Frequency</b></p> <p></p> <p><b>Key Agenda for Engagements</b></p> <p>Adherence to environmental, health &amp; safety, and product standards, updates on regulatory changes, certification renewals</p> <p><b>Frequency</b></p> <ul style="list-style-type: none"> <li> Monthly</li> <li> Quarterly</li> <li> Annually</li> <li> Bi-annually</li> <li> Project-based</li> <li> As needed</li> <li> As per regulation</li> </ul>	<p><b>Stakeholder Group</b></p> <p><b>Local Communities</b></p> <p><b>Engagement Methods</b></p> <p>Community meetings, CSR activities, volunteering programmes</p> <p><b>Frequency</b></p> <p></p> <p><b>Key Agenda for Engagements</b></p> <p>Community development projects, job creation, environmental stewardship, education and awareness programmes</p>	<p><b>Stakeholder Group</b></p> <p><b>Industry Associations &amp; NGOs</b></p> <p><b>Engagement Methods</b></p> <p>Working groups, joint research projects, sustainability networks</p> <p><b>Frequency</b></p> <p></p> <p><b>Key Agenda for Engagements</b></p> <p>Industry best practices, advocacy on sustainability policies, innovation collaboration, sharing progress on sector-wide sustainability challenges</p>

# Sustainability Statement

## Sustainability Governance

MFB’s governance framework is anchored by the Board of Directors (“**the Board**”), which serves as the highest decision-making authority responsible for guiding corporate strategy, upholding sustainability commitments, and ensuring long-term value creation for stakeholders. The Board assumes ultimate responsibility for managing MFB’s sustainability matters, including approving targets, timelines, and policies, as well as reviewing outcomes against established benchmarks.

To strengthen oversight and ensure accountability, MFB has adopted a 4-tier governance structure consisting of:

- (1) **The Board:** Holds ultimate accountability and approves sustainability targets, policies, and implementation timelines.
- (2) **Sustainability and Risk Management Committee (“SRMC”):** Reviews and recommends sustainability strategies, frameworks, and policies to the Board, ensuring alignment with global and national trends.
- (3) **Sustainability Steering Committee (“SSC”):** Chaired by the GMDCEO and co-chaired by the Compliance Director, the SSC comprises heads of key departments (Operations, Human Resources, Compliance, Procurement, etc.). It provides strategic direction to the Head of Sustainability to ensure integration of sustainability initiatives into the Group’s overall business roadmap.
- (4) **Head of Sustainability (“HOS”) / Sustainability Working Group (“SWG”):** The HOS reports to the SSC and convenes SWGs as needed to investigate, design, and implement sustainability initiatives. The SWG ensures that process controls, strategies, and implementation plans are executed effectively.

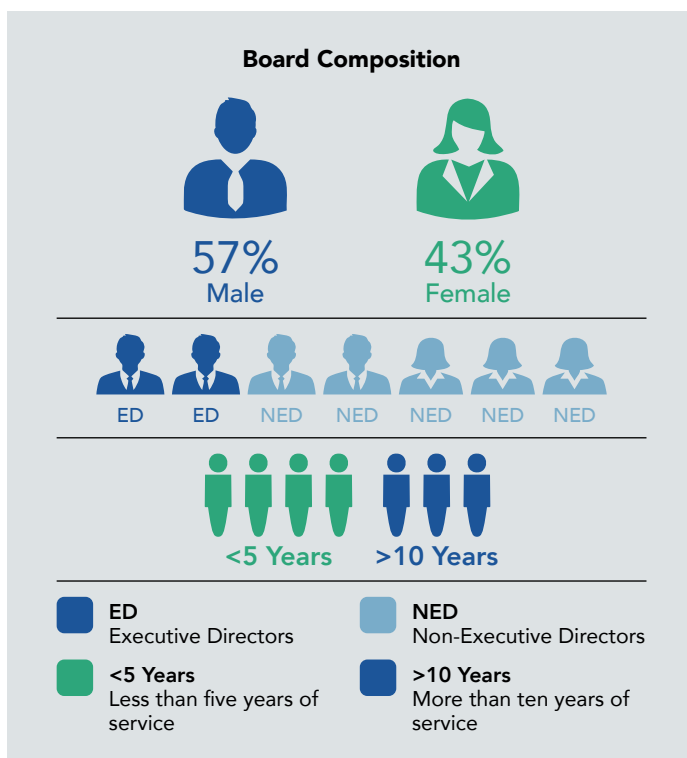
This multi-tiered structure ensures that sustainability considerations are fully integrated into strategic planning, risk oversight, and operational decision-making. Regular reporting and engagement between committees and the Board enable systematic identification, evaluation, and management of sustainability-related risks and opportunities, thereby strengthening corporate resilience and stakeholder trust.

### Our Board Composition Overview

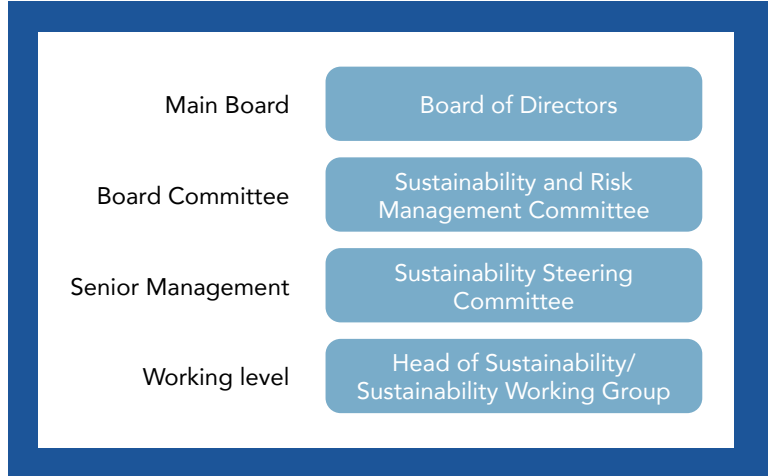
MFB’s Board composition reflects a balanced mix of leadership experience, independence, and diversity. The Board comprises two Executive Directors and five Non-Executive Directors, ensuring strong oversight and independent judgement. The tenure profile, four members serving less than five years and three members serving more than ten years — provides both fresh perspectives and continuity, in line with recommended good practices on board refreshment and tenure limits.

On gender diversity, the Board comprises 57% male (four members) and 43% female (three members), meeting the recommended threshold of at least 30% women representation on boards. Looking ahead, there are opportunities to broaden representation from under-represented social groups, supporting the Code’s broader diversity agenda (Practice 5.5).

Overall, this composition demonstrates compliance with key principles of Malaysian Code on Corporate Governance (“**MCCG**”) 2021. It also ensures that the Board maintains the right balance of independence, continuity, and diversity to effectively steward MFB’s strategic and sustainability commitments.



# Sustainability Statement



The Board maintains a **Conflict of Interest Policy** to ensure impartiality in decision-making and safeguard stakeholder trust. The Chairman of the Board, Dato' Nick Ng, is a Non-Independent Non-Executive Director and is not a member of any Board committees to maintain checks and balances.

## Sustainability and Risk Management Committee ("SRMC")

The SRMC, chaired by Independent Non-Executive Director Dato' Sasikala Devi A/P Subramaniam, is the primary body responsible for sustainability governance. It includes the GMDCEO, Datuk Adrian Ng, as a member, along with senior leaders overseeing key operational and ESG functions. The SRMC reviews sustainability performance, climate risk assessments, stakeholder engagement outcomes, and compliance with relevant ESG frameworks.

## Year 1 Oversight and Key Focus Areas

In FYE 2025, the SRMC and the Board have overseen several key sustainability initiatives, including:

- Establishing an enterprise-wide sustainability governance framework aligned with best practices under the MCCG.
- Approving the Group's Sustainability Framework that integrates sustainability practices throughout the business operations.
- Endorsing Material Topics and Materiality Matrix that reflects MFB's significant sustainability issues that are impacting our business, stakeholders, and broader environment.

## Our Climate Governance Commitment and Roadmap

MFB recognises climate change as a material business risk and strategic priority. The Board, through SRMC, has committed to progressively strengthening climate governance in alignment with the TCFD framework.

This governance approach ensures that sustainability is not a parallel agenda but a core driver of business resilience, stakeholder value, and environmental stewardship.



# Sustainability Statement

## Risk Management

At MFB, risk management is a shared responsibility, embedded across all levels of our organisation. Our Compliance Department plays a central role in overseeing this function, ensuring that risks are identified, assessed, and addressed in a timely manner. This includes not only operational and compliance risks, but also those arising from sustainability and climate-related impacts, in alignment with our governance framework.

### Role of the Compliance Department

The Compliance Department coordinates risk governance activities across the business. It works closely with departmental heads to ensure that risk considerations are integrated into strategic and operational decision-making. This function also maintains oversight of our Internal Control Guidelines (“**ICG**”), which provide clear instructions on controls, compliance obligations, and escalation procedures.

### Internal Audits and Risk Monitoring

We maintain robust internal audit practices, supported by the ICG framework and aligned with international standards. Internal departmental audits are conducted periodically, focusing on operational efficiency, compliance with policies, and the identification of emerging risks. Findings are reviewed by management, and corrective actions are implemented with follow-up monitoring to ensure effectiveness.

### Risk Management Frameworks

MFB’s risk management approach is guided by the Enterprise Risk Management Framework, supplemented with our internally developed risk monitoring processes. This hybrid model ensures that our systems are both globally aligned and tailored to our operational context, enabling us to address risks proactively while leveraging opportunities for improvement.

### Sustainability-Related Risks and Opportunities (“SRRO”)

During the reporting year, we completed an in-depth SRRO mapping exercise across each material topic identified in our materiality assessment. This included evaluating both impact materiality (significance to stakeholders and the environment) and financial materiality (implications for our business value). For each material topic, we have determined preliminary risk ratings based on likelihood, severity, and time horizon.

MFB is committed to addressing high-priority risk areas through enhanced governance, strengthened supplier assessments, and proactive quality and safety management. Medium-priority areas such as workforce development and sustainable materials will be tackled through capacity building and strategic sourcing. Continuous improvement in monitoring, reporting, and stakeholder engagement will help reduce residual risks while unlocking opportunities for long-term resilience and value creation.

### Climate-Related Risk Management Roadmap

Recognising climate change as a business-critical issue, MFB plans to initiate an in-depth climate risk assessment. This will incorporate scenario analysis to evaluate the resilience of our operations and supply chain under multiple climate pathways, in line with the TCFD. The assessment findings will be integrated into our broader risk management strategy. This work will expand on the preliminary SRRO results, enabling us to better anticipate risks, identify opportunities, and align with IFRS S2 requirements.



# Sustainability Statement

## Chapter 2:

# Innovating Seals for A Sustainable Future



# Sustainability Statement



## Product Safety and Quality

### Our Commitment

At MFB, we are committed to ensuring the highest standards of product safety and quality. Every product we design and manufacture undergoes quality control, regulatory compliance checks, and continuous improvement processes to guarantee reliability and safety across industries. By adhering to internationally recognised standards and certifications, we strive not only to protect our customers’ goods but also to uphold the trust placed in our brand, delivering secure and dependable solutions that meet and exceed expectations.

### Delivering Security with Excellence

MFB designs and manufactures a comprehensive portfolio of high-security and indicative seals, tamper evident packaging solutions, and specialist security products that meet the most stringent global performance and sustainability standards. Our solutions safeguard critical sectors including logistics, airlines, oil & gas, banking, government, utilities, retail, healthcare, and pharmaceuticals industries where uncompromising reliability and security are essential.



Logistics



Airlines



Oil & Gas



Banking



Government



Utilities



Retail



Healthcare



Pharmaceuticals

Guided by our High Standards Management Policy, we are committed to:

- Providing high-quality products and exceptional service to meet customer requirements.
- Maintaining safe and healthy working environments.
- Reducing natural resource use through recycling.
- Preventing pollution through effective waste management.
- Complying with **ISO 9001:2015, ISO 14001:2015, ISO 17712:2013** and all relevant environmental legislations.

### Manufacturing Excellence and Global Reach

Our flagship Malaysian production facility is equipped with state-of-the-art machinery, enabling us to handle orders of any size with precision and consistency. High-volume manufacturing capacity allows for bulk orders and rapid turnaround, supported by expedited worldwide delivery to meet time-sensitive security requirements. Every seal is produced under stringent quality assurance processes and handled by highly trained personnel to guarantee product safety, regulatory compliance, and customer confidence.



ISO 17712:2013-Certified Product Range

# Sustainability Statement

MFB offers one of the industry’s most comprehensive ranges of **ISO 17712:2013(E)**-certified high-security bolt and cable seals, tested for both Clause 5 (physical strength) and Clause 6 (tamper evidence). Our indicative seals are also tested under Clause 5 to ensure reliable physical strength.

Bolt Seals:	Cable Seals:	Indicative & Specialty Seals:
Container Bolt Lock - A, Container Bolt Lock - S, Flexi Klick, Klicker, Klicker 2K, Mega Container Seal, MF Bar, MF Bar (3mm), Fort Container Seal 82, Flexi Klick 2K	2K Megalock, Megalock, Carrier Cable Seal 350, Medium Cable Lock 350, Maxi Cable Lock 500, Mega Cable Lock 350, Mega Cable Lock 500, Mega Cable Lock Zinc 350, Mega Cable Lock Zinc 500, Flexi Megalock, Fort Medium Cable Lock 350, Fort Container Seal Megalock, Fort Container Seal Megalock Premium, Mini Cable Lock Premium 180 2K, Mini Cable Lock Premium 250 2K, Mini Cable Lock Premium 150, MVCB 100	Domino SP 9x220, Mega Twister Barcode Horizontal, Fort Domino SP (FDMSP), Fort Mega Post Seal, Mini Fort Single Lock (MFSL), Dragon Seal WP40 (DSWP40), Mega Twister Barcode Horizontal - PP, Fast Seal 8-2K

## Independent Testing and Verification

Our certified seals undergo rigorous independent laboratory testing at internationally accredited facilities. Testing parameters include:

- Bolt Seal Diameter Qualification
- Tensile, Shear, and Bending Strength Tests
- Impact Resistance (Room & Reduced Temperature)

For example, the Container Bolt Lock (CBL-A) has been certified by SGS for Clause 6 tamper resistance and by Dayton T. Brown, Inc. for Clause 5 physical strength, achieving “High Security” ratings across all criteria. These certificates are valid for two years, ensuring ongoing compliance with customer and regulatory requirements.

## Transparency and Traceability

To support informed procurement decisions, we provide customers with detailed product data sheets on request. These outlines:

- Material composition (including recycled content and bio-additives)
- Technical specifications and performance parameters
- Certification references (e.g., **ISO 17712:2013**, Customs Trade Partnership Against Terrorism (“**CTPAT**”))
- Packaging, marking, and serialisation options

This ensures transparency from design to delivery, giving customers confidence in both performance and compliance.

## Moving Forward

MFB remains committed to advancing product safety and quality by continuously improving our testing standards, adopting best practices, and embedding a culture of accountability across all operations. Our goal is to ensure every product we deliver meets the highest benchmarks of reliability, safety, and customer confidence.



# Sustainability Statement

## Sustainable Materials



### Our Commitment

At MFB, we are committed to integrating sustainable materials into our products and packaging as part of our responsibility to reduce environmental impact. We continuously explore eco-friendly alternatives—such as recyclable, biodegradable, and responsibly sourced materials—while enhancing resource efficiency across our operations. Through these efforts, we ensure that our solutions remain both innovative and environmentally responsible.

#### Innovating for a Sustainable Future

Sustainability is embedded into our product development process:

- Integrating bio-additives to accelerate biodegradation in landfill conditions.
- Designing lighter products to reduce material usage and logistics-related emissions.
- Exploring closed-loop recycling partnerships with customers.

By combining security, compliance, and environmental responsibility, MFB continues to set the standard for high-security sealing solutions that meet both operational and ESG requirements.

### Biodegradable Seals

In May 2024, MFB took a significant step forward in its sustainability journey by integrating the BioSphere® bio-additive across all product lines containing plastic content. This marks a transformative shift from simply manufacturing secure and durable products to creating solutions that also contribute positively to environmental health.

These biodegradable seals maintain the same strength, tamper-resistance, and regulatory compliance as their traditional counterparts but are engineered to break down more rapidly at the end of their lifecycle. The bio-additive works as a catalyst for anaerobic microbes, enabling them to break down plastic polymers into non-toxic, low-molecular-weight compounds, water, and gases. This degradation process, validated under ASTM D5511 and ASTM D5526 test conditions, occurs in 1 to 5 years depending on the form and type of plastic — compared to centuries for untreated plastics.

Importantly, independent testing and MFB's own in-house quality verification confirm that:

- **Product properties remain unaffected** — mechanical strength, marking clarity, and security features perform identically to untreated products.
- **Recyclability is maintained** — biodegradable seals can be recycled through standard polypropylene and nylon recovery streams.
- **No special storage conditions** are required before use.
- **Food contact safety** is assured under **FDA 21 CFR 177.1630 and 21 CFR 177.1520**.

#### Standards and Certifications

Biodegradable seals produced with BioSphere® additive comply with globally recognised standards, including:

- **ISO 14021:1999** "Environmental Labels and Declarations" (Biodegradable definition)
- **ASTM D5511, ASTM D5526, ASTM D5338, ISO DIS 15985** — biodegradability testing protocols
- **FDA** food-safety specifications 21 CFR 177.1630 & 21 CFR 177.1520
- **US EPA Method 8015** complete breakdown analysis
- **EU Directive 94/62/EC** Packaging and packaging waste, and related plastic directives **89/109/EEC & 2002/72/EC**

## Moving Forward: Strengthening MFB's Environmental Risk Management

Globally, an estimated 79% of plastic waste accumulates in landfills or the natural environment, with only 9% recycled and 12% incinerated (BBC Science Magazine, 2015 data). By designing seals that retain full functional performance during use but biodegrade significantly faster after disposal, MFB addresses a critical environmental challenge while maintaining the trust and operational security to our customer's demand.

Through these initiatives, we reaffirm our leadership in both supply chain security and responsible product stewardship — demonstrating that innovation can protect assets and the planet at the same time.

# Sustainability Statement

## Upholding High Integrity In Product Compliance



### Our Commitment to Safe and Compliant Products

MFB is committed to ensuring that all products meet or exceed applicable international chemical safety standards, safeguarding both human health and the environment. Our product stewardship program adheres to stringent global regulations, including the EU REACH Regulation, RoHS Directive, and other regional chemical control frameworks.

We operate a proactive chemical management system that reviews every raw material, production process, and finished product against our internal banned and restricted substances list. This list is regularly updated to reflect evolving regulatory requirements and customer-specific compliance needs.

### PFAS-Free Product Portfolio

Recognising the global phase-out of Per- and Polyfluoroalkyl Substances (“**PFAS**”) due to their environmental persistence and potential health risks, MFB has fully eliminated PFAS from its product lines.

In FYE 2025, we formally certified that none of our products contain PFAS variants, including PFOA, PFOS, or PFHxS, at any stage of manufacturing. This assurance is based on written confirmations from all raw material suppliers and is supported by internal compliance reviews.

This PFAS-free status applies across our entire product portfolio, including high-security seals, indicative seals, cable locks, padlocks, container seals, and specialty tamper evident devices. Products such as the Domino Special, Dragon Seal series, Fort Container Seal, Medium and Mini Cable Locks, Mega Twister, Simulock, Triple Lock Chamber Seal, and others have all been verified as free from PFAS compounds.

### ISO, ASTM, FDA, and EU Compliance

MFB’s manufacturing and product quality management systems are aligned with leading international standards to ensure consistent quality, environmental responsibility, and regulatory compliance.

#### ISO 9001:2015 – Quality Management

**ISO 9001:2015** is the foundation of our quality assurance approach, ensuring that every stage of our manufacturing process meets stringent requirements. Our management team is responsible for guaranteeing compliance across all operational processes, with directors, managers, and supervisors mandated to self-manage their teams through periodic internal assessments and audits.

Departmental management reviews are conducted to verify adherence to documented procedures and work instructions, aligning departmental system efficiency with the broader corporate management system. Any deficiencies or non-conformances identified are addressed through Improvement Action Plans, enabling swift corrective measures and long-term preventative actions.

Regular management meetings, both formal and informal, are held to review, reinforce, and communicate any changes in customer needs or system requirements. This engagement occurs at all levels of the organisation, ensuring that our **ISO 9001:2015** and **ISO 14001:2015** management systems are effectively implemented.

# Sustainability Statement

**ISO 14001:2015**  
– Environmental Management

Our manufacturing plant is **ISO 14001:2015** certified for the design, manufacture, and supply of security seals. This certification reinforces our commitment to environmental stewardship, embedding sustainable practices such as waste reduction, responsible resource use, and regulatory compliance within our operations.

**ISO 17712:2013**  
– Freight Container Seals

Our security seals are **ISO 17712:2013** certified for the manufacturing of our high security bolt seals and cable seals. This standard sets uniform procedures for classifying and approving mechanical freight container seals, ensuring they are accepted for securing containers in international trade.

**ASTM Standards**

Our products undergo rigorous testing against ASTM specifications to ensure mechanical integrity, tensile strength, and tamper-evident performance. This guarantees that our seals perform reliably under diverse operational conditions.

**FDA Compliance**

For products that may come into contact with food, pharmaceuticals, or other sensitive goods, we ensure compliance with relevant FDA food contact material standards. This safeguards end-users against chemical contamination and ensures the safety of global supply chains.

**EU REACH & RoHS Compliance**

Our portfolio complies with REACH (Registration, Evaluation, Authorisation, and Restriction of Chemicals) and RoHS (Restriction of Hazardous Substances) directives, ensuring no hazardous substances exceed permissible thresholds. Continuous monitoring of the Substances of Very High Concern list enables us to proactively meet emerging compliance requirements.

## Material Transparency and Lifecycle Safety

Transparency is a cornerstone of MFB’s sustainability and compliance approach. For every product, customers may request detailed datasheets containing:

- **Material Composition** — including recycled content percentage, bio-additives, and origin.
- **Technical and Safety Specifications** — performance data, tensile strength, break load, and tamper-evident properties.
- **Certifications and Compliance Statements** — ISO, ASTM, FDA, and EU regulatory conformity.
- **Lifecycle Safety Information** — safe handling instructions, end-of-life recycling pathways, and environmental footprint considerations.

By combining full material disclosure with lifecycle safety guidance, we empower customers to make informed procurement decisions aligned with both operational requirements and ESG commitments.

**Moving Forward**

MFB will continue to uphold the highest integrity in product compliance by strengthening quality assurance processes, enhancing regulatory alignment, and ensuring strict adherence to international standards. These efforts reinforce customer trust and demonstrate our unwavering commitment to delivering safe, reliable, and compliant products.



# Sustainability Statement

## Sustainability-Related Risks & Opportunities ("SRRO") Mapping

Aligned with IFRS S1 and S2 frameworks, MFB has identified key short- and long-term sustainability-related risks and opportunities for its environmental material topics. These are mapped to potential impacts on financial performance, cost of capital, and access to finance, while also aligning with relevant TCFD disclosure categories. MFB will continue to strengthen SRRO mapping in future reporting cycles, integrating quantitative financial modelling to support risk mitigation and opportunity realisation.

### Product Safety and Quality related SRROs

- 1) **Description of Risks**  
MFB's security seals are used in high-stakes applications where tamper evidence, mechanical reliability, and compliance with safety standards are critical. Product failures, whether due to design flaws, material defects, or manufacturing inconsistencies, could lead to cargo breaches, regulatory non-compliance, and client contract losses. As global regulations tighten (e.g., ISO, ASTM, EU REACH), failure to maintain stringent product safety and quality controls could result in product recalls and reputational damage.
- 2) **Effects on Business Model and Value Chain**  
Any product safety incident could disrupt the value chain, causing returns, rework, and loss of customer trust. Downstream clients, particularly in the logistics, food, and pharmaceutical sectors, may incur operational losses, leading to potential liability claims against MFB.
- 3) **Effects on Strategy and Decision-making**  
High product safety standards drive decisions on R&D investments, supplier vetting, and material testing protocols. Management also allocates resources towards certifications and process audits to meet international compliance requirements.
- 4) **Governance of Material Topic**  
Product safety governance is overseen by the Quality Assurance ("QA") Department in coordination with production teams. All products undergo rigorous pre-shipment testing, with governance integrated into **ISO 9001:2015** and **ISO 14001:2015** management systems. Findings from quality audits are escalated to senior management and addressed through corrective action plans.

### 5) Potential Financial Implications

Time Horizon	Risk / Opportunity	Potential Impact on Future Cash Flows	Impact on Cost of Capital	Impact on Access to Finance
<b>Short-term Risk</b>	Product defects or non-compliance leading to returns or penalties.	Increased operating costs and possible lost sales.	Slight increase due to perceived operational risk.	Possible restrictions in ESG-linked financing until KPIs improve.
<b>Long-term Risk</b>	Repeated safety incidents eroding brand trust in regulated sectors.	Reduced market share and long-term revenue decline.	Increase if reputation risk grows.	Reduced eligibility for premium financing packages.
<b>Short-term Opportunity</b>	Passing all safety audits and enhancing product reliability.			
<b>Long-term Opportunity</b>	Leveraging ISO, ASTM, and FDA compliance to access high barrier regulated markets.			

### 6) MFB's Resilience

MFB's resilience is anchored in strict adherence to global safety standards, preventive maintenance schedules, and ongoing QA training. Continuous investment in testing equipment and quality systems positions the company to anticipate and prevent product safety incidents.

# Sustainability Statement

## Sustainable Materials related SRROs

### 1) Description of Risks

The transition towards sustainable materials is not only a regulatory but also a market-driven necessity. Risks include supply chain volatility for recycled or certified materials, cost fluctuations, and potential greenwashing claims if transparency is insufficient. Emerging PFAS restrictions and tighter EU REACH controls could impact legacy product lines that are incompatible with sustainable sourcing requirements.

### 2) Effects on Business Model and Value Chain

Inability to source sustainable materials at scale could jeopardise client contracts, particularly with multinational corporations pursuing their own Scope 3 emissions reductions. This could also increase exposure to regulatory penalties in jurisdictions with mandatory sustainability reporting.

### 3) Effects on Strategy and Decision-making

Material sustainability goals influence procurement strategies, R&D priorities, and supplier engagement processes. Decision-making increasingly includes lifecycle assessments (“LCAs”) and alignment with circular economy principles, directly shaping new product design.

### 4) Governance of Material Topic

Sustainable materials governance is jointly managed by the QA, Procurement and Compliance departments, guided by the Sustainability Working Committee. Supplier audits and declarations (e.g., PFAS-free certifications) form a critical part of governance, supported by compliance checks against ISO, EU, and FDA standards.

### 5) Potential Financial Implications

Time Horizon	Risk / Opportunity	Potential Impact on Future Cash Flows	Impact on Cost of Capital	Impact on Access to Finance
<b>Short-term Risk</b>	Increased procurement costs for certified sustainable materials.	Reduced margins unless offset by price adjustments.	Neutral to slight increase.	Neutral unless costs affect profitability metrics.
<b>Long-term Risk</b>	Failure to meet sustainable sourcing targets leading to contract loss with ESG-conscious clients.	Decline in long-term revenue and market competitiveness.	Increase due to perceived ESG underperformance.	Limited access to green financing instruments.
<b>Short-term Opportunity</b>	Early adoption of certified sustainable materials enhancing brand positioning.			
<b>Long-term Opportunity</b>	Integration of circular design and closed-loop material sourcing reducing dependency on virgin inputs.			

### 6) MFB’s Resilience

The company’s resilience is supported by strong supplier engagement, transparent material declarations, and early compliance with PFAS bans. Ongoing R&D efforts in alternative materials, combined with ISO and REACH-aligned procurement processes, strengthen MFB’s ability to adapt to evolving market and regulatory demands.

# Sustainability Statement

## Chapter 3:

# Operating Ethically to Fulfil Environmental Responsibility

# Sustainability Statement

## Corporate Governance



### Our Commitment

At MFB, strong corporate governance is the foundation of how we operate and the cornerstone of our long-term sustainability journey. Our governance framework ensures that ethical conduct, transparency, and accountability remain embedded in every aspect of our decision-making, business operations, and stakeholder engagement.

The Board plays a central role in overseeing corporate governance at MFB. The Board is supported by Senior Management in ensuring that our governance structure is robust, responsive, and aligned with both local regulations and international best practices. In addition, the governance framework is integrated with MFB’s sustainability agenda, ensuring that our commitment to the environment and society is matched with the highest standards of corporate integrity.

MFB’s governance practices are developed in alignment with the MCCG 2021 as issued by Securities Commission Malaysia, ensuring compliance with domestic requirements while reflecting globally recognised governance standards. This alignment reinforces our commitment to transparency, accountability, and sustainable value creation for shareholders and stakeholders.

#### Snapshot of Governance Policies at MFB

Corporate Governance Policy	Purpose	Policy Owner
<b>Anti-Bribery and Anti-Corruption (“ABAC”) Policy</b>	To prevent, detect, and address bribery or corruption practices; ensuring ethical business conduct and compliance with anti-corruption laws.	Compliance Department
<b>Child Labour Policy</b>	To prohibit the use of child labour across operations and supply chain, aligned with international labour standards.	HR Department
<b>Conflict of Interest Policy</b>	To ensure decisions are made objectively and in the best interest of the company, avoiding personal or external influences.	Compliance Department
<b>Human Rights, Slavery and Human Trafficking Policy</b>	To safeguard human rights and eliminate risks of forced labour, modern slavery, and human trafficking in company operations and supply chain.	HR Department
<b>Sexual Harassment Policy</b>	To provide a safe, respectful, and inclusive workplace by preventing and addressing sexual harassment cases.	HR Department
<b>Whistleblowing Policy</b>	To enable employees and stakeholders to report misconduct, unethical behaviour, or policy breaches safely and anonymously.	Audit Committee

IT Governing Policy	Purpose	Policy Owner
<b>MFB Data Access, Usage and Control Policy</b>	To define rules for data access, usage, storage, and control to ensure confidentiality, integrity, and availability of company data.	IT Department
<b>IT Security Policy</b>	To safeguard IT systems, networks, and assets from cyber threats, data breaches, and unauthorised access.	IT Department

# Sustainability Statement

## Governance Policies in Place

MFB has established a cohesive set of governance policies that guide responsible conduct across the organisation. These policies ensure legal and regulatory compliance while strengthening an ethical, respectful, and accountable culture.

### Ethics & Integrity

The ABAC Policy sets a zero-tolerance stance on bribery, corruption, and fraud, ensuring fair and transparent business practices that protect the company and its stakeholders. The Conflict of Interest (“COI”) Policy reinforces objectivity by requiring employees and directors to avoid situations where personal interests could compromise MFB’s best interests.

### People & Human Rights

MFB’s Child Labour Policy strictly prohibits child labour across operations and the supply chain, reflecting commitments to international conventions and fair labour practices. The Human Rights, Slavery and Human Trafficking Policy further ensures that MFB and its partners remain free from forced labour, modern slavery, and trafficking, aligning with global standards and expectations.

### Safe Workplace & Speak-Up

The Sexual Harassment Policy promotes a safe, inclusive, and respectful workplace with clear conduct standards and mechanisms for prevention and redress. Complementing this, the Whistleblowing Policy provides secure, confidential channels to report unethical, illegal, or unsafe practices and protects whistle-blowers from retaliation—embedding openness and accountability.

Together, these policies form a unified framework that is communicated group-wide and reviewed regularly to remain relevant to evolving regulations and stakeholder expectations.

## IT Governance and Data Security

MFB’s IT governance ensures sensitive information is handled responsibly, systems remain secure, and business continuity is protected. The focus is on clear rules for data handling and a structured approach to cybersecurity.

### Data Security & Access Control

The Data Access, Usage and Control Policy defines how information is accessed, stored, and shared across MFB’s operations. It protects confidentiality, prevents unauthorised use, and preserves the integrity of information assets. Complementing this, the IT Security Policy sets the framework for preventing, detecting, and responding to cyber threats, helping safeguard digital infrastructure and align practices with recognised standards for data protection and resilience.



# Sustainability Statement

## Board Oversight and Committees

MFB's governance framework is anchored by the Board, which provides oversight, strategic guidance, and accountability. The Board is responsible for ensuring that MFB's business conduct aligns with stakeholder interests, legal obligations, and sustainability objectives.

In line with **MCCG 2021 principles**, the Board emphasises:

- **Board Leadership and Effectiveness (Principle A)** – Clear roles and responsibilities for Directors, with policies to prevent conflicts of interest and ensure collective accountability.
- **Effective Audit and Risk Management (Principle B)** – Oversight through the Audit & Risk Committee, which strengthens the integrity of financial reporting and ensures a robust risk management framework.
- **Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (Principle C)** – Transparent disclosures, stakeholder engagement, and sustainability reporting aligned with Bursa Malaysia's Listing Requirements.

To operationalise these principles, the Board has delegated responsibilities to specialised committees:

- **Audit Committee** – Provide assistance to the Board in fulfilling its fiduciary responsibilities on the oversight of the integrity of the corporate accounting and financial reporting for MFB and all its subsidiaries.
- **Sustainability and Risk Management Committee** – Oversee the management of principal business risks and significant or material ESG risks and implement of sustainability related policies, measures and actions in achieving the MFB's sustainability milestones and goals.
- **Nominating Committee** – The primary objective of the Nominating Committee is to establish a documented, formal and transparent procedure to support and advise the Board of MFB in fulfilling their responsibilities in overseeing the selection and also assessment of the performance of the directors and senior management of the Company and its subsidiaries on an on-going basis.
- **Remuneration Committee** – The primary objective of the Remuneration Committee is to establish a documented, formal and transparent procedure to support and advise the Board of MFB and its subsidiaries with reviewing the remuneration framework, policy and procedures for Board and senior management.

This structure ensures that sustainability, ethics, and governance considerations are systematically embedded into MFB's strategy and daily operations.

## Moving Forward

MFB recognises that corporate governance is not simply a compliance obligation, but a critical enabler of sustainable growth. Our policies reinforce responsible business practices that extend across our ESG commitments. For example:

- Strong governance ensures that sustainability risks — such as regulatory non-compliance, unethical supplier practices, or cybersecurity threats—are proactively identified and managed.
- Ethical and transparent practices build trust with customers, regulators, and communities, strengthening MFB's reputation as a responsible global leader in security sealing solutions.
- Governance policies provide employees with a clear framework of conduct, helping to shape a culture where accountability and integrity drive decision-making at every level.

MFB is committed to continuously enhancing its corporate governance framework. Our policies are reviewed and updated regularly to align with the **MCCG 2021 principles**, global standards, and evolving stakeholder expectations. By embedding governance into the fabric of our operations, MFB is well-positioned to fulfil its role as a responsible corporate citizen while advancing its sustainability objectives.

A complete list of our current corporate governance policies is disclosed in this report to provide stakeholders with full transparency on the structures, principles, and practices that underpin our ethical and sustainable business operations.

# Sustainability Statement

## Ethical Business Practices



### Our Commitment

At MFB ethical business conduct is a foundational principle that underpins every decision, transaction, and engagement. Guided by the policies outlined under Corporate Governance topic, MFB integrates ethical considerations into its operational framework to ensure compliance with both local and international standards, while fostering a workplace culture rooted in integrity, accountability, and transparency. This alignment not only fulfils regulatory requirements but also reflects MFB's commitment to sustaining stakeholder trust, enhancing brand reputation, and contributing positively to the broader supply chain ecosystem.

#### The role of MFB's Compliance Department:

At MFB, the Compliance Department plays a central role in upholding governance standards and ensuring adherence to internal policies and regulatory requirements across the organisation. It oversees the development and materialisation of Standard Operating Procedures ("SOPs"), supports the internal audit team in process verification, and ensures effective implementation of key frameworks such as the Whistleblowing Policy and Grievance Mechanism. The department ensures that whistleblowing channels are functional—although currently directed to the Chairman of Audit Committee. In addition, employees have the option to escalate incidents either to their superiors or directly to the Board.

The Compliance team supports HR Department on wage compliance, including monitoring that foreign workers are paid fixed hourly rates in line with Malaysia's minimum wage regulations. It is responsible for driving awareness and capacity-building efforts by conducting training sessions on ABAC, COI, Whistleblowing, and the ICG, with training coverage extending across 100% of operations. Additionally, the Compliance and IT Departments act as the organisation's data steward, ensuring adherence to the Personal Data Protection Act (PDPA) 2010 and overseeing responsible supply chain management, including compliance with the Supplier Code of Conduct ("SCOC") and Customer Code of Conduct ("COC").

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

MFB recognises bribery and corruption as significant risks to fair business conduct and long-term sustainability. The company has established a comprehensive ABAC Policy, supported by a systematic Bribery Risk Assessment completed in FYE 2025. The assessment concluded that MFB's bribery risk profile is moderate, reflecting the company's heightened vigilance in preventing misconduct while acknowledging that exposure exists within the sector. Key risks include facilitation payments for licences and certifications, vulnerabilities in payment and procurement processes, and gaps in whistleblowing practices that may leave incidents unreported.

To mitigate these risks, MFB has implemented periodic ABAC training programs, ensuring employees across critical functions are aware of both the policy framework and their practical responsibilities in day-to-day operations. During FYE 2025, an ABAC, COI, and Whistleblowing Policy assessment was conducted among employees, further embedding compliance awareness into workplace behaviour. This dual approach of training and assessment strengthens MFB's first line of defence against unethical practices by measuring both knowledge retention and behavioural application.

Cross-reference to the Corporate Governance topic, the Whistleblowing Policy complements ABAC by providing confidential channels for employees to report suspected misconduct without fear of retaliation. Together, these mechanisms reinforce a culture of transparency and accountability, ensuring that non-conformities are addressed promptly and systematically.



# Sustainability Statement

Data Point	Unit	FYE 2025
Total number of operations assessed for risks related to corruption	Number	12
Percentage of operations assessed for risks related to corruption	%	100
Total number of employees that the anti-corruption P&P have been communicated to, and breakdown by employee category:	Number	501
By employee category:		
i. Senior Management	Number	12
ii. Manager	Number	32
iii. Executive	Number	57
iv. Non-Executive	Number	400
Percentage of employees that the anti-corruption P&P have been communicated to, and breakdown by employee category:	%	100
i. Senior Management	%	2.4
ii. Manager	%	6.4
iii. Executive	%	11.5
iv. Non-Executive	%	79.7
Percentage of employees that have received training on anti-corruption, and breakdown by employee category:	%	20.3
i. Senior Management	%	2.4
ii. Manager	%	6.4
iii. Executive	%	11.5
iv. Non-Executive	%	0

We have successfully managed to achieve zero cases of corruption in our financial year.

Data Point	Unit	FYE 2025
Total number and nature of confirmed incidents of corruption	Number	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	Number	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	Number	0
Total number of employees that have received training on anti-corruption, and breakdown by employee category:	Number	101
i. Senior Management	Number	12
ii. Manager	Number	32
iii. Executive	Number	57
iv. Non-Executive	Number	0

## Internal Audit and Compliance Monitoring

Ethical conduct is not confined to individual behaviour but extends to the organisational systems that safeguard operational integrity. To this end, MFB conducts regular internal audits, producing reports that provide critical oversight across multiple business domains. These reviews are central to maintaining governance integrity and compliance with the policies disclosed in Corporate Governance topic.

# Sustainability Statement

## Data Privacy and Security

During the reporting period, no substantiated complaints concerning breaches of customer privacy or losses of customer data were recorded, whether from external parties, regulatory bodies, or internal monitoring. Likewise, there were no identified leaks, thefts, or losses of customer data, reflecting the effectiveness of MFB's data protection framework.

MFB's IT governance ensures that sensitive information is handled responsibly, systems remain secure, and business continuity is protected. Central to this are the Data Access, Usage and Control Policy, and the IT Security Policy, which collectively define how information is stored, accessed, and safeguarded. These measures prevent unauthorised use, protect confidentiality, and enable timely detection and response to cyber threats.

**“ Together, MFB’s policies, systems, and training measures underpin a strong governance culture, ensuring that customer privacy and information assets remain secure and well-protected ”**

Data Point	Unit	FYE 2025
Total number of substantiated complaints concerning breaches of customer privacy and losses of customer data:	Number	0
i. Complaints received from outside parties and substantiated by the organisation.	Number	0
ii. Complaints from regulatory bodies.	Number	0
Total number of identified leaks, thefts, or losses of customer data.	Number	0

### Performance and Compliance Outcomes

It is significant to note that MFB has reported **zero major non-conformities with regards to data security and privacy as well as corruption related cases** and continues to demonstrate strong compliance with its governance and ethical frameworks. The company's ability to identify weaknesses proactively, coupled with structured remedial actions, reflects a commitment to continuous improvement rather than reactive crisis management.

Looking ahead, the integration of audit outcomes into broader Corporate Governance disclosures (see Corporate Governance topic) ensures that identified gaps are addressed systematically and transparently. The interplay between governance policies, audit oversight, and employee training creates a closed-loop system where risks are not only identified but actively mitigated.

## Zero Major Non-Conformities

No Cases Reported on Data Security, Privacy, or Corruption

**Strong Compliance**

Adhering to governance and ethical frameworks.

**Systematic & Transparent**

Audit outcomes integrated into governance disclosures.

**Structured Remedial Actions**

Proactive measures to address identified weaknesses.

**Continuous Improvement**

Driving progress beyond reactive crisis management.

# Sustainability Statement

## Regulatory and Customer Compliance



### Our Commitment

MFB recognises that strong compliance with regulatory requirements and customer expectations forms the cornerstone of sustainable and responsible business practices. The Group’s long-term success depends on ensuring that all operations meet or exceed the standards required by both regulatory authorities and valued clients across diverse geographies.

MFB is fully committed to complying with applicable regulations and standards set by the Department of Occupational Safety and Health (“DOSH”), Department of Environment (“DOE”), Fire and Rescue Department of Malaysia (“Bomba”), and Bursa Malaysia. These compliance obligations extend across health and safety, environmental performance, product standards, and corporate governance requirements. By adhering to these frameworks, MFB manages its operating licenses, mitigates operational risks, and demonstrates accountability to regulators, stakeholders, and investors.

The Group also aligns its disclosures and compliance management to international sustainability reporting standards, particularly IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures). This alignment ensures consistency, comparability, and credibility of disclosures, while supporting Bursa Malaysia’s evolving sustainability requirements. By embedding these frameworks into compliance structures, MFB provides assurance to regulators, customers, and investors that its practices meet global best standards.

### Customer-Centric Compliance

Customer trust is closely tied to MFB’s ability to uphold the highest standards of compliance with client-specific requirements. MFB actively engages with customers through regular annual customer satisfaction feedback mechanisms and received favourable insights reflecting quality, reliability, and responsiveness.

In line with this, in FYE 2025, MFB conducted a comprehensive customer and distributor satisfaction survey across our subsidiaries and key markets, including Europe, Asia, and the Asia Pacific region. The survey provided valuable insights into how our security seals and control systems are perceived and implemented, reinforcing the critical role they play in building confidence in our products and services.

Feedback from customers indicated a consistently positive experience across all touchpoints from sales to aftersales. Customers recognised the reliability and durability of our products, the smooth execution of our delivery processes, and the professionalism of our team.

These insights reaffirm our position as a trusted partner in the security solutions industry and validate our ongoing investments in quality assurance, operational excellence, and customer engagement programmes. The strong level of trust and confidence expressed by customers reflects our alignment with their sustainability priorities, particularly in ensuring product reliability, service consistency, and ethical business practices. Moving forward, we will continue to embed customer feedback into our strategic planning to enhance our value proposition and maintain long-term, mutually beneficial relationships with our stakeholders.



# Sustainability Statement

## Supply Chain and Procurement Compliance

As a global manufacturer with a diverse supplier base, MFB holds its partners to the same high standards it applies internally. The Group has developed a structured suite of procurement and assessment tools to ensure suppliers operate responsibly and in alignment with its sustainability, ethics, and governance commitments.

Every new partnership begins with a Vendor Registration Form, which standardises the onboarding process and requires disclosures on ownership, compliance history, and certifications. To deepen accountability, MFB conducts a Due Diligence Checklist for Third Parties, designed to evaluate the integrity, ethical conduct, and compliance risks associated with potential business relationships.

Beyond initial onboarding, suppliers are evaluated through the MFB Supplier Sustainability Assessment Questionnaire, which measures ESG practices. This ensures that suppliers not only meet minimum standards but also contribute positively to the Group's long-term sustainability objectives.

MFB also enforces clear behavioural expectations through its Suppliers and Subcontractors Visitors Code of Conduct, which governs conduct within MFB's facilities. Additionally, the Supplier Questionnaire on Modern Slavery affirms the Group's zero-tolerance approach to forced labour, reflecting international human rights frameworks.

Through these structured assessments, MFB ensures compliance risk management extends beyond internal processes to its external partners, strengthening the overall integrity of its supply chain.

### Approach to Supplier Due Diligence



#### High Standards for Partners

Suppliers held to the same ethics, sustainability, and governance principles as MFB.



#### Vendor Registration Form

Standardised onboarding with disclosures on ownership, compliance history, and certifications.



#### Due Diligence Checklist

Evaluates the integrity, ethical conduct, and compliance risks of third parties.



#### Supplier Sustainability Assessment

Ongoing evaluation of environmental, social, and governance practices.



#### Code of Conduct

Governs the behaviour of suppliers and subcontractors within MFB facilities.



#### Modern Slavery Questionnaire

Reinforces zero tolerance for forced labour in line with global human rights standards.



#### Strengthened Supply Chain Integrity

Compliance risk management extends across external partnerships.

## Moving Forward

MFB intends to deepen its engagement with regulators, customers, and suppliers by:

- Expanding supplier assessments to include carbon footprint and Scope 3 emissions data, supporting climate-related disclosures under IFRS S2.
- Engage closely with suppliers to enhance their sustainability practices.
- Building structured feedback loops where customer satisfaction data informs Board-level decision-making on sustainability and compliance priorities.

By embedding regulatory and customer compliance into its governance and risk management systems, MFB demonstrates not only adherence to minimum standards but also leadership in sustainable supply chain and customer engagement practices. This proactive stance reinforces MFB's reputation as a trusted global partner and positions the Group strongly in an increasingly regulated and sustainability-conscious marketplace.

# Sustainability Statement



## Energy Management

### Our Commitment

Energy consumption is one of the most material environmental aspects for MFB, given its direct link to operational costs, GHG emissions, and overall climate impact. The company recognises that efficient energy management is not only a sustainability responsibility but also a strategic driver of long-term competitiveness, operational resilience, and stakeholder confidence.

As part of its commitment to responsible operations, MFB views energy optimisation as a dual opportunity: reducing environmental impacts while enhancing business efficiency. The company has therefore integrated energy considerations into its broader sustainability strategy and risk management framework, in line with GRI 302 (Energy) and IFRS S2 (Climate-related Disclosures).

### Monitoring and Management Approach

MFB systematically monitors its energy performance through the Master Data Collection Tool (“MDCT”), which consolidates electricity and fuel consumption data. This centralised system ensures accurate reporting, allows the company to establish baselines, tracks progress against targets, and identifies performance variations across sites. The MDCT also facilitates alignment with international sustainability reporting standards, ensuring that disclosures are transparent, comparable, and decision-useful.

In line with the Energy Efficiency and Conservation Act 2024, MFB conducted a comprehensive energy audit, which was finalised in December 2024. The audit examined high-consumption areas such as machinery, compressed air systems, Heating Ventilation and Air Conditioning (“HVAC”) equipment, and lighting, providing critical insights into areas for improvement. Based on these findings, the company has begun implementing targeted actions, including preventive maintenance, system optimisation, and retrofitting with high-efficiency technologies.

MFB also places emphasis on renewable energy integration, with on-site solar generation already complementing purchased electricity. This initiative reduces reliance on non-renewable energy sources, lowers carbon intensity, and builds resilience against energy price volatility.

Energy Source	Unit	Quantity
<b>Fuel Consumption from Non-Renewable Sources</b>		
Diesel	Litres	7,854.74
Petrol (Oil)	Litres	52,078.07
<b>Fuel Consumption from Renewable Sources</b>		
Solar Energy	kWh	400,171
<b>Purchased Electricity (Within the Organisation)</b>		
Electricity Consumption	kWh	4,342,705

# Sustainability Statement

## Energy Efficiency and Renewable Energy Initiatives

### Solar Energy Integration

In line with its commitment to reduce reliance on fossil fuels, MFB invested in a 359.2 kWp rooftop solar system at its main factory in Kota Kemuning. After a one-year testing period, the system became fully operational in July 2021. Since then, solar energy has consistently provided almost 10% of the factory's annual electricity demand, translating to both cost savings and reduced Scope 2 emissions.

This renewable energy source has become a key pillar of the company's decarbonisation pathway, reflecting tangible progress in line with GRI 302 (Energy) and IFRS S2 (Climate-related Disclosures).

### Electrification of Forklifts

Recognising the emissions intensity of diesel-powered equipment, MFB has transitioned to electric forklifts across its facilities.

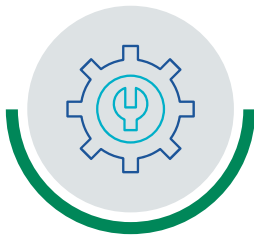
This shift contributes to:

- Reduced Scope 1 emissions by eliminating diesel consumption for in-factory logistics.
- Improved workplace safety and air quality, as electric forklifts emit no tailpipe pollutants.
- Operational efficiency through lower maintenance needs and longer lifecycle costs compared to traditional forklifts.

The adoption of electric forklifts reflects the company's broader strategy to decarbonise material handling and internal logistics, supporting the dual goals of sustainability and productivity.

### Efficiency Measures Across Operations

In addition to renewable integration and fleet electrification, MFB continues to drive energy efficiency improvements through multiple operational measures:



#### Preventive Maintenance

**Routine maintenance** is performed on critical machinery to **minimise energy loss** from wear and inefficiencies. This extends equipment life while reducing unplanned downtime and associated energy surges.



#### Energy-Efficient Lighting

The majority of our facilities have transitioned to **energy-efficient LED** lighting, with only a few areas still operating with conventional lights. These remaining units are being replaced progressively upon when replacement is required. By the end of this year, we anticipate that all production areas will be fully equipped with LED lighting.



#### Employee Awareness Campaigns

Internal **promote behavioural changes**, such as powering down idle machines, optimising air-conditioning use, and monitoring energy consumption. These behavioural interventions ensure that efficiency measures are embedded into the company culture.



#### Process Optimisation

Production schedules are strategically reviewed to **reduce peak load demand**, aligning operations with off-peak electricity usage where feasible. This not only reduces costs but also lessens grid-related emissions intensity.

# Sustainability Statement

## Policies, Audits and Commitment to Efficient Energy Consumption

MFB has demonstrated its commitment to responsible energy use by integrating structured policies and management practices across its operations. The company closely monitors electricity consumption across facilities and has expanded its adoption of renewable energy, including solar generation at its main factory. To drive continuous improvement, MFB has also established an Energy Management Committee tasked with overseeing initiatives, reviewing performance, and embedding energy-saving practices across departments. Furthermore, a comprehensive energy audit was conducted to identify areas of inefficiency and provide targeted recommendations for energy reduction, laying the foundation for long-term operational savings and carbon footprint reduction.

### Objective of Energy Committee Meetings

The meetings were primarily held to review the outcomes of the recent energy audit and to establish a structured governance mechanism for managing energy efficiency initiatives. This included forming an Energy Management Committee, clarifying its responsibilities, and ensuring alignment with regulatory and reporting requirements. Another key objective was to evaluate and select a suitable consultant to support the implementation of energy efficiency measures and capacity building, thereby strengthening the organisation’s long-term approach to energy management and sustainability.

### Stakeholder Engagement on Sustainability

MFB recognises that effective energy management requires collaboration with both internal and external stakeholders. The company actively engages through awareness-building and training to ensure energy-saving practices are well understood and implemented across its value chain.

<div data-bbox="98 1086 411 1137" data-label="Section-Header"> <p><b>Employees:</b></p> </div> <div data-bbox="435 1068 517 1146" data-label="Image"> </div> <div data-bbox="98 1153 521 1462" data-label="Text"> <p>MFB conducts annual capacity-building workshops on sustainability, ESG risks, and energy efficiency for Heads of Department (“HODs”) and Senior Management. These workshops include expert briefings, peer learning sessions, and internal refreshers on regulatory developments, enabling employees to align their actions with the company’s broader sustainability objectives.</p> </div>	<div data-bbox="560 1086 863 1137" data-label="Section-Header"> <p><b>Suppliers:</b></p> </div> <div data-bbox="890 1068 971 1146" data-label="Image"> </div> <div data-bbox="555 1153 976 1435" data-label="Text"> <p>Recognising the role of suppliers in driving upstream sustainability performance, MFB has organised a Procurement Sustainability Awareness session, which highlighted energy efficiency and responsible resource use within the supply chain. This effort fosters shared accountability and encourages suppliers to adopt similar practices.</p> </div>	<div data-bbox="1015 1086 1318 1137" data-label="Section-Header"> <p><b>Customers:</b></p> </div> <div data-bbox="1345 1061 1426 1140" data-label="Image"> </div> <div data-bbox="1007 1153 1431 1408" data-label="Text"> <p>While formal customer-focused programmes are still being developed, MFB actively communicates its progress on energy efficiency and renewable energy adoption through its sustainability reporting, offering transparency and reinforcing trust in its commitment to responsible operations.</p> </div>
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<div data-bbox="98 1523 411 1574" data-label="Section-Header"> <p><b>Communities:</b></p> </div> <div data-bbox="673 1507 746 1585" data-label="Image"> </div> <div data-bbox="98 1597 748 1769" data-label="Text"> <p>Through community outreach programs, MFB extends its awareness-building efforts beyond its facilities. These initiatives are designed to raise awareness on sustainable energy practices and foster stronger relationships with the local community, ensuring that benefits of energy efficiency extend beyond the company’s direct operations.</p> </div>	<div data-bbox="788 1523 1091 1574" data-label="Section-Header"> <p><b>Other Stakeholders:</b></p> </div> <div data-bbox="1353 1507 1426 1585" data-label="Image"> </div> <div data-bbox="782 1597 1431 1769" data-label="Text"> <p>MFB maintains open channels of engagement with regulators, industry peers, and other relevant stakeholders, ensuring alignment with global standards and local regulatory requirements. This approach enables the company to remain proactive in addressing new risks and opportunities in energy management.</p> </div>
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## Moving Forward

MFB will continue to strengthen its energy management practices by progressively enhancing efficiency measures, adopting best practices, and exploring suitable technologies to ensure sustainable energy use across our operations.

# Sustainability Statement

## SRRO's related to Energy Consumption in MFB

### 1) Description of Risks

MFB's operations are energy-intensive, relying on electricity for production facilities and fuel for logistics and equipment. Rising electricity tariffs, dependence on non-renewable fuels, and inefficiencies in machinery and HVAC systems expose the company to cost escalations and higher carbon emissions. Additionally, transition risks from regulatory changes (e.g., carbon pricing, mandatory reporting) and physical climate risks (e.g., extreme heat driving HVAC loads) could impact on future energy stability and costs.

### 2) Effects on Business Model and Value Chain

Energy inefficiencies increase production costs and reduce competitiveness in cost-sensitive markets. Supply chain partners and customers increasingly expect demonstrable reductions in carbon intensity; failure to act may affect supplier selection and customer retention. Upstream, volatility in fuel prices impacts logistics costs, while downstream, clients may favour lower-carbon suppliers.

### 3) Effects on Strategy and Decision-Making

Energy considerations influence decisions on capital expenditure, renewable energy adoption, and operational efficiency measures. Investments in solar generation, electrification of forklifts, and retrofitting machinery are driven by the dual goals of reducing Scope 1 and 2 emissions and improving cost efficiency. Scenario analysis on tariff escalation and carbon pricing informs long-term strategic planning and financial forecasting.

### 4) Governance of Material Topic

Energy risks and opportunities are governed through MFB's Energy Management Committee, which reviews audit findings, tracks progress against targets, and ensures cross-departmental integration. Oversight sits with the SRMC at the Board level, supported by operational monitoring through the HOS and relevant working groups. Reporting is aligned with GRI 302 (Energy) and IFRS S2 (Climate-related Disclosures), ensuring transparency and accountability.

### 5) Potential Financial Implications

Time Horizon	Risk / Opportunity	Potential Impact on Future Cash Flows	Impact on Cost of Capital	Impact on Access to Finance
<b>Short-term Risk</b>	Rising electricity tariffs and fuel price volatility.	Increased operating costs, reduced margins.	Higher if energy costs are not controlled.	ESG-linked financing may require clear energy reduction targets.
<b>Long-term Risk</b>	Carbon pricing and emission disclosure requirements.	Additional compliance costs and possible penalties.	Increase if transition risks are unmanaged.	Limited eligibility for green/sustainability-linked finance.

<b>Short-term Opportunity</b>	On-site solar generation reduces reliance on grid electricity (~10% demand offset).
<b>Long-term Opportunity</b>	Electrification of forklifts and efficiency retrofits will bring in long term savings for MFB.

### 6) MFB's Resilience

MFB's resilience in energy management is underpinned by its integrated governance structure, renewable energy adoption, and operational efficiency measures. The rooftop solar system already contributes ~10% of factory demand, reducing Scope 2 exposure. Preventive maintenance, LED retrofitting, and process optimisation further reduce waste and build operational stability. Looking ahead, ongoing scenario planning on carbon pricing and tariff hikes, coupled with stakeholder engagement and continuous energy audits, strengthens MFB's capacity to anticipate and adapt to evolving energy-related risks.

# Sustainability Statement

## Carbon Management Journey



### Our Commitment

MFB is committed to managing and reducing its carbon footprint in line with international sustainability standards. We recognise that climate change presents both risks and opportunities for our business, and we are taking proactive measures to mitigate our emissions while strengthening long-term operational resilience. Our efforts focus on improving energy efficiency across operations, expanding the use of renewable energy sources such as Green Energy Tariffs (“GET”), and embedding a culture of sustainability among employees, suppliers, and stakeholders. Through these initiatives, MFB aims not only to minimise environmental impacts but also to play an active role in the global transition towards a low-carbon economy.

### Monitoring and Management Approach

To ensure a consistent and transparent approach to carbon management, MFB has adopted a structured process for monitoring and reporting GHG emissions. This process is guided by the GHG Protocol Corporate Standard and aligns with disclosure requirements under GRI 302 (Energy) and IFRS S2. Our monitoring framework captures emissions across Scopes 1, 2, and 3, reflecting both direct and indirect impacts of our operations.

Scope 1 covers direct emissions from fuel consumed in company-owned or controlled vehicles and equipment. Scope 2 accounts for indirect emissions from purchased electricity, reported using both location-based and market-based methods to reflect the influence of renewable energy sourcing. Scope 3 includes significant indirect emissions arising from business travel and employee commuting, which are material to our operations.

Data is consolidated from utility bills, employee commute surveys, travel records, and findings from independent energy audits, following the internal process flow developed by our team. Annual monitoring allows us to track performance trends, identify efficiency opportunities, and measure progress against reduction targets. In addition, preventive maintenance programmes and participation in renewable energy initiatives such as GET further reinforce our strategy to reduce conventional grid electricity and strengthen operational sustainability.

### A Snapshot of Our GHG Inventory

The emissions profile illustrates that Scope 2 electricity consumption remains the most material source of carbon emissions, accounting for nearly 90% of the total footprint. The Company’s decision to purchase electricity under the GET demonstrates tangible action to reduce dependence on grid electricity and transition toward renewable energy. Continued focus on energy efficiency, renewable procurement, and value chain engagement will be critical to achieving long-term decarbonisation goals. The reported emissions data and calculations below have been independently verified by an external party, ensuring accuracy, reliability, and alignment with international reporting standards.

Emission Scope	GHG Emission (tCO <sub>2</sub> e)
Scope 1 – Direct GHG Emissions	208.14
Scope 2 – Indirect GHG Emissions (Market-based)	3,054.75
Scope 2 – Indirect GHG Emissions (Location-based)	3,361.25
Scope 3 – Other Indirect GHG Emissions	267.38
<b>TOTAL (Market-based)</b>	<b>3,530.26</b>
<b>TOTAL (Location-based)</b>	<b>3,836.77</b>

# Sustainability Statement

**“MFB has strengthened the credibility of its base year carbon inventory by engaging independent third-party validator. Their feedback has enhanced data accuracy, improved quality controls, and increased stakeholder confidence in our disclosures”**



### Scope 1 – Direct Emissions

Direct emissions from the combustion of fossil fuels in transport and mobile assets contributed 208.14 tCO<sub>2</sub>e. Petrol use accounted for 122.17 tCO<sub>2</sub>e, while diesel contributed 85.97 tCO<sub>2</sub>e. Although comparatively smaller in proportion, these emissions highlight the relevance of fleet management and fuel efficiency measures in curbing direct operational emissions.

Scope 1 FY2025	tCO <sub>2</sub> e of CO <sub>2</sub>	tCO <sub>2</sub> e of CH <sub>4</sub>	tCO <sub>2</sub> e of N <sub>2</sub> O	Total (tCO <sub>2</sub> e)
GHG Emissions (tCO <sub>2</sub> e) from Petrol Consumption	121.43	0.43	0.31	122.17
GHG Emissions (tCO <sub>2</sub> e) from Diesel Consumption	84.85	0.01	1.10	85.97

### Scope 2 (Indirect Emissions from Purchased Electricity and Green Electricity Tariff)

Scope 2 emissions accounted for the largest share of the Company’s footprint. Using the market-based method, total emissions were 3,054.75 tCO<sub>2</sub>e, while the location-based method resulted in 3,361.25 tCO<sub>2</sub>e. The two methods are reported to maintain transparency and comparability.

Scope 2	Total Emissions (tCO <sub>2</sub> e) Market-based Method	Total Emissions (tCO <sub>2</sub> e) Location-based Method
Indirect GHG emissions from electrical consumption	3,054.75	3,361.25

# Sustainability Statement

## Scope 3 – Other Indirect Emissions

Other indirect emissions (Scope 3) were calculated at 267.38 tCO<sub>2</sub>e, primarily arising from business travel (102.62 tCO<sub>2</sub>e) and employee commuting (164.76 tCO<sub>2</sub>e). While these represent only around 4% of total emissions, they are important in demonstrating accountability across the extended value chain and highlight opportunities for low-carbon mobility and remote working strategies.

Scope 3 – Category 6 & Category 7	tCO <sub>2</sub> e of CO <sub>2</sub>	tCO <sub>2</sub> e of CH <sub>4</sub>	tCO <sub>2</sub> e of CN <sub>2</sub> O	Total (tCO <sub>2</sub> e)
GHG Emissions (tCO <sub>2</sub> e) from Business Travel (Category 6)	101.981	0.018	0.617	102.616
GHG Emissions (tCO <sub>2</sub> e) from Employee Commuting (Category 7)	163.444	0.851	0.464	164.759
<b>Total</b>	<b>265.425</b>	<b>0.869</b>	<b>1.081</b>	<b>267.375</b>

## Moving Forward

MFB is committed to strengthening its climate stewardship by progressively managing and reducing GHG emissions across all scopes. For Scope 1 and Scope 2, the company will continue to enhance efficiency through fleet optimisation, renewable energy adoption, and structured oversight by the Energy Management Committee.

Looking ahead, particular emphasis will be placed on expanding Scope 3 coverage. Beyond business travel and employee commuting, MFB will progressively assess additional categories across its value chain to capture a comprehensive view of indirect emissions. By broadening measurement and conducting a materiality assessment, the company aims to better understand and prioritise these impacts, ensuring more comprehensive disclosure and accountability.

Through this structured approach, MFB reinforces its alignment with regulatory expectations while building long-term resilience and efficiency across operations and the wider value chain.



# Sustainability Statement

## SRRO's on Carbon Management

### 1) Description of Risks

MFB's carbon footprint is primarily driven by Scope 2 electricity consumption (≈90% of total emissions), with additional contributions from Scope 1 fuel use and Scope 3 business travel and commuting. Key risks include potential carbon pricing mechanisms, regulatory disclosure requirements, and customer expectations for low-carbon supply chains. Rising electricity tariffs and reliance on grid-based power increase exposure to transition risks, while lesser Scope 3 coverage beyond travel and commuting could create reputational risks of incomplete reporting in the future.

### 2) Effects on Business Model and Value Chain

Carbon emissions are increasingly scrutinised by customers, investors, and regulators. High carbon intensity could:

- Weaken competitiveness in securing contracts with ESG-conscious clients.
- Increase procurement scrutiny from multinational customers with science-based targets.
- Impact logistics partners and downstream customers who demand decarbonisation along the value chain. At the same time, effective decarbonisation enhances brand positioning and supply chain resilience.

### 3) Effects on Strategy and Decision-Making

Carbon management drives strategic decisions in renewable energy procurement (e.g., GET, solar expansion), electrification of fleet, and energy efficiency investments. Reduction targets (5–10% by FYE 2028 across Scopes 1 and 2) influence capital allocation toward clean technologies. For Scope 3, decisions on expanding measurement (to include purchased goods, waste, and logistics) reflect the company's intent to progressively align with global best practices and stakeholder expectations.

### 4) Governance of Material Topic

Carbon risks and opportunities are governed through MFB's SRMC, which reviews progress against GHG targets and ensures alignment with global frameworks. Operational oversight is handled by the Energy Management Committee and the HOS, with reporting integrated into the GHG Protocol, GRI 302, and IFRS S2 frameworks. The Board ultimately approves targets and timelines, ensuring top-level accountability.

### 5) Potential Financial Implications

Time Horizon	Risk / Opportunity	Potential Impact on Future Cash Flows	Impact on Cost of Capital	Impact on Access to Finance
<b>Short-term Risk</b>	Increased disclosure and verification costs under IFRS S2 / national regulations.	Higher compliance and audit costs.	Neutral to higher if costs are unmanaged.	Financing conditional on compliance with disclosure standards.
<b>Long-term Risk</b>	Introduction of carbon pricing (tax or ETS) on electricity and fuel.	Higher operating expenses if reliance on grid/fossil fuels persists.	Increase due to transition risk exposure.	Restricted access to green/ESG-linked financing if carbon intensity remains high.

<b>Short-term Opportunity</b>	Market-based reporting using GET lowers reported Scope 2 emissions such as our case in FYE 2025.
<b>Long-term Opportunity</b>	Expansion of solar generation and electrification of fleet will bring long term savings to the organisation and eventually lower operational cost on energy consumption.

### 6) MFB's Resilience

MFB's resilience is supported by a clear decarbonisation roadmap with interim and long-term targets across Scopes 1, 2, and 3. Active participation in the GET, solar investment, and fleet electrification demonstrate readiness to mitigate carbon risks. Planned expansion of Scope 3 coverage by FYE 2026 - FYE 2027 strengthens accountability across the value chain. Integration of carbon management into governance (the Board and SRMC oversight) ensures long-term resilience against both regulatory and market pressures, positioning MFB as a proactive player in the low-carbon transition.

# Sustainability Statement

## Waste Management and Water Consumption in MFB



### Our Commitment

MFB is committed to responsible waste management as part of its broader sustainability strategy. We recognise that waste generation and disposal present both operational and environmental risks, and therefore we have adopted measures to minimise waste, improve recycling, and ensure safe and compliant disposal.

Key waste-related impacts for the company include:

- Ongoing renovations at **Lots 29 & 56**, which generate construction and renovation-related waste.
- **Overproduction or unused plastic runners** from manufacturing operations.
- General operational waste streams that require structured management to prevent environmental impacts.

By addressing these impacts, MFB aims to strengthen resource efficiency, reduce landfill dependency, and support the transition to more responsible consumption and production practices.

### Management Approach

MFB adopts a structured approach to waste management, combining waste reduction measures, third-party partnerships, and regulatory compliance.

#### Key Actions to Prevent and Manage Waste:

- Reusing plastic runners and production offcuts wherever possible to reduce unnecessary disposal.
- Incorporating bio-additive materials in selected product lines to enhance environmental compatibility.
- Engaging a licensed third-party waste contractor, registered under the DOE, for the proper disposal of scheduled (hazardous) waste. All waste records are monitored monthly to ensure compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005.

#### Third-Party Waste Management:

MFB engages five DOE-registered contractors to manage its waste. Contractors are licensed for transportation and premises, with all processes and disposal sites fully compliant with DOE regulations. Hazardous waste must be disposed of within **180 days**, or once it reaches 20 metric tonnes, whichever comes first - typically requiring at least one to two disposals annually, depending on waste volume.

#### Monitoring and Data Management:

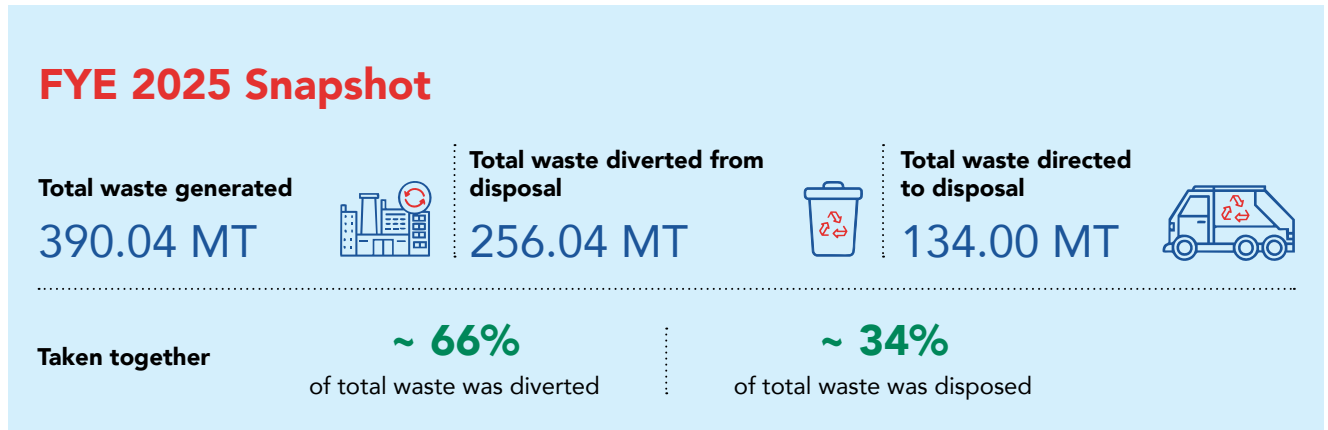
Waste data is collected by a competent person and production staff member and reported to the sustainability team for consolidation and safekeeping. This ensures traceability, accountability, and accurate disclosure in line with sustainability reporting standards.

Data	Unit	Value
<b>Total weight of waste generated</b>	<b>metric tonnes</b>	<b>390.04</b>
<b>Total weight of waste diverted from disposal</b>	<b>metric tonnes</b>	<b>256.04</b>
- Total hazardous waste diverted from disposal	metric tonnes	1.50
- Total non-hazardous waste diverted from disposal	metric tonnes	254.54
<b>Total weight of waste directed to disposal</b>	<b>metric tonnes</b>	<b>134.00</b>
- Total hazardous waste directed to disposal	metric tonnes	NIL
- Total non-hazardous waste directed to disposal	metric tonnes	134.00

# Sustainability Statement

## General Waste Diversion Performance

MFB is committed to preventing and reducing general (non-hazardous) waste and to minimise landfill dependency through reuse, recycling, and responsible disposal. We prioritise operational practices that cut waste at source (e.g., tighter production planning to avoid over-produced runners) and support a circular approach where practicable (e.g., reusing plastic runners and offcuts). This commitment complements our scheduled-waste compliance and aligns with GRI 306 (Waste).



MFB adopts a structured management approach to general waste, beginning with source control and reduction measures. Production scheduling is being tightened to minimise over-produced or unused runners, while plastic runners and offcuts are reused where quality permits. The company is also utilising bio-additive materials in its plastic product lines to enhance environmental compatibility. At the operational level, clear bin zoning and labelling ensure recyclables are separated from general waste in both production and office areas, with approved recyclers engaged for plastics, papers, cardboards, and metals. Non-recyclable, non-hazardous fractions are collected by licensed contractors and sent to approved disposal facilities, with weighbridge tickets and invoices retained for audit purposes. Hazardous waste is managed separately under DOE regulations (refer to Scheduled Waste section).

Hazardous waste is managed by a competent person who ensures that scheduled waste generated is managed properly in accordance with the legal requirements under DOE regulations and consolidated by the sustainability team for disclosure, while reconciliation checks between diversion/disposal totals and collector/recycler documents ensure accuracy and highlight anomalies. Looking ahead, continuous improvement efforts for FYE 2026 will focus on increasing diversion rates by targeting office recyclables and production scrap streams, formalising SOPs for runner reuse and returns, and introducing a packaging KPI to strengthen the link between purchasing and waste outcomes.



# Sustainability Statement

## Responsible Handling of Scheduled Waste

In line with the Environmental Quality (Scheduled Wastes) Regulations 2005, MFB manages scheduled waste generated from its operations through a structured compliance process. All scheduled waste is handled, stored, transported, and disposed of by licensed contractors registered with the DOE.

### Compliance and Monitoring Practices:

- All scheduled wastes are stored safely at designated storage areas with proper labelling and containment.
- Disposal is conducted by licensed contractors under DOE, in compliance with regulatory requirements.
- Disposal frequency is based on DOE guidelines: hazardous waste must be disposed of within 180 days of generation, or once it reaches 20 metric tonnes, whichever comes first, - typically requiring one to two disposals per year.
- Waste records are monitored monthly to ensure compliance with the DOE's Environmental Quality (Scheduled Wastes) Regulations 2005.
- In line with regulatory developments, MFB has also transitioned to the new eSWIS V2 system, an upgraded platform for managing scheduled waste reporting and compliance. Under this new system, specific waste streams are required to undergo waste characteristic laboratory tests prior to disposal. This process ensures that hazardous properties are properly identified and managed in accordance with DOE requirements, further reinforcing environmental protection and compliance assurance.
- Internal accountability is supported by reporting from the production team to the sustainability team, ensuring traceability and accurate disclosure.

## Water Consumption in MFB

MFB's operations are not water-intensive, as the company's core production processes require minimal direct water use. Instead, the majority of water consumption is linked to day-to-day activities in corporate offices, employee facilities, and drinking water needs. This reflects the nature of MFB's business, where energy and materials have a higher environmental impact compared to water.

For the reporting period, the company's **total water consumption amounted to 13,473 m<sup>3</sup>**. While relatively modest compared to manufacturing-based industries, MFB remains committed to monitoring its water usage, promoting efficient consumption practices, and identifying opportunities to conserve water within its offices and supporting facilities.

### Moving Forward

MFB will continue to strengthen its approach to waste and water management by adopting better practices, exploring efficiency improvements, and building on existing initiatives to ensure sustainable use of resources across our operations.



# Sustainability Statement

## Sustainability-Related Risks and Opportunities (“SRRO”) on Waste Management

### 1) Description of Risks

MFB generated 390.04 metric tonnes of waste in FYE 2025, of which 256.04 tonnes (66%) were diverted and 134 tonnes (34%) disposed. Risks arise from overproduction of plastic runners, ongoing renovation works, and general operational waste streams. For scheduled waste, improper handling of significant streams or e-waste could lead to non-compliance with DOE regulations. Broader risks include rising disposal costs, capacity limits at licensed landfills, reputational harm if diversion rates stagnate, and assurance risks if waste reporting lacks completeness or accuracy.

### 2) Effects on Business Model and Value Chain

Inefficient waste management increases costs for storage, disposal, and compliance while exposing MFB to potential DOE penalties. Scheduled waste non-compliance could risk operating permits and erode client confidence. Downstream, customers—particularly multinational clients with circularity commitments—may reduce procurement from suppliers who are unable to demonstrate waste recovery and regulatory adherence. Conversely, higher diversion rates enhance supply chain standing, reduce landfill dependency, and contribute to stronger customer relationships.

### 3) Effects on Strategy and Decision-Making

Waste considerations influence production planning, procurement of materials, and investment in recycling partnerships. Current strategies include reusing runners and offcuts, piloting bio-additive materials, and formalising KPIs to link packaging purchases with waste outcomes. Decisions on contractor engagement are guided by DOE licensing requirements, while internal governance (e.g., SWG periodic reviews) informs adjustments to diversion targets. Long-term strategy increasingly reflects a circular economy approach, aligning operational decisions with client ESG expectations.

### 4) Governance of Material Topic

Waste governance is embedded in MFB’s SRMC at the Board level, supported operationally by a competent person and the HOS and site-level teams. Five licensed DOE contractors manage transportation and disposal of scheduled waste, ensuring full compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005. Monthly data is compiled by a competent person and consolidated by the sustainability team for safekeeping and disclosure. The SWG reviews waste and packaging data quarterly, ensuring oversight, traceability, and accountability.

### 5) Potential Financial Implications

Time Horizon	Risk / Opportunity	Potential Impact on Future Cash Flows	Impact on Cost of Capital	Impact on Access to Finance
<b>Short-term Risk</b>	High volumes of general waste disposal from production/renovations.	Increased disposal fees, inefficiencies, and storage costs.	Neutral to higher if unmanaged.	ESG-linked financing may require evidence of diversion.
<b>Long-term Risk</b>	Non-compliance with DOE regulations on scheduled waste.	Regulatory fines, reputational harm, contract losses.	Increase due to heightened compliance risk.	Restricted access to green/sustainability-linked finance.

<b>Short-term Opportunity</b>	Reuse of runners, recycling partnerships, and data governance.
<b>Long-term Opportunity</b>	Circular economy initiatives (bio-additives, packaging KPIs).

### 6) MFB’s Resilience

MFB’s resilience in waste management is underpinned by robust DOE-compliant handling of scheduled wastes, partnerships with five licensed contractors, and an increasing focus on diversion. In FYE 2025, the company diverted 66% of total waste from disposal, laying a strong foundation for circularity. Continuous monitoring, monthly reporting, and quarterly SWG oversight ensure accuracy and accountability. Looking forward, the introduction of packaging KPIs, formalised SOPs for reuse, and supplier/customer engagement on waste minimisation will enhance resilience and efficiency, positioning MFB to meet stakeholder expectations and reduce long-term waste-related risks.

# Sustainability Statement

## Building a Responsible and Resilient Supply Chain



### Our Commitment

Sustainable procurement is a material topic for MFB, reflecting our responsibility to ensure that ESG principles are upheld across our supply chain. We view suppliers as partners in advancing sustainability and await them to operate with integrity, fairness, and accountability.

### Procurement Performance

In FYE 2025, MFB’s procurement performance recorded 80% reflecting stronger support for local sourcing.

Additionally, 100% of new suppliers were screened against environmental and social criteria, reinforcing MFB’s commitment to responsible and sustainable procurement practices.

### Alignment with Global Standards

Our procurement framework is guided by:

GRI 204 (Procurement Practices): Promoting responsible sourcing.	IFRS S1 & S2: Integrating sustainability into governance and risk oversight.	Bursa Malaysia’s Sustainability Reporting Guide: Ensuring procurement reflects material ESG priorities.	UNSDG 12: Responsible Consumption and Production: Promoting the use of recycled inputs and protecting the rights and wellbeing of workers.
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### Our Procurement Best Practices

MFB applies a structured process to evaluate and engage suppliers. New vendors undergo registration and due diligence checks that assess legal compliance, financial standing, and management system certifications. All suppliers are required to acknowledge the SCOC, which sets expectations on environmental stewardship, labour rights, health and safety, and anti-bribery and corruption.

To strengthen accountability, suppliers are also assessed using our Supplier Sustainability Assessment Questionnaire. This tool evaluates environmental management, human rights compliance, occupational health and safety, and ethical business conduct. Results are categorised into performance tiers, with high-performing suppliers added to the approved supplier list, and lower-performing suppliers required to improve before requalification.

## Moving Forward

MFB will continue strengthening its procurement approach by expanding supplier sustainability assessments, promoting greater transparency across the supply chain, and working with partners to address gaps in environmental and social practices. By doing so, we aim to create a resilient value chain that supports long-term business success and shared sustainability goals.

# Sustainability Statement

## Sustainability-Related Risks and Opportunities ("SRRO") for Sustainable Procurement

MFB recognises that procurement practices influence not only cost and operational resilience but also its reputation and license to operate. Aligning with IFRS S1 and S2 and GRI 204, MFB maps key short- and long-term sustainability-related risks and opportunities across its procurement value chain.

### 1) Description of Risks

- **Short-term risks:** Supplier non-compliance with ESG standards (labour rights, environmental regulations, anti-bribery practices) could result in reputational damage and supply delays.
- **Long-term risks:** Overreliance on international suppliers or suppliers using unsustainable practices may expose MFB to regulatory penalties, loss of ESG-conscious clients, and supply chain disruptions linked to climate change or geopolitical issues.

### 2) Effects on Business Model and Value Chain

Non-compliance or poor performance in the supply chain can undermine client trust, increase procurement costs, and disrupt downstream service delivery. Conversely, strong supplier performance enhances resilience, reduces risk exposure, and supports clients' ESG procurement criteria.

### 3) Effects on Strategy and Decision-Making

MFB integrates sustainability into procurement through SCOC, mandatory due diligence, and the Supplier Sustainability Assessment Questionnaire. Strategic sourcing decisions are increasingly informed by supplier ESG ratings, shifting preference toward local and responsible suppliers.

### 4) Governance of Material Topic

Procurement governance is led by the supply chain and sustainability teams, supported by internal audits and due diligence processes. Supplier assessments and requalification are reported to management, ensuring accountability and alignment with Bursa Malaysia's **Sustainability Reporting Guide**.

### 5) Potential Financial Implications

Time Horizon	Risk / Opportunity	Impact on Future Cash Flows	Impact on Cost of Capital	Impact on Access to Finance
<b>Short-term Risk</b>	Supplier non-compliance leading to reputational loss or supply disruption.	Increased costs from delays, penalties, or re-sourcing.	Higher, due to increased operational risk.	Limited eligibility for ESG-linked financing if supply chain risks remain unmanaged.
<b>Long-term Risk</b>	Overreliance on international/unsustainable suppliers.	Potential revenue loss if clients deselect MFB for ESG breaches.	Increased, if lenders perceive supply chain as high-risk.	Restricted access to green/sustainability-linked loans.

<b>Short-term Opportunity</b>	Increased local sourcing is a good sign from MFB's procurement practices.
<b>Long-term Opportunity</b>	Supplier engagement on ESG practices and circularity. This is an area MFB is actively seeking to explore in the long-term.

### 6) MFB's Resilience

MFB demonstrates resilience by embedding ESG criteria in 100% of new supplier screenings, increasing local supplier reliance, and requiring all suppliers to sign its Code of Conduct. With sustainability assessments in place and plans to expand ESG criteria coverage across more suppliers, the company is building a responsible, transparent, and future-ready supply chain.

# Sustainability Statement

## Safeguarding Environmental Standards



### Environmental Monitoring

As part of MFB’s commitment to environmental stewardship, independent third-party assessments are carried out annually to ensure compliance with national environmental standards. These monitoring programmes cover effluent, noise, and air quality, in line with the requirements of the DOE Malaysia and relevant environmental standards.



#### 1. Effluent Monitoring

Effluent sampling is conducted at designated outlet points by an **ISO 14001:2015**-certified laboratory to assess parameters such as pH, COD, BOD<sub>5</sub>, suspended solids, heavy metals (e.g., lead, mercury, cadmium), nutrients, and other water quality indicators. Results confirmed compliance with DOE Standard B thresholds, with most parameters well within limits. To strengthen performance, MFB is enhancing internal monitoring, implementing corrective actions to reduce pollutant loads, improving waste pre-treatment and preventive maintenance, and raising employee awareness through targeted programmes.



#### 2. Noise Monitoring

Noise levels around facility boundaries are monitored at multiple locations using calibrated equipment. Findings confirmed that all measured levels were found to be below Malaysian Recommended Noise Limit of 75.0 dB (A) for day and night time which specify for Industrial Zones. In addition to maintaining compliance, MFB is reviewing equipment usage and transport schedules while raising staff awareness to further minimise noise impacts.



#### 3. Air Quality Monitoring

Ambient air quality is measured at facility boundaries by accredited consultants in accordance with the Malaysian Ambient Air Quality Standards (“**MAAQS**”). Key indicators such as Particulate Matter (PM10 & PM2.5), CO, O<sub>3</sub>, SO<sub>2</sub>, and NO<sub>2</sub> were found to be within regulatory limits, confirming compliance. Moving forward, MFB will continue to strengthen air quality management through regular monitoring, preventive maintenance of machinery, investment in cleaner technologies, and awareness programmes to reduce emissions.

# Sustainability Statement

## Chapter 4:

# Empowering Our People and Enriching Communities



# Sustainability Statement



This chapter reflects MFB’s enduring commitment to cultivating a resilient, safe, and inclusive environment for its people while making a positive impact on the communities it serves. The title underscores the belief that sustainable business success is rooted in empowering employees, respecting human rights, and building meaningful partnerships with stakeholders. Aligned with our broader ESG strategy, this chapter highlights our responsibility to uphold ethical labour practices, promote workplace health and safety, and contribute to the wellbeing of society through purposeful social initiatives.

At MFB, people are central to how we create value, drive innovation, and achieve long-term sustainability. From the dedicated employees within our operations to the communities in which we operate, we recognise that our success is interdependent with the wellbeing of our stakeholders. This chapter outlines our approach to key social topics, including workforce diversity, occupational health and safety, human capital development, labour rights, and community engagement. Notably, in November 2024, the company commemorated its IPO milestone with a company-wide celebration, reinforcing our inclusive culture and shared vision. By embedding social considerations into our decision-making and operational practices, we continue building a workforce and culture that contributes meaningfully to both business resilience and societal progress.

## Workplace Diversity, Equity and Inclusion



### Our Commitment

MFB’s workplace culture is built on the foundations of inclusivity, fairness, and respect. We believe that a strong, motivated, and diverse workforce is essential to achieving our business goals and delivering long-term value to our stakeholders. Our commitment to ethical labour practices, employee wellbeing, and equitable opportunities is embedded in our policies, practices, and governance systems. We strive to create a workplace where every individual feel empowered to grow, contribute meaningfully, and thrive within a supportive environment. This includes promoting gender equality, intergenerational collaboration, and inclusive leadership.

Women accounted for 31% of the total workforce and 43% of the organisation’s governance body, demonstrating the effectiveness of our leadership development and succession planning efforts. Our diverse age profile, with 45% of staff under 30, ensures a vibrant and forward-thinking talent base.

Our commitment to diversity, equity, and inclusion is anchored in the MFB Code of Conduct, which enforces a zero-tolerance policy towards discrimination and harassment, while ensuring fair treatment in all areas from hiring and training to compensation and career progression.

# Sustainability Statement

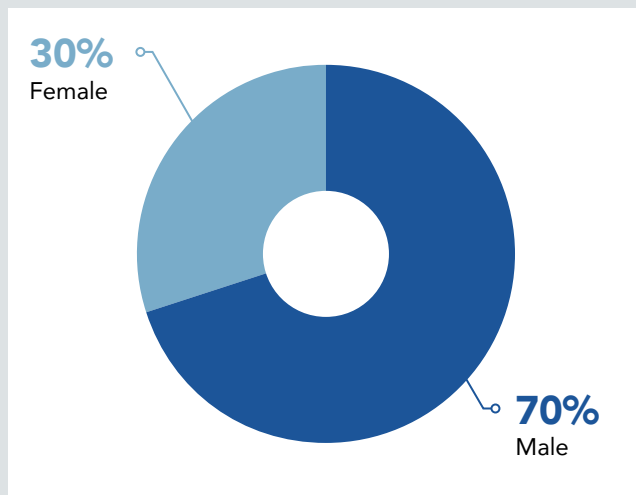
## Workforce Profile

MFB is proud to foster a dynamic, diverse, and inclusive workforce that supports innovation, operational excellence, and ethical business practices across all levels of the organisation. As of June 2025, the company employed a total of 507 employees (inclusive 6 contract employees), with a workforce composition that reflects our strong commitment to gender equity, fair employment, and representation across various age and job categories.

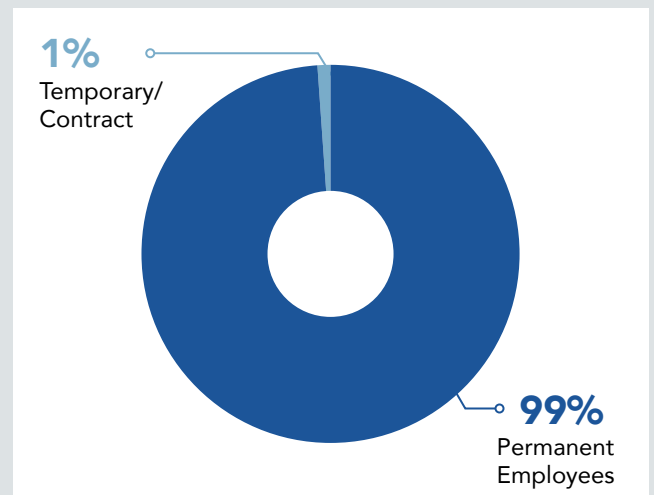
### Workforce Overview (FYE 2025)

July 2024 - June 2025

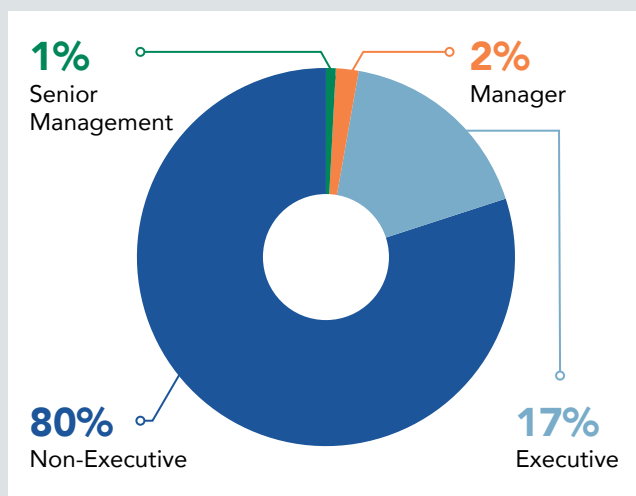
#### TOTAL EMPLOYEES BY GENDER



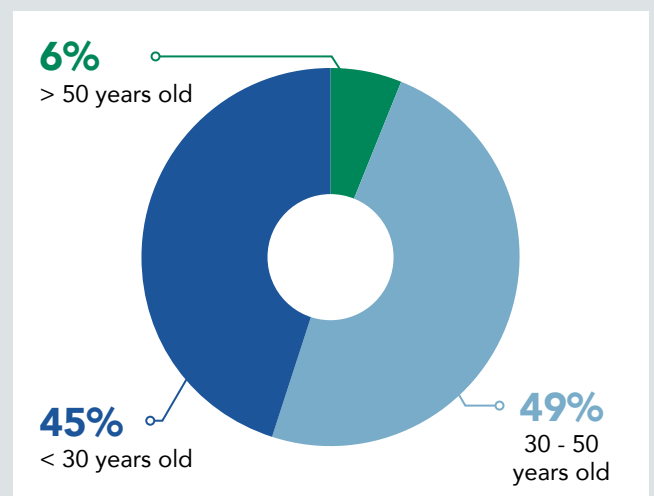
#### EMPLOYMENT TYPE



#### TOTAL EMPLOYEES PER EMPLOYEE CATEGORY



#### TOTAL EMPLOYEES BY AGE GROUP



MFB upholds a clear non-discrimination policy and provides equal opportunities in recruitment, compensation, training, and promotion. Our workplace practices are shaped by the values of equity, inclusivity, and merit-based advancement, as outlined in our Employee Handbook and Code of Conduct.

# Sustainability Statement



## Human Capital Development

### Our Commitment

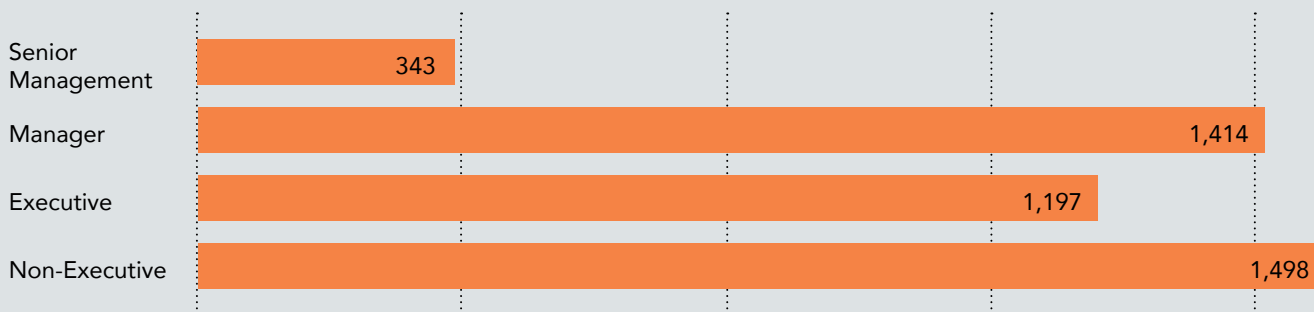
MFB recognises that the sustained growth and competitiveness of the company are fundamentally rooted in the strength, skills, and engagement of its people. Anchored under the social sustainability pillar titled “Empowering People, Enriching Communities,” our approach to human capital development is centred on fostering a learning-driven culture, strengthening employee capabilities, and promoting equitable career advancement opportunities.

### Capability Building and Skills Development

MFB adopts a systematic and inclusive approach to capability building, ensuring that all employees, regardless of role or function are empowered to grow and perform at their full potential. Training needs are identified through a formalised TNA, conducted annually in collaboration with department heads and aligned to performance contracts and operational goals.

In FYE 2025, the company recorded a total of 4,452 training hours, translating to an average of 8.9 hours per employee. Training was distributed across genders, with 1,498 hours allocated to female employees and 2,954 hours to male employees, reflecting equal access to learning opportunities. The total training hours provided to each employee category demonstrate targeted investments in role-specific upskilling.

**Total Hours of Training by Employee Category**



■ Total training hours by employee category

Key training programs delivered during the reporting period included:

- Essential Occupational First Aid, CPR & AED
- Forklift Safety Training
- Emergency Response and Fire Drills
- Sustainability and ESG Essentials
- 6S (5S + Safety)
- Leadership and Team Resilience
- ISO Compliance and Scheduled Waste Management

To ensure consistent delivery and measurable outcomes, MFB will ensure that TNA is conducted annually to identify skill or knowledge gaps.

# Sustainability Statement

## Enabling Growth through Performance and Equal Opportunity

The company's performance management framework serves as a cornerstone for career development, ensuring transparency, accountability, and merit-based progression. All employees are evaluated against annual performance contracts that align individual objectives with strategic business goals. Regular end-of-year reviews provide structured opportunities for feedback, coaching, and development planning.

In FYE 2025, 97.42% of entitled employees received formal performance and development reviews, with gender breakdown as follows:



Male employees  
96.88%



Female employees  
97.80%

These reviews inform training priorities, succession planning, and individual development initiatives, fostering a high-performance culture and strong internal mobility.

We also ensure that work-life balance and family support are embedded in our policies. In FYE 2025:



10 employees returned to work after parental leave (6 male, 4 female)

100%  
Retention Rate Recorded  
12 Months Post-Return

This outcome underscores the company's commitment to inclusive leave policies and reintegration support, contributing to our broader diversity and wellbeing agenda.

## Strengthening Retention and Employee Wellbeing

Attracting and retaining skilled employees is essential to MFB's long-term strategy. In FYE 2025, a total of 114 employees exited the organisation, all within the Executive and Non-Executive categories.

Executive:

12

Non-Executive:

102

Turnover rates by gender in FYE 2025 show a consistently higher attrition rate among male employees (19.4%) compared to female employees (8.8%). These trends are closely monitored against the company's sustainability targets of maintaining executive turnover below 2% and non-executive turnover below 10%, as outlined in MFB's Social Pillar Sustainability Targets.

To support workforce continuity and reduce knowledge loss, the company offers post-retirement contract extensions (1-year, conditional) for employees reaching the age of 60. Additionally, long-serving employees are recognised through structured service award programs and frequently engaged as mentors to nurture future leaders.

Employee engagement programs, such as Employee Birthday Celebrations, IPO Celebration, Team Building Retreat in Penang, and Health Screening with MSU Medical Centre ("MSUMC"), further reinforce morale, cohesion, and cross-departmental collaboration. MFB aims to expand the number of structured wellbeing initiatives from 4 in FYE 2025 to 7 by FYE 2028, in line with our human capital enhancement roadmap.

# Sustainability Statement

## Employee Birthday Celebrations

As part of our commitment to fostering a positive and caring workplace culture, we celebrate each employee’s birthday by providing birthday cakes in accordance with their birth month. Small gestures such as these contribute to employee morale, wellbeing, and overall job satisfaction, creating a supportive environment where every individual feels valued.



## Mega Fortris Commemorates IPO Success – November 2024

To mark a major milestone in its corporate journey, MFB hosted a special dinner at its headquarters to celebrate its successful listing on Bursa Malaysia. The event brought together employees from across the company to recognise the collective effort and shared purpose that made this achievement possible.

Beyond celebration, the evening reflected MFB’s commitment to responsible growth, inclusivity, and sustainability. It aligned with the company’s social sustainability goals and the broader UNSDG. As a newly listed company, MFB reaffirmed its pledge to grow with integrity and impact, empowering people and enriching communities.



# Sustainability Statement

## Mega Fortris Team Building Retreat, January 2025

MFB organised a three-day team-building retreat at Batu Ferringhi, Penang to strengthen collaboration, communication, and trust among employees. The retreat brought together team members from various departments to engage in hands-on activities that fostered mutual respect, cross-functional bonding, and shared purpose. The initiative reflected MFB's core values of inclusion, teamwork, and continuous development, while also energising employees and reinforcing a positive, high-performing workplace culture.



## Mega Fortris Health Screening with MSUMC, June 2025

To promote employee wellbeing and encourage a culture of preventive care, MFB organised a comprehensive health screening program in collaboration with MSUMC at its headquarters. A total of 125 employees participated in the initiative, which offered screenings for blood pressure, BMI, glucose, cholesterol, and vision. The initiative reflects MFB's commitment to building a healthy and resilient workforce, while supporting the company's broader social sustainability agenda. Through this program, MFB continues to foster a supportive and productive work environment that values long-term employee health.



## Moving Forward

MFB will continue to expand training hours and invest in upskilling initiatives to enhance employee competencies and career growth opportunities. The company will also increase the frequency and variety of employee wellbeing activities, fostering a supportive and engaging workplace environment that promotes both physical and mental wellness.

# Sustainability Statement

## Labour Practices and Human Rights



### Our Commitment

MFB is steadfast in its commitment to respecting human rights and practicing fair labour standards, in line with its sustainability pillar goal: “Respecting human rights and practice fair labour practices.” This commitment is enshrined across company policies, employee codes of conduct, supply chain protocols, and stakeholder engagement mechanisms. Our approach reflects globally recognised standards, including the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization (“ILO”) Conventions.

In the reporting period, MFB recorded zero substantiated complaints concerning human rights violations and zero reported incidents of discrimination, reflecting the company’s strong adherence to its Code of Conduct and Ethics, and alignment with international labour and human rights principles.

To strengthen internal accountability, all employees are required to review and acknowledge the Code of Conduct during onboarding. Training on human rights is also being implemented, with targets to conduct annual human rights training for all employees by FYE 2026, and extend it to its suppliers.

### Upholding Human Rights and Dignity

The Human Rights, Slavery, and Human Trafficking Policy governs MFB’s zero-tolerance stance on forced labour, servitude, debt bondage, and human trafficking across its operations and supply chains. All employees, contractors, and suppliers are expected to align with our responsible business principles, which explicitly prohibit:



Child labour and forced labour



Discrimination and harassment



Unsafe or inhumane working conditions

To ensure awareness and accountability, human rights topics are embedded in the induction training for all new employees, while supplier due diligence processes require disclosures on modern slavery risks and mitigation measures.



# Sustainability Statement

## Ethical Labour Practices

MFB Code of Conduct and Ethics outlines principles of equal opportunity, non-discrimination, and fair treatment in all aspects of employment—from recruitment to retirement. The company ensures that:

Employment is freely chosen

Employees are fairly compensated and protected under legal wage and working hour standards

All workers, including foreign workers, are treated with dignity and respect

The Child Labour Policy reinforces the company's prohibition on hiring individuals under the legal working age and mandates compliance with all applicable national and international laws governing youth employment.

## Addressing Harassment and Grievances

MFB takes a strong stance against workplace harassment, with particular attention to sexual harassment, as outlined in the employee handbook and the Sexual Harassment Policy. All complaints are taken seriously and investigated thoroughly, with disciplinary measures enforced based on severity. Employees are encouraged to report incidents via multiple confidential grievance channels, including:

- Departmental reporting
- Direct communication with HR Department
- A dedicated whistleblowing channel, protected by the company's Whistle-blowing Policy, which is managed by the Compliance Department

## Supplier and Contractor Expectations

MFB extends its commitment to fair labour and human rights through its SCOC, which includes mandatory annual modern slavery declarations. Supplier audits cover issues such as wage compliance, working conditions, child labour, and freedom from coercion. Non-compliance requires corrective actions within 60 days or, failing that, termination of the business relationship.

## Moving Forward

MFB will continue to strengthen its commitment to fair labour practices by ensuring equal opportunities, fair treatment, and a safe working environment for all employees. We will enhance awareness and training on human rights across all operations, ensuring compliance with relevant laws and ethical standards. Continuous monitoring and engagement with stakeholders will be carried out to uphold responsible labour practices and safeguard the rights of every individual in the workplace.

# Sustainability Statement



## Health and Safety

### Our Commitment

MFB is committed to providing a safe, healthy, and resilient workplace for all employees, contractors, and visitors. Our health and safety approach is grounded in a preventive mindset, risk-based thinking, and continuous improvement, guided by our internal Occupational Safety and Health (“**OSH**”) Policy, which reflects alignment with Malaysian OSH regulations and progressive movement toward internationally recognised best practices.

Health and safety are central to our social pillar, *Empowering People, Enriching Communities*, and form an integral part of our broader sustainability commitment. Our objective is to eliminate work-related incidents through structured risk management, active leadership oversight, and a culture of safety ownership at all levels of the organisation.

### Our Performance

In the reporting period, MFB achieved **zero work-related fatalities** and **zero high-consequence injuries**, underscoring the strength of our proactive risk management approach and the continued maturation of our safety culture. These outcomes reflect our commitment to hazard identification, procedural controls, and employee training—all of which are key tenets of our OSH Policy.

With a total of 1,198,134 man-hours worked, the company recorded 17 recordable incidents, of which 11 resulted in lost time, leading to a Total Recordable Injury Rate (“**TRIR**”) of 14.2 and a Lost Time Injury Frequency Rate (“**LTIFR**”) of 9.2. While these figures represent industry-aligned thresholds for a manufacturing environment of our scale, they also serve as a call to action to further strengthen behavioural safety, reporting culture, and control measures. Hand injuries remained the most frequent incident type recorded; however, targeted interventions such as training refreshers and the provision of enhanced personal protective equipment (“**PPE**”) have contributed to a reduction in their severity and recurrence. All incidents are systematically reviewed by the Safety and Health Committee to identify root causes and implement corrective actions to prevent future occurrences.

No occupational illnesses were reported during the year, maintaining our Occupational Illness Frequency Rate (“**OIFR**”) at zero. Additionally, 27.5 lost workdays were recorded, resulting in a Lost Workday Rate of 22.9, and an absenteeism rate of 7.5%, which remains well within acceptable benchmarks.

These metrics are continuously reviewed by the Safety and Health Committee and inform our risk-based planning and continuous improvement targets set for FYE 2026. Looking ahead, MFB remains committed to advancing our safety journey by setting strategic goals that reinforce a culture of continuous improvement, knowledge sharing, and proactive hazard prevention across all operations. To enhance workplace health and safety, we are introducing the following initiatives:



Maintaining 100% participation in annual health and safety training



Launching an online safety learning module with orientation quizzes for new joiners



Introducing machine safety training for all equipment operators

# Sustainability Statement



## Safety Governance and Risk Management

MFB maintains a robust governance structure to oversee health and safety, including an active Safety & Health Committee, a trained Emergency Response Team (“ERT”), and department-level OSH Coordinator. Emergency drills, fire simulations, and chemical spillage exercises were conducted regularly throughout the year.

The Health and Safety Department, supported by a full-time Safety and Health Manager and OSH Coordinator, is responsible for regulatory compliance, audit preparation, and internal awareness campaigns. Regular reviews with Senior Management ensure OSH remains integrated into broader ESG governance.

The company’s risk control framework is aligned with the HIRARC guidelines (Hazard Identification, Risk Assessment and Risk Control), issued by Malaysia’s DOSH. The framework supports a hierarchy of controls approach, prioritising elimination, engineering solutions, and administrative procedures over the reliance on PPE.

Ergonomic, Chemical and Noise risk assessments were also introduced in FYE 2024 through the services of Alam Hijau Integrasi to minimise musculoskeletal risks, and ensuring safer conditions in both production and desk-based operations. We continue to improve incident investigation protocols, implement near-miss reporting systems, and incorporate feedback from our annual social audit findings to close gaps and strengthen resilience.

## Health and Safety Training & Awareness

MFB actively invests in workforce education to enhance safety awareness and strengthen incident-prevention capabilities. Every new worker undergoes a mandatory safety induction, ensuring consistent reinforcement of safe practices from the very beginning of employment. Departments receive safety awareness briefings on a monthly or as-needed basis, while selected groups participate in external training sessions. In total, 316 employees completed safety-related training modules during the year, with all hours across these initiatives collectively contributing to MFB’s overall safety training. This reflects our strong commitment to a safe and resilient workplace.

### Chemical Spill and Hazard Response



Emergency Response Team (“ERT”) members receiving training on managing chemical spills, including proper use of absorbent materials and PPE.

# Sustainability Statement

## Fire Safety and Evacuation Training



Hands-on firefighting drill in progress. Employees are trained in the correct use of fire extinguishers to contain small-scale fires.



Employees from both the morning and night shifts participate in scheduled emergency evacuation drills, reinforcing rapid response protocols, safe assembly procedures, and round-the-clock preparedness across all operational hours.

## Health Support and Monitoring

Our occupational health program is designed to proactively safeguard employee wellbeing through both preventive and reactive services. These include:

**On-site clinic access**  
(8:30 AM–11:00 AM, weekdays)

**Panel clinics** fully funded for general consultations and treatment

**Annual health screening for foreign workers**

**Partnerships with MSUMC** for broader health outreach and staff wellness

## Moving Forward

MFB will embed its Health & Safety training module into an online learning platform to ensure consistent and accessible knowledge sharing for all new employees. As part of the onboarding process, new joiners will be required to complete the module and successfully pass an interactive quiz, reinforcing a culture of safety from day one.

Furthermore, MFB will roll out targeted Machine Safety training for all personnel engaged in machine operations. This initiative aims to strengthen operational safety standards and reduce the risk of workplace incidents, supporting the company’s commitment to a safe and healthy working environment.

# Sustainability Statement

## Community Engagement and Relations



### Our Commitment



Community Wellbeing



Education



Environment

At MFB, Community Outreach engagement is a cornerstone of our social sustainability efforts, grounded in the goal of enhancing corporate social responsibility to support and uplift local communities. Our initiatives are anchored on three key pillars; **Community Wellbeing, Education, and the Environment**. We believe that a strong and resilient society is built on inclusive growth, collaborative action, and shared responsibility. Through these pillars, our community investment approach focuses on reducing inequalities, alleviating poverty, and fostering environmental stewardship via targeted, high-impact initiatives. Moving forward, we plan to extend our reach to more targeted communities aligned with these three pillars, ensuring our efforts create meaningful and lasting impact.



At MFB, our **Community Investment initiatives** are branded as **Mega Fortris Community Outreach**. Through this platform, we strive to create meaningful and long-term impact by fostering community wellbeing, promoting environmental stewardship, and upholding ethical and responsible business practices.

### Community Investment

MFB successfully organised and supported **five targeted community initiatives**, contributing a total of **RM 37,712** to charitable causes and long-term social investments. These initiatives were designed to directly support external stakeholders, with **430 volunteer hours** contributed by our employees and more than **450 community beneficiaries** positively impacted.

We remain on track to meet our strategic community engagement targets, which include conducting **more impactful Community Outreach projects** and increasing employee volunteer hours to **500 by FYE 2026**, as outlined in our sustainability roadmap.



# Sustainability Statement

## Key Community Projects and Impact Highlights

### Dapur Kinrara – Feeding the Underprivileged



Through collaboration with local partners, MFB contributed to the distribution of nutritious food packets to approximately 250–300 underprivileged individuals and families. The initiative aimed to alleviate food insecurity while fostering dignity, care, and social cohesion among marginalised communities experiencing economic hardship.

### Chinese New Year at Elderly Care Home



To honour the elderly and foster intergenerational connection, MFB employees visited a local old folks home to celebrate Chinese New Year with 62 senior residents. The initiative provided festive cheer, meaningful interaction, and emotional warmth to the elderly, many of whom face loneliness or limited social support.

# Sustainability Statement

## Buka Puasa Celebration with Orphaned Children



During the holy month of Ramadan, MFB organised a communal breaking of fast and distributed goodie bags, including shopping vouchers, for 31 children from Rumah Anak Yatim Ulin Nuha. This heartfelt gesture created a joyful, inclusive environment where the children felt valued, supported, and celebrated during the festive season.

## Blood Donation Campaign with MSUMC



MFB collaborated with the MSUMC to host a blood donation drive. The initiative saw 87 successful donors and contributed directly to the availability of life-saving blood supplies in local hospitals. The campaign also served to raise awareness about the importance of regular blood donation and community health engagement.

# Sustainability Statement

## Beach Clean-Up with Turtle Conservation Society



As part of its environmental outreach, MFB partnered with the Turtle Conservation Society of Malaysia to conduct a beach clean-up activity at Tanjung Harapan beach. A team of 20 employee volunteers removed 80 kilograms of waste from the shoreline, contributing to the protection of marine habitats while reinforcing environmental stewardship and awareness within the workforce.

## Strategic Community Partnerships

MFB recognises that meaningful community impact is strengthened through collaboration. In FYE 2025, we cultivated impactful partnerships to extend our reach and deepen our contribution to community resilience:

### MSU Medical Centre (“MSUMC”):

Longstanding partner in health-focused initiatives, particularly blood donation campaigns, addressing public health needs and encouraging employee volunteerism.

### Turtle Conservation Society of Malaysia:

Environmental partner supporting marine biodiversity, ecosystem protection, and employee-led awareness through beach clean-up initiatives.

These partnerships are central to our corporate responsibility ethos and reflect our dedication to advancing shared value through cross-sector collaboration.

## Moving Forward

MFB will continue to strengthen its Community Outreach initiatives under the three core pillars of community wellbeing, education, and the environment. We plan to expand our outreach to more targeted communities, ensuring that our efforts address specific local needs while delivering meaningful, measurable impact. Our focus will remain on fostering inclusive growth, reducing social inequalities, and promoting environmental stewardship through impactful projects.

# Sustainability Statement

## Social Sustainability-Related Risks & Opportunities ("SRRO") Mapping

MFB's social sustainability efforts are closely tied to long-term business resilience. Applying the IFRS S1 and S2 frameworks, we have identified key short- and long-term sustainability-related risks and opportunities across our social material topics. These are mapped to potential impacts on financial performance and capital access and aligned with relevant TCFD disclosure categories. MFB aims to build onto their SRRO mapping further in the upcoming years to include quantitative financial implications on the risks and opportunities through more in-depth internal stakeholder engagements as declared in our sustainability governance.

### Workplace Health and Safety related SRRO's

#### 1) Description of Risks

MFB's operations involve manufacturing and logistics processes where physical injury risks remain inherent, particularly hand-related injuries. While FYE 2025 recorded zero fatalities and zero high-consequence injuries, the TRIR of 14.2 signals potential exposure if preventive measures stall. Long-term failure to achieve OHS targets could erode stakeholder confidence and jeopardise contracts with clients prioritising safety performance.

#### 2) Effects on Business Model and Value Chain

Safety incidents can disrupt production schedules, impact delivery commitments, and trigger increased reliance on overtime or temporary labour. This affects the downstream value chain, potentially delaying client shipments and straining customer relationships.

#### 3) Effects on Strategy and Decision-making

Safety metrics directly influence investment in automation, PPE enhancements, and targeted training. Decisions on capital expenditure for machinery upgrades are informed by incident trends and root cause analyses.

#### 4) Governance of Material Topic

The Safety & Health Committee, supported by OSH Coordinator and a full-time Safety Officer, oversees risk assessments, trainings, and incident investigations. Governance follows Malaysia's HIRARC guidelines, with reporting lines to Senior Management and integration into ESG governance reviews.

#### 5) Potential Financial Implications

Time Horizon	Risk / Opportunity	Potential Impact on Future Cash Flows	Impact on Cost of Capital	Impact on Access to Finance
<b>Short-term Risk</b>	High TRIR could increase insurance premiums, compensation costs, and reduce productivity.	Higher operating costs and potential production downtime.	Increase due to perceived operational risk.	Restricts access to ESG-linked financing without improved safety KPIs.
<b>Long-term Risk</b>	Failure to meet OSH targets could damage reputation, reducing ability to win contracts with ESG-conscious clients.	Reduced revenue from lost bids or terminated contracts.	Increased if lenders perceive social performance as weak.	Limited eligibility for sustainability-linked loans.

<b>Short-term Opportunity</b>	Achieving zero high-consequence injuries improves operational efficiency and employee morale.
<b>Long-term Opportunity</b>	ISO 45001:2018 certification enhances global market competitiveness.

#### 6) MFB's Resilience

The company's resilience is supported by zero high-consequence injuries, proactive hazard controls, and ongoing training. FYE 2025's introduction of ergonomic assessments and machine safety training strengthens capacity to anticipate and mitigate risks.

# Sustainability Statement

## Labour Practices & Human Rights related SRRO's

**1) Description of Risks**

Exposure to supplier non-compliance on wages, working hours, or forced labour could lead to failed social audits and termination of client contracts. The global trend toward mandatory due diligence (e.g., EU CS3D) raises compliance requirements across the value chain.

**2) Effects on Business Model and Value Chain**

As MFB operates within a supply chain serving global clients, reputational or compliance failures upstream can jeopardise access to certain export markets and long-term partnerships.

**3) Effects on Strategy and Decision-making**

Labour compliance informs supplier selection, onboarding, and annual audits. Strategy includes digitalising supplier due diligence and embedding human rights training into induction.

**4) Governance of Material Topic**

Managed through the SCOC, with oversight by the Compliance Department and HR. Modern slavery declarations are collected annually, with non-compliance requiring remediation within 60 days.

**5) Financial Implication**

Time Horizon	Risk / Opportunity	Potential Impact on Future Cash Flows	Impact on Cost of Capital	Impact on Access to Finance
<b>Short-term Risk</b>	Supplier non-compliance with labour standards may result in failed audits and lost contracts.	Loss of revenue from major clients.	Increase due to reputational risk.	Restricted access to trade finance from ESG-focused banks.
<b>Long-term Risk</b>	Emerging mandatory due diligence laws (e.g., EU CS3D) require extensive supplier monitoring.	Increased compliance costs and supplier onboarding delays.	Possible increase if compliance investments lag.	Limited access to EU markets without compliance proof.

<b>Short-term Opportunity</b>	Strengthening supplier screening processes enhances audit pass rates.
<b>Long-term Opportunity</b>	Digitalising supply chain due diligence builds transparency and trust.

**6) MFB's Resilience**

MFB's resilience in labour practices and human rights is anchored by robust policies such as the Code of Conduct, Human Rights Policy, and SCOC, supported by consistent employee induction and compliance processes. Zero recorded violations in FYE 2025 provides a strong foundation, while the planned rollout of human rights and ethical labour training to all employees and suppliers will further strengthen the value chain, ensuring preparedness for evolving regulations and client expectations.

# Sustainability Statement

## Community Engagement related SRRO's

### 1) Description of Risks

Economic downturns or internal budget reallocations could reduce community investments, affecting local relationships and social trust. Long-term failure to address environmental expectations from communities could result in reputational loss.

### 2) Effects on Business Model and Value Chain

Weak community relations may lead to local resistance to expansion or operational changes, increasing costs for stakeholder management and regulatory navigation.

### 3) Effects on Strategy and Decision-making

Community feedback shapes CSR priorities, with decisions on project selection considering both social need and alignment with MFB's brand positioning.

### 4) Governance of Material Topic

Community programmes are coordinated by the sustainability team, which reports progress to Senior Management. Partnerships with NGOs and academic institutions extend project reach and impact.

### 5) Financial Implication

Time Horizon	Risk / Opportunity	Potential Impact on Future Cash Flows	Impact on Cost of Capital	Impact on Access to Finance
<b>Short-term Risk</b>	Reduction in community investments during economic downturn could harm local relationships.	Potential disruption from community dissatisfaction.	Minor increase if social performance scores drop.	Loss of eligibility for certain CSR co-funding grants.
<b>Long-term Risk</b>	Failure to address community expectations on environmental stewardship could erode trust.	Potential operational disruptions or regulatory pushback.	Higher if licence-to-operate risk increases.	Limits access to concessional funding tied to social impact.
<b>Short-term Opportunity</b>	High-impact CSR programs improve brand visibility.			
<b>Long-term Opportunity</b>	Strategic partnerships with NGOs enhance ESG profile and market access.			

### 6) MFB's Resilience

Five impactful initiatives in FYE 2025 and long-standing partnerships (e.g., MSUMC, Turtle Conservation Society) indicate sustained community trust and engagement capacity. There are future expansion plans on our community programmes through our key focal areas on education, environment and charitable donations.

# Sustainability Statement

## Human Capital Development related SRRO's

### 1) Description of Risks

MFB's ability to remain competitive in a fast-evolving global market depends heavily on the skills, adaptability, and engagement of its workforce. Below-industry-average training hours or training that is misaligned with operational and strategic needs can slow productivity, reduce innovation capacity, and elevate employee attrition rates. Over the long term, insufficient readiness for emerging trends — including automation, digitalisation, and ESG-related customer requirements — could lead to skill obsolescence, eroding the company's market relevance and client trust.

### 2) Effects on Business Model and Value Chain

A workforce with skill gaps can directly impact operational efficiency, product quality, and delivery timelines. Inadequate technical and ESG competencies may also limit MFB's ability to meet the evolving sustainability requirements of key clients, particularly in export markets where ESG compliance is increasingly linked to procurement decisions. These challenges can cascade downstream, affecting the reliability of service delivery, weakening client retention, and increasing dependency on external talent.

### 3) Effects on Strategy and Decision-making

Annual TNA serve as the foundation for aligning workforce capability-building initiatives with corporate objectives. Insights from TNAs inform budget allocations, the design of learning programmes, and succession planning efforts. Turnover analysis feeds into retention strategies, influencing investment in leadership development, career progression pathways, and employee engagement initiatives. The emphasis is on building a pipeline of skilled talent ready to adapt to shifting market demands.

### 4) Governance of Material Topic

Learning and development ("L&D") initiatives are governed by the HR Department in collaboration with departmental managers, ensuring alignment with operational priorities. Progress is tracked against targets embedded within the Sustainability Roadmap, including ensuring TNA is conducted annually. Oversight includes periodic reporting to Senior Management and integration of capability-building metrics into broader ESG performance reviews.

### 5) Financial Implication

Time Horizon	Risk / Opportunity	Potential Impact on Future Cash Flows	Impact on Cost of Capital	Impact on Access to Finance
<b>Short-term Risk</b>	Low training hours per employee compared to industry peers could slow skill development and impact operational efficiency.	Increased recruitment costs to replace under-skilled staff; reduced productivity.	Slight increase if talent pipeline is perceived as weak.	May miss eligibility for talent-linked government grants or incentives.
<b>Long-term Risk</b>	Failure to adapt workforce skills to automation, digitalisation, and ESG requirements may erode competitiveness.	Potential revenue loss from inability to meet client and industry demands.	Higher as investors price in workforce transition risk.	Reduced attractiveness to ESG-conscious institutional investors.

<b>Short-term Opportunity</b>	Increasing the training hours targeted will improve operational performance and employee satisfaction.
<b>Long-term Opportunity</b>	Embedding ESG and innovation skills into L&D strategy positions MFB as a sector leader.

### 6) MFB's Resilience

MFB demonstrates resilience in this area through equitable access to training across genders, structured and transparent performance review processes, and strong employee reintegration outcomes — including a 100% retention rate for employees returning from parental leave. The company's commitment to expanding targeted learning hours, embedding ESG and innovation content into training programmes, and linking skill development to succession planning ensures a future-ready workforce capable of supporting business continuity and sustainable growth.

# Sustainability Statement

## Bursa Malaysia Common Sustainability Matters (CSM) Indicators

Bursa Code	Indicator	Unit	2025
<b>Anti-corruption</b>			
C1 (a)	Percentage of employees who have received training on anti-corruption by employee category		
	Senior Management	Percentage (%)	2.40
	Manager	Percentage (%)	6.40
	Executive	Percentage (%)	11.50
	Non-Executive	Percentage (%)	0.00
C1 (b)	Percentage of operations assessed for corruption-related risks	Percentage (%)	100.00
C1 (c)	Confirmed incidents of corruption and action taken	Number	0.00
<b>Community/Society</b>			
C2 (a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	37,712
C2 (b)	Total number of beneficiaries of the investment in communities	Number	450
<b>Diversity</b>			
C3 (a)	<b>Percentage of employees by gender and age group, for each employee category</b>		
	<b>Age Group by Employee Category</b>		
	Senior Management Under 30	Percentage (%)	0.00
	Senior Management Between 30-50	Percentage (%)	27.00
	Senior Management Above 50	Percentage (%)	73.00
	Manager Under 30	Percentage (%)	0.00
	Manager Between 30-50	Percentage (%)	67.00
	Manager Above 50	Percentage (%)	33.00
	Executive Under 30	Percentage (%)	29.00
	Executive Between 30-50	Percentage (%)	62.00
	Executive Above 50	Percentage (%)	9.00
	Non-Executive Under 30	Percentage (%)	45.00
	Non-Executive Between 30-50	Percentage (%)	52.00
	Non-Executive Above 50	Percentage (%)	3.00
	<b>Gender Group by Employee Category</b>		
	Senior Management Male	Percentage (%)	67.00
	Senior Management Female	Percentage (%)	33.00
	Manager Male	Percentage (%)	67.00
	Manager Female	Percentage (%)	33.00
	Executive Male	Percentage (%)	37.00
	Executive Female	Percentage (%)	63.00
	Non-Executive Male	Percentage (%)	76.00
	Non-Executive Female	Percentage (%)	24.00
C3 (b)	<b>Percentage of directors by gender and age group</b>		
	<b>By Gender</b>		
	Male	Percentage (%)	57.00
	Female	Percentage (%)	43.00

Internal assurance

External assurance

No assurance

(\*) Restated

# Sustainability Statement

Bursa Code	Indicator	Unit	2025
<b>By Age Group</b>			
	Under 30	Percentage (%)	0.00
	Between 30-50	Percentage (%)	14.00
	Above 50	Percentage (%)	86.00
<b>Energy Management</b>			
C4 (a)	Total energy consumption	Megawatt	4,342.71
<b>Health and Safety</b>			
C5 (a)	Number of work-related fatalities	Number	0
C5 (b)	Lost time incident rate (LTIR)	Rate	1.8
C5 (c)	Number of employees trained on health and safety standards	Number	316
<b>Labour Practices and Standards</b>			
C6 (a)	Total hours of training by employee category		
	Senior Management	Hours	343
	Manager	Hours	1,414
	Executive	Hours	1,197
	Non-Executive	Hours	1,498
C6 (b)	Percentage of employees that are contractors or temporary staff	Percentage (%)	1.00
C6 (c)	Total number of employee turnover by employee category		
	Senior Management	Number	0
	Manager	Number	0
	Executive	Number	12
	Non-Executive	Number	102
C6 (d)	Number of substantiated complaints concerning human rights violations	Number	0
<b>Supply Chain Management</b>			
C7 (a)	Proportion of spending on local suppliers	Percentage (%)	80.00
<b>Data Privacy and Security</b>			
C8 (a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Water</b>			
C9 (a)	Total volume of water used	Megalitres	13.473
<b>Waste Management*</b>			
C10 (a)	Total waste generated, and a breakdown of the following:	Metric tonnes	390.04
	(i) total waste diverted from disposal	Metric tonnes	256.04
	(ii) total waste directed to disposal	Metric tonnes	134.00
<b>Emissions management</b>			
C11 (a)	Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	208.14
C11 (b)	Scope 2 emissions in tonnes of CO <sub>2</sub> e		
	Market-based	Metric tonnes	3,054.75
	Location-based	Metric tonnes	3,361.25
C11 (c)	Scope 3 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	267.38

Internal assurance

External assurance

No assurance

(\*) Restated

# Sustainability Statement

## GRI Content Index

**Statement of use:** Mega Fortris Berhad has reported following the GRI Standards for the period of 1<sup>st</sup> July 2024 to 30<sup>th</sup> June 2025

**GRI 1 used:** GRI 1: Foundation 2021

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	[2-2] Entities included in the organisation's sustainability reporting	Chapter 1 - About the Report - Mega Fortris Berhad - Our Legacy, Values, and Global Reach	Pg 34 Pg 36
	[2-3] Reporting period, frequency and contact point	Chapter 1 - About the Report	Pg 34
	[2-4] Restatements of information	(Information not available)	-
	[2-5] External assurance	Chapter 1 - About the Report	Pg 35
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	[2-7] Employees	Chapter 1 - Mega Fortris Berhad - Our Legacy, Values, and Global Reach - Our Year at a Glance	  Pg 37
	[2-8] Workers who are not employees	(Information not available)	-
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	[2-10] Nomination and selection of the highest governance body	Chapter 1 - Sustainability Governance	Pg 48-49
	[2-11] Chair of the highest governance body	(Information not available)	-
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	[2-13] Delegation of responsibility for managing impacts	Chapter 1 - Sustainability Governance	Pg 48-49
	[2-14] Role of the highest governance body in sustainability reporting	(Information not available)	-
	[2-15] Conflicts of interest	Chapter 1 - Sustainability Governance - Our Board Composition Overview	Pg 49

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	[2-16] Communication of critical concerns	(Information not available) -
	[2-17] Collective knowledge of the highest governance body	(Information not available) -
	[2-18] Evaluation of the performance of the highest governance body	(Information not available) -
	[2-19] Remuneration policies	(Information not available) -
	[2-20] Process to determine remuneration	(Information not available) -
	[2-21] Annual total compensation ratio	(Information not available) -
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	[2-23] Policy commitments	Chapter 3 - Corporate Governance Pg 60-61 - Our Commitment
	[2-24] Embedding policy commitments	Chapter 3 - Corporate Governance Pg 60-61 - Our Commitment
	[2-25] Processes to remediate negative impacts	Chapter 3 - Corporate Governance Pg 60 - Our Commitment Pg 60-61 - Government Policies in Place - Ethical Business Practices Pg 63 - Our Commitment
	[2-26] Mechanisms for seeking advice and raising concerns	Chapter 3 - Corporate Governance Pg 60-63 - Our Commitment - Ethical Business Practices - Our Commitment
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	[3-2] List of material topics	Chapter 1 - Materiality Assessment: Defining our Priorities - Materiality Assessment Pg 42-47
<b>Energy Management and Carbon Management</b>		
<b>GRI 302: Energy 2016</b>	[302-1] Energy consumption within the organization	Chapter 3 - Energy Management - Monitoring and Management Approach Pg 68
	[302-4] Reduction of energy consumption	Chapter 3 - Energy Management - Energy Efficiency and Renewable Energy Initiatives Pg 69
<b>GRI 305: Emissions 2016</b>	[305-1] Direct (Scope 1) GHG Emissions	Chapter 3 - Carbon Management - A Snapshot of Our GHG Inventory Pg 72-74
	[305-2] Energy indirect (Scope 2) GHG emissions	Chapter 3 - Carbon Management - A Snapshot of Our GHG Inventory Pg 72-74
	[305-3] Other indirect (Scope 3) GHG emissions	Chapter 3 - Carbon Management - A Snapshot of Our GHG Inventory Pg 72-74
<b>Sustainable Procurement</b>		
<b>GRI 204: Procurement Practices 2016</b>	[204-1] Proportion spending on local suppliers	Chapter 3 - Building a Responsible and Resilient Supply Chain - Procurement Performance Pg 80
<b>Waste Management</b>		
<b>GRI 306: Waste 2020</b>	[306-2] Management of significant waste-related impacts	Chapter 3 - Waste Management & Water Consumption in MFB - Management Approach Pg 76
	[306-3] Waste generated	Chapter 3 - Waste Management & Water Consumption in MFB - Management Approach Pg 76
	[306-4] Waste diverted from disposal	Chapter 3 - Waste Management & Water Consumption in MFB - General Waste Diversion Approach Pg 77-78
	[306-5] Waste directed to disposal	Chapter 3 - Waste Management & Water Consumption in MFB - General Waste Diversion Approach Pg 77-78

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GRI Standard	Disclosure	Page Number(s)
<b>Sustainable Materials</b>		
<b>GRI 301: Materials 2016</b>		(Information not available) -
<b>Community Engagement</b>		
<b>GRI 203: Indirect Economic Impacts 2016</b>	[203-1] Infrastructure investments and services supported	Chapter 4 - Community Engagement and Relations Pg 95-98
<b>GRI 413: Local Communities 2016</b>	[413-2] Operations with significant actual and potential negative impacts on local communities	Chapter 1 - Leadership Achievements Pg 31-33 - Sustainability Achievements - Mega Fortris Berhad - Our Legacy, Values, and Global Reach - Our Year at a Glance Pg 37 - Framework Driven Sustainability - Strengthening Communities through CSR Pg 39
		Chapter 4 - Community Engagement and Relations Pg 95-98
<b>Product Safety and Quality</b>		
<b>GRI 416: Customer Health and Safety 2016</b>		(Information not available) -
<b>Regulatory Compliance</b>		
<b>GRI 2: General Disclosures</b>	[2-27] Compliance with laws and regulations	(see index entries above)
<b>Corporate Governance &amp; Business Ethics</b>		
<b>GRI 205: Anti-corruption 2016</b>	[205-1] Operations assessed for risks related to corruption	Chapter 3 - Ethical Business Practices Pg 64 - Anti-Bribery and Anti-Corruption (ABAC) Commitment
	[205-2] Communications and training about anti-corruption policies and procedures	Chapter 3 - Ethical Business Practices Pg 64 - Anti-Bribery and Anti-Corruption (ABAC) Commitment
	[205-3] Confirmed incidents of corruption and actions taken	Chapter 3 - Ethical Business Practices Pg 64 - Anti-Bribery and Anti-Corruption (ABAC) Commitment

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GRI Standard	Disclosure	Page Number(s)
<b>Labor Practices and Human Rights</b>		
<b>GRI 401: Employment 2016</b>	[401-1] New employee hires and employee turnover	Chapter 4 - Human Capital Development - Strengthening Retention and Employee Wellbeing Pg 87
	[402-3] Parental Leave	Chapter 4 - Human Capital Development - Enabling Growth Through Performance and Equal Opportunity Pg 87
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	[405-1] Diversity of governance bodies and employees	Chapter 1 - Sustainability Governance - Our Board Composition Overview Pg 48
		Chapter 4 - Workplace Diversity, Equity & Inclusion Pg 84-85
<b>GRI 406: Non-discrimination 2016</b>	[406-1] Incidents of discrimination and corrective actions taken	Chapter 4 - Labour Practices and Human Rights Pg 90-91
<b>Health &amp; Safety</b>		
<b>GRI 403: Occupational Health &amp; Safety</b>	[403-1] Occupational health and safety management system	Chapter 4 - Health & Safety - Safety Governance and Risk Management Pg 93
	[403-2] Hazard identification, risk assessment, and incident investigation	Chapter 4 - Health & Safety - Safety Governance and Risk Management Pg 93
	[403-3] Occupational health services	Chapter 4 - Health & Safety - Health Support and Monitoring Pg 94
	[403-5] Worker training on occupational health and safety	Chapter 4 - Health & Safety - Health and Safety Training & Awareness Pg 93-94
	[403-6] Promotion of worker health	Chapter 4 - Health & Safety - Health Support and Monitoring Pg 94
<b>Human Capital Development</b>		
<b>GRI 404: Training &amp; Education 2016</b>	[404-1] Average hours of training per year per employee	Chapter 4 - Human Capital Development Pg 86
	[404-2] Programs for upgrading employee skills and transition assistance programs	Chapter 4 - Human Capital Development Pg 86
	[404-3] Percentage of employees receiving regular performance and career development reviews	Chapter 4 - Human Capital Development Pg 87

# Sustainability Statement

## TCFD Disclosure Summary

Pillar	TCFD Recommended Disclosure	Disclosure Summary	Disclosure Location
<b>Governance</b>	Disclose the organisation's governance around climate-related risks and opportunities.	<p>Climate-related matters are overseen at the Board level through the Board Audit Committee and SRMC, which also reviews ESG-related risks including those arising from climate.</p> <p>The Sustainability/ESG Committee, supported by the Group's Sustainability, Compliance and Operations teams, monitors implementation progress and internal sustainability controls.</p> <p>Roles and responsibilities have been integrated within enterprise risk oversight practices.</p>	Sustainability Governance
<b>Strategy</b>	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	MFB has identified energy efficiency and climate resilience as core focus areas within its environmental strategy. The company is currently enhancing its data infrastructure and site-level monitoring, including energy audits, to better understand long-term climate risks. These insights are feeding into future scenario-planning and resource allocation. Climate-aligned initiatives are also linked to cost efficiency, regulatory compliance, and customer expectations, particularly in global packaging and logistics markets.	Energy Management Carbon Management Journey
<b>Risk Management</b>	Disclose how the organisation identifies, assesses, and manages climate-related risks.	<p>Climate-related risks are embedded into the broader SRRO framework under development. Initial climate risk assessments are underway and a full climate risk assessment will be performed.</p> <p>The company has begun aligning its approach with IFRS S2, identifying physical and transition risks such as rising energy costs, carbon pricing, and supply chain disruptions. Materiality assessments and stakeholder engagements were also used to prioritise relevant environmental and climate topics.</p>	SRROs are mapped in-depth for each of our 11 material topics in the respective sections.
<b>Metrics &amp; Targets</b>	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	<p>Key environmental metrics include Scope 1, Scope 2 and Scope 3 GHG emissions, energy consumption, and reduction initiatives linked to manufacturing efficiency.</p> <p>Energy-saving are directly tied to climate mitigation and resource efficiency outcomes. Specific targets for energy and emissions reduction are in development, forming part of a multi-year roadmap.</p>	Energy Management Carbon Management Journey

# Corporate Governance Overview Statement

The Board of Directors ("**the Board**") of the Company recognises its overarching responsibility in promoting sound corporate governance and upholding ethical standards across the Group to drive sustainable, long-term value creation. The Board is committed to maintaining high standards of corporate governance founded on the principles of transparency, integrity, and professionalism in the best interest of both the Company and its various stakeholders.

Following the Company's listing on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 11 November 2024, the Board has established a governance framework aligned with Main Market Listing Requirements of Bursa Securities ("**MMLR**") and Malaysian Code on Corporate Governance ("**MCCG**") to support effective oversight and decision making.

In accordance to Paragraph 15.25(1) of the MMLR and guided by Practice Note 9 of MMLR, the Board is pleased to present this Corporate Governance Overview Statement ("**CG Statement**") which outlines a summary of the corporate governance practices adopted and applied during the financial year ended 30 June 2025 ("**FYE 2025**"). This CG Statement is structured around the three (3) core principles of the MCCG as follows:

- Principle A: Board Leadership and Effectiveness;
- Principle B: Effective Audit and Risk Management; and
- Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Shareholders and stakeholders are encouraged to read this CG Statement in conjunction with the Corporate Governance Report ("**CG Report**"), which provides detailed disclosures on how the Company has applied each of the MCCG's practices throughout FYE 2025. The CG Report is accessible on the Company's website at <https://www.megafortris.com/>.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. BOARD RESPONSIBILITIES

#### Intended Outcome

**1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.**

1.1 The Board of the Company assumes full responsibility for the leadership, strategic direction, and overall oversight of the Group. In line with Practice 1.1 of the MCCG, the Board is collectively responsible for promoting the Company's long-term success while safeguarding the interests of its stakeholders.

Following the Company's listing on the Bursa Securities on 11 November 2024, the Board has formalised its governance framework through the adoption of a comprehensive Board Charter. The Board Charter sets out the roles and responsibilities of the Board, the Chairman, individual Directors, the Group Managing Director cum Group Chief Executive Officer ("**GMDCEO**"), and the Board Committees. It also defines the authority limits and matters reserved for Board decision, ensuring a clear demarcation between the roles of the Board and Management. The Board Charter is available on the Company's website at <https://www.megafortris.com/>.

To support the discharge of its fiduciary duties effectively, the Board has established four (4) key Committees, namely the Audit Committee ("**AC**"), Sustainability and Risk Management Committee ("**SRMC**"), Nominating Committee ("**NC**"), and Remuneration Committee ("**RC**"), each guided by clearly defined Terms of Reference. The Board has also adopted key governance policies including the Code of Conduct and Ethics, Conflict of Interest Policy, Related Party Transaction Policy, Whistleblowing Policy, Anti-Bribery and Corruption Policy and Directors' Fit and Proper Policy.

During the FYE 2025, the Board actively discharged its duties through four (4) Board meetings, which included deliberations on strategic planning, quarterly financial and operational performance, material risks and, corporate disclosures, and reports from its Board Committees. In line with its role as the highest decision making body, the Board assumed collective responsibility for setting the Group's vision, mission, and core values, approving significant strategies and investments, and promoting a culture of integrity and accountability.

In addition, Directors have undertaken relevant training and familiarisation programmes to strengthen their knowledge and readiness, particularly in view of the Company's transition into a public listed entity. The Board continues to meet regularly in accordance with a structured calendar to deliberate on strategic, financial, risk and operational matters of the Group.

The Board remains committed to upholding high standards of corporate governance and will continuously review and enhance its practices to ensure effective leadership and oversight in achieving the Company's objectives.

# Corporate Governance Overview Statement

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

### I. BOARD RESPONSIBILITIES (CONT'D)

- 1.2 The Board is chaired by Dato' Ng Meng Kee ("**Dato' Nick Ng**") the Non-Independent Non-Executive Director ("**Chairman**"), in accordance with the Company's Board composition and governance structure. While the Chairman is not independent, the Board has instituted appropriate safeguards to ensure the continued objectivity, balance, and effectiveness of the Board's leadership and oversight functions.

The roles and responsibilities of the Chairman are clearly defined in the Board Charter, including leading the Board in setting the Company's strategic direction, ensuring effective Board deliberations, facilitating robust participation by all Directors including Independent Directors and promoting high standards of corporate governance. The Board Charter also provides for a clear separation of roles between the Chairman and the GMDCEO to avoid any overlap of authority.

To strengthen governance and maintain a balanced perspective, the Board comprises a majority of Independent Non-Executive Directors ("**INED**"), and all Board Committees are chaired by INED. These structures and practices serve as effective checks and balances, mitigating any concerns associated with the Chairman's non-independent status.

The Board is satisfied that the Chairman has provided strong and effective leadership in facilitating Board performance and upholding the principles of accountability, transparency, and good governance throughout the FYE 2025.

- 1.3 The Board acknowledges the importance of effective Board leadership and strong governance structures in driving long-term business sustainability. During the FYE 2025, the Board continued to uphold the principles of Practice 1.2 and Practice 1.3 of the MCCG with appropriate governance safeguards, given the structure of the Board following the Company's listing on 11 November 2024.

The Board is chaired by a Non-Independent Non-Executive Chairman. While the Chairman is not independent, the Board has implemented appropriate safeguards to ensure objective and effective oversight. These include maintaining a majority of INED on the Board and appointing Independent Directors as Chairs of all Board Committees, which serve as important checks and balances.

The roles and responsibilities of the Chairman are clearly defined in the Board Charter. These include leading the Board in fulfilling its responsibilities, setting the agenda for Board meetings in consultation with the GMDCEO and Company Secretaries, and ensuring effective participation by all Directors, including Independent Directors, in Board deliberations.

In line with Practice 1.3 of the MCCG, the roles of the Chairman and GMDCEO are clearly separated and distinct, with the GMDCEO responsible for the day-to-day management of the Group and implementation of the Board's strategic direction. This separation promotes a balance of authority and supports the Board's ability to exercise independent oversight of Management.

The Board is satisfied that the current leadership structure promotes accountability, strategic clarity, and effective decision making in the best interest of the Company and its stakeholders.

# Corporate Governance Overview Statement

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

### I. BOARD RESPONSIBILITIES (CONT'D)

- 1.4 The Board is committed to upholding the highest standards of corporate governance in support of sustainable growth and long-term shareholder value. In line with Practices 1.2, 1.3 and 1.4 of the MCCG, the Company has adopted a clear governance structure that ensures effective leadership, robust oversight, and independent decision making.

The Board is chaired by a Non-Independent Non-Executive Director. To safeguard objective oversight, the Board has implemented the following measures:

- (a) The Chairman is not a member of any of the AC, NC, RC or SRMC, and does not participate in any of their meetings;
- (b) Each of the AC, NC and RC is composed entirely of INEDs and chaired by an Independent Director.

This structure promotes independence in the evaluation of financial reporting, Board composition, and remuneration matters, and ensures that no single individual dominates Board or Committee deliberations.

The Board remains committed to continuously reviewing and enhancing its governance practices in line with evolving regulatory expectations and stakeholder interests.

- 1.5 The Board is supported by two professionally qualified and experienced Company Secretaries, Ms. Teo Soon Mei (MAICSA 7018590 and SSM Practising Certificate No. 201908000235) and Ms. Tee Wan Ting (MAICSA 7077906 and SSM Practising Certificate No. 202208000388), both of whom are qualified under Section 235(2) of the Companies Act 2016. The Company Secretaries play a pivotal role in facilitating effective Board processes, ensuring compliance with applicable laws and regulations, and advising the Board on governance and procedural matters.

As part of the Company's commitment to good governance following its listing on 11 November 2024, the Company Secretaries have been instrumental in advising the Board on its duties and responsibilities, the MMLR, and evolving corporate governance best practices. They attend all Board and Board Committee meetings and ensure that deliberations and decisions are accurately recorded and properly communicated.

The Board is satisfied that the Company Secretaries have provided strong and competent support throughout the FYE 2025, and continue to uphold the integrity and effectiveness of the Board's functioning in line with the intended outcome of Practice 1.5 of the MCCG.

- 1.6 The Board is committed to ensuring that Directors are equipped with complete and timely information to support effective deliberation and decision making. In line with Practice 1.6 of the MCCG, the Board has put in place procedures to ensure that meeting materials are circulated to all Directors at least five (5) business days prior to each Board and Board Committee meeting.

During the FYE 2025, the Board convened four (4) meetings, with the Company Secretaries playing a key role in coordinating the timely dissemination of meeting materials. The materials provided were comprehensive and included relevant reports, proposals, and management updates to enable Directors to participate meaningfully in discussions. Key matters deliberated included the Group's quarterly financial results, audited financial statements, internal audit findings, Sustainability reports, Board Committees' reports, and risk management reports. The Board also reviewed the Group's operations, financial performance, and other strategic issues.

To enhance the quality of deliberations, relevant senior management and professional advisers were invited to attend meetings and provide their insights and input. Minutes of meetings were documented and circulated promptly to ensure accurate records of proceedings and to facilitate effective follow-up on matters arising.

Through these practices, the Board upholds a high standard of transparency, accountability, and governance effectiveness in its decision making processes.

# Corporate Governance Overview Statement

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

### I. BOARD RESPONSIBILITIES (CONT'D)

#### 1.6 (Cont'd)

The attendance of Directors of the Company is detailed below:

Name of Director <sup>^</sup>	Designation	The Attendance for the following Meetings of the Board Committees				
		Board	AC	NC	RC	SRMC
Dato' Nick Ng	Chairman	4/4	-	-	-	-
Datuk Adrian Ng	GMDCEO	4/4	-	-	-	1/1
Ng Weng Choi	Executive Director	4/4	-	-	-	-
Lew Siew Yen	INED	4/4	4/4	3/3	2/2	-
Tan Kok Yang (Ceased as a member of RC on 17 March 2025 and Resigned on 2 September 2025)	INED	4/4	4/4	3/3	1/1	1/1
Shireen Iqbal Binti Mohamed Iqbal (Resigned on 18 February 2025)	Senior INED	3/3	3/3	2/2	1/1	-
Chew Wei Keong (Appointed on 17 March 2025)	INED	1/1	1/1	-	1/1	1/1
Teoh Hooi Cheng (Appointed on 17 March 2025)	INED	1/1	-	1/1	1/1	1/1
Dato' Sasikala Devi A/P Subramaniam (Appointed on 21 May 2025)	INED	-	-	-	-	-

Remarks:

AC stands for Audit Committee

NC stands for Nominating Committee

RC stands for Remuneration Committee

SRMC stands for Sustainability and Risk Management Committee

The Board is satisfied that these processes support the integrity, efficiency, and effectiveness of Board proceedings in accordance with the intended outcome of Practice 1.6.

# Corporate Governance Overview Statement

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

### I. BOARD RESPONSIBILITIES (CONT'D)

#### Intended Outcome

#### 2.0 There is demarcation of responsibilities between the board, board committees and management.

**There is clarity in the authority of the board, its committees and individual directors.**

2.1 The Board has adopted a comprehensive Board Charter which outlines the respective roles and responsibilities of the Board, Board Committees, Chairman, GMDCEO, Executive Director, Non-Executive Directors, and Management, as well as matters reserved for the Board's deliberation and decision.

The Board Charter was established in conjunction with the Company's listing on the Bursa Securities on 11 November 2024, and serves as a key governance document to ensure there is a clear demarcation of responsibilities and authority among the Board, its Committees, and Management.

The Board Charter also sets out guidance on the composition and structure of the Board, the conduct of Board meetings, and the responsibilities of the Chairman and the GMDCEO. The Terms of Reference ("TOR") for each Board Committee are embedded within or aligned to the Board Charter to ensure consistency and clarity in oversight functions.

To promote transparency and stakeholder accessibility, the Board Charter and Terms of Reference for the Board Committees are made publicly available on the Company's website at <https://www.megafortris.com/>.

The Board reviews the Board Charter periodically to ensure it remains relevant and aligned with prevailing regulations, market expectations, and governance best practices.

#### Intended Outcome

#### 3.0 The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

**The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the Company.**

3.1 The Board is committed to promoting and upholding a strong corporate culture anchored on integrity, accountability, and ethical conduct throughout the Group. In line with Practice 3.1 of the MCCG, the Company has adopted a formal Code of Conduct and Ethics ("the Code") applicable to all Directors, Management, and employees.

The Code outlines the standards of ethical behaviour and professional conduct expected of all individuals acting on behalf of the Company. It covers key areas including compliance with laws and regulations, prevention of conflicts of interest, confidentiality obligations, anti-bribery and corruption, and respectful workplace conduct.

The Code was formalised in conjunction with the Company's listing on 11 November 2024 and is supplemented by other key governance policies such as the Whistleblowing Policy and Anti-Bribery and Corruption Policy.

To promote transparency and stakeholder confidence, the Code is made publicly available on the Company's website at <https://www.megafortris.com/>.

The Board reviews the Code periodically to ensure its continued relevance and alignment with evolving governance expectations.

# Corporate Governance Overview Statement

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

### I. BOARD RESPONSIBILITIES (CONT'D)

- 3.2 The Board is committed to fostering a culture of integrity, openness, and accountability across the Group. In line with Practice 3.2 of the MCCG, the Company has established a formal Whistleblowing Policy to encourage the reporting of actual or suspected misconduct without fear of retaliation. The policy is to be read in conjunction with the Company's Code.

The Whistleblowing Policy outlines the procedures for raising concerns relating to unethical behaviour, fraud, corruption, or other violations of the Company's Code of Conduct and internal policies. It provides confidential and secure reporting channels, and ensures that all disclosures are treated seriously, investigated independently, and addressed appropriately.

To ensure proper governance, whistleblowing disclosures are to be submitted directly to Independent Directors, specifically the Chairman of the AC.

Whistleblowers are assured of confidentiality and protection from reprisal, provided reports are made in good faith. The Board oversees the implementation of the policy and ensures its continued effectiveness.

For FYE 2025, the Company did not receive any whistleblowing reports.

### Intended Outcome

#### 4.0 The Company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

- 4.1 The Board recognises the importance of integrating sustainability into the Group's strategic direction and risk management framework. In line with Practice 4.1 of the MCCG, the Board, together with Management, takes full responsibility for the governance of sustainability, including the setting of sustainability strategies, priorities, and performance targets.

To support this, the Company has established a SRMC, which reports directly to the Board and is tasked with overseeing the Group's sustainability agenda, including the review of material environmental, social and governance ("ESG") matters, sustainability risk management, and performance monitoring.

At the operational level, a Sustainability Working Group comprising all heads of departments has been formed to drive the implementation of sustainability initiatives across the Group and ensure alignment with the Company's strategic goals.

Sustainability considerations are embedded in the Group's business planning, risk assessment, and decision making processes, enabling the Company to address ESG risks and opportunities in an integrated and strategic manner to support long-term growth.

- 4.2 The Board ensures that the Company's sustainability strategies, priorities, and performance targets are effectively communicated to both internal and external stakeholders. In line with Practice 4.2 of the MCCG, the Company has undertaken a comprehensive materiality assessment to identify key ESG issues that are most relevant to the Group's business, stakeholders, and the broader environment.

The assessment process is aligned with leading sustainability frameworks, including the Global Reporting Initiative ("GRI") and Bursa Malaysia's Sustainability Reporting Guide, and reflects the Company's readiness to align with emerging standards such as IFRS S1 and S2.

The material sustainability matters identified through this process guide the Company's ESG strategy and performance targets. These are regularly reviewed by the SRMC and approved by the Board. The Company's sustainability disclosures are communicated through the Sustainability Statement in the Annual Report and ongoing stakeholder engagements.

This approach ensures that the Company addresses sustainability risks and opportunities in an integrated and strategic manner to support long-term business success.

# Corporate Governance Overview Statement

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

### I. BOARD RESPONSIBILITIES (CONT'D)

- 4.3 The Board recognises the significance of sustainability and climate-related risks in shaping the Group's long-term strategic direction. In line with Practice 4.3 of the MCCG, the Board takes active steps to remain informed and engaged on sustainability issues, including those arising from environmental regulations, stakeholder expectations, and the broader climate agenda.

During the FYE 2025, the Company conducted a comprehensive materiality assessment to identify and prioritise key ESG issues relevant to its operations and stakeholders. To ensure strategic alignment and ownership at the leadership level, a senior-level validation workshop was held involving senior management. The session critically reviewed the preliminary materiality matrix, incorporating strategic feedback on emerging ESG risks, business relevance, and regulatory obligations, including climate-related impacts.

This process resulted in a refined materiality matrix that reflects the strategic judgement of senior management and the endorsement of the Board. The outcome guides the Company's sustainability focus areas and demonstrates the Board's commitment to integrating ESG, particularly climate-related risks and opportunities, into its overall governance and decision making processes.

Details of sustainability-related training programmes attended by Directors are disclosed in the summary activities of NC under section 5.1 of this statement.

The Board, along with the SRMC will continue to identify and update the Board and Management on various international standards and best practices related to sustainability risks and opportunities. The NC will recommend more suitable sustainability-related training programmes for the Board and Management.

- 4.4 As part of its commitment to embedding sustainability into corporate governance, the Board has incorporated a preliminary assessment of sustainability oversight into its first annual performance evaluation exercise following the Company's listing on 11 November 2024.

The evaluation covered the Board, individual Directors, and senior management, and included early-stage review criteria relating to the identification and oversight of material sustainability risks and opportunities, including climate-related concerns. This exercise aimed to assess the Board's collective effectiveness in driving ESG priorities and supporting long-term value creation.

The NC oversaw the evaluation process and ensured alignment with the Company's ESG strategy and stakeholder expectations. While this marks the Company's first year of performance assessments as a listed entity, the Company remains committed to progressively enhancing the integration of ESG-related KPIs in future evaluation cycles for both the Board and Management.

In line with Practice 4.4 of the MCCG, the Board recognises the importance of assessing how effectively sustainability considerations are integrated into its governance and strategic decision-making processes.

- 4.5 The Board currently does not designate a specific individual to solely focus on managing the sustainability strategy. However, to enhance the Group's sustainability management, the Board has bestowed the responsibility of overseeing sustainability matters to the SRMC. This delegation of authority reflects the Board's commitment to promoting sustainability practices throughout the Group.

# Corporate Governance Overview Statement

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

### II. BOARD COMPOSITION

#### Intended Outcome

#### 5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights.

5.1 The NC plays a critical role in ensuring the long-term sustainability of the Company's leadership and governance. Its responsibilities, as set out in its Terms of Reference, include developing and implementing policies for the nomination and appointment of Directors and Board Committee members, as well as overseeing Board composition to ensure alignment with the Company's strategic objectives.

During the FYE 2025, the NC convened three (3) meetings to assess the effectiveness of the Board and individual Directors as well as the appointment of new INEDs. The evaluation covered areas such as performance, tenure, and continued suitability based on the Company's Directors' Fit and Proper Policy. Following this process, the NC recommended the re-election of Directors retiring at the forthcoming AGM, having been satisfied with their performance and contribution.

In response to the resignation of two (2) INEDs, the NC conducted a detailed gap analysis to assess the Board's composition against the requirements of MMLR and the MCCG. This exercise led to the appointment of three new INEDs, all of whom were assessed to be fit, proper, and aligned with the Company's strategic direction.

The Board remains committed to maintaining an appropriate mix of skills, independence, and diversity to support sustainable long-term growth.

During the FYE 2025, the NC was chaired by Puan Shireen Iqbal Binti Mohamed Iqbal, the Senior INED until her resignation on 18 February 2025. Subsequently, Ms. Teoh Hooi Cheng was appointed as the Chairperson of the NC with effect from 17 March 2025. In addition, following the resignation of Mr. Tan Kok Yang as Director, Dato' Sasikala Devi A/P Subramaniam was appointed as a member of the NC to fill the vacancy. The composition of the NC is as follows:

Designation	Name	Directorship
Chairperson	Teoh Hooi Cheng (Appointed on 17 March 2025)	INED
Chairperson	Shireen Iqbal Binti Mohamed Iqbal (Ceased on 18 February 2025)	Senior INED
Member	Lew Siew Yen	INED
Member	Tan Kok Yang (Ceased on 2 September 2025)	INED
Member	Dato' Sasikala Devi A/P Subramaniam (Appointed on 2 September 2025)	INED

The TOR of NC detailed the roles and responsibilities of NC is accessible on the Company's website.

# Corporate Governance Overview Statement

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

### II. BOARD COMPOSITION (CONT'D)

#### 5.1 (Cont'd)

#### **Summary of Activities of NC**

As at the date of this statement, the NC guided by its TOR carried out the following key activities:

#### (a) Board Appointments and Composition

- (1) Reviewed, considered and recommended the appointment of Mr. Chew Wei Keong and Ms. Teoh Hooi Cheng as INEDs of the Company;
- (2) Reviewed, considered and recommended the appointment of Dato' Sasikala Devi A/P Subramaniam as the INED of the Company; and
- (3) Reviewed and recommended the restructuring of the composition of the Board Committees.

#### (b) Board and Directors Assessments

- (1) Conducted the annual assessment of the Board, Board Committees, and individual Directors for the FYE 2025 and was satisfied with the overall performance and effectiveness;
- (2) Reviewed the competency, experience, and responsibilities of individual Directors to ensure alignment with the Company's Directors' Fit and Proper Policy; and
- (3) Reviewed meeting attendance records and confirmed that all Directors demonstrated sufficient time commitment to discharge their duties effectively.

#### (c) Board Re-election and Tenure Review

- (1) Reviewed and recommended the re-election of the following Directors retiring pursuant to the Company's Constitution at the upcoming Annual General Meeting ("**AGM**"). The Directors' Fit and Proper Policy provides guidance to the NC in assessing the suitability of Directors for appointment or re-election pursuant to the Company's Constitution:

No	Name of Director	Retirement pursuant to the provision of Constitution of the Company
1	Dato' Nick Ng	Clause 84.1
2	Chew Wei Keong	Clause 91
3	Teoh Hooi Cheng	Clause 91
4	Dato' Sasikala Devi A/P Subramaniam	Clause 91

- (2) Reviewed the tenure of INEDs and confirmed that all INEDs remained within the nine (9) year limit in line with Practice 5.3 of the MCCG.

#### (d) Board Composition and Skills Matrix

Reviewed the Board's size, composition, and balance, confirming an appropriate mix of INEDs and Non-Executive Directors. The NC agreed that the current Board possesses a broad range of expertise, including finance and investment management.

#### (e) Directors' Training and Development

- (1) Reviewed the training programmes and webinars attended by Directors during the year.
- (2) Confirmed compliance with the Mandatory Accreditation Programme ("**MAP**") requirements.
- (3) Recommended continuous training and professional development, particularly on sustainability matters.

# Corporate Governance Overview Statement

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

### II. BOARD COMPOSITION (CONT'D)

#### 5.1 (Cont'd)

##### **Summary of Activities of NC (Cont'd)**

##### (f) Conflict of Interest ("COI") Review and Safeguards

The NC is responsible for overseeing the nomination and evaluation process for directors, including assessing the suitability, character, and integrity of each director seeking re-election, in line with the Company's Directors' Fit and Proper Policy, the MCCG and relevant provisions of the MMLR.

During the FYE 2025, the NC undertook a review of a potential COI situation involving Dato' Nick Ng, the Chairman and Datuk Adrian Ng, the GMDCEO in relation to the related party transactions ("**RPT**") and recurrent related party transactions ("**RRPT**"). The COI relates to both Dato' Nick Ng and Datuk Adrian Ng.

The AC had reviewed this matter in detail and recommended a series of mitigation measures to address the potential COI, including mandatory formal declarations of interest, abstention from deliberations and decision making, pre-clearance protocols, and ongoing monitoring and oversight by the AC, comprising exclusively INEDs.

Upon review of the AC's assessment and the measures put in place, NC is satisfied that:

- (i) The nature and extent of the potential COI has been properly identified and disclosed;
- (ii) The measures implemented are adequate to mitigate, monitor, and manage any potential risks to the Group alongside the COI policy;
- (iii) All RPT and RRPT are subject to the review by AC which comprises exclusively INEDs; and
- (iv) Both Dato' Nick Ng and Datuk Adrian Ng have demonstrated a strong commitment to transparency and compliance with the Group's governance framework.

Based on this assessment, and taking into account their overall performance, contribution, and alignment with the Group's strategic objectives, NC is concluded that the identified potential COI has been sufficiently addressed and that necessary safeguarding measures and/or controls were in place to enhance the management and mitigation of these situations, thereby strengthening governance at this juncture.

Accordingly, NC recommends the re-election of Dato' Nick Ng, the Chairman at the forthcoming AGM.

##### (g) Fit and Proper Policy

The NC confirmed that all assessments and recommendations were guided by the Company's Directors' Fit and Proper Policy, which is available on the Company's website.

# Corporate Governance Overview Statement

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

### II. BOARD COMPOSITION (CONT'D)

#### 5.1 (Cont'd)

#### **Summary of Activities of NC (Cont'd)**

##### (h) Directors' Training Records

The details of seminars, conferences and training programmes and seminars attended by the Directors were as follows:

Directors	Seminars/Conferences/Training Programmes Attended	Date Attended
Dato' Nick Ng	Mandatory Accreditation Programme ("MAP I")	16 – 17 October 2024
	Common Offences Committed by Directors under the Companies Act 2016 & Effective Fee Collection Strategy	26 June 2025
Datuk Adrian Ng	MAP I	16 – 17 October 2024
	Trailblazers of Tomorrow: Their Business Journey (Panelist)	16 January 2025
	From Boardroom to Brew: Leadership, Strategy & Resilience (Panelist)	17 – 18 May 2025
Ng Weng Choi	MAP I	16 – 17 October 2024
	Common Offences Committed by Directors under the Companies Act 2016 & Effective Fee Collection Strategy	26 June 2025
Lew Siew Yen	MAP I	11 – 12 September 2024
	Building Sustainable Credibility: Assurance, Greenwashing and the Rise of Green-hushing	28 April 2025
Chew Wei Keong	MAP I	9 – 10 June 2025
Teoh Hooi Cheng	MAP I	9 – 10 June 2025
Tan Kok Yang *	MAP I	16 – 17 October 2024
Shireen Iqbal Binti Mohamed Iqbal ^	MAP I	16 – 17 October 2024
Dato' Sasikala Devi A/P Subramaniam #	MAP I	22 – 23 July 2025
	ICDM BRMC Dialogue & Networking   Governance in an Era of Trade Uncertainty: Navigating Tariff Risks and Opportunities	25 July 2025

Remarks:

(\*) Resigned on 2 September 2025

(^) Resigned on 18 February 2025

(#) Appointed on 21 May 2025

# Corporate Governance Overview Statement

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

### II. BOARD COMPOSITION (CONT'D)

5.2 During FYE 2025, the Board was refreshed following the resignations of Puan Shireen Iqbal Binti Mohamed Iqbal (Senior INED, effective 18 February 2025) and Mr. Tan Kok Yang (INED, effective 2 September 2025). To strengthen Board capacity and diversity, the Company appointed three (3) new INEDs, namely, Mr. Chew Wei Keong and Ms. Teoh Hooi Cheng on 17 March 2025, and Dato' Sasikala Devi A/P Subramaniam on 21 May 2025. As at the date of this statement, the Board comprises seven (7) members, of whom four (4) are INEDs, representing 57.14% of the Board. This composition complies with Paragraph 15.02 of MMLR and aligns with Practice 5.2 of the MCCG, which recommends that at least half of the Board be independent. Below is the Board composition of the Company as at the date of this statement:

No	Name	Position
1	Dato' Nick Ng	Chairman & NINED
2	Datuk Adrian Ng	GMDCEO
3	Ng Weng Choi	ED
4	Lew Siew Yen	INED
5	Chew Wei Keong (Appointed on 17 March 2025)	INED
6	Teoh Hooi Cheng (Appointed on 17 March 2025)	INED
7	Dato' Sasikala Devi A/P Subramaniam (Appointed on 21 May 2025)	INED
8	Shireen Iqbal Binti Mohamed Iqbal (Resigned on 18 February 2025)	Senior INED
9	Tan Kok Yang (Resigned on 2 September 2025)	INED

The INEDs contribute diverse expertise and exercise independent judgement, ensuring that deliberations are balanced, objective, and made in the best interests of the Company and its stakeholders. Their presence enhances effective oversight, strengthens governance practices, and mitigates potential conflicts of interests.

The current Board composition complies with Paragraph 15.02 of MMLR and aligns with Practice 5.2 of the MCCG, with half of the Board comprising Independent Directors.

The INEDs, including the Non-Independent Non-Executive Chairman, play a pivotal role in contributing objective, informed and constructive views in Board's deliberations. Their presence ensures an effective check and balance within the Board, enhances the integrity of decision making, and upholds the best interests of the Company and its stakeholders.

# Corporate Governance Overview Statement

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

### II. BOARD COMPOSITION (CONT'D)

- 5.3 The Board is committed to upholding the principles of independence, objectivity, and integrity in line with the MCCG. Consistent with Practice 5.3 of the MCCG and the provisions of the Board Charter, the tenure of an Independent Director ("ID") is limited to a cumulative term of nine (9) years from the date of initial appointment.

Upon completion of the nine-year term:

- (a) An ID may continue to serve on the Board subject to redesignation as a Non-Independent Director; or
- (b) Where the Board believes the ID continues to provide independent oversight and value, the Board may seek shareholders' approval annually to retain the Director as an ID through a two-tier voting process.

To further strengthen governance, the Board Charter also provides that the cumulative tenure of an ID across the Group shall not exceed twelve (12) years. Beyond this limit, the Director may only serve in a non-independent capacity.

For the FYE 2025, none of the IDs have served more than nine (9) years. The Company is therefore in full compliance with Practice 5.3 of the MCCG, and no shareholder approval was required for retention of IDs beyond the tenure limit.

- 5.4 The Company has not adopted a fixed policy limiting the tenure of INEDs to nine (9) years without extension. Nevertheless, the Board recognises the importance of safeguarding independence and ensuring objective, balanced deliberations in decision making.

To this end, the Board has committed to the following measures:

- (a) Two-tier voting process – Any proposal to retain an INED beyond nine (9) years will be subject to a two-tier voting process at the general meeting, ensuring that shareholders' views are expressly considered and integrated into the decision.
- (b) Rigorous performance review – Regular performance and independence assessments will be carried out for INEDs serving beyond nine (9) years. These reviews will evaluate their contributions, objectivity, and independence while recognising the continuity, experience, and institutional knowledge provided by long-serving INEDs.

Through these measures, the Board aims to strike a balance between retaining valuable experience and ensuring robust independence in line with good corporate governance practices.

- 5.5 The Board is committed to maintaining high standards of corporate governance in the appointment of Directors and Senior Management. In line with Practice 5.5 of the MCCG, all appointments are made based on objective criteria and merit, with due consideration for diversity in skills, competencies, professional experience, age, cultural background, and gender.

During FYE 2025, the NC undertook a structured and objective process to identify and appoint INEDs, utilising both third-party sources and recommendations from existing Directors. This process enhanced transparency and resulted in the appointment of three (3) new INEDs, strengthening the Board's independence and diversity. The Board remains mindful to avoid appointments that may raise integrity or governance concerns, ensuring decisions are made objectively and in the best interests of the Company.

As at the date of this statement, the Board comprises a mix of gender and age diversity, with 43% women Directors, alongside a wide range of professional and industry expertise. The NC also reviewed the time commitment of all Directors and is satisfied that each Director has devoted sufficient time to effectively discharge their duties, with all meeting the minimum 50% attendance requirement under the MMLR.

The Company's approach to appointments and diversity is guided by the Board Charter, the NC's Terms of Reference, and the Directors' Fit and Proper Policy, all of which are published on the Company's website. Further details on Board and workforce diversity, including breakdowns by age, gender, race/ethnicity and nationality, are provided in the Sustainability Statement of this Annual Report.

# Corporate Governance Overview Statement

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

### II. BOARD COMPOSITION (CONT'D)

- 5.6 The Board is committed to a transparent, objective, and inclusive process in the identification and appointment of Directors, in line with Practice 5.6 of the MCCG. During FYE 2025, the NC undertook a structured and merit-based process which combined independent third-party sources and recommendations from existing Directors to identify qualified candidates. This exercise resulted in the appointment of three (3) new INEDs, further strengthening the Board's independence and diversity.

The use of independent external sources enhanced the objectivity and reach of the selection process, while recommendations from existing Directors provided valuable insights on candidates' industry knowledge, governance experience, and alignment with the Company's strategic direction. In evaluating potential candidates, the NC assessed their qualifications, experience, time commitment, integrity, independence of judgement, and compliance with the Directors' Fit and Proper Policy and COI Policy, as well as the requirements under the MMLR and governance best practices.

The NC is satisfied that the combined approach provided a balanced and rigorous process, resulting in fair, transparent, and merit-based appointments. The Board remains committed to ensuring that appointments continue to be made objectively, free from conflicts of interest, and in the best interests of the Company, supported by diverse perspectives that enhance decision making and sustainable growth.

- 5.7 In line with the Company's Constitution, the following Directors ("**Retiring Directors**") are due for retirement and being eligible, have offered themselves for re-election at the forthcoming AGM:

No	Name of Director	Retirement pursuant to the provision of Constitution of the Company
1	Dato' Nick Ng	Clause 84.1
2	Chew Wei Keong	Clause 91
3	Teoh Hooi Cheng	Clause 91
4	Dato' Sasikala Devi A/P Subramaniam	Clause 91

Details of the proposed resolutions are set out in the Statement Accompanying the Notice of AGM in this Annual Report, which also provides shareholders with comprehensive information on each Retiring Director, including their age, gender, qualifications, experience, directorships in other companies, shareholdings, and disclosure of any conflict of interest or convictions.

To ensure informed recommendations, the NC undertook a formal review and assessment of the Retiring Directors in accordance with the Company's Directors' Fit and Proper Policy, covering character and integrity, experience and competency, as well as time commitment and diligence.

Based on the satisfactory outcome of these assessments, the NC recommended, and the Board resolved to support, the re-election of the Retiring Directors. The relevant resolutions will be tabled for shareholders' approval at the forthcoming AGM.

- 5.8 The Board has established a NC comprising only INEDs. During the year, the NC's composition was refreshed following the resignation of the Senior INED, with Ms. Teoh Hooi Cheng, the INED who was appointed as Chairperson on 17 March 2025. As at the date of this Report, the NC continues to consist fully of INEDs, reflecting the Board's commitment to transparency and strong governance practices.

The NC is responsible for succession planning, Board and Committee composition reviews, annual performance evaluations, assessment of Director independence, and monitoring of training programmes. Further details of the NC's composition, activities and changes during the year are disclosed in the CG Report of this Annual Report.

# Corporate Governance Overview Statement

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

### II. BOARD COMPOSITION (CONT'D)

5.9 The Board has complied with Practice 5.9 of the MCCG since listing on 11 November 2024, with women Directors initially comprising 33.33% of the Board. During FYE 2025, following the resignation of the Senior INED, the Board strengthened its diversity by appointing two (2) additional female Directors, raising women's representation to 43% (3 out of 7 Directors) as at the date of this Annual Report.

The Board remains committed to gender diversity at both Board and senior management levels, recognising the benefits of diverse perspectives in supporting effective leadership and sustainable growth. Further details, including the Group's workforce analysis by gender and other demographics, are provided in the CG Report and Sustainability Statement of this Annual Report.

5.10 In conjunction with its listing on 11 November 2024, the Company adopted a formal Gender Diversity Policy to reinforce the Board's commitment to objective decision making, enriched by diverse perspectives and insights. The Policy outlines the Company's approach to achieving balanced gender representation at both the Board and Senior Management levels, while ensuring that appointments are made on merit, with due consideration of gender, skills, experience, and background.

During the FYE 2025, the Board applied the Gender Diversity Policy in the appointment of three (3) new INEDs, further strengthening diversity in gender, ethnicity, and professional expertise.

The Board fully supports the principle of having at least 30% women representation on the Board and extends this commitment to Senior Management. As at the date of this Annual Report, women represent 43% of the Board. The Board continues to actively monitor and review progress under the Gender Diversity Policy to ensure sustained diversity and inclusivity across the organisation.

### Intended Outcome

#### 6.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors.

6.1 The Board is committed to undertaking a formal and objective annual evaluation process to assess the effectiveness of the Board as a whole, its Committees, and individual Directors. This process provides assurance to stakeholders that the Board continues to discharge its responsibilities effectively, objectively, and in the best interests of the Company.

For the FYE 2025, NC carried out a comprehensive evaluation which covered:

- (a) Board and Committee Performance – assessing effectiveness, size, balance, composition, and individual contributions;
- (b) AC Performance – evaluating the AC's effectiveness in fulfilling its duties;
- (c) Independence of INEDs – based on self-assessment checklists;
- (d) Skills and Experience – reviewing the mix of skills, expertise, and experience required on the Board; and
- (e) Succession Planning – considering the framework for Board and top management positions.

Based on the outcomes, NC recommended the re-election of Directors retiring by rotation pursuant to the Company's Constitution, noting that they remain fit and proper to continue serving. The assessments confirmed that the Board and its Committees continue to function effectively, with a composition that supports objective decision making and the Company's long-term strategic priorities.

The findings of the evaluation will continue to guide the Board in succession planning, Board composition decisions, and ongoing Director development.

# Corporate Governance Overview Statement

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

### III. REMUNERATION

#### Intended Outcome

**7.0 The level and composition of remuneration of Directors and Senior Management take into account the Company's desire to attract and retain the right talent in the Board and Senior Management to drive the Company's long-term objectives.**

**Remuneration policies and decisions are made through a transparent and independent process.**

7.1 In conjunction with its listing on 11 November 2024, the Board adopted a formal Remuneration Policy and Procedures to govern the remuneration framework for Directors and Senior Management. The Policy is designed to ensure that remuneration is fair, competitive, and aligned with the Company's strategic objectives, long-term sustainability goals, and stakeholder expectations.

The Policy differentiates appropriately between roles:

- (a) Executive Directors and Senior Management are provided with competitive, performance-linked packages that align their interests with the long-term objectives of the Company; and
- (b) Non-Executive Directors receive fees and benefits that reflect their responsibilities and contributions, while safeguarding their independence.

Remuneration matters are administered transparently by the RC, which makes recommendations to the Board for approval. The Policy is reviewed periodically to ensure its continued relevance against market practices, the Company's performance, and evolving governance expectations.

To promote transparency, the Remuneration Policy is published on the Company's corporate website, providing stakeholders with clear insight into the principles and processes guiding remuneration decisions.

7.2 The Board has established an RC comprising exclusively INEDs, in line with the MCCG's best practice. This composition ensures that remuneration policies and decisions are made through a transparent and independent process.

During the financial year under review, the composition of the RC was refreshed following the resignation of the Senior INED and an INED and the appointment of two (2) new INEDs.

The current composition reflects the Board's commitment to ensuring diversity, independence, and strategic alignment in its governance structure. Below is the revised composition of the RC:

Designation	Name	Directorship
Chairperson	Lew Siew Yen	INED
Member	Chew Wei Keong (Appointed on 17 March 2025)	INED
Member	Teoh Hooi Cheng (Appointed on 17 March 2025)	INED
Member	Tan Kok Yang (Ceased on 17 March 2025)	INED
Member	Shireen Iqbal Binti Mohamed Iqbal (Ceased on 18 February 2025)	Senior INED

# Corporate Governance Overview Statement

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

### III. REMUNERATION (CONT'D)

The RC is tasked with reviewing and recommending the remuneration framework for the Board and Senior Management. In carrying out its responsibilities, the RC ensures that remuneration reflects the different roles of Executive Directors, Non-Executive Directors, and Senior Management, while taking into account Company performance, operational complexity, and the skills and experience required. In line with the MCCG, interested Directors abstain from deliberations and voting on matters relating to their own remuneration.

The RC operates under a written Terms of Reference, which is published on the Company's website to promote transparency and accountability. Through the RC, the Board seeks to ensure that the Company's remuneration structure is fair, competitive, and aligned with long-term objectives and sustainable growth.

#### Intended Outcome

#### 8.0 Stakeholders are able to assess whether the remuneration of Directors and Senior Management commensurate with their individual performance, taking into consideration the Company's performance.

- 8.1 The CG Report provides a comprehensive breakdown of the individual Directors' remuneration from the Company and the Group for the FYE 2025. Please refer to the CG Report for the detailed information.
- 8.2 The Board has departed from Practice 8.2 of the MCCG by disclosing the remuneration of Senior Management in bands of RM50,000 on an unnamed basis, rather than on a named basis. The Board is of the view that such disclosure strikes a balance between transparency and the need to safeguard against talent poaching within the industry. The Board affirms that Senior Management's remuneration is fair, performance-driven, and competitive to attract and retain key talent. Further details, including the remuneration bands for FYE 2025, are set out in the CG Report.
- 8.3 In order to maintain confidentiality, the detailed remuneration of each member of Senior Management will not be disclosed on a named basis. The CG Report provides an explanation for departing from this best practice. Please refer to the CG Report for further details.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. AUDIT COMMITTEE

#### Intended Outcome

#### 9.0 There is an effective and independent AC. The Board is able to objectively review the AC's findings and recommendations. The Company's financial statement is a reliable source of information.

- 9.1 In line with the MCCG, the positions of the Chairman of the Board and the Chairman of the AC are held by different individuals. This clear separation of roles promotes independence, enhances objectivity, and provides an effective check and balance in the Board's oversight of governance and financial reporting processes.

As at the FYE 2025, the Board is chaired by Dato' Nick Ng, the Non-Independent Non-Executive Chairman, while the AC is chaired by Mr. Chew Wei Keong ("**Mr. Chew**"), an INED. During the year, Mr. Tan Kok Yang, the INED was redesignated from AC Chairman to AC member, with Mr. Chew assuming the chairmanship. This transition ensured that the AC continued to be led by an INED and further strengthened its independence and effectiveness, supported by Mr. Chew's prior experience serving on the board of another public listed company.

# Corporate Governance Overview Statement

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

### I. AUDIT COMMITTEE (CONT'D)

With this governance structure, the AC is able to discharge its responsibilities independently and objectively. Its key responsibilities include:

- (a) Reviewing quarterly results and annual audited financial statements before recommending them to the Board for approval and release to Bursa Securities;
- (b) Assessing the adequacy and effectiveness of the Group's risk management and internal control systems;
- (c) Approving and monitoring the internal audit plan, and evaluating the adequacy and performance of the internal audit function;
- (d) Reviewing the External Auditor's plan, independence, objectivity, suitability, and re-appointment; and
- (e) Reviewing RPT and COI situations to ensure compliance, fairness and proper disclosure.

The detailed roles and responsibilities of AC are set out in its Terms of Reference, which are available on the Company's website.

- 9.2 The Company has incorporated into the Terms of Reference of the AC a policy requiring any former key audit partner of the External Auditor to observe a minimum cooling-off period of three (3) years before being eligible for appointment as a member of the AC.

As at the financial year under review following the Company's listing on 11 November 2024, none of the Directors is a former key audit partner of the External Auditor, and the Board does not foresee any appointment of a former key audit partner to the AC in the near term.

The full Terms of Reference of the AC are available on the Company's website.

- 9.3 The AC reviews both audit and non-audit services provided by the External Auditor to safeguard their independence and objectivity. The AC is also empowered to engage directly with the External Auditor without Management's presence whenever necessary to deliberate on audit-related matters.

For FYE 2025, the AC undertook its annual assessment of Messrs. BDO PLT, evaluating their suitability, independence, effectiveness, and performance. The External Auditor confirmed their independence through the Audit Planning Memorandum and Audit Review Memorandum. The AC was satisfied with their competency, resources, quality of communication and objectivity, and recommended their re-appointment. Further details are provided in the AC Report of this Annual Report.

- 9.4 In line with Practice 9.4 of the MCCG, the AC composed exclusively of INEDs. As at FYE 2025, the AC comprised three (3) INEDs, thereby ensuring independence, objectivity, and effective oversight of the Company's financial reporting, internal control, and audit processes.

The composition of the AC is as follows:

Designation	Name	Directorship
Chairman	Chew Wei Keong (Appointed on 17 March 2025)	INED
Chairman	Tan Kok Yang (Redesignated as a member of AC on 17 March 2025 and Ceased on 2 September 2025)	INED
Member	Shireen Iqbal Binti Mohamed Iqbal (Ceased on 18 February 2025)	Senior INED
Member	Lew Siew Yen	INED
Member	Dato' Sasikala Devi A/P Subramaniam (Appointed on 2 September 2025)	INED

# Corporate Governance Overview Statement

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

### I. AUDIT COMMITTEE (CONT'D)

- 9.5 The Board is committed to upholding the highest standards of corporate governance to safeguard the interests of shareholders and stakeholders while supporting sustainable growth. A key element of this commitment is ensuring the effectiveness and independence of the AC, which plays a pivotal role in preserving the integrity of the Company's financial reporting.

The AC is chaired by Mr. Chew, a Fellow of the Chartered Association of Certified Accountants, United Kingdom, and a member of both the Malaysian Institute of Accountants ("MIA") and the Malaysian Association of Certified Public Accountants ("MACPA"). He is supported by Ms. Lew Siew Yen, a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants ("MICPA"), and Mr. Tan Kok Yang, who brings more than 33 years of extensive experience in the banking industry with expertise in financial services, credit management, and risk oversight. During the FYE 2025, the AC members collectively possess strong financial literacy, professional qualifications, and industry knowledge that enable them to discharge their duties objectively and effectively.

All members of AC are able to understand, analyse, and deliberate on financial reporting, internal controls, risk management, and audit matters. To maintain and enhance their effectiveness, the AC members also pursue continuous professional development, keeping abreast of evolving accounting and auditing standards, regulatory requirements, and best practices in governance.

With this depth of expertise and ongoing commitment to professional excellence, AC provides independent and objective oversight, enabling the Board to ensure that the Company's financial statements present a true and fair view of its financial position and remain a reliable source of information to shareholders and stakeholders.

### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### Intended Outcome

- 10.0 Company makes informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.**

**The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.**

- 10.1 The Board has established a comprehensive Risk Management and Internal Control Framework to identify, evaluate, monitor, and manage the Group's principal risks in achieving its strategic and business objectives. This framework provides a structured basis for informed decision making on risk appetite and the implementation of appropriate internal controls.

In conjunction with the Company's listing on 11 November 2024, the Board formally adopted an Enterprise Risk Management Framework setting out the governance structure, roles and responsibilities for risk oversight, and a Sustainability Policy integrating ESG considerations into the Group's risk management and decision making processes. These policies ensure that both business and sustainability-related risks and opportunities are embedded into day-to-day operations.

The Board discharges its responsibilities for risk management and internal control through the SRMC and the AC. The AC reviews the adequacy and effectiveness of the Group's internal control systems and internal audit function, while the SRMC oversees the Group's risk management framework and sustainability matters. Both Committees provide periodic updates to the Board on the Group's risk profile, emerging risks, mitigation measures, and adequacy of internal controls.

For the FYE 2025, the Board received assurance from Management and the internal audit function that the Group's risk management and internal control systems are operating adequately and effectively, providing reasonable assurance that adverse impacts from foreseeable events are identified, mitigated and managed.

Further details are provided in the Statement on Risk Management and Internal Control of this Annual Report.

# Corporate Governance Overview Statement

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

### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

10.2 The Board recognises its responsibility for maintaining a sound risk management and internal control framework to safeguard shareholders' investments and the Company's assets. In conjunction with the Company's listing on 11 November 2024, the Board formalised its Risk Management and Internal Control Framework, supported by an independent internal audit function.

To preserve independence and objectivity, the Group's internal audit function is outsourced to Resolve IR Sdn. Bhd. ("**Resolve IR**"), an external professional services firm that reports directly to the AC. The internal audit plan is developed using a risk-based approach, with reviews covering operational, financial, compliance and strategic risk areas. Findings and recommendations are presented to the AC, while Management is accountable for implementing corrective actions.

The AC has reviewed the adequacy and effectiveness of the internal audit function and is satisfied that it continues to provide independent assurance on the Group's governance, risk management and internal control systems. Further details are provided in the Statement on Risk Management and Internal Control of this Annual Report.

10.3 To strengthen the Group's risk governance and sustainability oversight, the Board has established a SRMC. The SRMC is composed primarily of INEDs, reflecting the Board's commitment to independent and objective oversight. Starting from 2 September 2025, the SRMC is chaired by Dato' Sasikala Devi A/P Subramaniam, the INED, with members including two (2) INEDs, namely, Mr. Chew and Ms. Teoh Hooi Cheng as well as Datuk Adrian Ng, the GMDCEO.

While the AC continues to oversee the adequacy and effectiveness of the Group's internal control systems, the SRMC is tasked to:

- (a) Identify and evaluate key enterprise and sustainability-related risks and opportunities;
- (b) Oversee risk management strategies, policies and risk tolerance levels;
- (c) Ensure sustainability considerations are integrated into the Group's risk management and decision making; and
- (d) Report to the Board on material risk and sustainability issues.

The SRMC works closely with the AC to ensure that sustainability risks are embedded within the Group's overall risk management framework. This dual-committee oversight structure provides the Board with reasonable assurance that the Group's principal and sustainability-related risks are effectively identified, mitigated and managed in alignment with the Company's strategic objectives.

# Corporate Governance Overview Statement

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

### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

#### Intended Outcome

#### 11.0 Companies have an effective governance, risk management and internal control framework and stakeholders can assess the effectiveness of such a framework.

11.1 The AC, guided by its Terms of Reference, is responsible for ensuring the effectiveness and independence of the internal audit function. In discharging this role, the AC reviews the adequacy of the internal audit scope, resources, and competency; considers internal audit programmes, processes and findings; monitors Management's implementation of corrective actions; and addresses issues raised by both internal and external auditors.

The Group has outsourced its internal audit function to an independent professional services firm which reports directly to the AC. This arrangement ensures objectivity, transparency and alignment with best practices. The outsourced Internal Auditors adopt methodologies consistent with the International Professional Practices Framework ("IPPF") issued by The Institute of Internal Auditors and carry out their reviews with impartiality, proficiency, and due professional care.

During the FYE 2025, the Internal Auditors conducted reviews of key operational and control areas in line with the approved risk-based audit plan. The AC had full and unrestricted access to information, records and personnel to facilitate the internal audit reviews. Having assessed the competence, independence, authority and resources of the Internal Auditors, the AC is satisfied that the internal audit function is effective in providing objective assurance on the adequacy and effectiveness of the Group's governance, risk management and internal control systems.

Further details of the Group's internal audit function are provided in the Statement on Risk Management and Internal Control of this Annual Report.

11.2 The Board has delegated to the AC the responsibility of reviewing the adequacy and integrity of the Group's internal control and risk management systems. To ensure independence and objectivity, the Group's internal audit function is outsourced to Resolve IR, an independent professional firm that reports directly to the AC and remains fully independent from Management.

The engagement is led by Mr. Choo Seng Choon. He is a Certified Internal Auditor, Chartered Member of the Institute of Internal Auditors Malaysia, Fellow Chartered Certified Accountant, UK, Chartered Accountant of MIA and Certified Public Accountant of the MICPA with more than 25 years of experience in internal audit, risk management, and corporate governance. The outsourced team deployed 3-4 professional staffs for the internal audit review during FYE 2025, with the appropriate mix of skills and experience to perform their duties effectively.

Internal audit reviews are carried out in accordance with the IPPF issued by The Institute of Internal Auditors, ensuring impartiality, professionalism, and due care. The annual internal audit plan is developed using a risk-based approach and approved by the AC to ensure coverage of the Group's key risk areas and alignment with its strategic and operational priorities.

For FYE 2025, Resolve IR conducted three (3) internal audit reviews. None of the findings resulted in material losses, contingencies, or uncertainties requiring disclosure in this Annual Report.

The AC has reviewed and assessed the adequacy, effectiveness, and independence of Resolve IR, and is satisfied that the outsourced internal audit function continues to provide objective assurance and valuable insights in assisting the Board to discharge its oversight responsibilities over the Group's governance, risk management, and internal control framework.

Further details on the Group's risk management and internal control framework, including the internal audit function, are set out in the Statement on Risk Management and Internal Control of this Annual Report.

# Corporate Governance Overview Statement

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

### I. ENGAGEMENT WITH STAKEHOLDERS

#### Intended Outcome

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**12.0 There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.**

**Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.**

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12.1 The Board recognises the importance of transparency, accountability, and maintaining regular and effective communication with shareholders, investors, and other stakeholders. Clear and timely communication ensures that stakeholders are well-informed of the Company's performance, strategic direction, and significant developments.

To reinforce this commitment, the Company has adopted a Board Charter that strengthens its corporate disclosure framework and stakeholder engagement practices. Material information is disseminated in a fair, timely, and comprehensive manner through multiple channels, including:

- (a) Announcements to Bursa Securities and corporate website postings, covering material developments, financial results, and disclosures;
- (b) Press releases, media engagement, and interviews by the GMDCEO as spokesperson;
- (c) General meetings (AGM or Extraordinary General Meeting) as the principal forum for shareholder dialogue, supported by clear and timely responses from the Board and Management;
- (d) Dedicated Investor Relations and Corporate Governance sections on the corporate website, supported by an official IR email contact;
- (e) Investor and analyst briefings, where appropriate, to update on performance and outlook;
- (f) Social media and electronic channels to provide timely updates and facilitate two-way engagement; and
- (g) The Annual Report as a key communication tool, providing comprehensive insight into business activities, financial performance, governance practices, and sustainability initiatives.

Through these measures, the Company is committed to fostering effective, transparent, and accountable engagement with all stakeholders, thereby strengthening trust and confidence in the Group's governance framework.

12.2 The Company has not implemented integrated reporting due to a lack of internal resources needed to develop and implement the necessary reporting processes and tools. The Company recognises the value of integrated reporting, but has determined that they need to focus their current resources on other strategic priorities currently.

# Corporate Governance Overview Statement

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

### II. CONDUCT OF GENERAL MEETINGS

#### Intended Outcome

#### **13.0 Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at general meetings.**

13.1 The Board notes the departure from Practice 13.1 of the MCCG in respect of the Company's last AGM held prior to its listing on 11 November 2024. As the meeting was convened before the Company became a listed issuer, the 28-days' notice recommended under the MCCG was not adopted. Nevertheless, the Company complied with the minimum notice period prescribed under the Companies Act 2016 and ensured that shareholders were provided with adequate information to consider the matters tabled at the meeting.

Following its listing, the Company is committed to adopting Practice 13.1 of the MCCG for all future AGMs by providing shareholders with at least 28 days' notice. The Board, with the support of the Company Secretaries, has aligned its annual corporate calendar and disclosure procedures to ensure full compliance beginning with the upcoming AGM. This measure will provide shareholders with ample time to review the agenda items, facilitate informed decision making, and strengthen overall shareholder engagement.

13.2 The Board notes the departure from Practice 13.2 of the MCCG, the Company's last AGM held prior to its listing on 11 November 2024, during which the Company had a sole shareholder. Accordingly, only the Non-Independent Non-Executive Chairman and GMDCEO were present to address the shareholder's queries, while the respective Committee Chairmen and members were not in attendance.

Following its listing, the Board has taken steps to ensure that all Directors, including the Chairmen of the Board Committees will attend future general meetings. This is to enable shareholders to direct questions to the respective Committee Chairmen and to receive meaningful and transparent responses on matters under their purview, in line with good corporate governance and governance practices.

13.3 The Board notes the departure from Practice 13.3 of the MCCG, as the Company's last AGM, held prior to its listing on 11 November 2024, was conducted in a physical format only and did not incorporate technology-enabled voting or remote shareholder participation. At that time, the Company had not adopted the use of such technology for its general meetings.

Nonetheless, the Company ensured effective shareholder engagement during the last AGM through the timely issuance of the notice of meeting and by encouraging shareholders present to ask questions and interact directly with the Board and Management.

Going forward, following its listing, the Company is committed to adopting technology-enabled solutions for its general meetings, including electronic voting and facilities for remote shareholder participation. The Board will also ensure that appropriate cyber hygiene practices, together with robust data privacy and security measures, are in place to safeguard shareholders' information and uphold the integrity of the meeting process.

13.4 The Board applied Practice 13.4 of the MCCG at the Company's last AGM held prior to its listing on 11 November 2024. During the meeting, the Chairman ensured that shareholders were given adequate opportunity to engage with the Board and Senior Management. Shareholders were encouraged to raise questions and seek clarifications on the Company's financial and non-financial performance, strategic direction, and other matters of concern, all of which were duly addressed by the Chairman, Board members and Senior Management.

Moving forward, the Board remains committed to ensuring that all future general meetings will continue to serve as an effective platform for meaningful engagement, robust discussion, and transparent responses to questions raised, thereby strengthening accountability and fostering shareholder confidence.

# Corporate Governance Overview Statement

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

### II. CONDUCT OF GENERAL MEETINGS (CONT'D)

13.5 The Board notes the departure from Practice 13.5 of the MCCG, as the Company's last AGM held prior to its listing on 11 November 2024 was conducted in a physical format only. The explanation for this departure is disclosed in the CG Report.

Notwithstanding the physical format, the Company ensured meaningful shareholder participation by providing adequate opportunities for shareholders to engage, raise questions, and seek clarifications from the Board and Senior Management. All queries were duly addressed during the meeting to uphold transparency and accountability.

Going forward, following its listing, the Company is committed to adopting virtual or hybrid general meeting facilities where appropriate. The Board will ensure that the necessary digital infrastructure, cyber hygiene practices and security controls are in place to facilitate seamless broadcast, interactive participation, and transparent communication with shareholders in alignment with Practice 13.5 of the MCCG.

13.6 The Board notes the departure from Practice 13.6 of the MCCG, as the minutes of the last AGM held on 11 November 2024 were not published or circulated within 30 business days. The explanation for this departure is set out in the Company's CG Report.

Going forward, the Company is committed to ensuring that minutes of all general meetings will be finalised and made accessible to shareholders on the corporate website within 30 business days, thereby enhancing transparency, accountability and effective shareholder engagement.

The CG Statement and the CG Report are made in accordance with a resolution of the Board of Directors passed on 2 October 2025.

# Audit Committee Report

In compliance with Paragraph 15.15(1) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the Board is pleased to present the Audit Committee (“**AC**”) Report which provides insights into the manner in which the AC discharged its functions for the Group during the financial year ended 30 June 2025 (“**FYE 2025**”).

## A. COMPOSITION

The AC is primarily responsible for assisting the Board of Directors (“**Board**”) in fulfilling its fiduciary responsibilities on the oversight of the integrity of the corporate accounting and financial reporting as well as the system of internal controls of the Group. In addition to this, the AC is also responsible to oversee the independence and quality of both external and internal audit functions to promote a sound control and governance within the Group.

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors (“**INED**”). The Chairman of the AC, Mr. Chew Wei Keong, is a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants and the Malaysian Association of Certified Public Accountants. Accordingly, the composition of AC complies with Paragraph 15.09(1) of MMLR and Practice 9.4 of the Malaysian Code on Corporate Governance (“**MCCG**”). Furthermore, as outlined in its Terms of Reference (“**TOR**”), none of the AC members are Alternate Directors or the former key audit partners of the external audit firm of the Group.

## B. AUTHORITY, DUTIES AND RESPONSIBILITIES

The AC is governed by its TOR, covering the authority, functions, meeting proceedings and reporting procedures, to ensure an effective discharge of duties and responsibilities. The TOR of the AC is made available on the Company’s website at <https://www.megafortris.com/corporate-governance/>.

## C. MEETINGS AND ATTENDANCE

Whilst the AC is required to meet at least 4 times in each financial year, the AC held a total of four (4) meetings during the financial year under review. The attendance record of each AC member is set out below:

Name	Designation	Directorship	Meeting Attendance
Chew Wei Keong (Appointed on 17 March 2025)	Chairman	INED	1/1
Lew Siew Yen	Member	INED	4/4
Tan Kok Yang (Ceased on 2 September 2025)	Member	INED	4/4
Dato’ Sasikala Devi A/P Subramaniam (Appointed on 2 September 2025)	Member	INED	-
Shireen Iqbal Binti Mohamed Iqbal (Ceased on 18 February 2025)	Member	Senior INED	3/3

The AC Meetings are convened in an orderly and structured manner, guided by a formal agenda. As governed under the TOR, the AC is required to meet at least four (4) times in each financial year and the AC has held four (4) meetings during FYE 2025. The minutes of the previous AC meetings and meeting papers are circulated to the AC members prior to the meeting to provide sufficient time for their perusal. The Chairman of the AC updates the Board on principal matters and key issues discussed at the AC meetings as well as the recommendations made by the AC for further discussion, deliberation and approval.

The Group Managing Director cum Group Chief Executive Officer, Executive Director, Group Chief Finance Officer and Compliance Director are invited to attend all the AC meetings held during the financial year to deliberate the business operations, financials and audit related matters of the Group as well as to facilitate direct communication between the AC and the Management. Other senior management of the Company may also be invited to brief the AC on specific matters from time to time. The representatives of the external and internal auditors are invited to attend the AC meeting to present their audit plan, audit findings and other significant audit matters as and when required. The Company Secretaries also attended all meetings to record the minutes of every meeting, which were then tabled to the AC at the subsequent meeting.

The AC engages continuously with the Management as well as the external and internal auditors to stay up to date on accounting and auditing standards, practices and matters affecting the Group.

# Audit Committee Report

## D. SUMMARY OF ACTIVITIES OF THE AC

The summary of activities of AC in discharging their functions and duties during FYE 2025 are as follows:

### (1) Financial Reporting

- (i) Reviewed the quarterly unaudited financial results and audited financial statements prior to submission to the Board for approval and subsequent announcement(s), focusing on significant changes in or implementation of major accounting policy, going concern assumptions, compliance with the relevant accounting standards and other legal and regulatory requirements to ensure compliance with the provision of the Companies Act 2016 (“the Act”) and the MMLR of Bursa Securities;
- (ii) Reviewed the level of operation and financial forecast and sensitivity analysis of the Group;
- (iii) Reviewed matters highlighted by external auditors in relation to the financial statements; and
- (iv) Discussed with the Management and external auditors on the accounting policy, principles and standards applied as well as their judgement of the items that may affect the financial statements.

### (2) Internal Control and Audit Function

- (i) Reviewed the adequacy and effectiveness of the Group’s internal control systems, including processes, policies, and procedures, to ensure compliance with applicable laws, regulations, directives, and guidelines issued by relevant regulatory authorities;
- (ii) Reviewed reports from the internal auditors and considered whether the processes adopted were consistent with approved and documented policies;
- (iii) Received and considered reports from the Sustainability and Risk Management Committee (“SRMC”) on any significant risks that could have an impact on the Group’s internal control environment;
- (iv) Recommended appropriate measures to the Board to strengthen the Group’s internal control systems, including areas highlighted by both the internal and external auditors;
- (v) Reviewed, assessed and recommended the appointment of suitably qualified internal auditors, taking into account their independence, competence, resources and track record to ensure the effectiveness of the internal audit function. The internal audit function is outsourced to an independent professional services firm, which provides assurance on the adequacy and effectiveness of the Group’s internal control framework;
- (vi) Reviewed and approved the internal audit plan to ensure it was aligned with the Group’s risk profile and operational priorities, and monitored the implementation of the audit plan; and
- (vii) Reviewed and deliberated on internal audit reports, including audit findings, root causes, key risks identified, and recommendations, as well as Management’s responses, action plans, designated responsibility, and implementation timelines.

Further details of the activities of internal auditors performed during FYE 2025 are outlined in the Statement of Risk Management and Internal Control in this Annual Report 2025.

### (3) Oversight of External Audit

- (i) Reviewed the Audit Planning Memorandum, covering the scope and nature of the statutory audit of the Company’s and the Group’s financial statements prior to the audit engagements;
- (ii) Conducted two (2) private sessions with external auditors to discuss any issues arising from audit without the presence of the Management and Executive Directors; and
- (iii) Evaluated the performance and suitability of external auditors, by taking the considerations of qualifications, performance, independence, objectivity, competency, resources and reliability as well as provision of non-audit services. The AC also reviewed the reasonableness of the audit fees charged against the size and complexity of the Group, and recommended the proposal to the Board.

# Audit Committee Report

## D. SUMMARY OF ACTIVITIES OF THE AC (CONT'D)

### (4) RPTs and COI and/or Potential COI

- (i) Reviewed the inter-company transactions and any related / interested party transactions that arose within the Company and the Group to ensure compliance with Malaysian Accounting Standards Board and Bursa Securities;
- (ii) Reviewed any related party transactions (“RPT”) and conflict of interest (“COI”) that may arise within the Group including any transactions, procedures or course of conduct that raises questions of Management’s integrity;
- (iii) Reviewed and ensured that RPTs and recurrent related party transactions (“RRPT”) were carried out at arm’s length and under normal commercial terms with adequate disclosure to Bursa Securities;
- (iv) Reviewed the disclosure of COI and/or potential COI of the Directors and Key Senior Management, including any actions, procedures or conduct that may raise questions about the Management’s integrity; and
- (v) Reviewed the framework for COI management. The AC plays a crucial role in overseeing COI within the Group and is committed to ensure a robust framework for identifying, evaluating, approving, reporting and monitoring COI situations. During the year, the AC diligently reviewed and monitored all actual and potential COI situations involving Directors and Key Senior Management.

#### COI Situation

Details of actual or potential COI situations involving specific Directors and Key Senior Management of the Group, along with measures taken to address the COIs, are disclosed below:

To address the COI arising from Dato' Nick Ng, the Non-Independent Non-Executive Chairman and Datuk Adrian Ng, the Group Managing Director cum Group Chief Executive Officer (collectively referred to as “**Affected Directors**”), who are the substantial shareholders of the Company. The Board recognises that their interests may give rise to related party transactions involving the Group. As disclosed in the Circular to Shareholders dated 29 October 2025, the Affected Directors have consistently updated their declarations of interest to the Board, particularly in relation to their direct or indirect interests in the relevant entities and transactions.

#### Mitigation Measures Undertaken

The AC remains committed to upholding the highest standards of corporate governance, including the effective identification and management of COI to safeguard the integrity and best interests of the Company and its stakeholders.

In discharging its duties, AC conducted a detailed review of the facts and circumstances surrounding the COI and potential COIs and recommended the following measures to the Board to resolve, eliminate or mitigate the risks associated with such conflicts:

#### 1. Regular Disclosure of Interest

The Affected Directors have consistently updated their declarations of interest to the Board, including disclosing any direct or indirect interests in the relevant entities and proposed transactions. This ensures that the Board is apprised of all potential COI situations on a timely basis.

#### 2. Abstention from Deliberation and Voting

The Affected Directors abstained from all Board and Board Committee deliberations and voting on matters in which they have an interest, to ensure independent decision-making. This practice preserves the independence and objectivity of the Board’s decision-making process.

# Audit Committee Report

## D. SUMMARY OF ACTIVITIES OF THE AC (CONT'D)

### (4) RPTs and COI and/or Potential COI (Cont'd)

#### (v) Mitigation Measures Undertaken (Cont'd)

In discharging its duties, AC conducted a detailed review of the facts and circumstances surrounding the COI and potential COIs and recommended the following measures to the Board to resolve, eliminate or mitigate the risks associated with such conflicts: (Cont'd)

#### 3. Review by the AC

All RPTs and RRPTs involving the Affected Directors are subject to review and assessment by the AC, which comprises only INEDs. In discharging its oversight role, the AC:-

- (i) Evaluates the rationale, terms and transaction value of each RPT and RRPT;
- (ii) Assesses whether the transactions are carried out at arm's length and on normal commercial terms; and
- (iii) Ensures compliance with MMLR, the Company's COI Policy and applicable governance standards.

#### 4. Board Oversight and Approval

RPTs and RRPTs are tabled for the Board's consideration and approval, with the Affected Directors recusing themselves from participation. This layered oversight ensures objective and transparent decision-making.

#### 5. Maintenance of Register of RPTs and RRPTs

The Company maintains an internal register to track all RPTs and RRPTs, including the details of interested parties, transaction values and approval status. The register is subject to periodic review by the AC and the Board.

#### 6. Independent Adviser's Opinion (where applicable)

The Company may seek the opinion of an independent adviser on whether the terms of the RPTs are at arm's length and fair, particularly if the RPTs are material in nature, in accordance with the MMLR.

#### 7. Annual Shareholders' Mandate (for RRPTs)

Where applicable, RRPTs are conducted under a valid shareholders' mandate, and full disclosures are made in the Circular to Shareholders and Annual Report. This ensures transparency and shareholder oversight.

#### AC's Discharge of Duties

In carrying out its responsibilities, the AC carefully evaluated all aspects of the RPTs and RRPTs, including the rationale, basis, transaction values, terms and conditions. After due consideration, the AC formed the opinion that the transactions were:

- (i) in the best interests of the Group;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of the non-interested shareholders of the Company.

The AC further assessed the nature of the actual and/or potential COI situations involving the Affected Directors, and was satisfied that the necessary safeguards and control measures are in place to effectively manage and mitigate such COIs. These measures serve to enhance the Group's governance framework and ensure that the interests of the Group and its non-interested shareholders are protected.

Based on the implementation of these measures, the AC concluded that the potential COIs have been appropriately addressed, and that the Affected Directors' interests have neither compromised their fiduciary duties to the Group nor impaired the Group's ability to pursue future growth opportunities.

Premised on the AC's assessment, the Board (excluding Dato' Nick Ng and Datuk Adrian Ng) is of the view that the potential and/or actual COI situations identified have been sufficiently mitigated and managed in accordance with the Company's COI Policy and good corporate governance practice.

# Audit Committee Report

## D. SUMMARY OF ACTIVITIES OF THE AC (CONT'D)

### (5) Others

- (i) Reviewed the Memorandum of Understanding entered by the Company and/or its subsidiaries with relevant business partners;
- (ii) There was no insider trading reported during the financial year under review; and
- (iii) There were no whistle-blower reports during the financial year under review.

## E. AUDIT AND NON-AUDIT FEES

Please refer to Other Disclosure Requirements in this Annual Report 2025.

## F. INTERNAL AUDIT FUNCTION

The Group's internal audit for FYE 2025 was conducted by Resolve IR Sdn. Bhd. ("**Resolve IR**"), an independent professional firm and an outsourced internal auditor. The outsourced internal auditors report directly to the AC, ensuring independence and impartiality. A follow-up on previous internal audit reviews was also carried out by the internal auditors to ensure that all agreed recommendations were implemented within the stipulated timeline, with regular updates provided to the AC on the implementation status.

Resolve IR's reporting covers two (2) main areas as follows:

- (a) Internal audit plan of the Group for discussion and adoption by the AC; and
- (b) Internal audit reports are tabled to the AC on a half-yearly basis to review the internal audit findings and to discuss on the Management's corrective action plans in order to ensure the findings highlighted by Resolve IR are appropriately addressed. In addition, Resolve IR also conducted a follow-up audit to ensure that all agreed corrective action plans are satisfactorily implemented by the Management. The status of the implementation on previous internal audit review findings was also reported to the AC until they are fully implemented.

The outsourced internal auditors are free from any relationships or COI which could impair their objectivity and independence. The qualification and the experience of the internal auditors have been outlined in the CG Report 2025.

During FYE 2025, the internal auditors have conducted two (2) internal audit reviews on the key operations as below:

Internal audit coverage area	Review period
Internal Audit Report on Mega Fortris Berhad: Malaysia Operation	Quarter 3, FYE 2025
Internal Audit Report on Mega Fortris Americas Inc.	Quarter 4, FYE 2025

The total costs incurred for the internal audit function for FYE 2025 amounted to RM60,000.

# Statement on Risk Management and Internal Control

## Introduction

The Board of Mega Fortris remains committed to maintaining and upholding a sound risk management and internal control system across the Company and its subsidiaries ("**the Group**").

In line with this commitment, the Board is pleased to present the Statement on Risk Management and Internal Control ("**SORMIC**") for the FYE 2025. This statement outlines key features of the Group's risk management framework and internal control system, prepared in accordance with Paragraph 15.26(b) of Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**MMLR**") and guided by the Statement on Risk Management and Internal Control: Guidelines on Directors of Listed Issuers ("**the Guidelines**").

## Board Responsibilities

The Board acknowledges its responsibilities for maintaining a sound and effective risk management and internal control system, reviewing the adequacy and the effectiveness of the Group's risk management framework to identify key risks and ensuring the implementation of appropriate risk management and internal control system to manage those risks. These systems encompass various types of controls including those which are strategic, operational, environmental and compliance in nature, as well as financial controls for the purpose of safeguarding shareholders' investment and the Group assets.

The Group has delegated the responsibility of undertaking this periodic review to the Audit Committee ("**AC**") and the Sustainability and Risk Management Committee ("**SRMC**"). However, the Board remains ultimately responsible for the effectiveness and adequacy of the Group's system of risk management and internal control.

The system of risk management and internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure to achieve the Group's business objectives. It can therefore only provide reasonable and not absolute assurance against material misstatement or financial losses or fraud.

## Risk Management Framework

The Board regards risk management as an integral part of the Group's business operations and has oversight into this through SRMC to ensure its effectiveness. The Group has adopted a structured risk management framework which is aligned with the principles of the international recognised standards of ISO 31000:2018 Risk Management - Guidelines. The Group's risk management framework outlines risk management policy, governance structure and the risk management process.

Key aspects of the risk management framework are set out as below:

- (i) The SRMC comprises three (3) Independent Non-Executive Directors and one (1) Executive Director, who bring a mix of relevant business and management knowledge and experience, assisting the Board in carrying out, among others, the responsibility of overseeing the Group's risk management framework and policies.
- (ii) The Group undertakes an on-going process of identification, assessment, treatment, monitoring and communication of risks. This process includes enhancing and regularly reviewing the system of risk management and internal control as and when there are changes to the business environment or regulatory guidelines.
- (iii) Each risk has a specific risk owner, who is responsible to conduct periodic risk assessment and to ensure risk treatments are effective and action plans to mitigate risks are implemented. Updates and new risks since last review are documented in the risk registers. The outcome of the risk management process is brought to the attention of the Executive Committee before tabling to the SRMC.
- (iv) The SRMC meets on a half yearly basis to discuss and deliberate on the significant risks affecting the Group, including sustainability related matters. Risk profiles, control procedures and status of action plans are presented and deliberated in the SRMC meetings. Minutes of the meetings of the SRMC which recorded the deliberations are tabled to the Board for notation. The SRMC may invite any person from the management team across the Group to be in attendance at any meetings for updates.

# Statement on Risk Management and Internal Control

## Risk Management Framework (Cont'd)

Key aspects of the risk management framework are set out as below: (Cont'd)

- (v) Any significant risks that require the Board's attention are escalated for deliberation.
- (vi) Risk-based internal audit plan is developed based on key risks, ensuring proper controls are in place to mitigate those risks. The internal audit function performs a walk-through of significant and high risks relating to the areas that are subject to internal audit review to confirm management team's assessment of risks and the effectiveness of internal controls.
- (vii) The risk management framework and activities are reviewed by the internal audit function periodically.

## Internal Audit Functions

The Group's internal audit function primary objective is to assist the Board and AC by providing an independent assessment of the adequacy and effectiveness of the Group's internal control systems. Further details of the internal audit functions are set out in the AC report on pages 135 to 139 of this Annual Report.

The Group has outsourced its internal audit functions to an independent professional service provider, Resolve IR that reports directly to the AC.

The outsourced internal auditors carried out audits in accordance with the risk-based internal audit plan reviewed and approved by the AC. The internal audit activities are carried out according to the risk-based internal audit plan approved by the AC, developed in reference to the Group's risk profile.

During the Financial Year, the following activities were conducted:

- Internal audit reports detailing the audit findings, management responses and agreed action plans were discussed with Executive Committee and presented to the AC.
- Follow-up visits were conducted by the internal auditors to ensure the management action plan in respect of the matters highlighted in the previous internal audit reports have been adequately addressed.
- The entities and business process reviewed were as follows:

Auditable Entity	Business Processes
Mega Fortris Berhad	<ul style="list-style-type: none"> <li>• Business Development and Sales &amp; Marketing</li> <li>• Credit Control Management</li> <li>• IT Security Management</li> <li>• Procurement to Payables</li> <li>• Inventory Management</li> </ul>
Mega Fortris Americas Inc.	<ul style="list-style-type: none"> <li>• Business Development and Sales &amp; Marketing</li> <li>• Credit Control Management</li> <li>• Supply Chain Management – Procurement and Inventory</li> </ul>

# Statement on Risk Management and Internal Control

## Other Key Elements of Risk Management and Internal Control

Apart from risk management and internal audit functions, the Board has also put in place the following measures to strengthen the internal control system of the Group:

<i>Organisation Structure</i>	An organisation structure is in place to clearly define the roles and responsibilities across business units to ensure effective planning, execution, control, and monitoring.
<i>Internal Control Guidelines</i>	Internal Control Guidelines is a set of policies and procedures that govern the Group's business process. It also clearly defines the approving limits of key transactions that have been assigned and delegated to each approving authority within the Group.
<i>Compliance Monitoring</i>	A Compliance Framework is established to minimise financial, reputational and operational risks arising from regulatory non-compliance.
<i>Code of Conduct and Ethics</i>	Code of Conduct and Ethics is in place to set out standards of ethics and conduct expected from employees and directors.
<i>Anti-Bribery and Anti-Corruption</i>	Anti-Bribery and Anti-Corruption Policy is in place to set out rules and guidance to employees and external parties who perform services for the Group on how to deal with improper solicitation, requests for bribes and other corrupt activities that may arise in the ordinary course of business.
<i>Whistleblowing</i>	Whistleblowing Policy is developed to enable individuals to raise genuine concerns without fear of retaliation.
<i>Conflict of Interest</i>	Conflict of Interest Policy is in place to ensure employees conduct themselves with integrity, impartiality and professionalism at all times, and to take all reasonable steps to avoid actual, potential or perceived conflict of interest that may arise in the performance of their duties.
<i>Related Party Transactions and Recurrent Related Party Transactions</i>	Policy and procedures on Related Party Transactions (" <b>RPT</b> ") and Recurrent Related Party Transactions (" <b>RPPT</b> ") are formalised to ensure that all RPT and RRPT are monitored and conducted in a manner that is within arm's length, fair and on normal commercial terms not more favourable to the related parties than those generally available to the public not to the detriment of minority shareholders and in the best interest of the Group.
<i>Communication and Reporting</i>	An effective reporting system which ensures the timely generation of financial information for management review has been put in place. Financial results are reviewed and approved quarterly by AC and the Board respectively, before it is released to shareholders and stakeholders.

## Review of Statement by External Auditors

As required by Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors have reviewed this SORMIC and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board in respect of any aspect of this SORMIC. Their 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 ("**AAPG**") 3 Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Integrated Annual Report. It does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group.

Based on the procedures performed, nothing has come to their attention that has caused them to believe that the SORMIC set out above has not been prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor was factually inaccurate.

# Statement on Risk Management and Internal Control

## Conclusion

The Board has received assurance from the Group Managing Director cum Group Chief Executive Officer and Group Chief Finance Officer that the Group's risk management and internal control systems were operating adequately and effectively for the Financial Year under review.

The assurance has been given based on the internal controls established and maintained by the Group, work performed and reports provided by the internal audit function, reviews performed by Senior Management and various Board Committees as well as reliance on written confirmations by the management team.

The Board is of the view that the existing internal control and risk management systems are adequate and effective for the FYE 2025 to address the risks which the Group considers relevant and material to its operations. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

The Statement is made in accordance with the Board's resolution dated 2 October 2025.

# Statement of Directors' Responsibilities

The Directors are required by the Companies Act 2016 ("**the Act**") to prepare the financial statements for each financial year and to ensure that the financial statements are prepared in accordance with the applicable Malaysian Financial Reporting Standards, the International Financial Reporting Standards, the provision of the Act and the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

The Directors are responsible for ensuring that the financial statements provide a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and of the financial performance and cash flows for the year ended.

In preparing the financial statements, the Directors have observed the following criteria:

- \* Adoption and application of appropriate accounting policies consistently throughout the financial year;
- \* Application of reasonable and prudent judgements and estimates;
- \* Preparation of financial statements on a going concern basis; and
- \* Compliance with the application of approved accounting standards in Malaysia.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting and other records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors have overall responsibility for taking reasonable steps to ensure that adequate internal controls system is in place to safeguard the assets of the Group and of the Company so as to minimise fraud and other irregularities.

The Directors are satisfied that the financial statements of the Group and of the Company for the financial year ended 30 June 2025 are made in accordance with all applicable approved accounting standards, appropriate accounting policies and supported by reasonable and prudent judgements and estimates. The Directors have also confirmed that the financial statements have been prepared on a going concern basis.

# Additional Compliance Information

## 1. UTILISATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERINGS

The Company was successfully listed on the Main Market of Bursa Securities on 11 November 2024 in conjunction with its Initial Public Offering ("IPO"). Following the listing, the Company's enlarged issued share capital stood at 844,972,480 ordinary shares.

The IPO raised total gross proceeds of approximately RM99.08 million. As of 30 June 2025, the Company has reported on the status of the utilisation of these proceeds as follows:

Purpose of Utilisation	Proceeds RM'000	Utilisation RM'000	Balance		Estimated timeframe for utilisation from the listing date
			RM'000	%	
(i) Capital expenditure for new production facilities (including centralised warehouse) with automated production lines for security seals in United Kingdom	42,980	(17,482)	25,498	36	Within 36 months
(ii) Capital expenditure for new business venture in providing total solution in supplying and handling of playing cards in sealed security boxes in Macao	45,000	-	45,000	64	Within 36 months
(iii) Defray listing expenses	11,095	(11,095)	-	-	Immediate
	<b>99,075</b>	<b>(28,577)</b>	<b>70,498</b>	<b>100</b>	

## 2. AUDIT AND NON-AUDIT FEES PAID/PAYABLE TO EXTERNAL AUDITORS

The amount of audit and non-audit fees paid/payable to the External Auditors by the Company and the Group respectively for the FYE 2025 are as follows:

	Company RM	Group RM
<b>Audit fees</b>	110,000	452,443
<b>Non-Audit fees</b>		
- Review of Statement on Risk Management and Internal Control FYE 2025	5,000	5,000
	<b>115,000</b>	<b>457,443</b>

## 3. RECURRENT RPT OF A REVENUE OR TRADING NATURE ("RRPT")

The Group have entered into RRPT of a revenue or trading nature in the ordinary course of business. The Company had, on 4 November 2024 obtained the approval of Bursa Securities for an extension of time for the Company to seek ratification and a new shareholders' mandate from the shareholders of the Company for the RRPTs entered into by the Group from the listing date of the Company up to the upcoming Annual General Meeting ("AGM") of the Company, which is scheduled to be held on 27 November 2025 ("**Proposed Ratification and New Shareholders' Mandate**").

The details of the Proposed Ratification and New Shareholders' Mandate are disclosed in the Circular to Shareholders dated 29 October 2025, which includes the name of the related parties and the Company's relationship and the transaction value with the related parties.

# Additional Compliance Information

## **4. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

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

## **5. EMPLOYEE SHARE OPTION SCHEME ("ESOS")**

The Group did not grant any ESOS to any person during the financial year ended 30 June 2025.

# Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

## PRINCIPAL ACTIVITIES

The Company's principal activities are investment holding, design and manufacturing of security seals and trading of related products and services. The principal activities of the subsidiaries are mainly in trading of security seals and tamper evident products, manufacturing and trading of security bags, manufacturing of tool and die, manufacturing and printing of paper-based products and wholesale of security seals. Details of the subsidiaries are set out in Note 10 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	15,383,212	5,730,701
Attributable to:		
Equity holder of the Company	14,099,660	5,730,701
Non-controlling interests	1,283,552	-
	<u>15,383,212</u>	<u>5,730,701</u>

## DIVIDEND

No dividend has been paid, declared or proposed since the end of the previous financial year other than the following:

Subsequent to the financial year end, the Board of Directors of the Company had on 25 August 2025 declared a final single-tier dividend of 0.5 sen per ordinary share amounting to RM4,224,862 for the financial year ended 30 June 2025. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in shareholder's equity as an appropriation of retained earnings in the financial year ending 30 June 2026.

## RESERVES AND PROVISIONS

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

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company had a public issue of 147,873,000 new ordinary shares at the issue price of RM0.67 per issued share in conjunction with the Initial Public Offering ("IPO") of the Company.

The newly issued ordinary shares ranked pari passu in all respects with the existing shares of the Company. There were no other issuance of shares or debentures during the financial year.

# Directors' Report

## ISSUE OF SHARES AND DEBENTURES (CONT'D)

In the previous financial year:

- (i) the Company had completed the subdivisions of every one (1) ordinary share into thirty (30) new ordinary shares of the Company. After the share split, the total number of ordinary shares in issue in the Company increased from 34,854,974 ordinary shares to 1,045,649,220 ordinary shares.
- (ii) the Company had completed the consolidation of share capital where every three (3) existing ordinary shares be consolidated into two (2) new ordinary shares. After the share consolidation, the total number of ordinary shares in issue of the Company be altered from 1,045,649,220 to 697,099,480 ordinary shares.

## OPTIONS GRANTED OVER UNISSUED SHARES

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

## DIRECTORS

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

### Mega Fortris Berhad

Dato' Ng Meng Kee  
Datuk Ng Meng Poh  
Ng Weng Choi  
Lew Siew Yen  
Chew Wei Keong (Appointed on 17 March 2025)  
Teoh Hooi Cheng (Appointed on 17 March 2025)  
Dato' Sasikala Devi A/P Subramaniam (Appointed on 21 May 2025)  
Shireen Iqbal Binti Mohamed Iqbal (Resigned on 18 February 2025)  
Tan Kok Yang (Resigned on 2 September 2025)

### Subsidiaries of Mega Fortris Berhad (excluding Directors who are also the Directors of the Company)

Chua Sia Hong  
Janine Anne Kotzen  
Thomas Maria Miltenburg  
Kent Rickard Nilsson  
Keith Henry Edgar  
Deborah Wheaver  
Peter Noth  
Mark William Gordon  
Julien Tailleux  
Glen Lindsay Moore  
Michael Steven Taylor  
Mette Jordan Holmelund  
Horst Dieter Belle  
Lidwina Catharina Witteman  
Tswelelo Marcia Kodisang (Ceased on 5 February 2025)

# Directors' Report

## DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			
	Balance as at 1.7.2024	Bought	Sold	Balance as at 30.6.2025

### Shares in the Company

#### Direct interests:

Lew Siew Yen	-	500,000	-	500,000
Ng Weng Choi	-	2,500,000	-	2,500,000
Tan Kok Yang	-	500,000	-	500,000

### Shares in the ultimate holding company Mega Fortris Capital Limited

#### Direct interests:

Dato' Ng Meng Kee	18,420,397	-	-	18,420,397
Datuk Ng Meng Poh	6,655,018	-	-	6,655,018

### Shares in a corporate shareholder of Ng Brothers Estate Sdn. Bhd. ("NBESB")

#### Direct interests:

Dato' Ng Meng Kee	50	-	-	50
Datuk Ng Meng Poh	50	-	-	50

By virtue of Dato' Ng Meng Kee's and Datuk Ng Meng Poh's substantial interests in the shares of the ultimate holding company and NBESB, they are deemed to have interest in the shares of all the subsidiaries to the extent that the ultimate holding company has an interest.

The other Directors holding office at the end of the financial year did not hold any interest in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remunerations received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than any benefit which may be deemed to be derived by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests as disclosed in Note 30 to the financial statements.

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

# Directors' Report

## DIRECTORS' REMUNERATION

The remuneration of the Directors of the Company for the financial year ended 30 June 2025 were as follows:

	Paid by the Company RM
<b>Directors of the Company:</b>	
Fees	987,724
Salaries, bonuses and allowances	1,562,818
Defined contribution plan	158,389
Social security contribution	2,189
Benefit-in-kind	119,543
	<u>2,830,663</u>

## INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

The amount of insurance premium paid for the Directors and the officers of the Group and of the Company was RM64,208.

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

## OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

### (I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

# Directors' Report

## OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

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

- (c) The Directors are not aware of any circumstances:
  - (i) which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
  - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
  - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

### (III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 7 November 2024, the Company had a public issue of 147,873,000 new ordinary shares at the issue price of RM0.67 per issued share in conjunction with the Initial Public Offering ("IPO") of the Company.
- (b) On 11 November 2024, the Company was listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").
- (c) On 7 August 2025, the Company had received two (2) Letter of Demands from the solicitors acting on behalf of Whatman Capital Pte Ltd demanding for payment for consultation fees allegedly owed by the Company amounting to RM16,757,500.

The Management views the demands as frivolous and baseless and has since taken the necessary steps to engage legal counsel to dispute the demands and to safeguard the Company's interests.

The invoices for the above-mentioned consultation fees have not been formally served on the Company, and the Company has not received the original invoices to date. Consequently, the Company is unable to verify the authenticity or validity of the purported claims.

While the outcome of this matter cannot be determined with certainty at this juncture, the Board is of view that there is no financial impact on the Company at this stage.

# Directors' Report

## HOLDING COMPANIES

The Directors regard Mega Fortris Global Pte. Ltd., a company incorporated in Singapore and Mega Fortris Capital Limited, a company incorporated in British Virgin Islands as the immediate and ultimate holding companies, respectively.

## AUDITORS

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

Auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2025 were as follows:

	Group RM	Company RM
Statutory audit	452,443	110,000
Non-statutory audit	5,000	5,000
	<u>457,443</u>	<u>115,000</u>

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

.....  
**Datuk Ng Meng Poh**

Director

Kuala Lumpur  
2 October 2025

.....  
**Ng Weng Choi**

Director

# Statement By Directors

In the opinion of the Directors, the financial statements set out on pages 158 to 270 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....  
**Datuk Ng Meng Poh**

Director

Kuala Lumpur  
2 October 2025

.....  
**Ng Weng Choi**

Director

# Statutory Declaration

I, Sim Li Huang (CA 15979), being the Officer primarily responsible for the financial management of Mega Fortris Berhad, solemnly and sincerely declare that the financial statements set out on pages 158 to 270 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 )  
Kuala Lumpur this )  
2 October 2025 )

.....  
**Sim Li Huang**

Before me:

# Independent Auditors' Report

To the Members of Mega Fortris Berhad

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Mega Fortris Berhad, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 158 to 270.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), 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 ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matters

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

#### **Key Audit Matters for the Group**

##### Recoverability of trade and other receivables

As at 30 June 2025, trade and other receivables (excluding deposits and prepayments) of the Group and the Company with carrying amounts of RM86,396,803 and RM88,563,786 respectively have been disclosed in Note 15 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade and other receivables and appropriate forward-looking information.

Our audit procedures included the following:

- (i) Assessed the probability of default using historical data and forward-looking information adjustment applied by the Group and the Company;
- (ii) Assessed the correlation coefficient between the macroeconomic indicators used by the Group and the Company and their historical credit losses to determine the appropriateness of the forward-looking information used by the Group and the Company; and
- (iii) Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

# Independent Auditors' Report

To the Members of Mega Fortris Berhad

## Key Audit Matters (Cont'd)

### ***Key Audit Matters for the Company***

Impairment assessment of the carrying amounts of investments in subsidiaries

As disclosed in Note 10 to the financial statements, the carrying amounts of investments in subsidiaries amounted to RM44,770,046 as at 30 June 2025, of which RM14,238,762 relates to subsidiaries with impairment indicators.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the recoverable amount of the investments in subsidiaries. The recoverable amount of the investments in subsidiaries are determined based on discounted future cash flows projections, which require judgement on the part of management estimation of the future financial performance and key assumptions used, in particular profit margins, growth rates and pre-tax discount rate.

Our audit procedures included the following:

- (i) Evaluated the reasonableness of projected profit margins and growth rates by assessing evidence available to support these assumptions;
- (ii) Evaluated the reasonableness of pre-tax discount rates used by management by comparing the market data, weighted average cost of capital of the industry and relevant risk factors; and
- (iii) Assessed and evaluated sensitivity analysis performed by management on the cash flow projections to evaluate the impact on the impairment assessment.

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company 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.

# Independent Auditors' Report

To the Members of Mega Fortris Berhad

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company 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.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business 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 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.

# Independent Auditors' Report

To the Members of Mega Fortris Berhad

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 10 to the financial statements.

## Other Matters

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

### **BDO PLT**

201906000013 (LLP0018825-LCA) & AF 0206  
Chartered Accountants

Kuala Lumpur  
2 October 2025

### **Lum Chiew Mun**

03039/04/2027 J  
Chartered Accountant

# Statements of Financial Position

As at 30 June 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	8	<b>93,464,047</b>	81,207,123	<b>72,973,886</b>	67,788,864
Right-of-use assets	9	<b>23,935,028</b>	12,183,420	<b>7,198,637</b>	5,402,645
Investments in subsidiaries	10	-	-	<b>44,770,046</b>	44,770,046
Other investments	11	<b>716,946</b>	716,946	<b>716,946</b>	716,946
Intangible assets	12	<b>5,161,848</b>	5,017,876	<b>88,910</b>	148,160
Trade and other receivables	15	-	4,407,851	<b>21,316,532</b>	4,407,851
Deferred tax assets	13	<b>381,413</b>	411,099	-	-
		<b>123,659,282</b>	103,944,315	<b>147,064,957</b>	123,234,512
<b>Current assets</b>					
Inventories	14	<b>34,317,162</b>	34,081,868	<b>14,370,793</b>	14,768,969
Trade and other receivables	15	<b>109,180,761</b>	67,906,098	<b>74,169,251</b>	43,400,387
Contract assets	22	<b>38,164</b>	29,397	-	29,397
Current tax assets		<b>227,531</b>	1,515,836	-	1,378,295
Cash and bank balances	16	<b>41,665,659</b>	42,694,094	<b>2,392,734</b>	13,811,873
Other investments	11	<b>50,892,455</b>	-	<b>50,892,455</b>	-
		<b>236,321,732</b>	146,227,293	<b>141,825,233</b>	73,388,921
Assets of disposal groups classified as held for sale	36	<b>675,608</b>	648,012	-	-
<b>TOTAL ASSETS</b>		<b>360,656,622</b>	250,819,620	<b>288,890,190</b>	196,623,433

# Statements of Financial Position

As at 30 June 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	17	<b>131,495,466</b>	34,854,974	<b>131,495,466</b>	34,854,974
Reserves	18	<b>100,758,267</b>	90,037,026	<b>72,963,442</b>	67,232,741
Shareholders' equity		<b>232,253,733</b>	124,892,000	<b>204,458,908</b>	102,087,715
Non-controlling interests		<b>1,777,274</b>	1,263,844	-	-
<b>TOTAL EQUITY</b>		<b>234,031,007</b>	126,155,844	<b>204,458,908</b>	102,087,715
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Other payables	21	<b>312,375</b>	486,792	-	-
Borrowings	19	<b>42,859,898</b>	40,317,770	<b>31,857,440</b>	28,949,384
Lease liabilities	9	<b>16,355,869</b>	7,000,116	<b>3,618,891</b>	2,595,601
Deferred tax liabilities	13	<b>2,502,030</b>	2,525,062	<b>2,169,571</b>	2,169,571
		<b>62,030,172</b>	50,329,740	<b>37,645,902</b>	33,714,556
<b>Current liabilities</b>					
Trade and other payables	21	<b>21,853,500</b>	22,049,941	<b>8,192,345</b>	10,848,590
Contract liabilities	22	<b>425,534</b>	550,379	<b>425,534</b>	550,379
Borrowings	19	<b>35,260,566</b>	45,487,818	<b>35,260,566</b>	47,367,818
Lease liabilities	9	<b>5,340,476</b>	4,615,465	<b>2,421,744</b>	2,054,375
Current tax liabilities		<b>1,515,587</b>	1,401,915	<b>485,191</b>	-
		<b>64,395,663</b>	74,105,518	<b>46,785,380</b>	60,821,162
Liabilities of disposal groups classified as held for sale	36	<b>199,780</b>	228,518	-	-
<b>TOTAL LIABILITIES</b>		<b>126,625,615</b>	124,663,776	<b>84,431,282</b>	94,535,718
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>360,656,622</b>	250,819,620	<b>288,890,190</b>	196,623,433

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

# Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Continuing operations</b>					
Revenue	23	<b>176,445,306</b>	167,454,432	<b>95,511,652</b>	89,548,978
Cost of sales		<b>(96,934,911)</b>	(91,752,024)	<b>(62,174,576)</b>	(60,878,673)
Gross profit		<b>79,510,395</b>	75,702,408	<b>33,337,076</b>	28,670,305
Other operating income		<b>5,316,867</b>	3,077,694	<b>11,388,965</b>	7,997,181
Net (loss)/gain on impairment of financial assets		<b>(1,418,562)</b>	1,523,412	<b>(2,524,937)</b>	51,124
Selling and distribution expenses		<b>(1,647,965)</b>	(1,167,157)	<b>(1,027,203)</b>	(1,173,221)
Administrative expenses		<b>(50,945,775)</b>	(45,801,090)	<b>(18,201,349)</b>	(17,022,814)
Other operating expenses		<b>(3,643,313)</b>	(3,491,501)	<b>(9,860,177)</b>	(3,307,705)
Finance costs	29	<b>(4,592,713)</b>	(4,619,505)	<b>(4,269,706)</b>	(4,194,085)
Profit before taxation	24	<b>22,578,934</b>	25,224,261	<b>8,842,669</b>	11,020,785
Taxation	25	<b>(6,044,782)</b>	(3,613,249)	<b>(3,111,968)</b>	681,420
Profit for the financial year from continuing operations		<b>16,534,152</b>	21,611,012	<b>5,730,701</b>	11,702,205
<b>Discontinuing operations</b>					
Loss for the financial year from discontinuing operations, net of tax	37(a)	<b>(1,150,940)</b>	(1,995,832)	-	-
Profit for the financial year		<b>15,383,212</b>	19,615,180	<b>5,730,701</b>	11,702,205

# Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Other comprehensive (loss)/income, net of tax:</b>					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Currency translation differences		<b>(3,306,360)</b>	399,697	-	-
Total other comprehensive (loss)/ income for the financial year		<b>(3,306,360)</b>	399,697	-	-
Total comprehensive income for the financial year		<b>12,076,852</b>	20,014,877	<b>5,730,701</b>	11,702,205
Profit after taxation attributable to:					
Equity holder of the Company		<b>14,099,660</b>	19,148,352	<b>5,730,701</b>	11,702,205
Non-controlling interests		<b>1,283,552</b>	466,828	-	-
		<b>15,383,212</b>	19,615,180	<b>5,730,701</b>	11,702,205
Total comprehensive income attributable to:					
Equity holder of the Company		<b>10,721,241</b>	19,676,494	<b>5,730,701</b>	11,702,205
Non-controlling interests		<b>1,355,611</b>	338,383	-	-
		<b>12,076,852</b>	20,014,877	<b>5,730,701</b>	11,702,205

	Note	Group	
		2025 Sen	2024 Sen

## Earnings per ordinary share attributable to equity holders

Basic:

Profit from continuing operations	<b>26</b>	<b>1.78</b>	3.15
Loss from discontinued operations	<b>26</b>	<b>(0.14)</b>	(0.33)
		<b>1.64</b>	2.82

Diluted:

Profit from continuing operations	<b>26</b>	<b>1.78</b>	3.15
Loss from discontinued operations	<b>26</b>	<b>(0.14)</b>	(0.33)
		<b>1.64</b>	2.82

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

# Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2025

Group	Note	Attributable to owner of the Company							Total equity RM	
		Share capital RM	Merger reserve RM	Capital reserve RM	Revaluation reserve RM	Foreign currency translation reserve RM	Retained earnings RM	Total RM		Non-controlling interests RM
Balance as at 1 July 2024		34,854,974	(29,950,024)	(167,299)	15,988,241	10,389,087	93,777,021	124,892,000	1,263,844	126,155,844
Profit for the financial year		-	-	-	-	-	14,099,660	14,099,660	1,283,552	15,383,212
Other comprehensive income, net of tax		-	-	-	-	(3,378,419)	-	(3,378,419)	72,059	(3,306,360)
Total comprehensive income		-	-	-	-	(3,378,419)	14,099,660	10,721,241	1,355,611	12,076,852
Transactions with owners:										
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(851,003)	(851,003)
Issuance of ordinary shares	17	99,074,910	-	-	-	-	-	99,074,910	-	99,074,910
Share issuance expenses	17	(2,434,418)	-	-	-	-	-	(2,434,418)	-	(2,434,418)
Winding up of a subsidiary		-	-	-	-	-	-	-	8,822	8,822
Total transactions with owners		96,640,492	-	-	-	-	-	96,640,492	(842,181)	95,798,311
Balance as at 30 June 2025		131,495,466	(29,950,024)	(167,299)	15,988,241	7,010,668	107,876,681	232,253,733	1,777,274	234,031,007

# Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2025

Group	Attributable to owner of the Company							Total equity RM	
	Share capital RM	Merger reserve RM	Capital reserve RM	Revaluation reserve RM	Foreign currency translation reserve RM	Retained earnings RM	Total RM		Non-controlling interests RM
Balance as at 1 July 2023	34,854,974	(29,950,024)	(59,383)	15,988,241	9,860,945	74,628,669	105,323,422	3,340,631	108,664,053
Profit for the financial year	-	-	-	-	-	19,148,352	19,148,352	466,828	19,615,180
Other comprehensive income, net of tax	-	-	-	-	528,142	-	528,142	(128,445)	399,697
Total comprehensive income	-	-	-	-	528,142	19,148,352	19,676,494	338,383	20,014,877
Transactions with owner:									
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(1,397,484)	(1,397,484)
Acquisition of non-controlling interest in a subsidiary	-	-	(107,916)	-	-	-	(107,916)	(1,017,686)	(1,125,602)
Total transactions with owner	-	-	(107,916)	-	-	-	(107,916)	(2,415,170)	(2,523,086)
Balance as at 30 June 2024	34,854,974	(29,950,024)	(167,299)	15,988,241	10,389,087	93,777,021	124,892,000	1,263,844	126,155,844

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

# Statement of Changes in Equity

For the Financial Year Ended 30 June 2025

Company	Note	Share capital RM	Revaluation reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 July 2024		<b>34,854,974</b>	<b>15,988,241</b>	<b>51,244,500</b>	<b>102,087,715</b>
Profit for the financial year		-	-	<b>5,730,701</b>	<b>5,730,701</b>
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	<b>5,730,701</b>	<b>5,730,701</b>
Transactions with owners:					
Issuance of ordinary shares	17	<b>99,074,910</b>	-	-	<b>99,074,910</b>
Share issuance expenses	17	<b>(2,434,418)</b>	-	-	<b>(2,434,418)</b>
Total transactions with owners		<b>96,640,492</b>	-	-	<b>96,640,492</b>
Balance as at 30 June 2025		<b>131,495,466</b>	<b>15,988,241</b>	<b>56,975,201</b>	<b>204,458,908</b>
Balance as at 1 July 2023		34,854,974	15,988,241	39,542,295	90,385,510
Profit for the financial year		-	-	11,702,205	11,702,205
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	11,702,205	11,702,205
Balance as at 30 June 2024		34,854,974	15,988,241	51,244,500	102,087,715

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

# Statements of Cash Flows

For the Financial Year Ended 30 June 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit from continuing operations before taxation		<b>22,578,934</b>	25,224,261	<b>8,842,669</b>	11,020,785
Loss from discontinued operations before taxation		<b>(1,180,592)</b>	(1,953,967)	-	-
		<b>21,398,342</b>	23,270,294	<b>8,842,669</b>	11,020,785
Adjustments for:					
Dividend income from subsidiaries	24	-	-	<b>(6,585,993)</b>	(3,801,232)
Allowance for impairment losses:					
- trade receivables	15(f)	<b>1,237,549</b>	386,540	<b>1,219,618</b>	-
- other receivables	15(g)	<b>407,142</b>	82,627	<b>1,500,734</b>	82,629
Reversal of impairment losses:					
- trade receivables	15(f)	<b>(226,128)</b>	(355,302)	-	(133,024)
- other receivables	15(g)	-	(1,637,278)	<b>(195,415)</b>	(729)
Reversal of unwinding of discount	24	-	(875)	-	(875)
Bad debts written off:					
- trade receivables		<b>61,517</b>	1,205,033	-	-
- other receivables	24	<b>345</b>	820,591	<b>345</b>	-
Amortisation of intangible assets	12	<b>164,236</b>	295,533	<b>59,250</b>	90,025
Depreciation of property, plant and equipment	8	<b>2,390,305</b>	2,221,689	<b>2,698,107</b>	2,638,014
Depreciation of right-of-use assets	9(a)	<b>4,787,061</b>	5,854,317	<b>2,076,352</b>	3,038,118
Net gain on disposal of property, plant and equipment		<b>(2,024,887)</b>	(2,518,994)	<b>(1,982,827)</b>	(1,716,243)
Gain on liquidation of subsidiary		<b>(13,186)</b>	-	-	-
Impairment loss on investment in a subsidiary		-	-	-	332,772
Fair value adjustment on trade and other receivables	24	-	108,148	<b>3,875,022</b>	108,148
Interest expense		<b>4,573,756</b>	4,572,261	<b>4,252,561</b>	4,182,049
Distribution income	24	<b>(1,158,551)</b>	-	<b>(1,158,551)</b>	-
Interest income from:					
- lease receivables	24	-	-	-	(9,205)
- others		<b>(542,215)</b>	(324,812)	<b>(244,337)</b>	(159,631)
Inventory written off	24	<b>11,810</b>	-	-	-
Property, plant and equipment written off		<b>12,413</b>	65,018	<b>12,413</b>	50,235
Intangible assets written off		-	862	-	-

# Statements of Cash Flows

For the Financial Year Ended 30 June 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)</b>					
Adjustments for (Cont'd):					
Gain on derecognition upon early termination	9(a)	<b>(11,554)</b>	(93,780)	<b>(11,569)</b>	(31,658)
Gain on lease reassessment	9(a)	<b>(575,610)</b>	(1,376)	-	-
Net unrealised loss/(gain) on foreign exchange		<b>1,600,774</b>	(2,073,021)	<b>587,401</b>	(1,558,230)
Operating profit before working capital changes		<b>32,093,119</b>	31,877,475	<b>14,945,780</b>	14,131,948
Changes in working capital:					
(Increase)/Decrease in inventories		<b>(1,192,544)</b>	(1,334,265)	<b>398,176</b>	(849,731)
Increase in receivables		<b>(45,835,181)</b>	(19,612,001)	<b>(23,322,948)</b>	(16,408,086)
(Increase)/Decrease in contract assets net of liabilities		<b>(133,612)</b>	222,440	<b>(95,448)</b>	222,440
(Decrease)/Increase in payables		<b>(781,383)</b>	4,546,522	<b>(2,034,084)</b>	3,952,054
Cash (used in)/generated from operations		<b>(15,849,601)</b>	15,700,171	<b>(10,108,524)</b>	1,048,625
Tax paid		<b>(4,704,101)</b>	(4,283,018)	<b>(1,313,497)</b>	(524,948)
Tax refunded		<b>65,015</b>	-	<b>65,015</b>	-
Net cash (used in)/from operating activities		<b>(20,488,687)</b>	11,417,153	<b>(11,357,006)</b>	523,677

# Statements of Cash Flows

For the Financial Year Ended 30 June 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received		<b>542,215</b>	324,812	<b>244,337</b>	159,631
Dividend received		-	-	<b>1,266,793</b>	3,801,232
Addition of investment in a subsidiary		-	-	-	(4,999,900)
Acquisition of non-controlling interest in a subsidiary		-	(1,125,602)	-	(1,125,602)
Repayment from a former subsidiary		<b>5,927,324</b>	1,823,495	-	1,000,000
Repayment from immediate holding company		-	(265)	-	(265)
Advances to a subsidiary		-	-	<b>(26,126,000)</b>	-
Purchases of:					
- property, plant and equipment	8(c)	<b>(13,911,127)</b>	(27,575,112)	<b>(7,786,517)</b>	(16,916,487)
- intangible assets	12	<b>(308,760)</b>	(39,219)	-	(39,219)
- right-of-use assets		<b>(475,664)</b>	(25,681)	<b>(70,203)</b>	(2,848)
Proceeds from disposal of property, plant and equipment		<b>2,025,183</b>	6,918,442	<b>1,982,845</b>	1,800,097
Distribution income received		<b>1,158,551</b>	-	<b>1,158,551</b>	-
Advances to ultimate holding company		-	(11)	-	(11)
Net cash used in investing activities		<b>(5,042,278)</b>	(19,699,141)	<b>(29,330,194)</b>	(16,323,372)

# Statements of Cash Flows

For the Financial Year Ended 30 June 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest paid		<b>(3,905,735)</b>	(3,875,042)	<b>(3,905,735)</b>	(3,791,740)
Interest paid capitalised in capital work in progress		<b>(538,644)</b>	-	-	-
Proceeds from issuance of ordinary shares	17	<b>99,074,910</b>	-	<b>99,074,910</b>	-
Payment of share issuance expenses	17	<b>(2,434,418)</b>	-	<b>(2,434,418)</b>	-
Dividends paid to non-controlling interest		<b>(851,003)</b>	(940,110)	-	-
Repayment of bank borrowings		<b>(76,208,534)</b>	(74,468,488)	<b>(76,208,535)</b>	(73,548,065)
Drawdown of bank borrowings		<b>68,461,417</b>	114,248,710	<b>66,947,345</b>	104,760,324
Payment of lease liabilities	9(b)	<b>(5,902,500)</b>	(6,749,173)	<b>(2,855,781)</b>	(3,869,197)
Net cash from financing activities		<b>77,695,493</b>	28,215,897	<b>80,617,786</b>	23,551,322
Net increase in cash and cash equivalents		<b>52,164,528</b>	19,933,909	<b>39,930,586</b>	7,751,627
Effects of exchange rate differences		<b>(2,556,100)</b>	270,194	<b>(740,458)</b>	79,793
Cash and cash equivalents at beginning of financial year		<b>43,342,106</b>	23,138,003	<b>13,811,873</b>	5,980,453
Cash and cash equivalents at end of financial year	16	<b>92,950,534</b>	43,342,106	<b>53,002,001</b>	13,811,873

# Statements of Cash Flows

For the Financial Year Ended 30 June 2025

## RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Bankers' acceptances (Note 19) RM	Invoice financing RM	Lease liabilities (Note 9) RM	Revolving credits (Note 19) RM	Term loans (Note 19) RM
As at 1 July 2024	<b>19,733,000</b>	-	<b>11,615,581</b>	<b>17,000,000</b>	<b>49,072,588</b>
Cash flows:					
- Drawdowns	<b>62,477,000</b>	<b>105,559</b>	-	-	<b>5,878,858</b>
- Repayments	<b>(67,567,000)</b>	<b>(107,930)</b>	<b>(5,902,500)</b>	-	<b>(8,533,604)</b>
Non-cash flows:					
- Unwinding of interest	-	-	<b>668,021</b>	-	-
- Effect of foreign exchange	-	<b>2,371</b>	<b>(560,513)</b>	-	<b>(223,566)</b>
- Re-measurement of lease liabilities	-	-	<b>687,854</b>	-	-
- Derecognition upon early termination	-	-	<b>(245,317)</b>	-	-
- Additions	-	-	<b>15,433,219</b>	-	-
As at 30 June 2025	<b>14,643,000</b>	-	<b>21,696,345</b>	<b>17,000,000</b>	<b>46,194,276</b>
As at 1 July 2023	-	19,244,074	12,415,369	10,000,000	18,616,523
Cash flows:					
- Drawdowns	34,361,000	25,007,334	-	17,000,000	37,880,376
- Repayments	(14,628,000)	(43,641,752)	(6,749,173)	(10,000,000)	(6,198,736)
Non-cash flows:					
- Unwinding of interest	-	-	697,219	-	-
- Effect of foreign exchange	-	(609,656)	68,108	-	(1,942,521)
- Re-measurement of lease liabilities	-	-	2,960,305	-	-
- Derecognition upon early termination	-	-	(1,184,197)	-	-
- Additions	-	-	3,407,950	-	-
- Purchase of keyman insurance contract	-	-	-	-	716,946
As at 30 June 2024	<b>19,733,000</b>	-	<b>11,615,581</b>	<b>17,000,000</b>	<b>49,072,588</b>

# Statements of Cash Flows

For the Financial Year Ended 30 June 2025

## RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

Company	Bankers' acceptances (Note 19) RM	Invoice financing RM	Lease liabilities (Note 9) RM	Revolving credits (Note 19) RM	Term loans (Note 19) RM
As at 1 July 2024	<b>19,733,000</b>	-	<b>4,649,976</b>	<b>17,000,000</b>	<b>39,584,202</b>
Cash flows:					
- Drawdowns	<b>62,477,000</b>	<b>105,558</b>	-	-	<b>4,364,787</b>
- Repayments	<b>(67,567,000)</b>	<b>(107,930)</b>	<b>(2,855,781)</b>	-	<b>(8,533,605)</b>
Non-cash flows:					
- Unwinding of interest	-	-	<b>346,826</b>	-	-
- Effect of foreign exchange	-	<b>2,372</b>	-	-	<b>(223,566)</b>
- Re-measurement of lease liabilities	-	-	<b>469,412</b>	-	-
- Derecognition upon early termination	-	-	<b>(239,809)</b>	-	-
- Additions	-	-	<b>3,670,011</b>	-	-
As at 30 June 2025	<b>14,643,000</b>	-	<b>6,040,635</b>	<b>17,000,000</b>	<b>35,191,818</b>
As at 1 July 2023	-	19,244,074	7,541,269	10,000,000	17,689,357
Cash flows:					
- Drawdowns	34,361,000	25,007,334	-	17,000,000	28,391,990
- Repayments	(14,628,000)	(43,641,752)	(3,869,197)	(10,000,000)	(5,278,313)
Non-cash flows:					
- Unwinding of interest	-	-	390,309	-	-
- Effect of foreign exchange	-	(609,656)	-	-	(1,935,778)
- Re-measurement of lease liabilities	-	-	517,675	-	-
- Derecognition upon early termination	-	-	(960,195)	-	-
- Additions	-	-	1,030,115	-	-
- Purchase of keyman insurance contract	-	-	-	-	716,946
As at 30 June 2024	<b>19,733,000</b>	-	<b>4,649,976</b>	<b>17,000,000</b>	<b>39,584,202</b>

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

# Notes to The Financial Statements

30 June 2025

## 1. CORPORATE INFORMATION

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

Mega Fortris Berhad ("the Company") was incorporated and domiciled in Malaysia under the Companies Act 2016 on 9 April 1998 as a private limited liability company. Subsequently, the Company was converted to a public limited company on 31 January 2024.

The registered office of the Company is located at No. D-09-02, Level 9, EXSIM Tower Millerz Square @ Old Klang Road, Megan Legasi, No. 357, Jalan Kelang Lama, 58000 Kuala Lumpur.

The principal place of business of the Company is located at No. 29, Jalan Anggerik Mokara 31/47, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor.

The immediate and ultimate holding companies are Mega Fortris Global Pte. Ltd., a company incorporated in Singapore and Mega Fortris Capital Limited, a company incorporated in British Virgin Islands, respectively.

The consolidated financial statements for the financial year ended 30 June 2025 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 2 October 2025.

## 2. PRINCIPAL ACTIVITIES

The Company's principal activities are investment holding, design and manufacturing of security seals and trading of related products and services. The principal activities of the subsidiaries are mainly in trading of security seals and tamper evident products, manufacturing of tool and die, manufacturing and printing of paper-based products and wholesale of security seals. Details of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 5.1 to the financial statements.

## 4. MATERIAL ACCOUNTING POLICIES

### 4.1 Basis of accounting

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

The preparation of these financial statements in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

# Notes to The Financial Statements

30 June 2025

## 4. MATERIAL ACCOUNTING POLICIES (CONT'D)

### 4.2 Basis of consolidation

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statements of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- (a) The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (b) The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments* or, where applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### 4.3 Business combinations

Business combinations other than those involving entities under common control are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

- (a) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits*, respectively;
- (b) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacements by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- (c) Assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the serviced are received.

# Notes to The Financial Statements

30 June 2025

## 4. MATERIAL ACCOUNTING POLICIES (CONT'D)

### 4.3 Business combinations (Cont'd)

Any contingent consideration payable is recognised at fair value at the acquisition date. The Group accounts for changes in fair value of contingent consideration that are not measurement period adjustments as follows:

- (a) Contingent consideration classified as equity shall not be remeasured and its subsequent settlement shall be accounted for within equity.
- (b) Other contingent consideration that:
  - (i) is within the scope of MFRS 9 Financial Instruments shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with MFRS 9 Financial Instruments for the relevant period.
  - (ii) is not within the scope of MFRS 9 Financial Instruments shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the consolidated statements of financial position. The accounting policy for goodwill is set out in Note 4.6(a) to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Entities under common control are entities, which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the consolidated financial statements from the day that control commences until the date that control ceases.

### 4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

After initial recognition, property, plant and equipment except for freehold land and buildings, are stated at cost less any accumulated depreciation and any accumulated impairment losses. Freehold land and buildings are stated at valuation, which is the fair value at date of revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Freehold land and buildings are revalued at least every three (3) years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of each reporting period.

# Notes to The Financial Statements

30 June 2025

## 4. MATERIAL ACCOUNTING POLICIES (CONT'D)

### 4.4 Property, plant and equipment and depreciation (Cont'd)

Depreciation is calculated to write down the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The principal annual depreciation rates are as follows:

Freehold buildings	2%
Plant and machineries	10% - 50%
Tools and equipment	20% - 33%
Electrical installation	20%
Furniture and fittings	7% - 25%
Air-conditioners	20%
Office equipment	5% - 50%
Renovation	2.5% - 20%
Motor vehicles	20%

Freehold land has unlimited useful life and is not depreciated. Capital work-in-progress represents costs incurred for the purchase of machines from a third party that have not yet been completed and delivered as of the reporting date. No depreciation is charged on capital work-in-progress as they are not yet available for use. Depreciation will commence once the machines are completed, delivered, and installed, and are ready for their intended operational use.

### 4.5 Leases

#### (a) The Group and the Company as lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets of RM20,000 and below. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **Right-of-use asset**

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

Subsequent to the initial recognition, the right-of-use asset is measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated on a straight-line basis over the earlier of the estimated useful lives of the right-of-use asset or the end of the lease term. The lease terms of the right-of-use assets are as follows:

Buildings	2 to 15 years
Plant and machineries	5 years
Tools and equipment	3 to 5 years
Motor vehicles	5 years
Office equipment	1 to 3 years

# Notes to The Financial Statements

30 June 2025

## 4. MATERIAL ACCOUNTING POLICIES (CONT'D)

### 4.5 Leases (Cont'd)

#### (a) The Group and the Company as lessee (Cont'd)

##### *Lease liability*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group and of the Company. Subsequent to the initial recognition, the Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made, and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

### 4.6 Intangible assets

#### (a) Goodwill on consolidation

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could be impaired.

#### (b) Other intangible assets

Other intangible assets are recognised only when the identifiability, control and future economic benefit probability criteria are met.

The Group recognises at the acquisition date separately from goodwill, an intangible asset of the acquiree, irrespective of whether the asset had been recognised by the acquiree before the business combination.

Intangible assets are initially measured at cost. The cost of intangible assets recognised in a business combination is their fair values as at the date of acquisition.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives of two (2) to ten (10) years and are assessed for any indication that the asset could be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in profit or loss and is included within the other operating expenses line item.

Expenditure on an intangible item that are initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from the derecognition determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in profit or loss when the asset is derecognised.

# Notes to The Financial Statements

30 June 2025

## 4. MATERIAL ACCOUNTING POLICIES (CONT'D)

### 4.7 Contract asset

A contract asset is the right to consideration for goods or services transferred to the customer when that right is conditioned on something other than the passage of time (for example, the Company's future performance). A contract asset is transferred to receivable when the rights to economic benefits become unconditional. This would occur when the Company issues billing to the customer.

The policy for the recognition and measurement of impairment loss is in accordance with Note 4.11 to the financial statements.

### 4.8 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investments in subsidiaries), inventories and deferred tax assets measured at fair value, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill or intangible asset might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the CGU or groups of CGU of the Group that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU. The impairment loss is recognised in profit or loss immediately.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is recognised in other comprehensive income for that asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus account.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

# Notes to The Financial Statements

30 June 2025

## 4. MATERIAL ACCOUNTING POLICIES (CONT'D)

### 4.9 Inventories

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

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

### 4.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial instruments are recognised on the statements of financial position when the Group and the Company have become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

#### (a) Financial assets

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of financial assets upon initial recognition. The measurement for each classification of financial assets is as below:

##### (i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of any impairment losses, if any.

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group in the management of their short-term commitments.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

# Notes to The Financial Statements

30 June 2025

## 4. MATERIAL ACCOUNTING POLICIES (CONT'D)

### 4.10 Financial instruments (Cont'd)

#### (b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and meet the definition of a financial liability.

##### (i) Financial liabilities measured at amortised cost

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### 4.11 Impairment of financial assets

The Group and the Company recognise loss allowance for expected credit loss ("ECL") on financial assets measured at amortised cost and contract assets.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

In measuring the expected credit losses on trade receivables and contract assets, the probability of non-payment by the trade receivables and contract assets is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables and contract assets. For trade receivables and contract assets, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivables and contract assets would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

The Group uses an allowance matrix to measure ECLs of trade receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a "roll rate" method based on probability of a receivable progressing through successive stages of delinquency to 90 days past due.

The Group and the Company consider credit loss experience and observable data such as current changes and futures forecasts in economic conditions of the Group's industry to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

# Notes to The Financial Statements

30 June 2025

## 4. MATERIAL ACCOUNTING POLICIES (CONT'D)

### 4.11 Impairment of financial assets (Cont'd)

Impairment for other receivables, amounts due from ultimate holding company, immediate holding company and related parties are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised.

For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment by other receivables, amounts due from immediate holding company, related companies and related parties are adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for other receivables and amounts due from related parties.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

### 4.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 4.13 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, which are payable by foreign subsidiaries on distributions to the Group and to the Company.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

#### (a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group and the Company operate and include all taxes based upon the taxable profits (including withholding taxes payable by foreign subsidiaries on distribution of retained earnings to companies in the Group).

# Notes to The Financial Statements

30 June 2025

## 4. MATERIAL ACCOUNTING POLICIES (CONT'D)

### 4.13 Income taxes (Cont'd)

#### (b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statements of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

- (i) the same taxable entity; or
- (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

### 4.14 Employee benefits

#### (a) Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and foreign subsidiaries make contributions to their respective countries' statutory pension schemes. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

# Notes to The Financial Statements

30 June 2025

## 4. MATERIAL ACCOUNTING POLICIES (CONT'D)

### 4.15 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group and the Company recognise revenue when (or as) they transfer control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

(a) Sale of goods

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

(b) Projects

Projects may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost-plus margin.

Revenue from projects is measured at the fixed transaction price agreed under the agreement.

The Group and the Company determine the transaction price of a contract after considering the effect of variable consideration, constraining estimates of variable consideration, effect of significant financing component, non-cash consideration and consideration payable to customer.

When the fair value of variable consideration is uncertain, the Group and the Company estimate the amount of consideration by using the most likely amount method and only recognise to the extent that is highly probable that a significant reversal in cumulative revenue will not occur.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group and the Company would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Control of the asset is transferred over time if the performance of the Group and of the Company does not create an asset with an alternative use to the Group and the Company and the Group and the Company have an enforceable right to payment for performance completed to date.

The Group and the Company recognise revenue over time using an input method by reference to the labour hours expended relative to the total expected labour hours for satisfaction of that performance obligation, as the customer simultaneously receives and consumes the benefits provided by the Group and the Company.

The Group and the Company identify performance obligations that are distinct and material, which are judgemental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations. The Group and the Company also estimate total performance period in applying the input method to recognise revenue over time. In estimating total performance period to complete, the Group and the Company consider the completeness and accuracy of their performance period estimation, including performance period for contract variations.

(c) Maintenance income

Revenue from sale of maintenance services rendered is recognised over time throughout the period of contracts using an input method. Income for the expired period is recognised in the profit or loss on accrual basis and income relating to the unexpired period is carried forward as deferred maintenance income.

# Notes to The Financial Statements

30 June 2025

## 4. MATERIAL ACCOUNTING POLICIES (CONT'D)

### 4.15 Revenue recognition (Cont'd)

Revenue recognition not relation to performance obligations is described below:

(a) Interest income

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

(b) Dividend income

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

(c) Rental income

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.

(d) Management fee

The provision of management fee is recognised when services are rendered.

(e) Distribution income

Distribution income is recognised when the investor's right to receive payment is established.

### 4.16 Disposal group held for sale and discontinued operations

(a) Disposal group held for sale and discontinued operations

Disposal group is classified as held for sale if its carrying amount would be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the disposal group shall be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such disposal group and its sale must be highly probable. The probability of shareholders' approval (if required in the jurisdiction) is considered as part of the assessment of whether the sale is highly probable.

The sale is expected to qualify for recognition as a completed sale within one (1) year from the date of classification. However, an extension of the period required to complete the sale does not preclude the disposal group from being classified as held for sale if the delay is caused by events or circumstances beyond the control of the Group and there is sufficient evidence that the Group remains committed to its plan to sell the disposal group.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale or otherwise.

Immediately before the initial classification as held for sale, the carrying amounts of all the assets and liabilities in a disposal group are measured in accordance with applicable MFRSs. On initial classification as held for sale, disposal group (other than investment properties, deferred tax assets, employee benefit assets and financial assets carried at fair value) are measured at the lower of its carrying amount before the initial classification as held for sale and fair value less costs to sell. The differences, if any, are recognised in profit or loss as impairment loss.

The Group measures a disposal group classified as held for distribution to owners at the lower of its carrying amount and fair value less costs to distribute.

# Notes to The Financial Statements

30 June 2025

## 4. MATERIAL ACCOUNTING POLICIES (CONT'D)

### 4.16 Disposal group held for sale and discontinued operations (Cont'd)

#### (a) Disposal group held for sale and discontinued operations (Cont'd)

Disposal group held for sale is classified as current assets (and current liabilities, in the case of non-current liabilities included within disposal group) in the statements of financial position and are stated at the lower of carrying amount immediately before initial classification and fair value less costs to sell and are not depreciated. Any cumulative income or expense recognised directly in equity relating to the disposal group classified as held for sale is presented separately.

If the Group has classified a disposal group as held for sale but subsequently, the criteria for classification is no longer met, the Group ceases to classify the disposal group as held for sale. The Group measures a non-current asset that ceases to be included in a disposal group classified as held for sale at the lower of:

- (i) Its carrying amount before the disposal group was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the disposal group not been classified as held for sale; and
- (ii) Its recoverable amount at the date of the subsequent decision not to sell.

#### (b) Discontinued operations

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. When an operation is classified as a discontinued operation, the comparative statements of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the beginning of the comparative period.

## 5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

### 5.1 New MFRSs adopted during the financial year

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

Title	Effective Date
Amendments to MFRS 16 <i>Lease liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures Supplier Finance Arrangements</i>	1 January 2024

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

# Notes to The Financial Statements

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## 5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

### 5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Company:

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to MFRS <i>Accounting Standards - Volume 11</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

### 6.1 Changes in estimates

The Directors are of the opinion that there are no significant changes in the estimates at the end of the reporting period.

### 6.2 Critical judgements made in applying accounting policies

The following are judgements made by the management in the process of applying the accounting policies of the Group and of the Company that have the most significant effect on the amounts recognised in the financial statements.

#### Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other temporary differences to the extent that it is probable that future taxable profits would be available against which the losses, capital allowances and other temporary differences could be utilised. Significant management's judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies.

### 6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of 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.

# Notes to The Financial Statements

30 June 2025

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

### 6.3 Key sources of estimation uncertainty (Cont'd)

(a) Impairment of goodwill on consolidation

The Group determines whether goodwill on consolidation is impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Estimating a value-in-use amount requires the management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(b) Impairment of cost of investments in subsidiaries

Management used forecasted cash flows and a value-in-use model to compute the present value of forecasted future cash flows for certain subsidiaries/Cash Generating Units ("CGU") to determine if there is any impairment loss required on the costs of investments in these subsidiaries.

The determination of whether or not an impairment loss is necessary involves significant judgements and estimates by the management about the future results and key assumptions applied to cash flow projections of these subsidiaries/CGUs in determining their recoverable amounts. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates.

(c) Impairment of receivables

The impairment allowances for trade and other receivables are based on assumptions about risk of default and expected credit loss rates. The Group and the Company adopt judgement in making these assumptions and selecting inputs for computing such impairment loss, broadly based on the available customers' historical data, the existing market conditions including forward-looking estimates at the end of the reporting period.

## 7. OPERATING SEGMENTS

The Group has arrived at two (2) reportable segments that are organised and managed separately based on information reported internally to the Management and the Board of Directors. The reportable segments are summarised as follows:

- (a) Manufacturing and trading of security seals and tamper evident bags; and
- (b) Trading and wholesale of security seals and tamper evident products

The accounting policies of operating segments are the same as those described in this report. The Group evaluates performance on the basis of profit or loss from operations before tax.

Inter-segment revenue is priced lower than sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the 30 June 2024 and 30 June 2025. The Group supplies its portfolio of products to numerous customers and multiple industries across various countries. In this regard, the Group's revenue is also segmented by business activities and product categories.

Segment assets exclude tax assets. Segment liabilities exclude tax liabilities. Even though borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors. Details are provided in the reconciliations from segment assets and liabilities to the position of the Group.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one (1) period for each reportable segment.

# Notes to The Financial Statements

30 June 2025

## 7. OPERATING SEGMENTS (CONT'D)

2025	Continuing operations		Discontinuing operations	Total RM
	Manufacturing RM	Trading RM	Trading RM	
<b>Revenue</b>				
Total revenue	105,641,845	112,721,751	-	218,363,596
Inter-segment revenue	(41,518,069)	(400,221)	-	(41,918,290)
Revenue from external customers	64,123,776	112,321,530	-	176,445,306
Finance costs	4,303,773	288,940	-	4,592,713
Depreciation and amortisation				
- Property, plant and equipment	2,150,531	239,774	-	2,390,305
- Right-of-use assets	2,210,867	2,576,194	-	4,787,061
- Intangible assets	162,275	1,961	-	164,236
<b>Segment profit/(loss) before income tax</b>	<b>10,217,923</b>	<b>12,361,011</b>	<b>(1,180,592)</b>	<b>21,398,342</b>
Taxation	3,558,551	2,486,231	(29,652)	6,015,130
<b>Other material non-cash items:</b>				
Allowance for impairment losses on trade and other receivables	1,644,691	-	-	1,644,691
Reversal of impairment losses on trade and other receivables	66,115	160,013	-	226,128
Bad debts written off	345	61,517	-	61,862
Capital expenditure	13,555,663	942,757	-	14,498,420
<b>Segment assets</b>	<b>237,724,032</b>	<b>121,648,038</b>	<b>675,608</b>	<b>360,047,678</b>
<b>Segment liabilities</b>	<b>95,305,058</b>	<b>27,103,160</b>	<b>199,780</b>	<b>122,607,998</b>

# Notes to The Financial Statements

30 June 2025

## 7. OPERATING SEGMENTS (CONT'D)

2024	Continuing operations		Discontinuing operations	Total RM
	Manufacturing RM	Trading RM	Trading RM	
<b>Revenue</b>				
Total revenue	94,664,442	122,467,455	-	217,131,897
Inter-segment revenue	(49,308,466)	(368,999)	-	(49,677,465)
<b>Revenue from external customers</b>	<b>45,355,976</b>	<b>122,098,456</b>	<b>-</b>	<b>167,454,432</b>
Finance costs	4,228,921	390,584	-	4,619,505
Depreciation and amortisation				
- Property, plant and equipment	1,929,623	292,066	-	2,221,689
- Right-of-use assets	3,351,958	2,502,359	-	5,854,317
- Intangible assets	198,423	97,110	-	295,533
<b>Segment profit/(loss) before income tax</b>	<b>10,468,491</b>	<b>14,755,770</b>	<b>(1,953,967)</b>	<b>23,270,294</b>
Taxation	(720,752)	4,334,001	41,865	3,655,114
<b>Other material non-cash items:</b>				
Allowance for impairment losses on trade and other receivables	286,005	183,162	-	469,167
Reversal of impairment losses on trade and other receivables	729	1,991,851	-	1,992,580
Bad debts written off	68	512,798	1,512,758	2,025,624
Capital expenditure	16,710,925	10,923,509	-	27,634,434
<b>Segment assets</b>	<b>148,507,113</b>	<b>99,737,560</b>	<b>648,012</b>	<b>248,892,685</b>
<b>Segment liabilities</b>	<b>93,105,191</b>	<b>27,403,090</b>	<b>228,518</b>	<b>120,736,799</b>

# Notes to The Financial Statements

30 June 2025

## 7. OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

Revenue	2025 RM	2024 RM
Total revenue for reportable segment	<b>218,053,826</b>	217,131,897
Elimination of inter-segmental revenue	<b>(41,608,520)</b>	(49,677,465)
Revenue of the Group per statements of profit or loss and other comprehensive income	<b><u>176,445,306</u></b>	<u>167,454,432</u>
<b>Profit for the financial year</b>		
Total profit for reportable segment	<b>21,398,342</b>	23,270,294
Less: Taxation	<b>(6,015,130)</b>	(3,655,114)
Profit for the financial year per statements of profit or loss and other comprehensive income	<b><u>15,383,212</u></b>	<u>19,615,180</u>
<b>Assets</b>		
Total assets for reportable segments	<b>360,047,678</b>	248,892,685
Deferred tax assets	<b>381,413</b>	411,099
Current tax assets	<b>227,531</b>	1,515,836
Total assets per statements of financial position	<b><u>360,656,622</u></b>	<u>250,819,620</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	<b>122,607,998</b>	120,736,799
Deferred tax liabilities	<b>2,502,030</b>	2,525,062
Current tax liabilities	<b>1,515,587</b>	1,401,915
Total liabilities per statements of financial position	<b><u>126,625,615</u></b>	<u>124,663,776</u>

# Notes to The Financial Statements

30 June 2025

## 8. PROPERTY, PLANT AND EQUIPMENT

Group	As at 1.7.2024 RM	Transfer from/(to) assets RM	Additions RM	Disposals RM	Reclassification RM	Written off RM	Foreign currency translation differences RM	As at 30.6.2025 RM
<b>Valuation/Cost</b>								
<b>Assets at valuation</b>								
Freehold land	42,888,571	-	-	-	-	-	-	42,888,571
Freehold buildings	20,655,429	-	-	-	-	-	-	20,655,429
	<b>63,544,000</b>	-	-	-	-	-	-	<b>63,544,000</b>
<b>Assets at cost</b>								
Plant and machineries	19,777,356	4,452,455	559,838	(90,300)	(175,113)	(197,387)	(192,722)	24,134,127
Tools and equipment	19,331,381	362,000	5,430,230	(1,264,700)	-	(167,650)	-	23,691,261
Electrical installation	1,829,497	-	21,081	-	-	-	-	1,850,578
Furniture and fittings	789,046	-	-	(2,088)	(31,402)	(85,337)	(23,988)	646,231
Air-conditioners	230,911	-	4,050	-	-	-	-	234,961
Office equipment	2,686,724	55,976	293,722	-	206,515	(1,151,695)	(35,301)	2,055,941
Renovation	8,238,124	-	2,033,862	-	-	-	(5,397)	10,266,589
Motor vehicles	1,518,958	(60,786)	-	(449,832)	-	-	243,239	1,251,579
Capital work-in-progress	10,598,814	-	6,155,637	-	-	-	-	16,754,451
	<b>65,000,811</b>	<b>4,809,645</b>	<b>14,498,420</b>	<b>(1,806,920)</b>	<b>-</b>	<b>(1,602,069)</b>	<b>(14,169)</b>	<b>80,885,718</b>
	<b>128,544,811</b>	<b>4,809,645</b>	<b>14,498,420</b>	<b>(1,806,920)</b>	<b>-</b>	<b>(1,602,069)</b>	<b>(14,169)</b>	<b>144,429,718</b>

# Notes to The Financial Statements

30 June 2025

## 8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	As at 1.7.2024 RM	Transfer from right-of-use assets RM	Depreciation charge for the financial year RM	Disposals RM	Reclassification RM	Written off RM	Foreign currency translation differences RM	As at 30.6.2025 RM
<b>Accumulated depreciation</b>								
<b>Assets at valuation</b>								
Freehold buildings	455,623	-	490,251	-	-	-	-	945,874
<b>Assets at cost</b>								
Plant and machineries	18,424,401	4,430,768	318,270	(90,293)	(182,196)	(197,080)	(136,311)	22,567,559
Tools and equipment	15,157,258	274,645	577,598	(1,264,689)	-	(161,046)	-	14,583,766
Electrical installation	1,717,328	-	30,531	-	-	-	-	1,747,859
Furniture and fittings	619,163	-	53,894	(1,810)	(23,271)	(85,326)	(19,073)	543,577
Air-conditioners	199,164	-	14,314	-	-	-	-	213,478
Office equipment	2,313,836	53,171	197,558	-	205,467	(1,146,204)	(47,547)	1,576,281
Renovation	6,941,606	-	686,881	-	-	-	(5,398)	7,623,089
Motor vehicles	1,509,309	107,964	21,008	(449,832)	-	-	(24,261)	1,164,188
	46,882,065	4,866,548	1,900,054	(1,806,624)	-	(1,589,656)	(232,590)	50,019,797
	47,337,688	4,866,548	2,390,305	(1,806,624)	-	(1,589,656)	(232,590)	50,965,671

# Notes to The Financial Statements

30 June 2025

## 8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	As at 1.7.2023 RM	Transfer from right-of-use assets RM	Additions RM	Disposals RM	Written off RM	Foreign currency translation differences RM	As at 30.6.2024 RM
<b>Valuation/Cost</b>							
<b>Assets at valuation</b>							
Freehold land	32,500,000	-	10,388,571	-	-	-	42,888,571
Freehold buildings	22,060,164	-	4,155,429	(5,519,460)	-	(40,704)	20,655,429
	54,560,164	-	14,544,000	(5,519,460)	-	(40,704)	63,544,000
<b>Assets at cost</b>							
Plant and machineries	15,442,951	4,214,357	890,552	(434,339)	(308,173)	(27,992)	19,777,356
Tools and equipment	21,351,404	202,000	1,102,413	(3,047,863)	(276,573)	-	19,331,381
Electrical installation	1,743,297	-	94,000	-	(7,800)	-	1,829,497
Furniture and fittings	785,513	-	99,105	-	(100,692)	5,120	789,046
Air-conditioners	232,711	-	1,800	-	(3,600)	-	230,911
Office equipment	2,666,519	-	171,680	(8,600)	(131,770)	(11,105)	2,686,724
Renovation	8,110,744	-	132,070	-	-	(4,690)	8,238,124
Motor vehicles	1,359,367	328,574	-	(174,693)	-	5,710	1,518,958
Capital work-in-progress	-	-	10,598,814	-	-	-	10,598,814
	51,692,506	4,744,931	13,090,434	(3,665,495)	(828,608)	(32,957)	65,000,811
	106,252,670	4,744,931	27,634,434	(9,184,955)	(828,608)	(73,661)	128,544,811

# Notes to The Financial Statements

30 June 2025

## 8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	As at 1.7.2023 RM	Transfer from right-of-use assets RM	Depreciation charge for the financial year RM	Disposals RM	Written off RM	Foreign currency translation differences RM	As at 30.6.2024 RM
<b>Accumulated depreciation</b>							
<b>Assets at valuation</b>							
Freehold buildings	1,342,849	-	494,200	(1,371,426)	-	(10,000)	455,623
<b>Assets at cost</b>							
Plant and machineries	14,538,051	4,196,988	436,052	(425,780)	(304,797)	(16,113)	18,424,401
Tools and equipment	17,906,305	130,233	398,566	(3,045,152)	(232,694)	-	15,157,258
Electrical installation	1,689,676	-	29,992	-	(2,340)	-	1,717,328
Furniture and fittings	631,223	-	73,498	-	(90,133)	4,575	619,163
Air-conditioners	178,567	-	24,196	-	(3,599)	-	199,164
Office equipment	2,268,016	-	195,478	(8,600)	(130,027)	(11,031)	2,313,836
Renovation	6,384,919	-	561,377	-	-	(4,690)	6,941,606
Motor vehicles	1,315,341	328,573	8,330	(148,444)	-	5,509	1,509,309
	44,912,098	4,655,794	1,727,489	(3,627,976)	(763,590)	(21,750)	46,882,065
	46,254,947	4,655,794	2,221,689	(4,999,402)	(763,590)	(31,750)	47,337,688

# Notes to The Financial Statements

30 June 2025

## 8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	As at 1.7.2024 RM	Transfer from right-of-use assets RM	Additions RM	Disposals RM	Written off RM	As at 30.6.2025 RM
<b>Valuation/Cost</b>						
<b>Assets at valuation</b>						
Freehold land	42,888,571	-	-	-	-	42,888,571
Freehold buildings	20,655,429	-	-	-	-	20,655,429
	<b>63,544,000</b>	-	-	-	-	<b>63,544,000</b>
<b>Assets at cost</b>						
Plant and machineries	12,739,659	4,452,455	550,258	(90,300)	(197,387)	17,454,685
Tools and equipment	21,469,500	362,000	5,816,721	(1,264,700)	(167,650)	26,215,871
Electrical installation	1,829,497	-	21,081	-	-	1,850,578
Furniture and fittings	299,342	-	-	-	(85,337)	214,005
Air-conditioners	219,561	-	4,050	-	-	223,611
Office equipment	2,055,938	-	219,427	-	(1,151,695)	1,123,670
Renovation	7,232,248	-	1,174,980	-	-	8,407,228
Motor vehicles	1,044,863	-	-	-	-	1,044,863
	<b>46,890,608</b>	<b>4,814,455</b>	<b>7,786,517</b>	<b>(1,355,000)</b>	<b>(1,602,069)</b>	<b>56,534,511</b>
	<b>110,434,608</b>	<b>4,814,455</b>	<b>7,786,517</b>	<b>(1,355,000)</b>	<b>(1,602,069)</b>	<b>120,078,511</b>

# Notes to The Financial Statements

30 June 2025

## 8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	As at 1.7.2024 RM	Depreciation charge for the financial year RM	Transfer from right-of-use assets RM	Disposals RM	Written off RM	As at 30.6.2025 RM
Accumulated depreciation						
<u>Assets at valuation</u>						
Freehold buildings	455,623	490,251	-	-	-	945,874
<u>Assets at cost</u>						
Plant and machineries	12,031,337	142,932	4,430,767	(90,293)	(197,080)	16,317,663
Tools and equipment	18,968,840	1,361,944	274,645	(1,264,689)	(161,046)	19,179,694
Electrical installation	1,717,327	30,531	-	-	-	1,747,858
Furniture and fittings	225,325	21,941	-	-	(85,326)	161,940
Air-conditioners	190,357	12,559	-	-	-	202,916
Office equipment	1,808,619	121,820	-	-	(1,146,204)	784,235
Renovation	6,213,102	507,859	-	-	-	6,720,961
Motor vehicles	1,035,214	8,270	-	-	-	1,043,484
	42,190,121	2,207,856	4,705,412	(1,354,982)	(1,589,656)	46,158,751
	42,645,744	2,698,107	4,705,412	(1,354,982)	(1,589,656)	47,104,625

# Notes to The Financial Statements

30 June 2025

## 8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	As at 1.7.2023 RM	Transfer from right-of-use assets RM	Additions RM	Disposals RM	Written off RM	As at 30.6.2024 RM
<b>Valuation/Cost</b>						
<b>Assets at valuation</b>						
Freehold land	32,500,000	-	10,388,571	-	-	42,888,571
Freehold buildings	16,500,000	-	4,155,429	-	-	20,655,429
	49,000,000	-	14,544,000	-	-	63,544,000
<b>Assets at cost</b>						
Plant and machineries	8,284,220	4,214,357	683,417	(147,540)	(294,795)	12,739,659
Tools and equipment	23,391,960	202,000	1,318,976	(3,166,863)	(276,573)	21,469,500
Electrical installation	1,743,297	-	94,000	-	(7,800)	1,829,497
Furniture and fittings	243,577	-	55,765	-	-	299,342
Air-conditioners	221,361	-	1,800	-	(3,600)	219,561
Office equipment	1,982,209	-	86,459	(8,600)	(4,130)	2,055,938
Renovation	7,100,178	-	132,070	-	-	7,232,248
Motor vehicles	716,289	328,574	-	-	-	1,044,863
	43,683,091	4,744,931	2,372,487	(3,323,003)	(586,898)	46,890,608
	92,683,091	4,744,931	16,916,487	(3,323,003)	(586,898)	110,434,608

# Notes to The Financial Statements

30 June 2025

## 8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	As at 1.7.2023 RM	Depreciation charge for the financial year RM	Transfer from right-of-use assets RM	Elimination upon revaluation RM	Disposals RM	Written off RM	As at 30.6.2024 RM
<b>Accumulated depreciation</b>							
<b>Assets at valuation</b>							
Freehold buildings	-	455,623	-	-	-	-	455,623
<b>Assets at cost</b>							
Plant and machineries	8,032,046	236,079	4,196,988	-	(138,981)	(294,795)	12,031,337
Tools and equipment	20,805,495	1,357,374	130,233	-	(3,091,568)	(232,694)	18,968,840
Electrical installation	1,689,676	29,991	-	-	-	(2,340)	1,717,327
Furniture and fittings	203,380	21,945	-	-	-	-	225,325
Air-conditioners	172,031	21,925	-	-	-	(3,599)	190,357
Office equipment	1,696,003	124,451	-	-	(8,600)	(3,235)	1,808,619
Renovation	5,830,745	382,357	-	-	-	-	6,213,102
Motor vehicles	698,372	8,269	328,573	-	-	-	1,035,214
	39,127,748	2,182,391	4,655,794	-	(3,239,149)	(536,663)	42,190,121
	39,127,748	2,638,014	4,655,794	-	(3,239,149)	(536,663)	42,645,744

# Notes to The Financial Statements

30 June 2025

## 8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Carrying amount</b>				
<b><u>Assets at valuation</u></b>				
Freehold land	<b>42,888,571</b>	42,888,571	<b>42,888,571</b>	42,888,571
Freehold buildings	<b>19,709,555</b>	20,199,806	<b>19,709,555</b>	20,199,806
	<b>62,598,126</b>	63,088,377	<b>62,598,126</b>	63,088,377
<b>Assets at cost</b>				
Plant and machineries	<b>1,566,568</b>	1,352,955	<b>1,137,022</b>	708,322
Tools and equipment	<b>9,107,495</b>	4,174,123	<b>7,036,177</b>	2,500,660
Electrical installation	<b>102,719</b>	112,169	<b>102,720</b>	112,170
Furniture and fittings	<b>102,654</b>	169,883	<b>52,065</b>	74,017
Air-conditioners	<b>21,483</b>	31,747	<b>20,695</b>	29,204
Office equipment	<b>479,660</b>	372,888	<b>339,435</b>	247,319
Renovation	<b>2,643,500</b>	1,296,518	<b>1,686,267</b>	1,019,146
Motor vehicles	<b>87,391</b>	9,649	<b>1,379</b>	9,649
Capital work-in-progress	<b>16,754,451</b>	10,598,814	-	-
	<b>30,865,921</b>	18,118,746	<b>10,375,760</b>	4,700,487
	<b>93,464,047</b>	81,207,123	<b>72,973,886</b>	67,788,864

- (a) The carrying amount of the Group's and the Company's freehold land and buildings located in Malaysia was based on an independent valuation performed on 30 June 2023 by an external independent valuer, VPC Alliance (PJ) Sdn. Bhd..

# Notes to The Financial Statements

30 June 2025

## 8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) (Cont'd)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models:

Property category	Description of valuation techniques and inputs used	Significant unobservable inputs	Inter-relationship between key observable inputs and fair value
Freehold land	Sales comparison method: Entails recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, physical characteristics, time element, if any and other relevant characteristics to arrive at the market value.	Price per square foot RM222 - RM223	The estimated fair value would increase if the price per square foot is higher.
Freehold buildings	Sales comparison method: Entails recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, physical characteristics, time element, if any and other relevant characteristics to arrive at the market value.	Price per square foot RM125 - RM570	The estimated fair value would increase if the price per square foot is higher.

Had the revalued assets been carried at cost, the carrying amounts would have been:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Freehold land	<b>30,388,571</b>	30,388,571	<b>30,388,571</b>	30,388,571
Freehold buildings	<b>13,933,092</b>	14,170,071	<b>13,933,092</b>	14,170,071
	<b>44,321,663</b>	44,558,642	<b>44,321,663</b>	44,558,642

# Notes to The Financial Statements

30 June 2025

## 8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (b) The fair value of freehold land and buildings (at valuation) of the Group and of the Company are categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2025</b>				
<b>Group</b>				
Freehold land	-	-	42,888,571	42,888,571
Freehold buildings	-	-	19,709,555	19,709,555
	-	-	62,598,126	62,598,126
<b>Company</b>				
Freehold land	-	-	42,888,571	42,888,571
Freehold buildings	-	-	19,709,555	19,709,555
	-	-	62,598,126	62,598,126
<b>2024</b>				
<b>Group</b>				
Freehold land	-	-	42,888,571	42,888,571
Freehold buildings	-	-	20,199,806	20,199,806
	-	-	63,088,377	63,088,377
<b>Company</b>				
Freehold land	-	-	42,888,571	42,888,571
Freehold buildings	-	-	20,199,806	20,199,806
	-	-	63,088,377	63,088,377

Level 3 fair value of land and buildings (at valuation) was based on the highest and best use, which does not differ from their actual use. The land and buildings (at valuation) of the Group and of the Company are for own use.

# Notes to The Financial Statements

30 June 2025

## 8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) The Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Purchase of property, plant and equipment	<b>14,498,420</b>	27,634,434	<b>7,786,517</b>	16,916,487
Capitalisation of borrowing cost	<b>(587,293)</b>	(59,322)	-	-
Cash payments on purchase of property, plant and equipment	<b>13,911,127</b>	27,575,112	<b>7,786,517</b>	16,916,487

(d) The carrying amounts of property, plant and equipment of the Group and of the Company pledged as securities for banking facilities granted to the Group and the Company as disclosed in Note 19 to the financial statements are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Freehold land	<b>42,888,571</b>	42,888,571	<b>42,888,571</b>	42,888,571
Freehold buildings	<b>19,709,555</b>	20,199,806	<b>19,709,555</b>	20,199,806
Capital work-in-progress	<b>16,754,451</b>	10,598,814	-	-
	<b>79,352,577</b>	73,687,191	<b>62,598,126</b>	63,088,377

# Notes to The Financial Statements

30 June 2025

## 9. LEASES

### The Group and the Company as lessee

#### (a) Right-of-use assets

Group	Buildings RM	Plant and machineries RM	Tools and equipment RM	Motor vehicles RM	Office equipment RM	Total RM
<b>Carrying value</b>						
As at 1 July 2023	4,975,108	5,664,892	897,890	1,251,665	25,675	12,815,230
Transfers to property, plant and equipment	-	(17,369)	(71,767)	(1)	-	(89,137)
Additions	1,935,801	445,100	789,964	262,766	-	3,433,631
Depreciation charge for the financial year	(2,570,925)	(2,278,946)	(361,895)	(631,152)	(11,399)	(5,854,317)
Derecognition upon early termination	(1,113,232)	-	-	(5,941)	-	(1,119,173)
Re-measurement	3,001,317	-	-	(39,636)	-	2,961,681
Foreign currency translation differences	63,933	-	-	(28,538)	110	35,505
As at 30 June 2024/1 July 2024	<b>6,292,002</b>	<b>3,813,677</b>	<b>1,254,192</b>	<b>809,163</b>	<b>14,386</b>	<b>12,183,420</b>
Transfers (to)/from property, plant and equipment	-	(21,687)	(87,355)	168,750	(2,805)	56,903
Additions	11,740,671	1,333,643	1,569,265	1,265,304	-	15,908,883
Depreciation charge for the financial year	(2,456,218)	(1,088,002)	(576,587)	(655,238)	(11,016)	(4,787,061)
Derecognition upon early termination	(154,778)	(73,463)	-	(5,522)	-	(233,763)
Re-measurement	1,093,063	-	-	170,401	-	1,263,464
Foreign currency translation differences	(442,330)	-	-	(13,923)	(565)	(456,818)
As at 30 June 2025	<b>16,072,410</b>	<b>3,964,168</b>	<b>2,159,515</b>	<b>1,738,935</b>	<b>-</b>	<b>23,935,028</b>

# Notes to The Financial Statements

30 June 2025

## 9. LEASES (CONT'D)

### The Group and the Company as lessee (Cont'd)

(a) Right-of-use assets (Cont'd)

Company	Buildings RM	Plant and machineries RM	Tools and equipment RM	Motor vehicles RM	Total RM
<b>Carrying value</b>					
As at 1 July 2023	1,266,023	5,106,818	897,889	83,177	7,353,907
Transfers to property, plant and equipment	-	(17,369)	(71,767)	(1)	(89,137)
Additions	-	243,000	789,963	-	1,032,963
Depreciation charge for the financial year	(546,609)	(2,104,022)	(361,894)	(25,593)	(3,038,118)
Derecognition upon early termination	(374,645)	-	-	-	(374,645)
Re-measurement	517,675	-	-	-	517,675
<b>As at 30 June 2023/1 July 2024</b>	<b>862,444</b>	<b>3,228,427</b>	<b>1,254,191</b>	<b>57,583</b>	<b>5,402,645</b>
Transfers to property, plant and equipment	-	(21,688)	(87,354)	-	(109,042)
Additions	606,380	1,333,643	1,569,265	230,926	3,740,214
Depreciation charge for the financial year	(493,743)	(953,488)	(576,587)	(52,534)	(2,076,352)
Derecognition upon early termination	(154,778)	(73,462)	-	-	(228,240)
Re-measurement	469,412	-	-	-	469,412
<b>As at 30 June 2025</b>	<b>1,289,715</b>	<b>3,513,432</b>	<b>2,159,515</b>	<b>235,975</b>	<b>7,198,637</b>

# Notes to The Financial Statements

30 June 2025

## 9. LEASES (CONT'D)

### The Group and the Company as lessee (Cont'd)

#### (b) Lease liabilities

Group	Buildings RM	Plant and machineries RM	Tools and equipment RM	Motor vehicles RM	Office equipment RM	Total RM
<b>Carrying value</b>						
As at 1 July 2023	5,219,285	5,281,208	713,096	1,178,958	22,822	12,415,369
Additions	1,924,313	445,100	787,115	251,422	-	3,407,950
Lease payments	(2,728,731)	(2,878,884)	(475,425)	(654,624)	(11,509)	(6,749,173)
Interest expense	289,537	288,673	66,668	52,341	-	697,219
Derecognition upon early termination	(1,178,012)	-	-	(6,185)	-	(1,184,197)
Re-measurement	3,001,317	-	-	(41,012)	-	2,960,305
Foreign currency translation differences	91,655	-	-	(23,743)	196	68,108
As at 30 June 2024/1 July 2024	<b>6,619,364</b>	<b>3,136,097</b>	<b>1,091,454</b>	<b>757,157</b>	<b>11,509</b>	<b>11,615,581</b>
Additions	<b>11,485,757</b>	<b>1,503,500</b>	<b>1,378,796</b>	<b>1,065,166</b>	<b>-</b>	<b>15,433,219</b>
Lease payments	<b>(2,766,023)</b>	<b>(1,814,220)</b>	<b>(660,885)</b>	<b>(650,177)</b>	<b>(11,195)</b>	<b>(5,902,500)</b>
Interest expense	<b>272,270</b>	<b>212,718</b>	<b>110,551</b>	<b>72,482</b>	<b>-</b>	<b>668,021</b>
Derecognition upon early termination	<b>(163,419)</b>	<b>(76,390)</b>	<b>-</b>	<b>(5,508)</b>	<b>-</b>	<b>(245,317)</b>
Re-measurement	<b>524,596</b>	<b>-</b>	<b>-</b>	<b>163,258</b>	<b>-</b>	<b>687,854</b>
Foreign currency translation differences	<b>(499,315)</b>	<b>-</b>	<b>-</b>	<b>(60,884)</b>	<b>(314)</b>	<b>(560,513)</b>
As at 30 June 2025	<b>15,473,230</b>	<b>2,961,705</b>	<b>1,919,916</b>	<b>1,341,494</b>	<b>-</b>	<b>21,696,345</b>

# Notes to The Financial Statements

30 June 2025

## 9. LEASES (CONT'D)

### The Group and the Company as lessee (Cont'd)

(b) Lease liabilities (Cont'd)

Company	Buildings RM	Plant and machineries RM	Tools and equipment RM	Motor vehicles RM	Total RM
<b>Carrying value</b>					
As at 1 July 2023	1,973,256	4,765,704	713,096	89,213	7,541,269
Additions	-	243,000	787,115	-	1,030,115
Lease payments	(707,365)	(2,650,533)	(475,425)	(35,874)	(3,869,197)
Interest expense	65,463	253,839	66,668	4,339	390,309
Derecognition upon early termination	(960,195)	-	-	-	(960,195)
Re-measurement	517,675	-	-	-	517,675
<b>As at 30 June 2023/1 July 2024</b>	<b>888,834</b>	<b>2,612,010</b>	<b>1,091,454</b>	<b>57,678</b>	<b>4,649,976</b>
Additions	583,715	1,503,500	1,378,796	204,000	3,670,011
Lease payments	(513,850)	(1,628,631)	(660,885)	(52,415)	(2,855,781)
Interest expense	50,719	178,653	110,550	6,904	346,826
Derecognition upon early termination	(163,419)	(76,390)	-	-	(239,809)
Re-measurement	469,412	-	-	-	469,412
<b>As at 30 June 2025</b>	<b>1,315,411</b>	<b>2,589,142</b>	<b>1,919,915</b>	<b>216,167</b>	<b>6,040,635</b>

# Notes to The Financial Statements

30 June 2025

## 9. LEASES (CONT'D)

### The Group and the Company as lessee (Cont'd)

#### (b) Lease liabilities (Cont'd)

	Lease liabilities owing to financial institutions RM	Lease liabilities owing to non-financial institutions RM	Total RM
<b>2025</b>			
<b>Group</b>			
Represented by:			
Current liabilities	2,002,512	3,337,964	5,340,476
Non-current liabilities	3,257,377	13,098,492	16,355,869
	<b>5,259,889</b>	<b>16,436,456</b>	<b>21,696,345</b>
<b>Company</b>			
Represented by:			
Current liabilities	1,771,843	649,901	2,421,744
Non-current liabilities	2,760,562	858,329	3,618,891
	<b>4,532,405</b>	<b>1,508,230</b>	<b>6,040,635</b>
<b>2024</b>			
<b>Group</b>			
Represented by:			
Current liabilities	1,706,205	2,909,260	4,615,465
Non-current liabilities	2,564,316	4,435,800	7,000,116
	<b>4,270,521</b>	<b>7,345,060</b>	<b>11,615,581</b>
<b>Company</b>			
Represented by:			
Current liabilities	1,532,909	521,466	2,054,375
Non-current liabilities	2,144,820	450,781	2,595,601
	<b>3,677,729</b>	<b>972,247</b>	<b>4,649,976</b>

# Notes to The Financial Statements

30 June 2025

## 9. LEASES (CONT'D)

### The Group and the Company as lessee (Cont'd)

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Continuing operations:</b>				
Depreciation charge of right-of-use assets				
- cost of sales	<b>2,210,865</b>	3,326,762	<b>2,023,818</b>	3,012,525
- administrative expenses	<b>2,576,196</b>	2,527,555	<b>52,534</b>	25,593
Interest expense on lease liabilities (included in finance costs)	<b>668,021</b>	697,219	<b>346,826</b>	390,309
Expenses relating to short-term leases (included in administrative expenses)	<b>204,689</b>	336,090	-	-
Expenses relating to short-term leases (included in cost of sales)	<b>9,050</b>	95,400	<b>46,150</b>	38,400
Expenses relating to low-value leases (included in administrative expenses)	<b>88,624</b>	4,115	<b>88,624</b>	10,977
Gain on derecognition upon early termination	<b>(11,554)</b>	(65,024)	<b>(11,569)</b>	(31,658)
Gain on lease reassessment	<b>(575,610)</b>	(1,376)	-	-
	<b>5,170,281</b>	6,920,741	<b>2,546,383</b>	3,446,146
<b>Discontinuing operations:</b>				
Gain on derecognition upon early termination	-	(28,756)	-	-

# Notes to The Financial Statements

30 June 2025

## 9. LEASES (CONT'D)

### The Group and the Company as lessee (Cont'd)

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Included in net cash from operating activities:				
Payment relating to short-term leases	<b>213,739</b>	431,490	<b>46,150</b>	38,400
Payment relating to low-value leases	<b>88,624</b>	4,115	<b>88,624</b>	10,977
Included in net cash from investing activities:				
Purchase of right-of-use assets	<b>475,664</b>	25,681	<b>70,203</b>	2,848
Included in net cash from financing activities:				
Payment of lease liabilities	<b>5,902,500</b>	6,749,173	<b>2,855,781</b>	3,869,197
	<b>6,680,527</b>	7,210,459	<b>3,060,758</b>	3,921,422

### The Company as lessor

The Company have entered into non-cancellable lease agreements on certain properties for terms of two years and are renewable at the end of the lease period. The monthly rental consists of a fixed base rent.

	Company	
	2025 RM	2024 RM

### Carrying amount

Less than one (1) year	<b>210,000</b>	360,000
One (1) to two (2) years	-	210,000
	<b>210,000</b>	570,000

# Notes to The Financial Statements

30 June 2025

## 10. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted equity shares, at cost	<b>45,119,837</b>	45,119,837
Less: Impairment loss	<b>(349,791)</b>	(349,791)
	<b>44,770,046</b>	44,770,046

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
<b>Subsidiaries of the Company</b>				
Mega Fortris (HK) Limited <sup>(1)(3)</sup>	Hong Kong	<b>100</b>	100	Trading of security seals and tamper evident products
Mega Fortris (Singapore) Pte Ltd <sup>(1)</sup>	Singapore	<b>70</b>	70	Trading of security seals and tamper evident products
Mega Fortris Security Bags (Malaysia) Sdn. Bhd.	Malaysia	<b>100</b>	100	Manufacturing and trading of tamper evident bags
Mega Fortris South Africa (Pty) Ltd <sup>(2)</sup>	South Africa	<b>51</b>	51	Trading of security seals and tamper evident products
Fortrich Manufacturing (M) Sdn. Bhd.	Malaysia	<b>100</b>	100	Manufacturing of tool and die
Mega Pandai Global Sdn. Bhd.	Malaysia	<b>100</b>	100	Manufacturing and printing of paper-based products
Mega Fortris (Europe) ApS Ltd. <sup>(1)</sup>	Denmark	<b>100</b>	100	Trading of security seals and tamper evident products
Mega Fortris Americas, Inc. <sup>(5)</sup>	The United States of America	<b>100</b>	100	Trading of security seals and tamper evident products
Mega Fortris Australia Pty Ltd <sup>(1)</sup>	Australia	<b>75</b>	75	Trading of security products
Mega Fortris New Zealand Limited <sup>(1)</sup>	New Zealand	<b>75</b>	75	Wholesale of security seals

# Notes to The Financial Statements

30 June 2025

## 10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
<b>Subsidiary of Mega Fortris South Africa (Pty) Ltd</b>				
Mega Fortris Mzansi (Pty) Ltd <sup>(6)</sup>	South Africa	-	60	Trading of security seals and tamper evident products
<b>Subsidiaries of Mega Fortris (Europe) ApS Ltd.</b>				
Mega Fortris (UK) Limited <sup>(1)</sup>	United Kingdom	<b>84.75</b>	84.75	Trading of security seals and tamper evident products
Mega Fortris BNL B.V. <sup>(4)</sup>	Netherlands	<b>100</b>	100	Trading of security seals and tamper evident products
Mega Fortris France SAS <sup>(1)</sup>	France	<b>80</b>	80	Trading of security seals and tamper evident products
Mega Fortris HU Kft <sup>(1)</sup>	Hungary	<b>60</b>	60	Trading of security seals and tamper evident products
Mega Fortris ME FZCO <sup>(1)</sup>	United Arab Emirates	<b>51</b>	51	Trading of packing and packaging materials and packing and packaging equipment
Mega Fortris Load Secure Nordic ApS <sup>(4)</sup>	Denmark	<b>51</b>	51	Trading of security seals and tamper evident products

<sup>(1)</sup> Subsidiaries audited by firms other than BDO in Malaysia and BDO Member Firms.

<sup>(2)</sup> Subsidiary is consolidated based on the management accounts as at 30 June 2025. The financial statement of the subsidiary is not required to be audited as they had been placed under liquidation.

<sup>(3)</sup> The auditors' report of the subsidiaries included a material uncertainty related to going concern paragraph. The qualification did not have material impact to the consolidated financial statements.

<sup>(4)</sup> The Group's consolidated financial statements have been consolidated based on the unaudited financial statements of this subsidiary as the Company is not required to be audited for the financial year ended 30 June 2025. This subsidiary did not form a material part of the consolidated financial statements.

<sup>(5)</sup> Subsidiary audited by BDO Alliance.

<sup>(6)</sup> During the financial year, the subsidiary was consolidated based on the management accounts as at 31 January 2025. The subsidiary has completed its liquidation process and was de-registered from The Companies and Intellectual Property Commission of South Africa on 5 February 2025.

# Notes to The Financial Statements

30 June 2025

## 10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (b) Acquisition of non-controlling interests in the previous financial year:
- (i) The Company acquired additional 37.14% of equity interest comprising 1,300,000 ordinary shares in Mega Fortris Security Bags (Malaysia) Sdn. Bhd. for total cash consideration of RM1,125,602. As a result of the subscription, the Company's effective interest in Mega Fortris Security Bags (Malaysia) Sdn. Bhd. increased from 62.86% to 100%.
  - (ii) The Company acquired 495,000 ordinary shares, representing 99% equity interest in the enlarged share capital of Mega Fortris (HK) Limited by way of capitalisation of debt with total consideration of RM306,837. The equity interest in the subsidiary remained at 100%.
  - (iii) The Company acquired 4,999,900 ordinary shares, representing 100% equity interest in the enlarged share capital of Mega Pandai Global Sdn. Bhd. for cash consideration of RM4,999,900. The equity interest in the subsidiary remained at 100%.
- (c) Summarised financial information of subsidiaries with non-controlling interests ("NCI") that are material to the Group is set out below. The summarised financial information presented below is the amount before intra-group eliminations. The NCI of other subsidiaries are not material to the Group.

2025	Mega Fortris Australia Pty Ltd RM	Mega Fortris (Europe) ApS Ltd. and its subsidiaries RM	Mega Fortris South Africa (Pty) Ltd and its subsidiary RM
<b>Assets and liabilities</b>			
Non-current assets	<b>320,566</b>	<b>15,473,224</b>	-
Current assets	<b>3,077,883</b>	<b>68,317,213</b>	<b>262,894</b>
Non-current liabilities	-	<b>(11,486,015)</b>	-
Current liabilities	<b>(2,156,613)</b>	<b>(45,255,264)</b>	<b>(197,885)</b>
Net assets	<b>1,241,836</b>	<b>27,049,158</b>	<b>65,009</b>
Accumulated NCI	<b>450,668</b>	<b>4,815,782</b>	<b>(4,160,184)</b>

# Notes to The Financial Statements

30 June 2025

## 10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (c) Summarised financial information of subsidiaries with non-controlling interests ("NCI") that are material to the Group is set out below. The summarised financial information presented below is the amount before intra-group eliminations. The NCI of other subsidiaries are not material to the Group. (Cont'd)

2025	Mega Fortris Australia Pty Ltd RM	Mega Fortris (Europe) ApS Ltd. and its subsidiaries RM	Mega Fortris South Africa (Pty) Ltd and its subsidiary RM
<b>Results</b>			
Revenue	7,084,756	59,817,912	-
Profit/(Loss) for the financial year	<u>993,413</u>	<u>4,619,609</u>	<u>(1,123,986)</u>
Profit/(Loss) allocated to NCI	248,353	1,118,992	(183,897)
Other comprehensive (loss)/income allocated to NCI	<u>(10,308)</u>	<u>(291,044)</u>	<u>421,837</u>
Total comprehensive income allocated to NCI	<u>238,045</u>	<u>827,948</u>	<u>237,940</u>
Net cash flows from/(used in) operating activities	902,549	17,095,053	(1,044,567)
Net cash flows (used in)/from investing activities	(779)	1,934,554	-
Net cash flows used in financing activities	(1,736,887)	(6,956,305)	-
Effects of exchange rate differences	<u>(51,806)</u>	<u>(1,014,491)</u>	<u>659,449</u>
Net (decrease)/increase in cash and cash equivalents	<u>(886,923)</u>	<u>11,058,811</u>	<u>(385,118)</u>
Dividend paid to NCI	<u>(345,500)</u>	<u>(441,428)</u>	<u>-</u>
<b>2024</b>			
<b>Assets and liabilities</b>			
Non-current assets	657,571	3,178,878	-
Current assets	4,183,749	43,170,496	2,596,237
Non-current liabilities	(298,179)	(1,845,497)	-
Current liabilities	<u>(2,649,540)</u>	<u>(15,132,870)</u>	<u>(11,572,107)</u>
Net assets/(liabilities)	<u>1,893,601</u>	<u>29,371,007</u>	<u>(8,975,870)</u>
Accumulated NCI	<u>558,124</u>	<u>4,429,262</u>	<u>(4,406,945)</u>

# Notes to The Financial Statements

30 June 2025

## 10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (c) Summarised financial information of subsidiaries with non-controlling interests ("NCI") that are material to the Group is set out below. The summarised financial information presented below is the amount before intra-group eliminations. The NCI of other subsidiaries are not material to the Group. (Cont'd)

2024	Mega Fortris Australia Pty Ltd RM	Mega Fortris (Europe) ApS Ltd. and its subsidiaries RM	Mega Fortris South Africa (Pty) Ltd and its subsidiary RM
<b>Results</b>			
Revenue	10,187,122	58,709,927	-
Profit/(Loss) for the financial year	2,034,435	6,441,841	(2,499,178)
Profit/(Loss) allocated to NCI	508,609	1,171,860	(1,224,597)
Other comprehensive profit/(loss) allocated to NCI	15,176	(47,959)	(146,090)
Total comprehensive income/(loss) allocated to NCI	523,785	1,123,901	(1,370,687)
Net cash flows from/(used in) operating activities	3,774,416	5,527,804	(327,768)
Net cash flows (used in)/from investing activities	(1,460)	6,216,664	37,989
Net cash flows used in financing activities	(2,961,788)	(5,164,467)	-
Effects of exchange rate differences	5,859	(18,757)	(307,746)
Net increase/(decrease) in cash and cash equivalents	817,027	6,561,244	(597,525)
Dividend paid to NCI	(669,163)	(588,115)	-

# Notes to The Financial Statements

30 June 2025

## 11. OTHER INVESTMENTS

	Group and Company	
	2025 RM	2024 RM
<b>At fair value through profit or loss</b>		
<u>Non-current assets:</u>		
Investments in keyman insurance contracts	<b>716,946</b>	716,946
<u>Current assets:</u>		
Money market funds and trust funds	<b>50,892,455</b>	-
	<b>51,609,401</b>	716,946

- (a) Other investments are classified as financial assets at fair value through profit or loss.
- (b) Investments in keyman insurance contracts represent life insurance policies with insurance companies to insure against the death and permanent disability of key management personnel and director. The contracts will be terminated on the occurrence of the earliest of the death of the key management personnel and director insured or other terms pursuant to the contracts. The insurance policies have maturity period of 10 years. The Company may request a surrender of the contracts at any time and receive cash back based on the cash value at the date of withdrawal, which is determined by the gross premium paid at inception plus accumulated guaranteed interest earned and minus insurance premium charged (the "Cash Value").
- (c) Money market funds and trust funds are classified as fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value is categorised as Level 1 in fair value hierarchy.

## 12. INTANGIBLE ASSETS

Group	Goodwill RM	Technical know-how RM	Computer software RM	Total RM
<b>Cost</b>				
As at 1 July 2024	<b>4,410,871</b>	<b>1,083,981</b>	<b>1,634,623</b>	<b>7,129,475</b>
Additions	-	-	<b>308,760</b>	<b>308,760</b>
Foreign currency translation differences	-	-	<b>(15,845)</b>	<b>(15,845)</b>
As at 30 June 2025	<b>4,410,871</b>	<b>1,083,981</b>	<b>1,927,538</b>	<b>7,422,390</b>

# Notes to The Financial Statements

30 June 2025

## 12. INTANGIBLE ASSETS (CONT'D)

Group	Goodwill RM	Technical know-how RM	Computer software RM	Total RM
<b>Accumulated amortisation</b>				
As at 1 July 2024	-	632,322	1,479,277	2,111,599
Amortisation charge for the financial year	-	99,365	64,871	164,236
Foreign currency translation differences	-	-	(15,293)	(15,293)
As at 30 June 2025	-	731,687	1,528,855	2,260,542
<b>Carrying amount</b>				
As at 30 June 2025	4,410,871	352,294	398,683	5,161,848
<b>Cost</b>				
As at 1 July 2023	4,410,871	1,083,981	1,604,552	7,099,404
Additions	-	-	39,219	39,219
Foreign currency translation differences	-	-	(9,148)	(9,148)
As at 30 June 2024	4,410,871	1,083,981	1,634,623	7,129,475
<b>Accumulated amortisation</b>				
As at 1 July 2023	-	523,924	1,300,297	1,824,221
Amortisation charge for the financial year	-	108,398	187,135	295,533
Foreign currency translation differences	-	-	(8,155)	(8,155)
As at 30 June 2024	-	632,322	1,479,277	2,111,599
<b>Carrying amount</b>				
As at 30 June 2024	4,410,871	451,659	155,346	5,017,876

# Notes to The Financial Statements

30 June 2025

## 12. INTANGIBLE ASSETS (CONT'D)

Company	Computer software	
	2025 RM	2024 RM
<b>Cost</b>		
As at beginning of financial year	<b>1,002,582</b>	963,363
Addition	-	39,219
As at end of financial year	<b>1,002,582</b>	1,002,582
<b>Accumulated amortisation</b>		
As at beginning of financial year	<b>854,422</b>	764,397
Charge for the financial year	<b>59,250</b>	90,025
As at end of financial year	<b>913,672</b>	854,422
<b>Carrying amount</b>		
As at end of financial year	<b>88,910</b>	148,160

(a) Goodwill from business combinations

The carrying amounts of goodwill allocated to the Group's cash-generating units ("CGUs") are as follows:

Group	Group	
	2025 RM	2024 RM
<b>Goodwill on consolidation</b>		
Mega Fortris (HK) Limited	<b>24,435</b>	24,435
Mega Fortris Security Bags (Malaysia) Sdn. Bhd.	<b>1,846,478</b>	1,846,478
Mega Fortris Americas, Inc.	<b>691,890</b>	691,890
Fortrich Manufacturing (M) Sdn. Bhd.	<b>1,477,435</b>	1,477,435
Mega Fortris (UK) Limited	<b>370,633</b>	370,633
	<b>4,410,871</b>	4,410,871

# Notes to The Financial Statements

30 June 2025

## 12. INTANGIBLE ASSETS (CONT'D)

- (a) Goodwill from business combinations (Cont'd)

Group	Group	
	2025 RM	2024 RM
<b>Less: Impairment loss</b>		
Mega Fortris (HK) Limited	-	-
Mega Fortris Security Bags (Malaysia) Sdn. Bhd.	-	-
Mega Fortris Americas, Inc.	-	-
Fortrich Manufacturing (M) Sdn. Bhd.	-	-
Mega Fortris (UK) Limited	-	-
	-	-
<b>Carrying amount</b>	<b>4,410,871</b>	<b>4,410,871</b>

The management carried out an annual review of recoverable amount of its goodwill each financial year. The recoverable amount is determined based on a value-in-use calculation using cash flows projection based on financial budgets approved by the management covering a five-year period projected to terminal year.

The key assumptions used in the value-in-use calculations are as follows:

- (i) The anticipated average annual revenue growth rates used in the cash flow projections of the subsidiaries of 10% (2024: 24% to 45%) per annum.
- (ii) Pre-tax discount rates ranged from 12.00% to 13.51% per annum (2024: 11.20% to 11.56% per annum) were applied over the projection periods in determining the recoverable amount of the subsidiaries. The discount rates used reflect the current market assessment of the risks specific to the subsidiaries.

Based on these annual impairment testing undertaken by the Group, the Directors are of the view that no impairment loss was required as at 30 June 2025 as the recoverable amounts determined was higher than the carrying amounts of goodwill.

### Sensitivity to changes in assumptions

The management is not aware of any reasonably possible changes in the assumptions above that could cause any impairment loss on goodwill.

# Notes to The Financial Statements

30 June 2025

## 13. DEFERRED TAX (LIABILITIES)/ASSETS

The deferred tax assets and liabilities are made up of the following:

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
As at beginning of financial year		<b>(2,113,963)</b>	(2,742,944)	<b>(2,169,571)</b>	(2,714,514)
Recognised in profit or loss:					
- continuing operations	25	<b>(3,719)</b>	628,374	-	544,943
Foreign currency translation reserve		<b>(2,935)</b>	607	-	-
As at end of financial year		<b><u>(2,120,617)</u></b>	<u>(2,113,963)</u>	<b><u>(2,169,571)</u></b>	<u>(2,169,571)</u>
Presented after appropriate offsetting as follows:					
Deferred tax assets		<b>381,413</b>	411,099	-	-
Deferred tax liabilities		<b><u>(2,502,030)</u></b>	<u>(2,525,062)</u>	<b><u>(2,169,571)</u></b>	<u>(2,169,571)</u>
		<b><u>(2,120,617)</u></b>	<u>(2,113,963)</u>	<b><u>(2,169,571)</u></b>	<u>(2,169,571)</u>

# Notes to The Financial Statements

30 June 2025

## 13. DEFERRED TAX (LIABILITIES)/ASSETS (CONT'D)

(a) The movement of deferred tax (liabilities)/assets during the financial year prior to offsetting are as follows:

### Deferred tax assets

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
As at beginning of financial year	<b>411,099</b>	401,458	<b>537,279</b>	31,773
Recognised in profit or loss:				
Temporary differences on the excess of capital allowances over the corresponding depreciation	<b>190,662</b>	13,519	<b>(81,345)</b>	114,870
Other temporary differences	<b>(214,310)</b>	(5,042)	<b>680,505</b>	390,636
	<b>(23,648)</b>	8,477	<b>599,160</b>	505,506
Foreign currency translation:				
Temporary differences on the excess of capital allowances over the corresponding depreciation	<b>41</b>	-	-	-
Unabsorbed tax losses available for set-off against future taxable profit	<b>5,656</b>	-	-	-
Other temporary differences	<b>(11,735)</b>	1,164	-	-
	<b>(6,038)</b>	1,164	-	-
As at end of financial year	<b>381,413</b>	411,099	<b>1,136,439</b>	537,279

# Notes to The Financial Statements

30 June 2025

## 13. DEFERRED TAX (LIABILITIES)/ASSETS (CONT'D)

- (a) The movement of deferred tax (liabilities)/assets during the financial year prior to offsetting are as follows:  
(Cont'd)

### Deferred tax liabilities

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
As at beginning of financial year	<b>2,525,062</b>	3,144,402	<b>2,706,850</b>	2,746,287
Recognised in profit or loss:				
Temporary differences on the excess of capital allowances over the corresponding depreciation	<b>(25,917)</b>	(189,824)	<b>678,035</b>	-
Relating to revaluation reserve	-	(39,437)	<b>(78,875)</b>	(39,437)
Other temporary differences	<b>5,988</b>	(390,636)	-	-
	<b>(19,929)</b>	(619,897)	<b>599,160</b>	(39,437)
Foreign currency translation:				
Temporary differences on the excess of capital allowances over the corresponding depreciation	<b>(2,997)</b>	557	-	-
Other temporary differences	<b>(106)</b>	-	-	-
	<b>(3,103)</b>	557	-	-
As at end of financial year	<b>2,502,030</b>	2,525,062	<b>3,306,010</b>	2,706,850

# Notes to The Financial Statements

30 June 2025

## 13. DEFERRED TAX (LIABILITIES)/ASSETS (CONT'D)

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

### Deferred tax assets

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Temporary differences on the excess of capital allowances over the corresponding depreciation	<b>(8,694)</b>	(32,877)	-	81,345
Unabsorbed tax losses available for set-off against future taxable profit	<b>172,176</b>	-	-	-
Other temporary differences	<b>217,931</b>	443,976	<b>1,136,439</b>	455,934
	<b>381,413</b>	411,099	<b>1,136,439</b>	537,279

### Deferred tax liabilities

Temporary differences on the excess of capital allowances over the corresponding depreciation	-	12,956	<b>678,035</b>	-
Fair value of intangible assets arising from acquisition of subsidiaries	<b>(125,945)</b>	(194,744)	-	-
Revaluation of freehold land and buildings	<b>2,627,975</b>	2,706,850	<b>2,627,975</b>	2,706,850
	<b>2,502,030</b>	2,525,062	<b>3,306,010</b>	2,706,850

# Notes to The Financial Statements

30 June 2025

## 13. DEFERRED TAX (LIABILITIES)/ASSETS (CONT'D)

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

	Group	
	2025 RM	2024 RM
Unused tax losses		
- Expires by 30 June 2031	<b>739,484</b>	697,576
Other temporary differences	-	30,039
	<b>739,484</b>	727,615

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profit of the subsidiaries would be available against which the deductible temporary differences could be utilised.

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

## 14. INVENTORIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>At cost</b>				
Raw materials	<b>7,474,987</b>	8,700,070	<b>6,702,313</b>	7,723,991
Packing materials	<b>195,495</b>	203,997	<b>167,778</b>	188,253
Trading goods	<b>279,987</b>	338,362	<b>276,902</b>	336,619
Work-in-progress	<b>4,266,704</b>	3,902,168	<b>4,151,435</b>	3,818,000
Finished goods	<b>22,099,989</b>	20,937,271	<b>3,072,365</b>	2,702,106
	<b>34,317,162</b>	34,081,868	<b>14,370,793</b>	14,768,969

During the financial year, inventories of the Group and of the Company recognised as cost of sales amounted to RM86,163,896 and RM62,174,576 (2024: RM82,959,623 and RM60,878,673) respectively.

# Notes to The Financial Statements

30 June 2025

## 15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM

### Non-current receivables:

#### Trade receivables

Third parties	-	4,475,412	-	4,475,412
Less: Impairment losses	-	(67,561)	-	(67,561)
	-	4,407,851	-	4,407,851

#### Other receivables

Amount due from a subsidiary	-	-	22,251,077	-
	-	-	22,251,077	-

#### Less: Impairment losses

- amount due from a subsidiary	-	-	(934,545)	-
	-	-	(934,545)	-

#### Total non-current receivables

	-	4,407,851	21,316,532	4,407,851
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### Current receivables:

#### Trade receivables

Third parties	61,114,259	38,939,899	33,356,988	11,290,577
Amounts due from subsidiaries	-	-	6,761,801	9,227,964
	61,114,259	38,939,899	40,118,789	20,518,541

#### Less: Impairment losses

- third parties	(2,333,270)	(1,347,489)	(1,510,159)	(671,617)
- amounts due from subsidiaries	-	-	(674,741)	(226,104)
	(2,333,270)	(1,347,489)	(2,184,900)	(897,721)

	58,780,989	37,592,410	37,933,889	19,620,820
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# Notes to The Financial Statements

30 June 2025

## 15. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Current receivables: (Cont'd)</b>				
<b>Other receivables</b>				
Third parties	<b>17,730,568</b>	15,601,546	<b>13,292,286</b>	7,922,758
Amount due from ultimate holding company	<b>54</b>	57	<b>54</b>	57
Amount due from immediate holding company	<b>9,998,679</b>	265	<b>9,998,679</b>	265
Amounts due from subsidiaries	-	-	<b>6,782,012</b>	2,280,494
Amounts due from related parties	<b>536,123</b>	-	-	-
Deposits	<b>17,458,015</b>	489,653	<b>2,103,863</b>	186,772
	<b>45,723,439</b>	16,091,521	<b>32,176,894</b>	10,390,346
Less: Impairment losses				
- third parties	<b>(229,663)</b>	(242,696)	<b>(229,663)</b>	(242,698)
- amount due from ultimate holding company	<b>(2)</b>	(2)	<b>(2)</b>	(2)
- amount due from immediate holding company	<b>(419,945)</b>	-	<b>(419,945)</b>	-
- amounts due from subsidiaries	-	-	<b>(110,056)</b>	(146,422)
- deposits	<b>(3,053)</b>	(2,823)	<b>(2,159)</b>	(1,929)
	<b>(652,663)</b>	(245,521)	<b>(761,825)</b>	(391,051)
	<b>45,070,776</b>	15,846,000	<b>31,415,069</b>	9,999,295
Total current receivables	<b>103,851,765</b>	53,438,410	<b>69,348,958</b>	29,620,115
Prepayments	<b>5,328,996</b>	14,467,688	<b>4,820,293</b>	13,780,272
<b>Total trade and other receivables (current)</b>	<b>109,180,761</b>	67,906,098	<b>74,169,251</b>	43,400,387
<b>Total trade and other receivables (non-current and current)</b>	<b>109,180,761</b>	72,313,949	<b>95,485,783</b>	47,808,238

# Notes to The Financial Statements

30 June 2025

## 15. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) Trade receivables are non-interest bearing and the normal credit terms of the Group and of the Company ranged from 30 to 120 days (2024: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (b) The non-current amount due from a subsidiary represent advances which are unsecured, interest-free and not receivable within the next twelve months in cash and cash equivalents.
- (c) The current non-trade amounts due from ultimate holding company, immediate holding company, subsidiaries and related parties represent advances and payments on behalf, which are unsecured, interest-free and receivable within the next twelve months in cash and cash equivalents.
- (d) In the previous financial year, Group's and the Company's prepayment includes professional fees related to the initial public offering amounted to RM8,189,269, of which RM6,757,147 has been reimbursed by all shareholders of the immediate holding company.
- (e) Included in other receivables from third parties are amounts owing from former subsidiaries as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM

### Amounts owing from former subsidiaries, net of impairment

Current	<u>5,634,815</u>	<u>11,560,646</u>	<u>2,158,110</u>	<u>4,478,261</u>
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These amounts arose from arrangements between the Group and the Company with the respective present shareholders of these former subsidiaries as part of the contractual terms in the disposal of these subsidiaries during the previous financial year. These amounts are unsecured and interest-free.

# Notes to The Financial Statements

30 June 2025

## 15. TRADE AND OTHER RECEIVABLES (CONT'D)

(f) The reconciliation of movements in the impairment losses on trade receivables is as follows:

	Lifetime ECL allowance RM	Credit Impaired RM	Total allowance RM
<b>Group</b>			
<b>As at 1 July 2024</b>	<b>552,097</b>	<b>862,953</b>	<b>1,415,050</b>
Charge for the financial year	<b>770,981</b>	<b>466,568</b>	<b>1,237,549</b>
Reversal of impairment losses	-	<b>(226,128)</b>	<b>(226,128)</b>
Reclassification	<b>(1,200,156)</b>	<b>1,200,156</b>	-
Exchange difference	-	<b>(93,201)</b>	<b>(93,201)</b>
<b>As at 30 June 2025</b>	<b>122,922</b>	<b>2,210,348</b>	<b>2,333,270</b>
<b>As at 1 July 2023</b>	165,557	1,213,950	1,379,507
Charge for the financial year	386,540	-	386,540
Reversal of impairment losses	-	(355,302)	(355,302)
Exchange difference	-	4,305	4,305
<b>As at 30 June 2024</b>	<b>552,097</b>	<b>862,953</b>	<b>1,415,050</b>
<b>Company</b>			
<b>As at 1 July 2024</b>	<b>261,949</b>	<b>703,333</b>	<b>965,282</b>
Charge for the financial year	<b>58,384</b>	<b>1,161,234</b>	<b>1,219,618</b>
<b>As at 30 June 2025</b>	<b>320,333</b>	<b>1,864,567</b>	<b>2,184,900</b>
<b>As at 1 July 2023</b>	289,129	809,177	1,098,306
Reversal of impairment losses	(27,180)	(105,844)	(133,024)
<b>As at 30 June 2024</b>	<b>261,949</b>	<b>703,333</b>	<b>965,282</b>

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

# Notes to The Financial Statements

30 June 2025

## 15. TRADE AND OTHER RECEIVABLES (CONT'D)

- (g) The reconciliation of movements in the impairment losses on other receivables, amount due from ultimate holding company, amount due from immediate holding company and amounts due from subsidiaries is as follows:

	Lifetime ECL allowance RM	Credit Impaired RM	Total allowance RM
<b>Group</b>			
<b>At 1 July 2024</b>	<b>245,521</b>	-	<b>245,521</b>
Charge for the financial year	<b>407,142</b>	-	<b>407,142</b>
<b>At 30 June 2025</b>	<b>652,663</b>	-	<b>652,663</b>
<b>At 1 July 2023</b>	163,623	1,641,355	1,804,978
Charge for the financial year	82,627	-	82,627
Reversal of impairment losses	(729)	(1,636,549)	(1,637,278)
Exchange difference	-	(4,806)	(4,806)
<b>At 30 June 2024</b>	<b>245,521</b>	-	<b>245,521</b>
<b>Company</b>			
<b>As at 1 July 2024</b>	<b>245,037</b>	<b>146,014</b>	<b>391,051</b>
Charge for the financial year	<b>1,500,734</b>	-	<b>1,500,734</b>
Reversal of impairment losses	<b>(49,401)</b>	<b>(146,014)</b>	<b>(195,415)</b>
<b>As at 30 June 2025</b>	<b>1,696,370</b>	-	<b>1,696,370</b>
<b>As at 1 July 2023</b>	163,137	146,014	309,151
Charge for the financial year	82,629	-	82,629
Reversal of impairment losses	(729)	-	(729)
<b>As at 30 June 2024</b>	<b>245,037</b>	<b>146,014</b>	<b>391,051</b>

# Notes to The Financial Statements

30 June 2025

## 15. TRADE AND OTHER RECEIVABLES (CONT'D)

- (h) In the previous financial year, the Group and the Company have renegotiated the terms of one of its trade receivables and certain advances to former subsidiaries of the Group and the Company which led to changes in the timing of the payments. Details of the renegotiated terms are described as follows:
- (i) The Group and the Company have extended the repayment terms of one of its trade receivables, which is a former subsidiary of the Group, amounted to RM6,143,542 from 90 days from invoice date to payable over four quarterly instalments with the first instalment payable during the current financial year ended 30 June 2025.
- (ii) The Group and the Company have renegotiated the repayment terms of the amounts owing from former subsidiaries from payable over a five-year period to payable within twelve months.

The impact arising from the renegotiations to the Group and the Company are as follows:

2024	Carrying amount net of impairment before renegotiation RM	Adjustments to profit or loss RM	Carrying amount net of impairment after renegotiation RM
<b>Group</b>			
Trade receivables	6,143,542	(108,148)	6,035,394
Amounts due from former subsidiaries	9,923,222	1,637,424*	11,560,646
	<u>16,066,764</u>	<u>1,529,276</u>	<u>17,596,040</u>
<b>Company</b>			
Trade receivables	6,143,542	(108,148)	6,035,394
Amounts due from former subsidiaries	4,477,386	875	4,478,261
	<u>10,620,928</u>	<u>(107,273)</u>	<u>10,513,655</u>

\* Reversal of ECL and unwinding of discount

# Notes to The Financial Statements

30 June 2025

## 15. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) The ageing analysis of trade receivables of the Group and of the Company are as follows:

Group	Gross carrying amount RM	Total Allowance RM	Balance as at 30.6.2025 RM
<b>2025</b>			
Current (not past due)	<b>39,264,929</b>	<b>(292,376)</b>	<b>38,972,553</b>
Past due:			
1 to 30 days	<b>5,626,084</b>	<b>(64,650)</b>	<b>5,561,434</b>
31 to 60 days	<b>2,160,487</b>	<b>(60,674)</b>	<b>2,099,813</b>
61 to 90 days	<b>3,399,980</b>	<b>(248,327)</b>	<b>3,151,653</b>
	<b>11,186,551</b>	<b>(373,651)</b>	<b>10,812,900</b>
	<b>50,451,480</b>	<b>(666,027)</b>	<b>49,785,453</b>
<b>Credit-impaired:</b>			
More than 90 days	<b>10,600,679</b>	<b>(1,605,143)</b>	<b>8,995,536</b>
Individually impaired	<b>62,100</b>	<b>(62,100)</b>	<b>-</b>
	<b>10,662,779</b>	<b>(1,667,243)</b>	<b>8,995,536</b>
	<b>61,114,259</b>	<b>(2,333,270)</b>	<b>58,780,989</b>

# Notes to The Financial Statements

30 June 2025

## 15. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) The ageing analysis of trade receivables of the Group and of the Company are as follows: (Cont'd)

Group	Gross carrying amount RM	Total Allowance RM	Balance as at 30.6.2024 RM
<b>2024</b>			
Current (not past due)	23,401,533	(290,783)	23,110,750
Past due:			
1 to 30 days	5,368,644	(55,487)	5,313,157
31 to 60 days	1,995,079	(65,646)	1,929,433
61 to 90 days	1,630,210	(140,181)	1,490,029
	<u>8,993,933</u>	<u>(261,314)</u>	<u>8,732,619</u>
	32,395,466	(552,097)	31,843,369
<b>Credit-impaired:</b>			
More than 90 days	4,844,542	(723,044)	4,121,498
Individually impaired	6,175,303	(139,909)	6,035,394
	<u>11,019,845</u>	<u>(862,953)</u>	<u>10,156,892</u>
	<u>43,415,311</u>	<u>(1,415,050)</u>	<u>42,000,261</u>

# Notes to The Financial Statements

30 June 2025

## 15. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) The ageing analysis of trade receivables of the Group and of the Company are as follows: (Cont'd)

Company	Gross carrying amount RM	Total Allowance RM	Balance as at 30.6.2025 RM
<b>2025</b>			
Current (not past due)	27,359,864	(204,111)	27,155,753
Past due:			
1 to 30 days	2,298,170	(30,701)	2,267,469
31 to 60 days	344,157	(36,338)	307,819
61 to 90 days	201,045	(49,183)	151,862
	<u>2,843,372</u>	<u>(116,222)</u>	<u>2,727,150</u>
	30,203,236	(320,333)	29,882,903
<b>Credit-impaired:</b>			
More than 90 days	9,242,558	(1,191,572)	8,050,986
Individually impaired	672,995	(672,995)	-
	<u>9,915,553</u>	<u>(1,864,567)</u>	<u>8,050,986</u>
	<u>40,118,789</u>	<u>(2,184,900)</u>	<u>37,933,889</u>

# Notes to The Financial Statements

30 June 2025

## 15. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) The ageing analysis of trade receivables of the Group and of the Company are as follows: (Cont'd)

Company	Gross carrying amount RM	Total Allowance RM	Balance as at 30.6.2024 RM
<b>2024</b>			
Current (not past due)	11,779,148	(137,432)	11,641,716
Past due:			
1 to 30 days	4,564,984	(85,443)	4,479,541
31 to 60 days	1,536,675	(25,472)	1,511,203
61 to 90 days	87,125	(13,602)	73,523
	<u>6,188,784</u>	<u>(124,517)</u>	<u>6,064,267</u>
	17,967,932	(261,949)	17,705,983
<b>Credit-impaired:</b>			
More than 90 days	777,027	(489,733)	287,294
Individually impaired	6,248,994	(213,600)	6,035,394
	<u>7,026,021</u>	<u>(703,333)</u>	<u>6,322,688</u>
	<u>24,993,953</u>	<u>(965,282)</u>	<u>24,028,671</u>

# Notes to The Financial Statements

30 June 2025

## 15. TRADE AND OTHER RECEIVABLES (CONT'D)

(j) Movement of lease receivables is as follows:

	Company	
	2025 RM	2024 RM
As at beginning of financial year	-	694,687
Interest income	-	9,205
Lease payments received	-	(150,000)
Reassessment of leases	-	(553,892)
	<u>-</u>	<u>-</u>
As at end of financial year	<u>-</u>	<u>-</u>

(k) In the previous financial year, the Company has completed the acquisition of the factory which results in the early termination of the headlease and the reassessment of the finance lease receivable to operating lease.

(l) In the previous financial year, no expected credit losses were recognised arising from the lease receivables because the probability of default by these lease receivables were negligible.

(m) Information on financial risks of trade and other receivables is disclosed in Note 31 to the financial statements.

## 16. CASH AND BANK BALANCES

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances as reported in statements of financial position		<b>41,665,659</b>	42,694,094	<b>2,392,734</b>	13,811,873
Bank overdrafts	19	<b>(283,188)</b>	-	<b>(283,188)</b>	-
Money market funds and trust funds	11	<b>50,892,455</b>	-	<b>50,892,455</b>	-
		<b>92,274,926</b>	42,694,094	<b>53,002,001</b>	13,811,873
Cash and cash equivalents included in disposal groups held for sale	36	<b>675,608</b>	648,012	-	-
Cash and cash equivalents as reported in statements of cash flows		<b>92,950,534</b>	43,342,106	<b>53,002,001</b>	13,811,873

(a) No expected credit losses were recognised arising from the cash at banks because the probability of default by these financial institutions were negligible.

(b) Information on financial risks of cash and cash equivalents are disclosed in Note 31 to the financial statements.

# Notes to The Financial Statements

30 June 2025

## 17. SHARE CAPITAL

	Group and Company			
	2025		2024	
	Number of shares	RM	Number of shares	RM
<b>Issued and fully paid ordinary shares with no par value</b>				
Balance as at beginning of financial year	<b>697,099,480</b>	<b>34,854,974</b>	34,854,974	34,854,974
Issuance of ordinary shares	<b>147,873,000</b>	<b>99,074,910</b>	-	-
Share issuance expenses	-	<b>(2,434,418)</b>	-	-
1 to 30 share split	-	-	1,010,794,246	-
3 to 2 share consolidation	-	-	(348,549,740)	-
Balance as at end of financial year	<b>844,972,480</b>	<b>131,495,466</b>	697,099,480	34,854,974

- (a) The owner of the Company is entitled to receive dividends as and when declared by the Company and is entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.
- (b) On 7 November 2024, the Company had a public issue of 147,873,000 new ordinary shares at the issue price of RM0.67 per issued share in conjunction with the Initial Public Offering ("IPO") of the Company.
- (c) During the previous financial year:
- (i) The Company had completed the subdivisions of every one (1) ordinary share into thirty (30) new ordinary shares of the Company. After the share split, the total number of ordinary shares in issue in the Company increased from 34,854,974 ordinary shares to 1,045,649,220 ordinary shares.
  - (ii) The Company had completed the consolidation of share capital where every three (3) existing ordinary shares be consolidated into two (2) new ordinary shares. After the share consolidation, the total number of ordinary shares in issue of the Company be altered from 1,045,649,220 to 697,099,480 ordinary shares.

# Notes to The Financial Statements

30 June 2025

## 18. RESERVES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Non-distributable</b>				
Foreign currency translation reserves	<b>7,010,668</b>	10,389,087	-	-
Merger reserve	<b>(29,950,024)</b>	(29,950,024)	-	-
Capital reserve	<b>(167,299)</b>	(167,299)	-	-
Revaluation reserve	<b>15,988,241</b>	15,988,241	<b>15,988,241</b>	15,988,241
<b>Distributable</b>				
Retained earnings	<b>107,876,681</b>	93,777,021	<b>56,975,201</b>	51,244,500
	<b>100,758,267</b>	90,037,026	<b>72,963,442</b>	67,232,741

- (a) The foreign currency translation reserve is used to record foreign currency 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. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in the functional currencies of the foreign operations.
- (b) Merger reserve represents the excess of the consideration paid over the share capital of the subsidiaries as at the acquisition date, pre-acquisition retained earnings and any goodwill acquired under the pooling of interest method of accounting as follows:

	Mega Fortris New Zealand Limited RM	Mega Fortris Pty Ltd RM	Mega Fortris Americas, Inc. RM	Mega Fortris (Europe) ApS Ltd RM	Total RM
Equity instruments issued (33,711,974 ordinary shares of the Company)	1,367,715	2,045,445	15,762,593	14,536,221	33,711,974
Less:					
Share capital as at acquisition date	(149,149)	(254)	(32,140)	(53,750)	(235,293)
Pre-acquisition retained earnings <sup>#</sup>	(272,603)	(1,284,312)	(1,277,852)	-	(2,834,767)
Goodwill <sup>*</sup>	-	-	(691,890)	-	(691,890)
Merger reserve	<u>945,963</u>	<u>760,879</u>	<u>13,760,711</u>	<u>14,482,471</u>	<u>29,950,024</u>

<sup>#</sup> Pre-acquisition retained earnings arising from acquisition of the subsidiaries from third parties in the previous financial year

<sup>\*</sup> Reinstatement of goodwill in the Group's investments in Mega Fortris Americas, Inc. which was previously derecognised upon disposal to the holding company in the previous financial year

# Notes to The Financial Statements

30 June 2025

## 18. RESERVES (CONT'D)

- (c) Capital reserve represents the differences between the consideration paid/received and the non-controlling interests acquired/disposed.
- (d) Revaluation reserve represents net of tax surplus from revaluation of land and buildings included under property, plant and equipment.

## 19. BORROWINGS

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Non-current liabilities</b>					
Secured:					
Term loans	20	<b>42,859,898</b>	40,317,770	<b>31,857,440</b>	28,949,384
<b>Current liabilities</b>					
Secured:					
Revolving credits		<b>17,000,000</b>	17,000,000	<b>17,000,000</b>	17,000,000
Banker's acceptance		<b>14,643,000</b>	19,733,000	<b>14,643,000</b>	19,733,000
Term loans	20	<b>3,334,378</b>	8,754,818	<b>3,334,378</b>	10,634,818
Bank overdrafts		<b>283,188</b>	-	<b>283,188</b>	-
		<b>35,260,566</b>	45,487,818	<b>35,260,566</b>	47,367,818
<b>Total borrowings</b>					
Secured:					
Revolving credits		<b>17,000,000</b>	17,000,000	<b>17,000,000</b>	17,000,000
Banker's acceptance		<b>14,643,000</b>	19,733,000	<b>14,643,000</b>	19,733,000
Term loans	20	<b>46,194,276</b>	49,072,588	<b>35,191,818</b>	39,584,202
Bank overdrafts		<b>283,188</b>	-	<b>283,188</b>	-
		<b>78,120,464</b>	85,805,588	<b>67,118,006</b>	76,317,202

- (a) The secured banker's acceptance, revolving credits, term loans and bank overdrafts are secured by:
- (i) First party legal charge over property comprising a piece of industrial land with a 2-storey office annexed with single storey factory and ancillary building held under GRN 104308, Lot 69297, Mukim Klang, Daerah Klang bearing postal address No. 29, Jalan Anggerik Mokara 31/47, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor registered in the name of the Company, as disclosed in Note 8 to the financial statements;

# Notes to The Financial Statements

30 June 2025

## 19. BORROWINGS (CONT'D)

- (a) The secured banker's acceptance, revolving credits, term loans and bank overdrafts are secured by: (Cont'd)
- (ii) First party legal charge over single storey warehouse cum 2 storey office held under H.S.(D) 102312, PT 111841, Mukim Klang, Daerah Klang, bearing postal address No. 25 & 27, Jalan Anggerik Mokara 31/47, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor registered in the name of the Company, as disclosed in Note 8 to the financial statements;
  - (iii) First party legal charge over single storey factory cum 3 storey office held under GRN 99192, Lot 69282, Mukim Klang, Daerah Klang, bearing postal address No. 56, Jalan Anggerik Mokara 31/47, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor registered in the name of the Company, as disclosed in Note 8 to the financial statements;
  - (iv) A fixed and floating charge over all the assets, properties, and undertakings (both movable and immovable, present and future) of a subsidiary as disclosed in Note 8 to the financial statements;
  - (v) A legal charge over the property, plant and equipment of a subsidiary as disclosed in Note 8 to the financial statements; and
  - (vi) Corporate guarantee by the Company for its subsidiary's term loan.
- (b) Information on financial risks of borrowings is disclosed in Note 31 to the financial statements.

## 20. TERM LOANS (SECURED)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Repayable as follows:				
Current liabilities (Note 19)	<b>3,334,378</b>	8,754,818	<b>3,334,378</b>	10,634,818
Non-current liabilities (Note 19)	<b>42,859,898</b>	40,317,770	<b>31,857,440</b>	28,949,384
	<b>46,194,276</b>	49,072,588	<b>35,191,818</b>	39,584,202

- (a) The term loans of the Group and the Company are repayable by:
- (i) Monthly instalments of RM49,600 and mature on November 2043;
  - (ii) Monthly instalments of RM16,700 and mature on November 2028;
  - (iii) Monthly instalments of RM147,500 and mature on March 2034;
  - (iv) Monthly instalments of RM22,914 and matured on April 2034;
  - (v) Monthly instalments of USD426,817 and matured on September 2024;
  - (vi) Monthly instalments of RM155,992 and matured on 36 months from the date of full drawdown;
  - (vii) Monthly instalments of RM59,524 and matured on 84 months from the date of full drawdown; and
  - (viii) Monthly instalments of RM231,500 and matured on 108 months from the date of full drawdown.
- (b) The other term loan of the Group is repayable by monthly instalments of RM407,410 and matured on 120 months from the date of full drawdown.

# Notes to The Financial Statements

30 June 2025

## 21. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Non-current payables:</b>				
<b>Other payables</b>				
Third parties	312,375	486,792	-	-
<b>Total non-current payables</b>	<b>312,375</b>	<b>486,792</b>	<b>-</b>	<b>-</b>
<b>Current payables:</b>				
<b>Trade payables</b>				
Third parties	8,321,579	7,700,082	2,899,417	3,986,365
Amounts due to subsidiaries	-	-	371,525	674,821
	<b>8,321,579</b>	<b>7,700,082</b>	<b>3,270,942</b>	<b>4,661,186</b>
<b>Other payables</b>				
Third parties	4,381,951	6,189,973	1,131,689	1,713,375
Amounts due to minority shareholders of the subsidiaries	507,544	457,374	-	-
Amounts due to directors	113,967	4,300	-	-
Accruals	8,520,843	7,698,212	3,789,714	4,474,029
Amounts due to related party	7,616	-	-	-
	<b>13,531,921</b>	<b>14,349,859</b>	<b>4,921,403</b>	<b>6,187,404</b>
<b>Total current payables</b>	<b>21,853,500</b>	<b>22,049,941</b>	<b>8,192,345</b>	<b>10,848,590</b>
<b>Total trade and other payables (non-current and current)</b>	<b>22,165,875</b>	<b>22,536,733</b>	<b>8,192,345</b>	<b>10,848,590</b>

# Notes to The Financial Statements

30 June 2025

## 21. TRADE AND OTHER PAYABLES (CONT'D)

- (a) Trade payables are non-interest bearing and normal credit terms of the Group and of the Company ranged from 0 to 90 days (2024: 0 to 90 days) from date of invoice.
- (b) Trade payables of amounts due to subsidiaries of the Company are non-interest bearing and the normal credit terms are 0 to 60 days (2024: 0 to 60 days) from date of invoice.
- (c) Non-trade amounts due to minority shareholders of the subsidiaries, subsidiaries, directors, and related party are unsecured, interest-free and payable within the next twelve months in cash and cash equivalents.
- (d) Information on financial risks of trade and other payables is disclosed in Note 31 to the financial statements.

## 22. CONTRACT ASSETS/(LIABILITIES)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Contract assets</b>				
Sale of goods	<b>38,164</b>	29,397	-	29,397
<b>Contract liabilities</b>				
Deferred income	<b>(425,534)</b>	(550,379)	<b>(425,534)</b>	(550,379)

- (a) Contract assets

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
As at beginning of financial year	<b>29,397</b>	-	<b>29,397</b>	-
Add: Revenue recognised during the financial year	<b>38,164</b>	29,397	-	29,397
	-	29,397	-	29,397
Less: Progress billings	<b>(29,397)</b>	-	<b>(29,397)</b>	-
As at end of financial year	<b>38,164</b>	29,397	-	29,397

# Notes to The Financial Statements

30 June 2025

## 22. CONTRACT ASSETS/(LIABILITIES)

(b) Contract liabilities

	Group and Company	
	2025 RM	2024 RM
As at beginning of financial year	<b>(550,379)</b>	(298,542)
Additions during the financial year	<b>(483,569)</b>	(782,231)
Revenue recognised during the financial year	<b>608,414</b>	530,394
As at end of financial year	<b><u>(425,534)</u></b>	<u>(550,379)</u>

## 23. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers	<b><u>176,445,306</u></b>	<u>167,454,432</u>	<b><u>95,511,652</u></b>	<u>89,548,978</u>

# Notes to The Financial Statements

30 June 2025

## 23. REVENUE (CONT'D)

*Disaggregation of revenue from contracts with customers*

Revenue from contracts with customers is disaggregated in the table below by primary geographical market, service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the reportable segments of the Group and of the Company.

Group	Asia Pacific RM	America RM	Europe RM	Middle East RM	Others RM	Total RM
<b>30 June 2025</b>						
<b>Service lines</b>						
Sales of products	75,567,036	36,690,776	54,049,432	9,093,527	436,121	175,836,892
Services rendered	608,414	-	-	-	-	608,414
Revenue from external customers	76,175,450	36,690,776	54,049,432	9,093,527	436,121	176,445,306
<b>Timing of revenue recognition</b>						
Transferred at a point in time	75,567,036	36,690,776	54,049,432	9,093,527	436,121	175,836,892
Transferred over time	608,414	-	-	-	-	608,414
Revenue from external customers	76,175,450	36,690,776	54,049,432	9,093,527	436,121	176,445,306

# Notes to The Financial Statements

30 June 2025

## 23. REVENUE (CONT'D)

Disaggregation of revenue from contracts with customers (Cont'd)

Revenue from contracts with customers is disaggregated in the table below by primary geographical market, service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the reportable segments of the Group and of the Company. (Cont'd)

Group	Asia Pacific RM	America RM	Europe RM	Middle East RM	Others RM	Total RM
<b>30 June 2024</b>						
<b>Service lines</b>						
Sales of products	55,936,609	44,154,556	56,370,229	9,043,073	1,419,571	166,924,038
Services rendered	530,394	-	-	-	-	530,394
Revenue from external customers	56,467,003	44,154,556	56,370,229	9,043,073	1,419,571	167,454,432
Revenue from discontinued operations	-	-	-	-	-	-
	56,467,003	44,154,556	56,370,229	9,043,073	1,419,571	167,454,432
<b>Timing of revenue recognition</b>						
Transferred at a point in time	55,936,609	44,154,556	56,370,229	9,043,073	1,419,571	166,924,038
Transferred over time	530,394	-	-	-	-	530,394
Revenue from external customers	56,467,003	44,154,556	56,370,229	9,043,073	1,419,571	167,454,432
Revenue from discontinued operations	-	-	-	-	-	-
	56,467,003	44,154,556	56,370,229	9,043,073	1,419,571	167,454,432

# Notes to The Financial Statements

30 June 2025

## 23. REVENUE (CONT'D)

Disaggregation of revenue from contracts with customers (Cont'd)

Revenue from contracts with customers is disaggregated in the table below by primary geographical market, service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the reportable segments of the Group and of the Company. (Cont'd)

Company	Asia Pacific RM	America RM	Europe RM	Others RM	Total RM
<b>30 June 2025</b>					
<b>Service line</b>					
Sales of products	59,563,497	20,930,467	13,134,637	1,274,637	94,903,238
Services rendered	608,414	-	-	-	608,414
	<b>60,171,911</b>	<b>20,930,467</b>	<b>13,134,637</b>	<b>1,274,637</b>	<b>95,511,652</b>
<b>Timing of revenue recognition</b>					
Transferred at a point in time	59,563,497	20,930,467	13,134,637	1,274,637	94,903,238
Transferred over time	608,414	-	-	-	608,414
	<b>60,171,911</b>	<b>20,930,467</b>	<b>13,134,637</b>	<b>1,274,637</b>	<b>95,511,652</b>

# Notes to The Financial Statements

30 June 2025

## 23. REVENUE (CONT'D)

Disaggregation of revenue from contracts with customers (Cont'd)

Revenue from contracts with customers is disaggregated in the table below by primary geographical market, service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the reportable segments of the Group and of the Company. (Cont'd)

Company	Asia Pacific RM	America RM	Europe RM	Others RM	Total RM
<b>30 June 2024</b>					
<b>Service line</b>					
Sales of products	41,239,587	28,143,469	17,692,084	1,943,444	89,018,584
Services rendered	530,394	-	-	-	530,394
	41,769,981	28,143,469	17,692,084	1,943,444	89,548,978
<b>Timing of revenue recognition</b>					
Transferred at a point in time	41,239,587	28,143,469	17,692,084	1,943,444	89,018,584
Transferred over time	530,394	-	-	-	530,394
	41,769,981	28,143,469	17,692,084	1,943,444	89,548,978

# Notes to The Financial Statements

30 June 2025

## 24. PROFIT BEFORE TAXATION

Other than those disclosed elsewhere in the financial statements, profit before taxation for continuing operations is arrived at:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
After charging:				
Auditors' remuneration:				
Statutory audit				
- current year	<b>452,443</b>	549,031	<b>110,000</b>	110,000
- under provision in prior years	<b>250,984</b>	25,294	-	-
Non-statutory audit				
- current year	<b>5,000</b>	-	<b>5,000</b>	-
Bad debts written off:				
- trade receivables	<b>61,517</b>	26,706	-	-
- other receivables	<b>345</b>	486,160	<b>345</b>	-
Inventories written off	<b>11,810</b>	-	-	-
Loss on foreign exchange:				
- realised	<b>2,239,763</b>	2,858,827	<b>2,016,594</b>	2,866,785
- unrealised	<b>640,095</b>	-	<b>587,401</b>	-
Fair value adjustment on trade and other receivables	-	108,148	<b>3,875,022</b>	108,148
Property, plant and equipment written off	<b>12,413</b>	65,018	<b>12,413</b>	50,235
And crediting:				
Bad debts recovered	<b>(81,458)</b>	-	<b>(81,458)</b>	-
Reversal of unwinding of discount	-	(875)	-	(875)
Dividend income from subsidiaries	-	-	<b>(6,585,993)</b>	(3,801,232)
Distribution income	<b>(1,158,551)</b>	-	<b>(1,158,551)</b>	-
Fair value gain on money market funds and trust funds	<b>(179,341)</b>	-	<b>(179,341)</b>	-
Gain on unrealised foreign exchange	-	(1,550,651)	-	(1,558,230)
Interest income from:				
- lease receivables	-	-	-	(9,205)
- others	<b>(542,215)</b>	(316,949)	<b>(244,337)</b>	(159,631)
Rental income from office premises	<b>(231,118)</b>	(416,115)	<b>(408,000)</b>	(418,000)
Management fees	-	-	<b>(120,000)</b>	(120,000)
Net gain on disposal of property, plant and equipment	<b>(2,024,887)</b>	(2,702,763)	<b>(1,982,827)</b>	(1,716,243)

# Notes to The Financial Statements

30 June 2025

## 25. TAXATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Continuing operations:</b>				
Malaysian income tax:				
Current year	<b>3,271,745</b>	961,819	<b>3,008,613</b>	944,844
Under/(Over) provision in prior years	<b>99,801</b>	(1,091,260)	<b>93,189</b>	(1,091,269)
	<b>3,371,546</b>	(129,441)	<b>3,101,802</b>	(146,425)
Foreign income tax:				
Current year	<b>2,811,595</b>	4,324,375	<b>10,166</b>	9,948
(Over)/Under provision in prior years	<b>(142,078)</b>	46,689	-	-
	<b>2,669,517</b>	4,371,064	<b>10,166</b>	9,948
Deferred tax (Note 13):				
Current year	<b>109,457</b>	1,375,562	-	1,539,431
Over provision in prior years	<b>(105,738)</b>	(2,003,936)	-	(2,084,374)
	<b>3,719</b>	(628,374)	-	(544,943)
	<b>6,044,782</b>	3,613,249	<b>3,111,968</b>	(681,420)

# Notes to The Financial Statements

30 June 2025

## 25. TAXATION (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM

### Discontinuing operations:

Foreign income tax:

(Over)/Under provision in prior years	<b>(25,135)</b>	1,410	-	-
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Deferred tax:

(Over)/Under provision in prior years	<b>(4,517)</b>	40,455	-	-
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	<b>(29,652)</b>	41,865	-	-
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- (a) Malaysian income tax is calculated at the statutory rate of 24% (2024: 24%) of the estimated taxable profit for the fiscal year.
- (b) Tax expense for other authorities is calculated at the rates prevailing in those respective jurisdictions.
- (c) The numerical reconciliation between the tax expense in the statements of profit or loss and other comprehensive income and income tax expense applicable to profit before tax at the statutory income tax rates of the Group and of the Company is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM

Profit from continuing operations before tax	<b>22,578,934</b>	25,224,261	<b>8,842,669</b>	11,020,785
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Tax at the applicable statutory rates of 24% (2024: 24%)	<b>5,418,944</b>	6,053,823	<b>2,122,241</b>	2,644,988
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# Notes to The Financial Statements

30 June 2025

## 25. TAXATION (CONT'D)

- (c) The numerical reconciliation between the tax expense in the statements of profit or loss and other comprehensive income and income tax expense applicable to profit before tax at the statutory income tax rates of the Group and of the Company is as follows: (Cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Tax effect of income not subject to tax	<b>(1,246,245)</b>	(1,212,946)	<b>(2,136,477)</b>	(1,515,703)
Tax effect of expenses not deductible for tax purposes	<b>2,263,513</b>	2,055,894	<b>3,022,849</b>	1,354,990
Deferred tax assets not recognised	<b>2,849</b>	24,449	-	-
Difference in tax rates in other countries	<b>(256,430)</b>	(208,962)	-	-
Utilisation of previously unrecognised deferred tax assets	-	(60,450)	-	-
Withholding tax	<b>10,166</b>	9,948	<b>10,166</b>	9,948
Under/(Over) provision in prior years:				
- Malaysian income tax	<b>99,801</b>	(1,091,260)	<b>93,189</b>	(1,091,269)
- Foreign income tax	<b>(142,078)</b>	46,689	-	-
- Deferred tax	<b>(105,738)</b>	(2,003,936)	-	(2,084,374)
Tax expense	<b><u>6,044,782</u></b>	<u>3,613,249</u>	<b><u>3,111,968</u></b>	<u>(681,420)</u>

- (d) Tax on each component of other comprehensive income is as follows:

Group	Before tax RM	Tax effect RM	After tax RM
<b>2025</b>			
Currency translation differences	<b><u>(3,303,425)</u></b>	<b><u>(2,935)</u></b>	<b><u>(3,306,360)</u></b>
<b>2024</b>			
Currency translation differences	<u>399,090</u>	<u>607</u>	<u>399,697</u>

# Notes to The Financial Statements

30 June 2025

## 26. EARNINGS PER ORDINARY SHARE

### (a) Basic

Basic earnings per ordinary share for the financial year has been calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial year.

	Group	
	2025 RM	2024 RM
Profit for the financial year attributable to owners of the parent:		
- Continuing operations	<b>14,099,660</b>	19,148,352
- Discontinuing operations	<b>(1,150,940)</b>	(1,995,832)
	<b>12,948,720</b>	17,152,520
Profit attributable to equity holders of the parent	<b>12,948,720</b>	17,152,520
Weighted average number of ordinary shares in issue	<b>792,305,384</b>	607,105,080
Basic earnings per ordinary share: (sen)		
- Continuing operations	<b>1.78</b>	3.15
- Discontinuing operations	<b>(0.14)</b>	(0.33)
	<b>1.64</b>	2.82

### (b) Diluted

The diluted earnings per ordinary share equals basic earnings per ordinary share because there were no potential dilutive ordinary shares as at the end of the reporting period.

## 27. EMPLOYEE BENEFITS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Continuing operations:</b>				
Salaries, wages, bonuses and allowances	<b>40,914,869</b>	36,316,077	<b>21,773,420</b>	19,126,332
Defined contribution plan	<b>2,829,344</b>	2,166,410	<b>1,923,682</b>	1,603,728
Social security contribution	<b>1,224,278</b>	1,326,312	<b>321,400</b>	245,929
Other employee benefits	<b>5,040,497</b>	4,740,487	<b>4,216,044</b>	3,724,262
	<b>50,008,988</b>	44,549,286	<b>28,234,546</b>	24,700,251

Included in the employee benefits of the Group and of the Company are Executive Directors' and other key management personnel's remuneration amounting to RM1,571,794 and RM1,680,264 (2024: RM1,662,476 and RM1,459,037) respectively.

# Notes to The Financial Statements

30 June 2025

## 28. DIRECTORS' REMUNERATION

The remuneration of the Directors of the Group and of the Company recognised in profit or loss are as follows:

	Group and Company	
	2025 RM	2024 RM
<b>Continuing operations:</b>		
<b>Executive Directors</b>		
Salaries, bonuses and allowances	<b>1,319,898</b>	1,442,475
Defined contribution plan	<b>158,389</b>	173,097
Social security contribution	<b>2,189</b>	1,963
Benefit-in-kind	<b>91,318</b>	44,941
	<b>1,571,794</b>	1,662,476
<b>Non-Executive Directors</b>		
Fees	<b>987,724</b>	576,000
Allowance	<b>242,920</b>	331,990
Benefit-in-kind	<b>28,225</b>	48,092
	<b>1,258,869</b>	956,082

## 29. FINANCE COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Continuing operations:</b>				
Interest expenses:				
- bankers' acceptances	<b>948,714</b>	334,749	<b>948,714</b>	334,749
- invoice financing	-	906,974	-	906,974
- lease liabilities	<b>668,022</b>	697,219	<b>346,826</b>	390,309
- bank overdrafts	<b>23,300</b>	116,559	<b>23,300</b>	50,279
- term loans	<b>2,000,701</b>	1,900,755	<b>2,000,701</b>	1,883,733
- revolving credits	<b>933,020</b>	616,005	<b>933,020</b>	616,005
- others	<b>18,956</b>	47,244	<b>17,145</b>	12,036
	<b>4,592,713</b>	4,619,505	<b>4,269,706</b>	4,194,085

# Notes to The Financial Statements

30 June 2025

## 30. RELATED PARTIES TRANSACTIONS

### (a) Identities of related parties

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

Related parties of the Group include:

- (i) The immediate and ultimate holding companies and their respective direct and indirect subsidiaries;
- (ii) Companies in which certain Directors have substantial financial interests; and
- (iii) Key management personnel, whom are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Directors of the Group.

### (b) Significant transactions with related parties

The Group and the Company had the following transactions with its related parties during the financial year:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Transactions with companies in which certain Directors have substantial financial interests:</b>				
Lease payments made on factory	-	250,000	-	250,000
Lease payments made on offices and warehouses	<b>435,184</b>	423,632	-	-
Income:				
- Sales of goods	<b>61,146</b>	41,672	-	-
Expenses:				
- Purchase of goods	<b>3,898,524</b>	4,514,162	-	-
- Electricity costs	<b>11,194</b>	12,472	-	-
- Purchase of services	<b>193,602</b>	149,327	-	-
- Acquisition of property	-	14,000,000	-	14,000,000

# Notes to The Financial Statements

30 June 2025

## 30. RELATED PARTIES TRANSACTIONS (CONT'D)

- (b) Significant transactions with related parties (Cont'd)

The Group and the Company had the following transactions with its related parties during the financial year: (Cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Transactions with subsidiaries:</b>				
Income:				
- Sales of goods	-	-	<b>36,250,746</b>	44,960,987
- Management fees	-	-	<b>120,000</b>	120,000
- Dividend income	-	-	<b>6,585,993</b>	3,801,232
- Lease payment received on factory	-	-	-	150,000
Rental income premises	-	-	<b>408,000</b>	258,000
Expenses:				
- Purchase of goods	-	-	<b>1,161,059</b>	1,348,613
- Purchase of tools and equipment	-	-	<b>1,363,160</b>	720,840
- Purchase of services	-	-	<b>1,221,521</b>	1,329,270

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

Information regarding outstanding balances arising from related party transactions as at 30 June 2025 is disclosed in Notes 15 and 21 to the financial statements.

- (c) Compensation of key management personnel

Key management personnel are the persons who have authorities and responsibilities for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. This includes any Director, whether executive or otherwise, of the Group and the Company.

- (i) The remuneration of Directors of the Group and of the Company during the financial year are disclosed in Note 28 to the financial statements.

# Notes to The Financial Statements

30 June 2025

## 30. RELATED PARTIES TRANSACTIONS (CONT'D)

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

(ii) The remuneration of key management personnel other than directors during the financial year are as follows:

	Group and Company	
	2025 RM	2024 RM
<b>Continuing operations:</b>		
<b>Key Management Personnel</b>		
Salaries, bonuses and allowances	<b>1,513,399</b>	1,323,013
Defined contribution plan	<b>106,509</b>	89,489
Social security contribution	<b>17,753</b>	2,644
Benefit-in-kind	<b>42,603</b>	43,891
	<b><u>1,680,264</u></b>	<u>1,459,037</u>

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's business whilst managing their credit, liquidity and cash flows, interest rate and foreign exchange risks. The Group's and the Company's overall business strategies outline their tolerance to risk and their general risk management philosophy and is determined by the management in accordance with prevailing economic and operating conditions. The Group's and the Company's policy is not to engage in speculative transactions.

(a) Credit risk

Credit risk arises when sales are made or provided on deferred credit terms. The Group and the Company seek to invest cash assets safely and profitably. It also seeks to control credit risk by setting counterparty limits and ensuring that sales of products and services are made to customers with an appropriate credit history. The Group and the Company consider the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of the related financial assets recognised on the statements of financial position.

Other financial assets of the Group and of the Company with exposure to credit risk include cash and cash equivalents which are placed with financial institutions with good standing.

# Notes to The Financial Statements

30 June 2025

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

### (a) Credit risk (Cont'd)

#### Significant concentration of credit risk

At the reporting date, other than certain amounts due from subsidiaries constituting 38% (2024: 33%) of total receivables, net of prepayments of the Company, there were no significant concentrations of credit risk. The maximum exposure to credit risk for the Group and the Company are represented by the carrying amount of each financial asset.

#### Financial guarantee

The Company has given financial guarantee to certain financial institution for banking facilities granted to one of its subsidiaries for a limit of RM44,000,000 (2024: RM44,000,000) of which RM11,002,458 (2024: RM9,488,387) were utilised at the end of the reporting period.

The Company designates corporate guarantees as financial liabilities as defined in MFRS 9 *Financial Instruments*. A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee issued is initially measured at fair value. Subsequently, it is measured at higher of:

- (i) the amount of the loss allowance; and
- (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 *Revenue from Contracts with Customers*

The fair value of the financial guarantee is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instruments and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

The financial guarantee has not been recognised since the fair value on initial recognition was not material.

The Company determines the probability of default of the guaranteed loan individually using internal information available. As at the end of the reporting period, the Company did not recognise any allowance for impairment loss.

The maximum exposure to credit risk in relation to financial guarantee contracts provided to the financial institution amounts to RM11,002,458 (2024: RM9,488,387) representing the outstanding banking facilities of the subsidiary as at the end of the reporting period.

The Company monitors on an ongoing basis the financial performance of the subsidiary and the repayments made by the subsidiary to the financial institution.

### (b) Liquidity and cash flow risk

The Group and the Company maintain sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the underlying business, the Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available. The Group and the Company review their cash flow position regularly to manage their exposures to fluctuations in future cash flows associated with their monetary financial instruments.

# Notes to The Financial Statements

30 June 2025

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

### (b) Liquidity and cash flow risk (Cont'd)

The summary of the maturity profile of the Group and of the Company financial liabilities at the reporting date based on contractual undiscounted repayments obligations is as follows:

	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
<b>Group</b>				
<b>At 30 June 2025</b>				
Trade and other payables	21,853,501	312,375	-	22,165,876
Borrowings	37,720,835	26,077,824	27,324,024	91,122,683
Lease liabilities	6,408,531	11,583,039	11,596,515	29,588,085
	<b>65,982,867</b>	<b>37,973,238</b>	<b>38,920,539</b>	<b>142,876,644</b>
<b>At 30 June 2024</b>				
Trade and other payables	22,049,941	486,792	-	22,536,733
Borrowings	49,668,260	22,006,148	28,924,687	100,599,095
Lease liabilities	5,345,841	7,266,592	-	12,612,433
	<b>77,064,042</b>	<b>29,759,532</b>	<b>28,924,687</b>	<b>135,748,261</b>

# Notes to The Financial Statements

30 June 2025

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

(b) Liquidity and cash flow risk (Cont'd)

	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
<b>Company</b>				
<b>At 30 June 2025</b>				
Trade and other payables	8,192,345	-	-	8,192,345
Borrowings	37,165,644	20,121,658	21,267,741	78,555,043
Lease liabilities	2,451,674	3,887,991	-	6,339,665
Financial guarantee*	634,061	6,876,335	7,009,137	14,519,533
	<b>48,443,724</b>	<b>30,885,984</b>	<b>28,276,878</b>	<b>107,606,586</b>
<b>At 30 June 2024</b>				
Trade and other payables	10,848,590	-	-	10,848,590
Borrowings	49,113,069	16,049,982	22,868,404	88,031,455
Lease liabilities	2,290,515	2,797,498	-	5,088,013
Financial guarantee*	555,191	5,956,166	6,056,283	12,567,640
	<b>62,807,365</b>	<b>24,803,646</b>	<b>28,924,687</b>	<b>116,535,698</b>

\* This disclosure represents the maximum amount that is required to be settled in the event of a default and the lender calls on the Company to pay for the subsidiary.

# Notes to The Financial Statements

30 June 2025

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

### (c) Interest rate risk

The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's and the Company's borrowings and is managed regularly for the purpose of reducing net interest costs and to achieve interest rates within predictable and desired ranges. The Group and the Company do not use derivative financial instruments to hedge their risk.

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") of the Group's and the Company's financial instruments as at the reporting date and the periods in which they mature:

Group	Note	WAEIR per annum %	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
<b>At 30 June 2025</b>						
<b>Financial liabilities</b>						
<b>Floating rate</b>						
Revolving credits (secured)	19	5.58	17,000,000	-	-	17,000,000
Banker's acceptance	19	3.98	14,643,000	-	-	14,643,000
Bank overdraft	19	5.32	283,188	-	-	283,188
Term loans (secured)	20	5.66	3,334,378	19,529,040	23,330,858	46,194,276

# Notes to The Financial Statements

30 June 2025

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

(c) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") of the Group's and the Company's financial instruments as at the reporting date and the periods in which they mature (Cont'd)

Group	Note	WAEIR per annum %	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
<b>At 30 June 2024</b>						
<b>Financial liabilities</b>						
<b>Floating rate</b>						
Revolving credits (secured)	19	5.40	17,000,000	-	-	17,000,000
Banker's acceptance	19	3.88	19,733,000	-	-	19,733,000
Term loans (secured)	20	5.80	10,634,818	15,052,227	23,385,543	49,072,588

# Notes to The Financial Statements

30 June 2025

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

(c) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") of the Group's and the Company's financial instruments as at the reporting date and the periods in which they mature (Cont'd)

Company	Note	WAEIR per annum %	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
<b>At 30 June 2025</b>						
<b>Financial liabilities</b>						
<b>Floating rate</b>						
Revolving credits (secured)	19	5.58	17,000,000	-	-	17,000,000
Banker's acceptance (secured)	19	3.98	14,643,000	-	-	14,643,000
Bank overdraft (secured)	19	5.32	283,188	-	-	283,188
Term loans (secured)	20	5.61	3,334,378	14,639,059	17,218,381	35,191,818

# Notes to The Financial Statements

30 June 2025

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

(c) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") of the Group's and the Company's financial instruments as at the reporting date and the periods in which they mature (Cont'd)

Company	Note	WAEIR per annum %	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
<b>At 30 June 2024</b>						
<b>Financial liabilities</b>						
<b>Floating rate</b>						
Revolving credits (secured)	19	5.40	17,000,000	-	-	17,000,000
Banker's acceptance (secured)	19	3.88	19,733,000	-	-	19,733,000
Term loans (secured)	20	5.78	10,634,818	10,835,167	18,114,217	39,584,202

# Notes to The Financial Statements

30 June 2025

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

### (c) Interest rate risk (Cont'd)

#### Sensitivity analysis for interest rate risk

At the reporting date, if interest rates on the floating rate financial instruments had been 100 basis points lower/higher, with all other variables held constant, then the Group's and the Company's profit before taxation and equity for the financial year, arising mainly as a result of higher or lower interest expense on variable borrowings, would have been:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Effects on profit before taxation</b>				
100 basis points higher	<b>(781,205)</b>	(858,056)	<b>(671,180)</b>	(763,172)
100 basis points lower	<b>781,205</b>	858,056	<b>671,180</b>	763,172
<b>Effects on equity</b>				
100 basis points higher	-	-	-	-
100 basis points lower	-	-	-	-

The assumed movement in basis points for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

### (d) Foreign exchange risk

The Company is exposed to foreign currency risk as a result of its normal operating activities, where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Company's policy is to keep the foreign exchange exposure to an acceptable level.

Subsidiaries operating in overseas have assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies that give rise to foreign exchange exposures.

The Group and the Company do not use derivative financial instruments to protect against the volatility associated with foreign currency translations. However, the Group and the Company monitor the movement in foreign currency exchange rates closely to ensure that the net exposures of each currency are minimised.

The Group and the Company hold cash and cash equivalents denominated in foreign currencies for working capital purposes.

# Notes to The Financial Statements

30 June 2025

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

### (d) Foreign exchange risk (Cont'd)

The net unhedged financial assets and financial liabilities of the Group and of the Company that are not denominated in the functional currency are as follows:

Financial assets and liabilities held in non-functional currency:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Trade and other receivables</b>				
Pound Sterling	<b>22,066,724</b>	6,258,795	<b>21,965,406</b>	1,440,715
United States Dollar	<b>37,870,819</b>	24,800,258	<b>26,725,674</b>	15,129,940
Euro Dollar	<b>14,642,246</b>	16,456,340	<b>8,862,033</b>	7,919,813
Danish Krone	<b>389,951</b>	250,712	<b>5,263,987</b>	2,033,908
Hong Kong Dollar	<b>106,075</b>	79,512	-	-
Hungarian Forint	<b>291,310</b>	242,470	-	-
Australian Dollar	<b>1,288,554</b>	1,477,262	<b>366,777</b>	182,219
New Zealand Dollar	<b>1,118,250</b>	925,197	<b>366,031</b>	345,653
Singapore Dollar	<b>9,820,615</b>	372,600	<b>9,580,155</b>	47,537
Japanese Yen	<b>401,762</b>	217,259	<b>401,762</b>	217,259
United Arab Emirates Dirham	-	60,468	-	-
<b>Cash and bank balances</b>				
Pound Sterling	<b>15,210,239</b>	5,551,606	<b>202,301</b>	603,111
Chinese Renminbi	<b>2,566</b>	2,644	-	-
United States Dollar	<b>14,835,444</b>	15,253,971	<b>1,268,511</b>	6,197,203
Euro Dollar	<b>6,998,556</b>	5,850,169	<b>431</b>	355,525
Danish Krone	<b>685,690</b>	1,671,722	-	-
Hong Kong Dollar	<b>141,017</b>	79,904	-	-
Hungarian Forint	<b>170,391</b>	335,676	-	-
Australian Dollar	<b>899,885</b>	1,787,366	<b>55</b>	407
New Zealand Dollar	<b>415,011</b>	744,828	-	246,445
Singapore Dollar	<b>572,955</b>	887,270	-	279,414
United Arab Emirates Dirham	<b>687,359</b>	576,845	-	-
Turkish Lira	<b>58</b>	60	-	-

# Notes to The Financial Statements

30 June 2025

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

(d) Foreign exchange risk (Cont'd)

Financial assets and liabilities held in non-functional currency: (Cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Trade and other payables</b>				
Pound Sterling	<b>6,767,504</b>	4,556,123	-	178,601
United States Dollar	<b>4,374,316</b>	3,835,487	<b>735,895</b>	594,073
Euro Dollar	<b>1,195,222</b>	1,275,914	-	-
Danish Krone	<b>566,180</b>	371,111	-	-
Hong Kong Dollar	<b>254,132</b>	381,766	<b>7,253</b>	32,684
Hungarian Forint	<b>26,807</b>	17,481	-	-
Australian Dollar	<b>597,530</b>	1,178,270	-	-
New Zealand Dollar	<b>323,130</b>	561,016	-	-
Singapore Dollar	<b>62,789</b>	69,339	-	-
South African Rand	-	19,334	-	19,334
Omanian Rial	<b>26,714</b>	-	-	-
Saudi Arabian Riyal	<b>21,705</b>	-	-	-
	<u><b>21,705</b></u>	<u>6,043,719</u>	<u>-</u>	<u>6,043,719</u>
<b>Borrowings</b>				
United States Dollar	-	6,043,719	-	6,043,719
	<u>-</u>	<u>6,043,719</u>	<u>-</u>	<u>6,043,719</u>

# Notes to The Financial Statements

30 June 2025

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

(d) Foreign exchange risk (Cont'd)

### Sensitivity analysis for foreign currency risk

The following table demonstrated the sensitivity of the Group's and the Company's profit before taxation to a reasonably possible change in foreign exchange rates against the functional currency of the Group and of the Company, with all other variables held constant. The Group's and the Company's profit before taxation would increase/decrease, as applicable, by the amounts stated below if the individual foreign currency had strengthened/weakened by 5% (2024: 5%):

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Pound Sterling	<b>1,525,473</b>	362,714	<b>1,108,385</b>	93,261
Chinese Renminbi	<b>128</b>	132	-	-
United States Dollar	<b>2,416,597</b>	1,508,751	<b>1,362,915</b>	734,468
Euro Dollar	<b>1,022,279</b>	1,051,530	<b>443,123</b>	413,767
Danish Krone	<b>25,473</b>	77,566	<b>263,199</b>	101,695
Hong Kong Dollar	<b>(352)</b>	(11,118)	<b>(363)</b>	(1,634)
Hungarian Forint	<b>21,745</b>	28,033	-	-
Australian Dollar	<b>79,545</b>	104,318	<b>18,342</b>	9,131
New Zealand Dollar	<b>60,507</b>	55,450	<b>18,302</b>	29,605
Singapore Dollar	<b>516,539</b>	59,527	<b>479,008</b>	16,348
Japanese Yen	<b>20,088</b>	10,863	<b>20,088</b>	10,863
United Arab Emirates Dirham	<b>34,368</b>	31,866	-	-
Turkish Lira	<b>3</b>	3	-	-
South African Rand	-	(967)	-	(967)
Omanian Rial	<b>(1,336)</b>	-	-	-
Saudi Arabian Riyal	<b>(1,085)</b>	-	-	-

There is no impact to the equity as a result of changes of foreign exchange rates as at the end of the reporting period.

# Notes to The Financial Statements

30 June 2025

## 32. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Financial assets</b>				
Amortised cost:				
Trade and other receivables, net of prepayments	<b>103,851,765</b>	57,846,261	<b>90,665,490</b>	34,027,966
Cash and bank balances	<b>41,665,659</b>	42,694,094	<b>2,392,734</b>	13,811,873
	<b>145,517,424</b>	100,540,355	<b>93,058,224</b>	47,839,839
<b>Financial assets</b>				
FVTPL				
Other investments	<b>51,609,401</b>	716,946	<b>51,609,401</b>	716,946
<b>Financial liabilities</b>				
Amortised cost:				
Trade and other payables	<b>22,165,875</b>	22,536,733	<b>8,192,345</b>	10,848,590
Borrowings	<b>78,120,464</b>	85,805,588	<b>67,118,006</b>	76,317,202
Lease liabilities	<b>21,696,345</b>	11,615,581	<b>6,040,635</b>	4,649,976
	<b>121,982,684</b>	119,957,902	<b>81,350,986</b>	91,815,768

### (b) Fair value information

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

- (i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value.

The carrying amounts of financial assets and financial liabilities of the Group and of the Company, such as current portion of trade and other receivables, short-term investments, trade and other payables and borrowings, are reasonable approximation of fair values due to immaterial discounting.

# Notes to The Financial Statements

30 June 2025

## 32. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Fair value information (Cont'd)

#### (ii) Non-current trade and other receivables and long-term borrowings.

The fair values of these financial instruments are estimated by discounting the expected future cash flows at market lending rates for similar types of lending, borrowing or leasing arrangements at the end of the reporting period. At the end of the reporting period, these amounts are carried at amortised costs and the carrying amounts approximate to their fair values.

#### (iii) Investment in keyman insurance contracts.

The fair value of the keyman insurance contracts purchases for key management personnel and director of the Group and of the Company is determined based on the cash surrender value in accordance with the keyman insurance contract which is not an observable input. The fair value is categorised as Level 3 in fair value hierarchy.

The unobservable input is the cash surrender value quoted by the insurance company according to the keyman insurance contract. When the cash surrender value is higher, the fair value of the keyman insurance contract will be higher.

#### (iv) Money market funds and trust funds

The fair values of money market funds and trust funds of the Company are categorised as Level 1 in the fair value hierarchy. Fair value of money market funds and trust fund is determined by reference to the quoted price at the close of business at the end of each reporting period. There is no transfer between levels in the fair value hierarchy during the current financial year.

## 33. CAPITAL MANAGEMENT

The Group's and the Company's objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and unpredictability of the financial markets. The Group's and the Company's policy is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future business developments. The Group and the Company fund their operations and growth through a mix of equity and debts. This includes the maintenance of adequate lines of credit and assessing the need to raise additional equity where required.

In the management of capital risk, the management takes into consideration the gearing ratio as well as the Group's and the Company's working capital requirement. The gearing ratio is calculated as net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings (including lease liabilities) less cash and bank balances. Total capital comprises share capital and reserves attributable to equity holders of the Company.

# Notes to The Financial Statements

30 June 2025

## 33. CAPITAL MANAGEMENT (CONT'D)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Borrowings	19	<b>78,120,464</b>	85,805,588	<b>67,118,006</b>	76,317,202
Lease liabilities	9	<b>21,696,345</b>	11,615,581	<b>6,040,635</b>	4,649,976
Less: Cash and bank balances	16	<b>(41,665,659)</b>	(42,694,094)	<b>(2,392,734)</b>	(13,811,873)
Net debt		<b>58,151,150</b>	54,727,075	<b>70,765,907</b>	67,155,305
Total capital		<b>232,253,733</b>	124,892,000	<b>204,458,908</b>	102,087,715
Capital and net debt		<b>290,404,883</b>	179,619,075	<b>275,224,815</b>	169,243,020
Gearing ratio		<b>20%</b>	30%	<b>26%</b>	40%

Pursuant to the requirements of Practice Note No.17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five per centum (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40,000,000. The Company has complied with this requirement during the financial year ended 30 June 2025.

## 34. COMMITMENTS

Capital commitments

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Capital expenditure contracted but not provided in respect of:				
Purchase of:				
- Property, plant and equipment	<b>42,617,682</b>	19,687,058	<b>5,165,010</b>	1,087,915
Capital expenditure approved but not contracted in respect of:				
Purchase of:				
- Property, plant and equipment	<b>82,424,126</b>	-	<b>4,746,978</b>	-

# Notes to The Financial Statements

30 June 2025

## 35. CONTINGENT LIABILITY

In the previous financial year, pursuant to a private legal claim made by certain directors of the Company (collectively known as the "Plaintiffs") against certain third parties (collectively known as the "Defendants") for breach of contracts, a counterclaim was made by the Defendants against the Plaintiffs, including the Company and its holding companies. The Board of Directors of the Company is of view, with consultation of legal advice, that the counterclaim against the Company is wholly frivolous and without any factual foundation considering the Company is not a party to any of the contracts entered into between the Plaintiffs and the Defendants and the Company was not involved in the private dispute. The Company has made an application to the court to strike off the inclusion of its name in the counterclaim. The counterclaim made by the Defendants against the Company was subsequently wholly discontinued on 31 July 2024 (without liberty to file afresh).

## 36. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

	Group	
	2025 RM	2024 RM
Assets of disposal groups classified as held for sale	<b>675,608</b>	648,012
Liabilities of disposal groups classified as held for sale	<b>(199,780)</b>	(228,518)
	<b>475,828</b>	419,494

(a) Disposal groups classified as held for sale are as follows:

- (i) Mega Fortris South Africa Pty Ltd, and its subsidiary, was presented as a disposal group held for sale following the commitment of the Group to a plan on 30 June 2020 to liquidate the entities. The liquidation proceeding is ongoing as at the end of the reporting period; and
- (ii) Mega Fortris Load Secure Nordic presented as a disposal group held for sale following the Board's approval on 15 May 2025 and the initiation of the liquidation process on the 26 July 2025.

(b) As at the end of the reporting period, the assets and liabilities of the disposal groups are as follows:

	Group	
	2025 RM	2024 RM
<b>Assets of disposal groups classified as held for sale</b>		
Cash and bank balances	<b>675,608</b>	648,012
<b>Liabilities of disposal groups classified as held for sale</b>		
Trade and other payables	<b>199,780</b>	228,518

# Notes to The Financial Statements

30 June 2025

## 37. DISCONTINUED OPERATIONS

(a) An analysis of the results of the disposal groups held for sale is as follows:

	2025 RM	2024 RM
<b>Statements of profit or loss and other comprehensive income</b>		
Other income	<b>135,169</b>	436,809
Administrative expenses	<b>(842,085)</b>	(722,143)
Other operating expenses	<b>(473,676)</b>	(1,668,633)
Loss before taxation	<b>(1,180,592)</b>	(1,953,967)
Taxation	<b>29,652</b>	(41,865)
Loss for the financial year	<b>(1,150,940)</b>	(1,995,832)

(b) The following amounts have been included in arriving at loss before taxation of the discontinued operations:

	2025 RM	2024 RM
After charging:		
Loss on foreign exchange:		
- realised	-	93,424
- unrealised	<b>960,679</b>	-
Bad debts written off:		
- trade receivables	-	1,178,327
- other receivables	-	334,431
Intangible assets written off	-	862
Net loss on disposal of property, plant and equipment	-	183,769

# Notes to The Financial Statements

30 June 2025

## 37. DISCONTINUED OPERATIONS (CONT'D)

- (b) The following amounts have been included in arriving at loss before taxation of the discontinued operations:  
(Cont'd)

	2025 RM	2024 RM
And crediting:		
Bad debts recovered	(120,070)	-
Gain on foreign exchange:		
- realised	(171,278)	-
- unrealised	-	(522,370)
Gain on liquidation of subsidiary	(13,186)	-
Interest income	(1,913)	(7,863)

- (c) The cash flows attributable to the discontinued operations are as follows:

	Group	
	2025 RM	2024 RM
Cash flows (used)/from in operating activities	(1,042,674)	212,291
Cash flows from investing activities	-	37,989
	<u>(1,042,674)</u>	<u>250,280</u>

## 38. SIGNIFICANTS EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 7 November 2024, the Company had a public issue of 147,873,000 new ordinary shares at the issue price of RM0.67 per issued share in conjunction with the Initial Public Offering ("IPO") of the Company.
- (b) On 11 November 2024, the Company was listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").
- (c) On 7 August 2025, the Company had received two (2) Letter of Demands from the solicitors acting on behalf of Whatman Capital Pte Ltd demanding for payment for consultation fees allegedly owed by the Company amounting to RM16,757,500.

The Management views the demands as frivolous and baseless and has since taken the necessary steps to engage legal counsel to dispute the demands and to safeguard the Company's interests.

The invoices for the above-mentioned consultation fees have not been formally served on the Company, and the Company has not received the original invoices to date. Consequently, the Company is unable to verify the authenticity or validity of the purported claims.

While the outcome of this matter cannot be determined with certainty at this juncture, the Board is of view that there is no financial impact on the Company at this stage.

# Notes to The Financial Statements

30 June 2025

## 39. COMPARATIVE FIGURES

Certain comparatives in the statements of profit or loss and other comprehensive income have been reclassified to conform with current year's presentation of accounts.

	Group		Company	
	As previously stated RM	As restated RM	As previously stated RM	As restated RM
Revenue	166,712,437	167,454,432	88,895,971	89,548,978
Cost of sales	(91,164,663)	(91,752,024)	(60,383,657)	(60,878,673)
Gross profit	75,547,774	75,702,408	28,512,314	28,670,305
Other operating income	3,820,156	3,077,694	8,650,655	7,997,181
Selling and distribution expenses	(1,754,985)	(1,167,157)	(1,668,704)	(1,173,221)
Administrative expenses	(48,667,875)	(45,801,090)	(19,889,599)	(17,022,814)
Other operating expenses	(624,716)	(3,491,501)	(440,920)	(3,307,705)

# List of Properties

## Properties registered under Mega Fortris Berhad

Location/ Title No.	Existing Usage	Age of Building (Years)	Land Area (sq. feet)	Built- Up Area (sq. feet)	Tenure	Net book value/ Carrying Amount as at 30 June 2025 (RM)	Year of Acquisition	Last valuation was performed
No. 29, Jalan Anggerik Mokara 31/47, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor	Factory	18 years	72,172	79,970	Freehold	25,964,285.68	2009	23 Aug 2023
No. 25 & 27, Jalan Anggerik Mokara 31/47, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor	Factory	20 years	73,830	51,301	Freehold	22,221,428.64	2019	25 July 2023
No. 56, Jalan Anggerik Mokara 31/47, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor	Factory	23 years	43,562	28,461	Freehold	14,412,411.51	2023	25 July 2023

# Analysis of Shareholdings

Share Capital as at 26 September 2025

Total Number of Issued Shares	: 844,972,480
Issued Share Capital	: RM130,957,637.00
Class of Shares	: Ordinary shares
Voting Rights	: One (1) vote per one (1) ordinary share
Number of Shareholders as at 26 September 2025	: 2,419

## DISTRIBUTION OF SHAREHOLDINGS AS AT 26 SEPTEMBER 2025

	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares
1 – 99	0	0	0	0
100 – 1,000	263	10.872	159,000	0.019
1,001 – 10,000	979	40.471	5,492,200	0.650
10,001 – 100,000	948	39.190	31,690,300	3.750
100,001 to 42,248,623 (*)	227	9.384	258,402,500	30.581
42,248,624 and above (**)	2	0.083	549,228,480	65.000
<b>Total</b>	<b>2,419</b>	<b>100.000</b>	<b>844,972,480</b>	<b>100.000</b>

Notes:

(\*) – Less than 5% of Issued Shares

(\*\*) – 5% and above of Issued Shares

## SUBSTANTIAL SHAREHOLDERS AS AT 26 SEPTEMBER 2025 (Based on the Register of Substantial Shareholders)

The Substantial Shareholders of Mega Fortris Berhad (holding 5% or more of the capital) based on the Register of Substantial Shareholdings of the Company and their respective shareholdings are as follows:

Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
1. Mega Fortris Global Pte. Ltd.	549,228,480	65.000	-	-
2. Mega Fortris Capital Limited	-	-	549,228,480 <sup>(1)</sup>	65.000
3. Ng Brothers Estate Sdn. Bhd.	-	-	549,228,480 <sup>(1)</sup>	65.000
4. Oversea-Chinese Banking Corporation Ltd.	-	-	549,228,480 <sup>(1)</sup>	65.000
5. Lion-OCBC Capital Asia I Holding Pte. Ltd.	-	-	549,228,480 <sup>(1)</sup>	65.000
6. Dato' Ng Meng Kee	5,700,000	0.675	549,578,480 <sup>(2)(3)</sup>	65.041
7. Datuk Ng Meng Poh <sup>(4)</sup>	-	-	550,828,480 <sup>(2)(3)</sup>	65.189

Notes:

<sup>(1)</sup> Deemed interest by virtue of Section 8 of the Companies Act 2016 ("the Act") held through Mega Fortris Global Pte. Ltd. ("MF Global").

<sup>(2)</sup> Deemed interest by virtue of Section 8 of the Act held through Mega Fortris Capital Limited ("MF Capital"), Ng Brothers Estate Sdn. Bhd. ("Ng Brothers Estate") and MF Global.

<sup>(3)</sup> Deemed interest by virtue of Section 59(11)(c) of the Act held through the shareholding of his child/children in the Company.

<sup>(4)</sup> He is also the Group Managing Director cum Group Chief Executive Office ("GMDCEO").

# Analysis of Shareholdings

Share Capital as at 26 September 2025

## DIRECTORS' INTERESTS IN SHARES AS AT 26 SEPTEMBER 2025 (Based on the Register of Directors' Shareholdings)

Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
1. Dato' Ng Meng Kee	5,700,000	0.675	549,578,480 <sup>(1)(2)</sup>	65.041
2. Datuk Ng Meng Poh <sup>(*)</sup>	-	-	550,828,480 <sup>(1)(2)</sup>	65.189
3. Ng Weng Choi	2,500,000	0.296	-	-
4. Lew Siew Yen	-	-	-	-
5. Chew Wei Keong	-	-	-	-
6. Teoh Hooi Cheng	-	-	-	-
7. Dato' Sasikala Devi A/P Subramaniam	-	-	-	-

### Notes:

<sup>(1)</sup> Deemed interest by virtue of Section 8 of the Act 2016 held through MF Capital, Ng Brothers Estate and MF Global.

<sup>(2)</sup> Deemed interest by virtue of Section 59(11)(c) of the Act held through the shareholding of his child/children in the Company.

<sup>(\*)</sup> He is also the GMDCEO.

## LIST OF TOP 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 26 SEPTEMBER 2025 (without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Top 30 Largest Securities Account Holders	No. of Shares	% of Shares
1.	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Pledged Securities Account for Mega Fortris Global Pte. Ltd.	320,000,000	37.871
2.	Mega Fortris Global Pte. Ltd.	229,228,480	27.128
3.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for David Lim Chai (7017118)	23,590,900	2.791
4.	Maybank Investment Bank Berhad IVT (18) ECD D1-H	15,266,000	1.806
5.	CitiGroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (ARIM)	14,300,000	1.692
6.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Schok Cheng Cynthia	13,610,100	1.610
7.	David Lim Chai	13,444,500	1.591
8.	Maybank Nominees (Tempatan) Sdn. Bhd. Exempt AN for Astute Fund Management Berhad	9,400,000	1.112
9.	Wan Ainon Binti Nayan	7,706,600	0.912
10.	Lim Chee Meng	7,000,000	0.828
11.	Teng Pik Sun	5,927,500	0.701
12.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Meng Kee	5,700,000	0.675
13.	Wong Schok Ying Elaine	5,068,200	0.599
14.	Phillip Nominees (Tempatan) Sdn. Bhd. Exempt AN for Phillip Capital Management Sdn. Bhd.	4,630,500	0.548

# Analysis of Shareholdings

Share Capital as at 26 September 2025

## LIST OF TOP 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 26 SEPTEMBER 2025 (CONT'D) (without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Top 30 Largest Securities Account Holders	No. of Shares	% of Shares
15.	Wong Schok Cheng Cynthia	4,610,500	0.545
16.	Wong Schok Ying Elaine	4,447,500	0.526
17.	CitiGroup Nominees (Tempatan) Sdn. Bhd. Exempt AN for OCBC Securities Private Limited (Client A/C-R ES)	4,402,700	0.521
18.	David Lim Chai	4,029,700	0.476
19.	Mohd Azizul Bin Mustapha	4,000,000	0.473
20.	HSBC Nominees (Asing) Sdn. Bhd. J. P. Morgan Securities PLC	3,332,500	0.394
21.	CitiGroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (PHEIM)	3,105,000	0.367
22.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Chin Wai Hon (MY3984)	3,100,000	0.366
23.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Cham Hak Lim (021)	3,000,000	0.355
24.	Phillip Nominees (Tempatan) Sdn. Bhd. Exempt AN for Phillip Capital Management Sdn. Bhd.	2,759,500	0.326
25.	Chow Cheng Juen	2,700,000	0.319
26.	Fong Chee Poong	2,543,900	0.301
27.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Weng Choi	2,500,000	0.295
28.	Ung Yoke Hong	2,222,600	0.263
29.	Tan Tiang Huat	2,218,400	0.262
30.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chin Wai Hon	2,200,000	0.260
	<b>Total</b>	<b>726,045,080</b>	<b>85.913</b>

# Notice of The 2025 Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting ("**2025 AGM**") of Mega Fortris Berhad ("**the Company**") will be held at Kota Permai Golf & Country Club, Permai Ballroom, No. 1 Jalan Anggerik Vanilla 31/100A, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor ("**Main Venue**") on Thursday, 27 November 2025 at 10.00 a.m. to transact the following businesses:

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2025 together with the Reports of the Directors and Auditors thereon. **[Please refer to Explanatory Note 1]**
2. To approve the increase in the Non-Executive Directors' benefits of RM6,799.12 payable to the Non-Executive Chairman of the Board for the period from 1 July 2025 to 27 November 2025. **[Please refer to Explanatory Note 2]**  
**[Ordinary Resolution 1]**
3. To approve the payment of Non-Executive Directors' fees for an amount of up to RM1,404,000.00 payable to Non-Executive Directors on a monthly basis for the period from 28 November 2025 until the next Annual General Meeting ("**AGM**") of the Company, in such proportions and manner as the Directors may determine as follows: **[Please refer to Explanatory Note 2]**  
**[Ordinary Resolution 2]**

No.	Type of Director	Non-Executive Directors' fees of the Company (RM)
1	Chairman of the Board	780,000.00
2	Independent Non-Executive Directors	624,000.00

AND THAT to approve the Non-Executive Directors' benefits (excluding Directors' fees) for an amount of up to RM374,192.00 payable to Non-Executive Directors for the period from 28 November 2025 until the next AGM of the Company, in such manner as the Directors may determine:

No.	Type of Director	Non-Executive Directors' benefits of the Company (RM)
1	Chairman of the Board	250,192.00
2	Independent Non-Executive Directors	124,000.00

4. To re-elect Dato' Ng Meng Kee who retires pursuant to Clause 84.1 of the Company's Constitution and being eligible, has offered himself for re-election. **[Ordinary Resolution 3]**
5. To re-elect the following Directors who retire pursuant to Clause 91 of the Company's Constitution and being eligible, have offered themselves for re-election: **[Ordinary Resolution 4]**  
**[Ordinary Resolution 5]**  
**[Ordinary Resolution 6]**
  - (a) Mr. Chew Wei Keong;
  - (b) Ms. Teoh Hooi Cheng; and
  - (c) Dato' Sasikala Devi A/P Subramaniam
6. To re-appoint Messrs. BDO PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **[Ordinary Resolution 7]**

# Notice of The 2025 Annual General Meeting

## AS SPECIAL BUSINESS

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

### 7. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

**THAT** pursuant to the Companies Act 2016 (“**the Act**”), the Constitution of the Company, the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and approvals of the relevant government and/or regulatory authorities, where such approval is required, 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 shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“**New Shares**”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued, to be subscribed under any rights granted, to be issued from the conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding twelve (12) months does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being (“**Proposed General Mandate**”).

**[Please refer to  
Explanatory Note 3]  
[Ordinary Resolution 8]**

**THAT** the existing shareholders of the Company do hereby waive their pre-emptive rights pursuant to Section 85(1) of the Act, read together with Paragraph 7.08 of the MMLR and the Company’s Constitution to be offered the New Shares to be allotted and issued under the Proposed General Mandate, which rank equally with the existing issued shares in the Company.

**THAT** such approval on the Proposed General Mandate shall continue to be in force until:

- (a) The conclusion of the next AGM of the Company held after the approval was given;
- (b) The expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- (c) Revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

**THAT** the Directors be and are hereby also empowered to obtain approval from Bursa Securities for the listing and quotation for such New Shares on Bursa Securities.

**THAT** authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

**AND THAT** the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.

# Notice of The 2025 Annual General Meeting

## AS SPECIAL BUSINESS (CONT'D)

To consider and if thought fit, to pass with or without modifications, the following resolutions: (Cont'd)

8. **PROPOSED SHAREHOLDERS' RATIFICATION FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' RATIFICATION")**

*Please refer to  
Explanatory Note 4]  
[Ordinary Resolution 9]*

**THAT** all the recurrent related party transactions entered into by the Company and/or its subsidiaries ("**the Group**") with the related parties as set out in Section 2.6 of the Circular to Shareholders dated 29 October 2025 from 11 November 2024, being the date of listing of the Company on the Main Market of Bursa Securities, up to the date of the forthcoming AGM, which were necessary for the Group's day-to-day operations, undertaken in the ordinary course of business at arm's length basis and on normal commercial terms and are not detrimental to the interest of the minority shareholders of the Company, be and are hereby approved, confirmed and ratified.

9. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")**

*Please refer to  
Explanatory Note 4]  
[Ordinary Resolution  
10]*

**THAT** pursuant to Paragraph 10.09 of MMLR of Bursa Securities, authority be and is hereby given to the Company and/or its subsidiaries to enter into any of the transactions falling within the types of the Recurrent Related Party Transactions, particulars of which are set out in the Circular to Shareholders dated 29 October 2025, with the Related Parties as described in the said Circular, provided that such transactions are of revenue or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are generally available to the public and are not detrimental to the minority shareholders of the Company ("**Proposed New Shareholders' Mandate**").

**THAT** such authority shall commence immediately upon passing of this Resolution and continue to be in force until:

- (a) the conclusion of the next AGM, unless the authority is renewed by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever is the earlier.

**AND THAT** the Board of Directors be and is hereby authorised to do all acts, deeds and things as may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed RRPT Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed New Shareholders' Mandate in the best interest of the Company.

# Notice of The 2025 Annual General Meeting

## AS SPECIAL BUSINESS (CONT'D)

To consider and if thought fit, to pass with or without modifications, the following resolutions: (Cont'd)

10. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and/or the Companies Act 2016.

BY ORDER OF THE BOARD

**TEO SOON MEI** (SSM PC No. 201908000235) (MAICSA 7018590)

**TEE WAN TING** (SSM PC No. 202208000388) (MAICSA 7077906)

Company Secretaries

Kuala Lumpur

Dated: 29 October 2025

### Explanatory Notes on Ordinary and Special Businesses:

#### 1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. As such, this Agenda item is not put forward for voting.

#### 2. Item 2 of the Agenda

Section 230(1) of the Act provides that the fees of the directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, must be approved at a general meeting.

At the last Annual General Meeting held on 1 November 2024 ("**2024 AGM**"), the members of the Company approved the following remuneration limits ("**Approved Limit**") for the Non-Executive Directors ("**NEDs**") of the Company to cover the period from 2 November 2024 to 27 November 2025 ("**Cover Period**"):

Approved Limit granted by the members at 2024 AGM		
	Directors' Fee (RM)	Meeting allowance and claimable benefits (RM)
Chairman	840,000.00	226,000.00
Independent Non-Executive Directors	540,000.00	148,333.33
Total for Non-Executive Directors	1,380,000.00	343,333.33

The Approved Limit obtained at the 2024 AGM was sufficient to cover the NEDs' fees for the entire Cover Period and the NEDs' benefits up to 30 June 2025. However, the Approved Limit will not be sufficient to cover the NEDs' benefits for the subsequent period from 1 July 2025 to 27 November 2025.

Details of the actual Directors' Remuneration for the financial year ended 30 June 2025 are disclosed in the Corporate Governance Report 2025 of the Company, which is available on the Company's website.

# Notice of The 2025 Annual General Meeting

## Explanatory Notes on Ordinary and Special Businesses: (Cont'd)

### 2. Item 2 of the Agenda (Cont'd)

Accordingly, the Board proposes to seek members' approval at the 2025 AGM for:

- (a) Ordinary Resolution 1  
Approval for the payment of an additional Directors' benefit of RM6,799.12 to the Non-Independent Non-Executive Chairman, representing the shortfall for the period from 1 July 2025 to 27 November 2025 (within the Cover Period approved at the 2024 AGM). The Ordinary Resolution 1 ensures that the Non-Independent Non-Executive Chairman's benefits for the shortfall period are duly authorised in compliance with Section 230(1) of the Act.
- (b) Ordinary Resolution 2  
Approval for the payment of Non-Executive Directors' fees of up to RM1,404,000.00 and Non-Executive Directors' benefits (excluding Directors' fees) of up to RM374,192.00, payable to the NEDs on a monthly basis for the period from 28 November 2025 until the next AGM of the Company. The Ordinary Resolution 2 facilitates the continued payment of Directors' fees and benefits to the NEDs for the financial year 2025/2026.

The estimated NEDs' fees and benefits for the financial year 2025/2026 have been derived based on the current Board composition.

The benefits payable to the NEDs comprising of meetings allowances based on actual attendance of meetings by the Non-Executive Directors and other claimable benefits including reimbursable expenses incurred in the course of carrying out their duties as Directors. The payment of benefits to the NEDs will be made by the Company on a monthly basis and/or as and when incurred, in accordance with the Company's policies and procedures.

In the event that the approved amounts become insufficient due to the enlarged Board size or additional meeting requirements, the Company will seek further members' approval at the next annual general meeting to regularise any additional NEDs' fees and benefits payable.

### 3. Item 7 of the Agenda

Ordinary Resolution 8, if passed, will grant the Directors authority to issue ordinary shares in the capital of the Company up to an aggregate amount not exceeding 10% of the total number of issued share in the share capital of the Company for the time being ("**General Mandate**").

The General Mandate is a new general mandate to seek for allotment and issuance of shares by the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed the prescribed limit under MMLR of Bursa Securities.

The purpose of this General Mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or such other purposes as the Directors may deem fit in the best interest of the Company, provided that the aggregate number of shares or convertible securities issued must not be more than 10% of the total number of issued shares. This General Mandate, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

However, pursuant to Section 85(1) of the Act and Clause 53 of the Company's Constitution, the New Shares will have to be offered to the existing members of the Company unless there is a direction to the contrary given in the general meeting of the Company. Should the existing shareholders of the Company approve the proposed Ordinary Resolution 8, they are waiving their pre-emptive rights pursuant to Section 85(1) of the Act, which then would allow the Directors to issue New Shares to any person without having to offer the said New Shares equally to all existing shareholders of the Company prior to the issuance. This will result in a dilution to the shareholding percentage of the existing shareholders of the Company.

# Notice of The 2025 Annual General Meeting

## Explanatory Notes on Ordinary and Special Businesses: (Cont'd)

### 3. **Item 7 of the Agenda (Cont'd)**

The Board of the Company is of the view that the General Mandate is in the best interest of the Company and its shareholders as it will provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time. It will also enable the Directors to take swift action in case of a need to issue and allot new shares in the Company's fund raising activities, including but not limited to further placement of shares for the purpose of funding the Company's current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such applications as the Directors may deem fit in the best interest of the Company and its shareholders, provided that the aggregate number of shares or convertible securities issued must not be more than 10% of the total number of issued shares of the Company.

### 4. **Items 8 and 9 of the Agenda**

The proposed resolutions, if passed, will ratify all the recurrent related party transactions entered into by the Group from 11 November 2024 up to the date of the forthcoming AGM and allow the Group to enter into recurrent related party transactions of a revenue or trading nature with its related parties as set out in Section 2.6 of the Circular to Shareholders dated 29 October 2025 ("**Circular**") in accordance with MMLR of Bursa Securities without the necessity to convene separate general meetings to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company and is subject to renewal on an annual basis.

For further information on Ordinary Resolutions 9 and 10, please refer to the Circular accompanying the Annual Report 2025 of the Company.

#### **Notes:**

- (1) *The 2025 AGM of the Company will be held at Main Venue. Members and proxies will have to attend physically in person at the Main Venue.*
- (2) *A member who is entitled to attend and vote at the 2025 AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 2025 AGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the 2025 AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.*
- (3) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (4) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (5) *The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the Form of Proxy must be initialled.*

# Notice of The 2025 Annual General Meeting

## Notes: (Cont'd)

- (6) The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 2025 AGM or at any adjournment thereof:
- (i) In Hardcopy Form
- The Form of Proxy shall be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd's ("**Tricor**") office of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan (hereinafter referred to as "**Tricor's Office**"); or
- (ii) By Electronic Means
- The Form of Proxy can be electronically lodged with the Company's Share Registrar of the Company via Vistra Share Registry and IPO (MY) portal ("**The Portal**") at <https://srmy.vistra.com> no later than Tuesday, 25 November 2025 at 10.00 a.m. Kindly refer to the Administrative Guide for the 2025 AGM on the procedure for electronic lodgement of proxy form via The Portal.
- (7) Pursuant to Paragraph 8.29A(1) of MMLR of Bursa Securities, all the resolutions set out in this Notice of the 2025 AGM will be put to vote by poll.
- (8) In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 November 2025 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 2025 AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.
- (9) Those forms of proxy which are indicated with "x" or "√" in the spaces provided to show how the votes are to be cast will also be accepted. Any alteration in the form of proxy must be initialled.
- (10) The Company shall be entitled to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to the Company's Constitution in relation to the General Meeting Records of Depositors made available to the Company.

## Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 2025 AGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the 2025 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 2025 AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

# Statement Accompanying The Notice of The 2025 Annual General Meeting

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”)

## 1. Directors standing for election or appointment

The following Directors who retire pursuant to Clause 91 of the Company’s Constitution and being eligible, have offered themselves for re-election at the 2025 AGM (the “**Retiring Directors I**”) under Ordinary Resolutions 4 to 6:

- (a) Mr. Chew Wei Keong;
- (b) Ms. Teoh Hooi Cheng; and
- (c) Dato’ Sasikala Devi A/P Subramaniam

The re-election of the Retiring Directors I shall be voted on individually.

## 2. Director standing for re-election

The following Director who retires pursuant to Clause 84.1 of the Company’s Constitution (“**Retiring Director II**”) and being eligible, have offered himself for re-election at the 2025 AGM under Ordinary Resolution 3:

- (a) Dato’ Ng Meng Kee

Pursuant to Paragraph 8.27(2) of MMLR of Bursa Securities, the details of the Retiring Directors I and Retiring Director II are as set out in their respective Directors’ Profile of the Company’s Annual Report 2025. The details of their interest in the securities of the Company can be found in the Company’s Annual Report 2025.

The Nominating Committee (“**NC**”) has considered the performance and contribution of the aforementioned Retiring Directors from the Board Effectiveness Evaluation conducted and the following factors were taken into consideration:

- (a) Fit and proper assessment;
- (b) Contribution to interaction;
- (c) Knowledge and calibre;
- (d) Provision of quality of input to the Board;
- (e) Understanding of role; and
- (f) Conflict of Interest.

The NC and the Board also review the tenure of the Directors and the Board composition to ensure the Board has an appropriate mix of skills and experience for the requirements of the business.

The NC and the Board have considered the results of the assessment conducted on the Retiring Directors and collectively agreed that they each meet the criteria of character, experience, integrity, competence and time required to effectively discharge their respective roles as Directors, as prescribed by Paragraph 2.20A of MMLR of Bursa Securities and additionally have satisfied the Directors’ fit and proper assessment criteria. The Board approved the NC’s recommendation that the Retiring Directors I and Retiring Director II who retire in accordance with Clause 91 and Clause 84.1 of the Constitution are eligible to stand for re-election. The Retiring Directors I and Retiring Director II had abstained from deliberations and decisions on their own eligibility and suitability to stand for re-election at the relevant NC and Board meetings.

The Board (save for the Retiring Directors I and Retiring Director II who have abstained from deliberation on discussions relating to their own re-election at the NC and Board meetings) supports the re-election of the Retiring Directors I and Retiring Director II.

None of the retiring directors have any conflict of interest and/or potential conflict of interest, except for Dato’ Ng Meng Kee as disclosed in Section D of the Audit Committee Report.

## **Statement Relating to a General Mandate for the issue of securities**

### Ordinary Resolution 8 on the general mandate for the issuance of securities

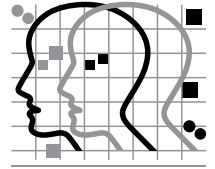
Statement relating to a general mandate for the issuance of securities in accordance with Paragraph 6.03(3) of MMLR of Bursa Securities.

Please refer to the Explanatory Note 3 of the Notice of the 2025 AGM.

# Form of Proxy

(before completing this Form of Proxy, please refer to the notes below)

<b>Number of Shares Held</b>	
<b>CDS Account No.</b>	



**MEGA FORTRIS**  
G R O U P  
**MEGA FORTRIS BERHAD**  
(Registration No. 199801004408 (460535-H))

\*I/We \_\_\_\_\_ NRIC No./Passport No./Company No. \_\_\_\_\_  
(FULL NAME IN BLOCK LETTER)

of \_\_\_\_\_  
(FULL ADDRESS)

, being a \*member/members of **MEGA FORTRIS BERHAD**, do hereby appoint(s):-

Full Name (in Block) [Proxy 1]	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	%
<b>Address:</b>			
<b>Email Address:</b>			
<b>Mobile Phone No.:</b>			

And (if appoint more than 1 proxy) or failing \*him/her,

Full Name (in Block) [Proxy 2]	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	%
<b>Address:</b>			
<b>Email Address:</b>			
<b>Mobile Phone No.:</b>			

or failing whom, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Annual General Meeting ("**2025 AGM**") of the Company to be held at Kota Permai Golf & Country Club, Permai Ballroom, No. 1 Jalan Anggerik Vanilla 31/100A, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor ("**Main Venue**") on Thursday, 27 November 2025 at 10.00 a.m. and at any adjournment thereof.

Please indicate with an "X" or "✓" in the spaces provided below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy(ies) will vote or abstain for voting at his(her) discretion.

Ordinary Business (Ordinary Resolutions)		For	Against
1.	To approve the increase in the Non-Executive Directors' benefits (excluding Directors' fees) of RM6,799.12 payable to the Chairman of the Board for the period from 1 July 2025 until the conclusion of the 27 <sup>th</sup> AGM.		
2.	Approval of the following payment to Non-Executive Directors:-  <b>(a) Directors' fees</b> Payment to Non-Executive Directors' fees for an amount of up to RM1,404,000.00 payable to Non-Executive Directors on a monthly basis for the period from 28 November 2025 until the next Annual General Meeting of the Company.  <b>(b) Directors' benefits</b> Payment to Non-Executive Directors' benefits (excluding Directors' fees) for an amount of up to RM374,192.00 payable to Non-Executive Directors for the period from 28 November 2025 until the next Annual General Meeting of the Company.		
3.	Re-election of Dato' Ng Meng Kee as Director pursuant to Clause 84.1 of the Company's Constitution.		
4.	Re-election of Mr. Chew Wei Keong as Director pursuant to Clause 91 of the Company's Constitution.		
5.	Re-election of Ms. Teoh Hooi Cheng, as Director pursuant to Clause 91 of the Company's Constitution.		
6.	Re-election of Dato' Sasikala Devi A/P Subramaniam as Director pursuant to Clause 91 of the Company's Constitution.		
7.	Re-appointment of Messrs. BDO PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
Special Business (Ordinary Resolutions)		For	Against
8.	Authority to allot and issue shares pursuant to the Companies Act 2016.		
9.	Proposed Ratification for RRPT		
10.	Proposed New Mandate for RRPT		

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2025

\*Strike out whichever is not desired.

\_\_\_\_\_  
Signature of Member/Common Seal



**Notes:**

- (1) The 2025 AGM of the Company will be held at Main Venue. Members and proxies will have to attend physically in person at the Main Venue.
- (2) A member who is entitled to attend and vote at the 2025 AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 2025 AGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the 2025 AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.
- (3) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- (4) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- (5) The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the Form of Proxy must be initialled.
- (6) The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 2025 AGM or at any adjournment thereof:-
  - (i) In Hardcopy Form  
The Form of Proxy shall be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd's ("**Tricor**") office of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (hereinafter referred to as "**Tricor's Office**"); or
  - (ii) By Electronic Means  
The Form of Proxy can be electronically lodged with the Company's Share Registrar via Vistra Share Registry and IPO (MY) portal ("**The Portal**") at <https://smy.vistra.com> no later than Tuesday, 25 November 2025 at 10.00 a.m. Kindly refer to the Administrative Guide for the 2025 AGM on the procedure for electronic lodgement of proxy form via The Portal.
- (7) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of the 2025 AGM will be put to vote by poll.
- (8) In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 November 2025 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 2025 AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.
- (9) Those Forms of Proxy which are indicated with "x" or "√" in the spaces provided to show how the votes are to be cast will also be accepted. Any alteration in the Proxy Form must be initialled.
- (10) The Company shall be entitled to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to the Company's Constitution in relation to the General Meeting Records of Depositors made available to the Company.

**Personal data privacy:**

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 2025 AGM and/or any adjournment thereof, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of the 2025 AGM dated 29 October 2025.

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**AFFIX  
STAMP**

The Share Registrar of

**MEGA FORTRIS BERHAD** [Registration No. 199801004408 (460535-H)]  
**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

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## MEGA FORTRIS BERHAD

[Registration No.: 199801004408 (460535-H)]

(Incorporated in Malaysia under the Companies Act 1965 and  
deemed registered under the Companies Act 2016)

No.29, Jalan Anggerik Mokara 31/47, Kota Kemuning, Seksyen 31,  
40460 Shah Alam, Selangor, MALAYSIA.

T: +603-5122 6118 F: +603-5121 7118 E: inquiry@megafortris.com

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**[www.megafortris.com](http://www.megafortris.com)**

