KOBAY
TECHNOLOGY BHD

2026 ANNUAL REPORT

PROGRESSING IN ENGINEERING, PURSUING WITH PURPOSE











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WE ARE GUIDED BY OUR

ACTIONS

WHICH UNDERLIE THE CULTURE OF THE

KOBAY GROUP OF COMPANIES

- **A** gility
- **C** an-Do Attitude
- **T** eamwork
- **I** nitiative and Accountability
- **O** wnership and Pride
- **N** ever Stop Learning
- **S** peed of Response

OUR VISION

To be a market leader and pre-eminent supplier to customers worldwide.

OUR MISSION

To pursue excellence in all aspects of our business to serve our customers in the global market.

To achieve sustainable, profitable growth, we combine market leading technology with a highly competent and committed workforce to achieve business excellence which is reflected in the products and services we offer.

Success is measured by our ability to create economic value, bond with our customers and suppliers, promote a sense of pride and ownership amongst our employees and produce a higher return of equity to our shareholders.

OUR VALUES & BELIEFS

Our shared values and beliefs are the foundation upon which our company is built. We believe that our people, striving towards a shared vision and guided by a common set of values and beliefs are our most valuable asset and the ultimate sustainable source of our competitive advantage.

CORPORATE DIRECTORY **AND INFORMATION**





BOARD OF DIRECTORS

Puan Sharifah Faridah Binti Dato' Syed Mahadzar Jamalullil
Chairman / Independent and Non-executive Director

Dato' Seri Koay Hean Eng
Managing Director / Chief Executive Officer

Koay Zee Ee
Executive Director / Chief Operating Officer – Engineering, Mechatronic and Contract Manufacturing Division

Koay Wooi Seong
Executive Director / Chief Operating Officer – Property Development and Hospitality Management Division

Koay Cheng Lye
Non-independent and Non-executive Director

Lim Siew Wee
Senior Independent and Non-executive Director

Koay Pei Feng
Independent and Non-executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Lim Siew Wee *Chairman*
Koay Cheng Lye *Member*
Koay Pei Feng *Member*

NOMINATING COMMITTEE

Koay Pei Feng *Chairman*
Koay Cheng Lye *Member*
Lim Siew Wee *Member*

REMUNERATION COMMITTEE

Koay Cheng Lye *Chairman*
Lim Siew Wee *Member*
Koay Pei Feng *Member*

EXECUTIVE COMMITTEE

Dato' Seri Koay Hean Eng
Mr. Koay Zee Ee
Mr. Koay Wooi Seong
Mr. Koay Wooi Tatt

...CORPORATE DIRECTORY AND INFORMATION

SECRETARIES

Chan Mun Shee (MAICSA 7003071)
SSM PC No. 202508000424

Wong Mee Choon (MACS 01562)
SSM PC No. 201908001211

Email : cosec@kobaytech.com

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No. 42-B, Jalan Rangoon,
10400 Georgetown, Penang.
Tel.: (04) 3711338
Fax : (04) 2261363

REGISTRAR

Securities Services (Holdings) Sdn. Bhd
Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar,
10200 Georgetown, Penang.
Tel: (04) 2631966
Email : info@sshsb.com.my

AUDITORS

PKF PLT
Chartered Accountants
67, Jalan Seang Tek,
10400 Georgetown, Penang.
Tel: (04) 2189653

BANKERS

Hong Leong Bank Berhad
Alliance Bank Malaysia Berhad
CIMB Islamic Bank Berhad
Ambank (M) Berhad
Public Bank Berhad
OCBC Bank (Malaysia) Berhad
OCBC Al-Amin Bank Berhad
HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad
(Stock Code : 6971; Stock Name : KOBAY)

INVESTOR RELATIONS

Nicole Ang
Email : investor.relation@kobaytech.com

WEBSITE

www.kobaytech.com



KOBAY BUSINESS AND **ITS STRUCTURE**

CORPORATE STRUCTURE AS AT 30 SEPTEMBER 2026

KOBAY TECHNOLOGY BHD

PROPERTY/PROJECT DEVELOPMENT

Kobay G Sdn. Bhd.	100%
LD Global Sdn. Bhd.	100%
Kobay SB Sdn. Bhd.	100%
Kobay Land Sdn. Bhd.	100%
Kobay Project Venture Sdn. Bhd.	100%
Premierview Property Sdn. Bhd.	100%
Super Tropica Development Sdn. Bhd.**	100%
Ultimate Sanctuary Sdn. Bhd.	100%

PHARMACEUTICAL & HEALTHCARE

Avelon Healthcare Group Sdn. Bhd.	70%
Avelon Healthcare Sdn. Bhd.#	100%
Avelon Arise Sdn. Bhd.#	100%
Arise Healthcare Sdn. Bhd.#	100%
Galaxis Healthcare Sdn. Bhd.#	100%
Medicwave (M) Sdn. Bhd.#	70%

MANUFACTURING

100%	Kobay Industries Sdn. Bhd.
100%	Paradigm Aerospace Sdn. Bhd. **
100%	Paradigm Metal Industries Sdn. Bhd. **
100%	Paradigm Precision Components Sdn. Bhd. **
90%	Micro Surface Treatment Sdn. Bhd. **
100%	Innospec Sdn. Bhd.
100%	KT Microhandling Sdn. Bhd. **
100%	Kobay UA Sdn. Bhd.
51%	Kual Technologies Sdn. Bhd.
100%	Bend Weld Engineering Sdn. Bhd. **
100%	Polytool Technologies Sdn. Bhd. **

ASSET MANAGEMENT

100%	Kobay Assets Sdn. Bhd.
100%	Lavanya Resorts Sdn. Bhd.
100%	Lodge 18 Sdn. Bhd.

OTHERS

100%	Kobay Management Services Sdn. Bhd.
100%	Kewjaya Sdn. Bhd.
100%	Masset Capital Sdn. Bhd.
100%	Maker Technologies Sdn. Bhd.**

Notes :
*** Subsidiary of Kobay Industries Sdn. Bhd.*
 # Subsidiary of Avelon Healthcare Group Sdn. Bhd.

MANAGEMENT DISCUSSION **AND ANALYSIS**

Dear Esteemed Shareholders,

It is with great pride that I present, on behalf of the Board of Directors (the "Board") of Kobay Technology Berhad ("Kobay" or the "Group"), the Management Discussion and Analysis ("MD&A") for the financial year ended 30 June 2026 ("FY2026") - a defining turnaround and one of the strongest sets of results in the Group's history.

BRIEF OVERVIEW OF FY2026

FY2026 unfolded against a global economy that continued to navigate a mix of cyclical recovery and lingering uncertainty. The International Monetary Fund ("IMF") estimated world output to have expanded at a measured pace of around 3.0%, as the tailwind from an upturn in technology demand was tempered by persistent trade frictions, shifting tariff regimes and geopolitical tensions. Even so, the technology and artificial intelligence ("AI") investment cycle emerged as a powerful and durable growth engine that bodes well for Kobay that support the E&E and semiconductor industry.

Closer to home, Malaysia remained a relative bright spot. Bank Negara Malaysia ("BNM") pointed to resilient domestic activity, underpinned by steady consumer spending, sustained investment approvals and a healthy inflow of foreign direct investment. This stable footing provided a constructive backdrop for the Group's core operations through the year.

The semiconductor cycle continued its upward trajectory. According to the World Semiconductor Trade Statistics ("WSTS") organisation, global semiconductor sales reached a record of about US$795.6 billion in 2025 and are projected to grow by 90% to US$1.5 trillion in 2026 - crossing the trillion-dollar mark earlier than previously expected - fuelled by demand for AI infrastructure and accelerated computing. The upturn has been broad-based but led by memory, on the back of high-bandwidth memory ("HBM") demand, alongside strong growth in logic, with global sales projected to exceed US$1.9 trillion in 2027. Kobay has been capitalising on this momentum, most notably through the expansion of our high-level assembly and aging-test services for the AI industry, alongside a firmer recovery across the semiconductor and aerospace sectors.

Riding on these tailwinds, Kobay delivered a landmark year. Group revenue climbed to a record RM532.7 million in FY2026, a strong increase of 56.1% year-on-year ("YoY") from RM341.2 million previously - surpassing the RM500 million milestone for the first time. Correspondingly, the Group returned to a profit before tax ("PBT") of RM61.2 million, from a loss before tax of RM11.6 million a year ago. Net profit attributable to owners of the parent ("net profit") rebounded to RM47.3 million - the second highest in the Group's history, behind only the record RM51.1 million achieved in FY2022. In recognition of this commendable performance and our commitment to rewarding shareholders, the Board has proposed a total dividend of 3.0 sen per share, representing a payout of approximately 20.3% based on FY2026 net profit.



FY2026 Revenue:
RM532.7
million
All-Time High



FY2026 Net Profit:
RM47.3
million



FY2026 Dividend Payout:
20.3%
of Net Profit

GROUP OVERVIEW

From our beginnings in 1984, Kobay has grown into a well-regarded name in Malaysia's engineering and manufacturing sector, recognised as an integrated, value-added manufacturing solutions provider that delivers comprehensive, one-stop engineering solutions across a broad spectrum of industries. By bringing our precision engineering, electronic manufacturing and assembly capabilities together under one roof, we offer customers a single, trusted point of contact from design through to finished product. A pivotal milestone came in 1997 with our listing on the Main Market of Bursa Malaysia Securities Berhad. Today, we are headquartered in Georgetown, Pulau Pinang, and operate 10 manufacturing plants across Seberang Perai and Bayan Lepas in Penang.



GROUP OVERVIEW (CONT'D)

Manufacturing

Manufacturing remains the beating heart of the Group. Kobay operates as an integrated, value-added manufacturing solutions provider, delivering across five complementary capability pillars: Electronic Manufacturing Services ("EMS") - encompassing Surface Mount Technology ("SMT") and High-Level Assembly ("HLA"); Precision Tooling & Engineering; Precision Components and Sheet Metal; Aluminium Extrusion; and System Integration. Together, these span high-precision machined components, precision metal stamping and sheet metal fabrication, surface treatment, precision moulds, tooling and form dies, heavy metal structures, and the design and production of semiconductor assembly and test-handling equipment - a breadth that allows the Group to serve as a single-source partner and to move progressively further up the value chain.

The standout development of FY2026 was the acceleration of our EMS and HLA offering, in particular the assembly and aging-test services we provide to the AI industry. Through our wholly-owned subsidiary Kobay UA Sdn. Bhd., which is dedicated to HLA and EMS activities, the Group has established ourselves as a qualified and trusted partner in the AI industry's demand. This business commands healthier margins, reflecting stringent customer qualification requirements, substantial upfront capital commitment and the premium placed on a proven delivery track record - attributes that are not easily replicated by newcomers.

Our solutions serve a diverse customer base across semiconductors, electronics and electrical ("E&E"), aerospace, medical technology and life sciences, extending from long-standing domestic relationships to multinational corporations in Europe, North America and the Asia Pacific. Complementing these core pillars, the aluminium extrusion plant established in 2023 continued to gain traction, producing environmentally friendly extruded frames that support the Group's push into sustainable manufacturing and the global energy transition, while our system integration capability ties these offerings together into complete, end-to-end solutions for our customers.



Taken together, FY2026 saw the manufacturing division remain as the Group's principal growth driver and the foundations reinforced for the next phase of expansion.

Other Divisions

Aside from the core business in manufacturing, Kobay has invested in property development and pharmaceutical and healthcare business respective in 2016 and 2021.

Our current project, Laguna Bay Residences in Sungai Batu, Penang, is an affordable housing development targeted for completion in CY 2027.

Avelon Group, being the 70% owned pharmaceutical and healthcare business has focused on higher-margin products while broadening its therapeutic portfolio complemented by continued brand-building and advertising to strengthen its market presence.

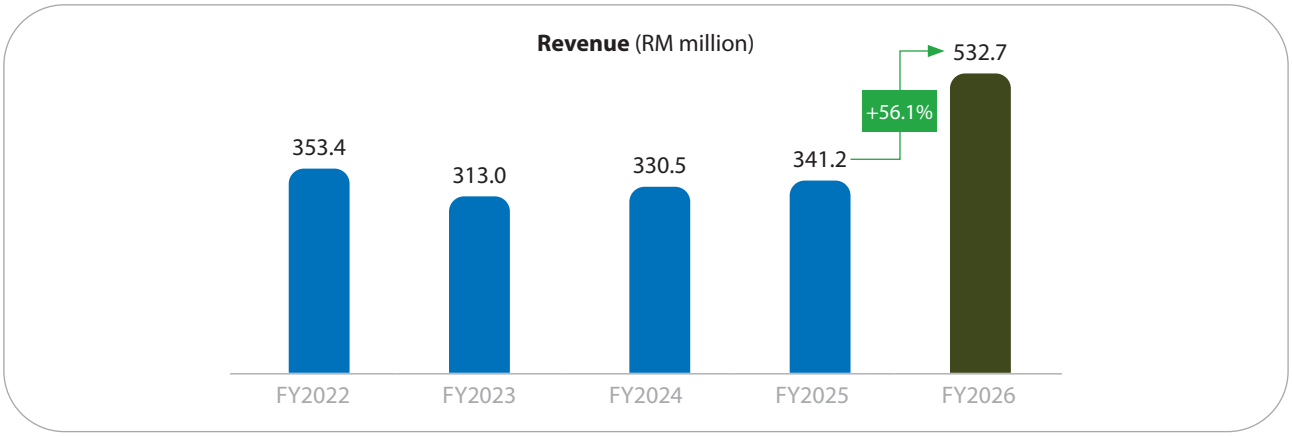
...MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL RESULTS

INCOME STATEMENT HIGHLIGHTS

Revenue

The Group achieved a record revenue of RM532.7 million in FY2026, up 56.1% YoY from RM341.2 million in the preceding year. The surge was led by the manufacturing division, which benefited from a strong ramp-up in AI-related assembly and aging-test services together with firmer order flows across the semiconductor, E&E and aerospace segments. Notably, this is the first-time Kobay's revenue eclipsed the RM500-million mark.



Gross Profit

Gross profit ("GP") advanced in tandem with revenue, rising 72.5% YoY to RM140.4 million from RM81.4 million a year earlier. Encouragingly, GP margin expanded to 26.4% from 23.9% in FY2025, reflecting a healthier product mix within the manufacturing division - in particular the higher-value AI-related assembly business - alongside improved economies of scale and tighter cost discipline across the Group.

Profit Before Tax ("PBT")

The operating leverage from higher volumes flowed through decisively to earnings. The Group recorded a PBT of RM61.2 million in FY2026, a solid turnaround from the loss before tax of RM11.6 million in FY2025, which was weighed down by a one-off, non-cash impairment on intangible assets of RM30.3 million. Even after adjusting for the non-recurring item, FY2025 profit before tax would have been approximately RM18.7 million, which translates to a jump of 3.2 folds for FY2026

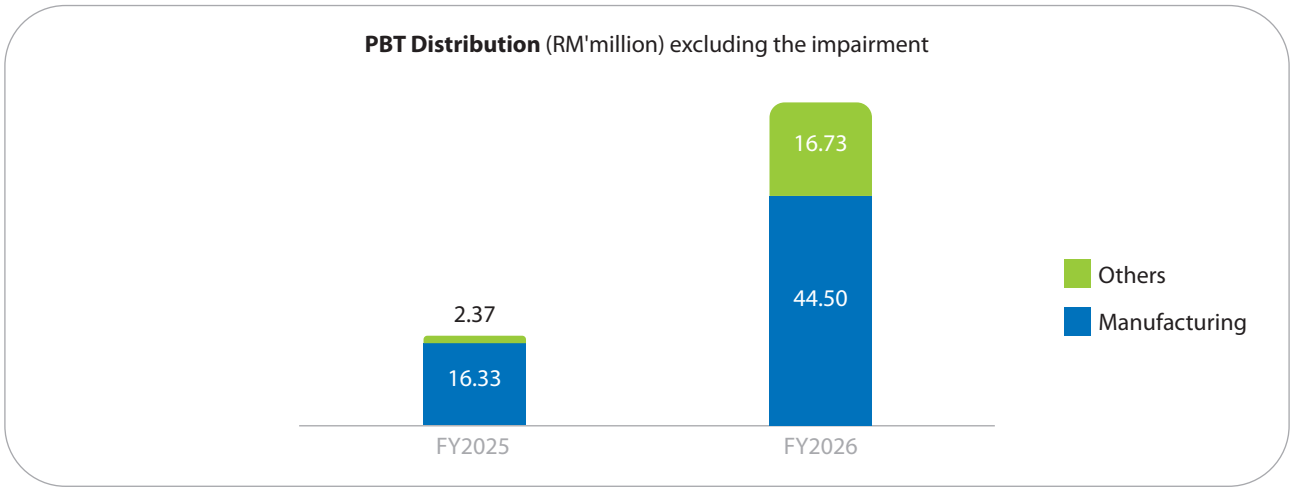


Net profit attributable to owners of the parent ("net profit")

Similarly, net profit for the financial year under review rebounded to RM47.3 million, against a net loss of RM16.0 million a year ago. This stands as the second-highest annual net profit in the Group's history, behind only the RM51.1 million achieved in FY2022.

...MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL ANALYSIS



Manufacturing

The manufacturing division was core business and the primary engine of FY2026's record performance, contributing revenue of RM364.1 million, or around 68% of Group turnover - an increase of 69.4% YoY from RM214.9 million. PBT for the division surged 1.7 times to RM44.5 million from RM16.3 million previously. The improvement was driven chiefly by higher sales orders, led by the expansion of AI-related high-level assembly and aging-test services, supported by a broad-based recovery in high-precision machined components, precision metal stamping and sheet metal products, as well as sustained aerospace demand.

Other Divisions

Both the property development and pharmaceutical and healthcare segment have delivered an improved performance in FY2026 compared to FY2025.

CAPITAL STRUCTURE AND CAPITAL RESOURCES

FY2026 was a year in which the Group's financial standing improved on almost every front, giving us a firmer platform from which to fund our next phase of growth and absorb the swings that come with the industries we serve. A strong and healthy balance sheet remains central to the Group's resilience, enabling us to navigate market volatility and operate effectively amid evolving industry conditions.

Total assets grew to RM692.1 million as at 30 June 2026, from RM629.5 million a year earlier. Much of the increase stemmed from ongoing investment in property, plant and equipment as we expanded our AI-related assembly capacity, together with higher receivables and inventories that naturally accompanied the Group's stronger revenue. Cash and bank balances held broadly steady at RM34.9 million (FY2025: RM36.4 million), as strong operating cash generation was directed towards capital expenditure and a reduction in borrowings.

Meanwhile, total liabilities were RM275.7 million, up modestly from RM258.9 million a year ago on higher trade payables in line with activity levels. The Group's total borrowings were pared back to RM127.3 million from RM141.2 million as at end-FY2025. Total equity rose to RM416.4 million from RM370.6 million, lifted by the substantial retained earnings accumulated during the year.

On the back of the Group's record revenue and strong earnings rebound, return on equity attributable to owners of the Company recovered to 11.4%, while return on assets improved to 7.1%. These returns mark a decisive swing back into positive territory and underscore the Group's renewed ability to generate healthy value for our shareholders.

Net Gearing Ratio, Cash Per Share & Net Assets Per Share

Reflecting stronger earnings and lower borrowings, the Group's net gearing improved to approximately 0.17 times as at 30 June 2026, from 0.23 times a year ago. Cash per share stood at 10.9 sen (FY2025: 11.4 sen), while net assets per share increased to RM1.30 from RM1.15.

...MANAGEMENT DISCUSSION AND ANALYSIS

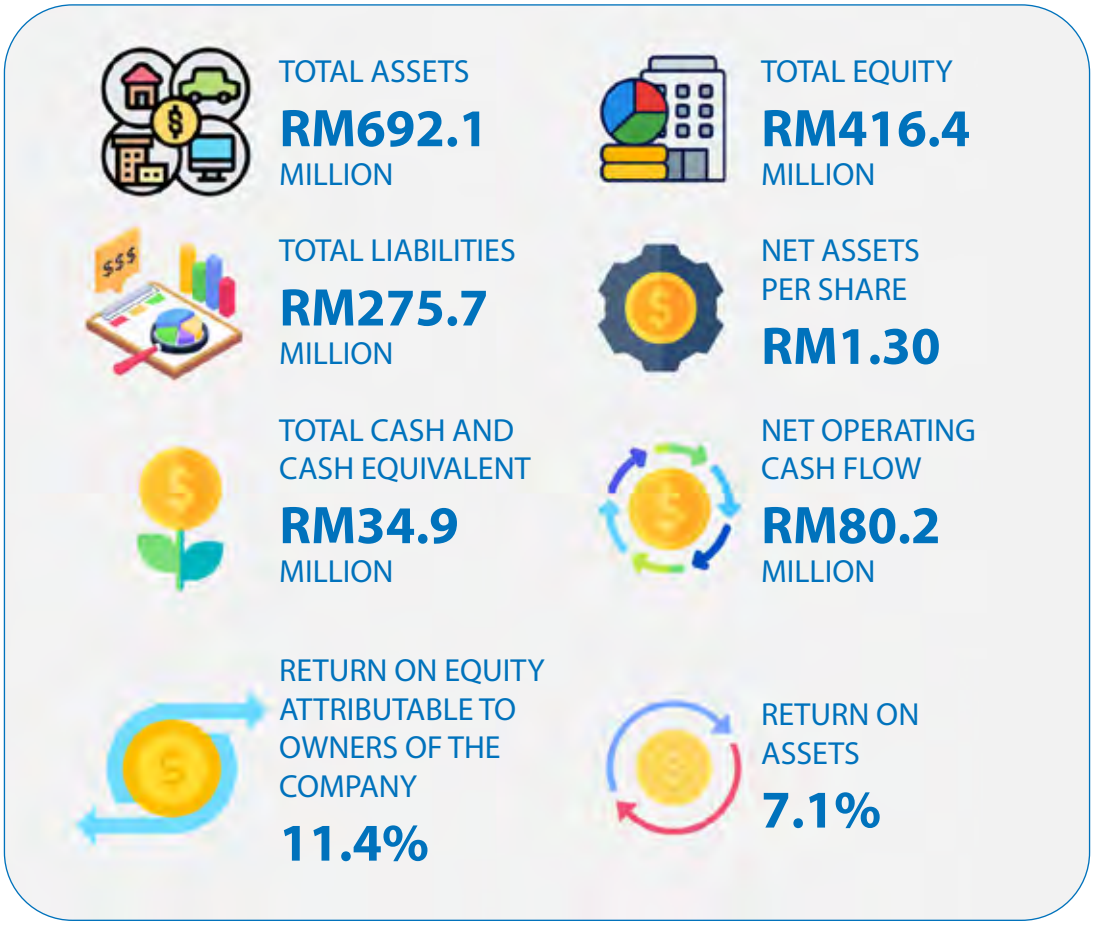
STATEMENT OF CASH FLOWS

FYE June	FY2025 (RM million)	FY2026 (RM million)
Net cash from operating activities	18.1	80.2
Net cash from investing activities	(37.3)	(51.5)
Net cash from financing activities	5.7	(30.3)
Net change in cash and cash equivalents	(13.4)	(1.6)

Cash generation improved markedly during the year. Operating activities brought in RM80.2 million of net cash, close to four times the RM18.1 million generated in FY2025, as the strong earnings recovery was reinforced by tighter management of working capital.

The bulk of this was reinvested into the business. A net RM51.5 million was channelled into investing activities - up from RM37.3 million a year earlier - as the Group accelerated capital spending on our AI-related assembly capacity and added to our other investments, only partly offset by proceeds from the disposal of investment properties and equipment. Financing activities, in turn, produced a net outflow of RM30.3 million (FY2025: RM5.7 million inflow), as the Group drew on our stronger cash position to repay borrowings and meet our lease, interest and non-controlling dividend interests.

Balance Sheet Highlights as at 30 June 2026



...MANAGEMENT DISCUSSION AND ANALYSIS

ANTICIPATED AND KNOWN RISKS

Supply Chain Uncertainties

We operate within an increasingly complex global environment in which evolving trade and tariff policies, China–US tensions and ongoing conflicts in Europe and the Middle East may disrupt established supply chains. Such conditions have the potential to restrict the availability of raw materials, elevate input costs and extend delivery lead times. To mitigate these risks, we continue to strengthen the resilience of our supply chain by diversifying our sources of procurement, expanding our pool of qualified suppliers and fostering long-term partnerships with key industry participants. These measures reduce our reliance on any single source and support the reliability of supply across all of our business segments.

Exchange Rate Risk

As a significant portion of our export sales is denominated in US dollars, our earnings are exposed to fluctuations in the USD - Ringgit exchange rate. We consider this exposure to be manageable, supported in part by a natural hedge between our USD - denominated revenues and corresponding costs. We monitor currency movements closely and will, where appropriate, employ suitable hedging instruments, including forward contracts, to safeguard our margins.

Operational Disruptions

The uninterrupted operation of our production facilities is fundamental to our performance, and any unplanned stoppage could have a material adverse impact. To ensure business continuity, we maintain appropriate insurance coverage against risks such as fire, theft and accidents, complemented by ongoing preventive maintenance and operational readiness. Notwithstanding these safeguards, external events beyond our control — including natural disasters, civil unrest and labour disruptions - may nonetheless affect our production schedules and the timely delivery of products to our customers.

OUTLOOK AND PROSPECTS

The Group enters FY2027 with confidence, against a global economy that continues to be propelled by a powerful technology investment cycle even as overall growth is modest. The IMF projects world output to expand by approximately 3.0% in 2026 and 3.4% in 2027, compared to the average of 3.5% observed in 2024–25. Encouragingly for a Group positioned along the semiconductor and AI value chain, the modest global growth reflects the effects of the war in the Middle East being partly offset by accelerated demand-driven momentum in the global technology cycle thanks to advances in AI and its adoption - a structural, multi-year source of demand that works distinctly in our favour. We nonetheless remain watchful of elevated inflation, evolving trade and tariff policies, and persistent geopolitical risks.

Closer to home, Malaysia continues to demonstrate resilience. The domestic economy expanded by 5.2% in 2025 - its strongest growth since 2022 - and BNM forecasts growth of between 4% and 5% in 2026, driven by resilient domestic demand and ongoing investment momentum, broadly in step with the Ministry of Finance's ("MoF") 4.0% to 4.5% projection under Budget 2026. More excitingly for our business, strong demand for semiconductors and AI-related technologies is set to benefit the E&E sector. Penang, where our operations are anchored, remains at the forefront of this momentum as one of the region's premier electronics and semiconductor hubs.

At the national level, the 13th Malaysia Plan ("13MP") provides a supportive backdrop for our core businesses. It charts a roadmap with a targeted GDP growth rate of 4.5% to 5.5% per annum, underpinned by RM430 billion in planned development expenditure. Of particular relevance to the Group, the manufacturing sector is poised to outperform its 12MP performance, driven by initiatives under the National Industrial Master Plan ("NIMP") 2030, with Malaysia advancing up the semiconductor value chain - particularly in Integrated Circuit ("IC") design - and Penang and Selangor leading efforts to develop IC design hubs. The Government has also set an ambitious goal of positioning Malaysia as a high-tech semiconductor hub, targeting RM1 trillion in E&E exports by 2030.

...MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK AND PROSPECTS (CONT'D)



Manufacturing

The global semiconductor industry upcycle is expected to continue with WSTS projecting worldwide semiconductor sales to grow by around 90% to USD1.5 trillion in 2026 - surpassing the trillion-dollar threshold for the first time - and to exceed USD1.9 trillion in 2027, with AI infrastructure, high-bandwidth memory and accelerated computing the principal catalysts.

This outlook is reinforced by a broad-based improvement across the global semiconductor and E&E sector, driven by accelerating global demand for advanced computing architecture and AI ecosystem. Industry research projects technology capital expenditures to reach record highs through 2026 as cloud infrastructure build-outs and next-generation device hardware upgrades accelerate across key markets. As an essential partner providing high-level assembly (HLA) and high-precision machined components, our high-precision manufacturing capabilities and stringent quality testing services position us directly at the core of this multi-year market uptrend, ensuring strong momentum and sustained growth in the coming year.

The aerospace sector offers a further, complementary source of demand. Global air travel reached record levels in 2025, with total passenger demand rising 5.3% and international traffic up 7.1%, lifting the passenger load factor to a record 83.6%. With 2026 anticipated to mark a rebound as new aircraft deliveries ramp up, demand for the precision components and sub-assemblies we supply to the sector is expected to remain encouraging.

Other Divisions

While property development and pharmaceutical and healthcare are not Kobay's core businesses, Kobay remains committed to driving positive performance across both businesses and strengthening their contribution to the Group's sustainable performance

All things considered, the Board is optimistic about the Group's prospects, buoyed by a strong demand pipeline, favourable industry tailwinds and the solid operational foundation built during FY2026. While remaining mindful of macroeconomic uncertainties, cost pressures and geopolitical developments, Kobay is well placed to translate the opportunities into sustained earnings growth and to build on the momentum established in FY2026 as we move into FY2027 and beyond.

...MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDENDS

After two financial years without a dividend - a reflection of the softer earnings recorded through the industry downturn - we are pleased to resume dividend payments in FY2026, in tandem with the healthy rebound in our results. The Board has proposed a first and final dividend of 3.0 sen per share for FY2026, amounting to approximately RM9.6 million and representing a dividend payout ratio of 20.3% based on FY2026 net profit.

The Board remains committed to a disciplined approach to financial management, balancing the return of value to shareholders with the need to retain sufficient reserves to fund our growth and strategic initiatives - including the ongoing expansion of our AI-related assembly capacity. Guided by our operating cash flow, financial obligations and planned capital expenditure, we aim to deliver a consistent and sustainable dividend stream.

As the Group's earnings base strengthens and the momentum built in FY2026 carries forward, we aspire to progressively enhance shareholder returns in line with the continued growth and performance of the business.



FY2026 DIVIDEND PER SHARE

3.0 SEN

FY2026 DIVIDEND PAYOUT

20.3%

APPRECIATION

In closing, I would like to extend my heartfelt gratitude to the team at Kobay for an exceptional display of grit, adaptability, and competency this year, especially during these challenging times. Thanks to all your efforts, we delivered record revenue and one of our strongest performances to date.

To our valued shareholders, clients, distributors, suppliers, consultants, bankers, business partners, and regulatory authorities, I express my deep appreciation for your continued support, which has been instrumental towards our success, and we look to continue strengthening these relationships.

Last but not least, I would like to acknowledge my fellow Board members for their unwavering support and wise counsel throughout the year. It has truly been a pleasure to work alongside each of you, and I am confident that this successful collaboration will continue to steer the Group through an evolving operating landscape and to strengthen our foundation for sustainable, long-term growth.

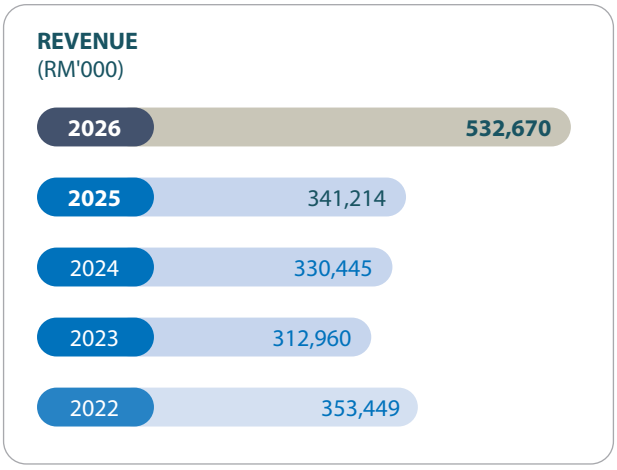
Dato' Seri Koay Hean Eng

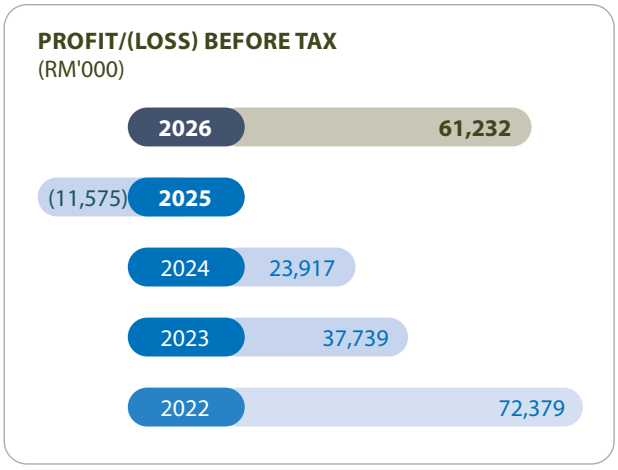
Managing Director and Chief Executive Officer

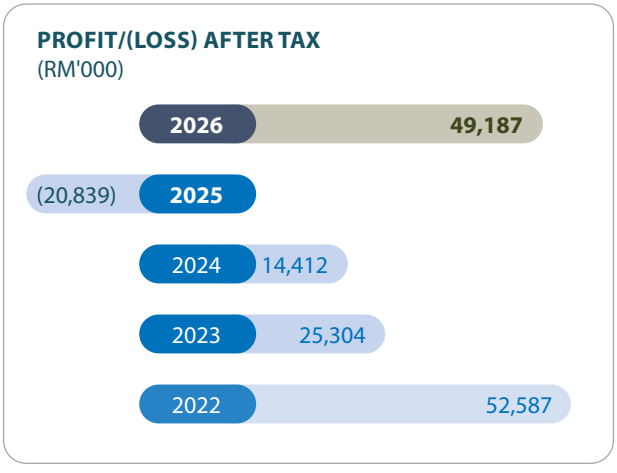
FINANCIAL **HIGHLIGHTS**

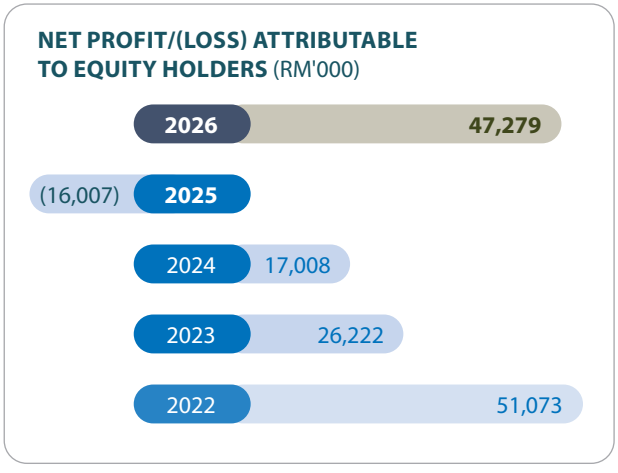
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	2026 RM'000
Statement of Comprehensive Income					
Revenue	353,449	312,960	330,445	341,214	**532,670**
EBITDA	85,002	53,128	47,896	17,672	**95,841**
Profit/(Loss) before tax	72,379	37,739	23,917	(11,575)	**61,232**
Profit/(Loss) after tax	52,587	25,304	14,412	(20,839)	**49,187**
Net Profit/(Loss) attributable to equity holders	51,073	26,222	17,008	(16,007)	**47,279**
Statement of Financial Position					
Total Assets	582,567	575,876	618,799	629,501	**692,128**
Total Borrowings	68,565	95,784	115,939	141,209	**127,325**
Equity attributable to owners of the Company	358,912	375,530	377,539	361,086	**406,872**
Financial Indicators					
Earning/(Loss) per share (sen)	16.36	8.19	5.31	(5.00)	**14.77**
Gearing ratio (%)	19.10	25.51	30.71	39.11	**31.29**
Net assets per share (RM)	1.17	1.22	1.18	1.15	**1.30**
Net dividend per share (sen)	3.00	2.00	-	-	**3.00**
Share price as at the financial year end (RM)	2.96	1.90	2.14	1.25	**2.40**
Price earning (PE) ratio as at financial year end (times)	18.09	23.20	40.29	(25.00)	**16.25**
Weighted average number of ordinary shares in issue	312,112	320,181	320,181	320,181	**320,181**

Certain comparative figures for FY2022 to FY2025 have been restated to reflect the prior year adjustments, as detailed in Note 38 to the financial report.









OUR BOARD **AND MANAGEMENT**

BOARD OF DIRECTORS

Sharifah Faridah Binti Dato' Syed Mahadzar Jamalullil
Chairman/Independent and Non-executive Director
Malaysian, aged 63, Female

Puan Sharifah Faridah Binti Dato' Syed Mahadzar Jamalullil brings extensive experience in corporate leadership, strategic planning, business transformation, corporate governance and operational management. Throughout her career, she has led organisations through growth and organisational development while providing oversight in business operations, risk management, compliance, stakeholder engagement and performance management. Her experience spans the real estate, property investment and services sectors, where she has successfully built high-performing teams, developed new business divisions and strengthened organisational capabilities.

She commenced her real estate career with Reapfield Properties in 2008 and was promoted to Head of Sales in 2012, where she played a key role in expanding the company's developer portfolio and market presence. In 2015, she joined JB Jurunilai Bersekutu Sdn. Bhd. as Vice President of the Property & Investment Division, where she established and led the firm's real estate division. Her responsibilities included strategic planning, business development, operational oversight, profit and loss management, risk management, regulatory compliance and the implementation of effective business controls. In 2017, she joined City Two Property, where she continued to drive business growth and operational excellence.

Puan Sharifah Faridah was appointed as Independent Non-Executive Director and Chairman of Kobay Technology Bhd. on 11 January 2021.

Beyond her corporate responsibilities, Puan Sharifah Faridah has remained actively involved in community development and charitable initiatives. She has served with MERCY Malaysia since its establishment in 1999, including as Chief Editor. She also served as President of Asiaworks Foundation from 2006 to 2008, where she led initiatives that resulted in the Foundation obtaining tax-exempt status under Section 44(6) of the Income Tax Act 1967. During her tenure, the Foundation expanded its outreach through national media coverage and organised fundraising initiatives, including an art exhibition in collaboration with Soka Gakkai to support skills-based training programmes for underprivileged communities.

Puan Sharifah Faridah received her early education at Convent Bukit Nanas before pursuing further studies at Wartburg College and Kent State University. She also holds professional certifications from the Life Insurance Association of Malaysia (LIAM) and Persatuan Insurans Am Malaysia (PIAM).

Puan Sharifah Faridah does not hold any directorships in other public companies or listed issuers.

As at 30 September 2026, Puan Sharifah Faridah does not hold any direct or indirect shareholding in Kobay Technology Bhd.

Dato' Seri Koay Hean Eng
Managing Director/Chief Executive Officer/Member of Executive Committee
Malaysian, aged 68, Male

Dato' Seri Koay Hean Eng is the Co-Founder, Managing Director and Group Chief Executive Officer of Kobay Technology Bhd., having served on the Board since 17 September 1994. As the visionary founder and driving force behind the Group, he has been instrumental in transforming Kobay into a diversified public listed group with established strengths in precision engineering, manufacturing, automation, property development and strategic investments.

With over four decades of extensive experience in the high precision engineering and manufacturing industry, Dato' Seri Koay possesses deep technical expertise and strong commercial acumen in precision tooling, die and mould fabrication, fixtures and fittings, precision machining, and automation solutions serving the semiconductor and advanced manufacturing industries. His unwavering commitment to innovation, operational excellence and customer-centric solutions has enabled the Group to consistently strengthen its market position while delivering sustainable long-term value to stakeholders.

As Group Chief Executive Officer, Dato' Seri Koay provides overall strategic leadership and direction for the Group, spearheading corporate strategy, business transformation, operational excellence, capital investment and sustainable growth initiatives. He plays a pivotal role in identifying new business opportunities, driving innovation, enhancing operational efficiencies and fostering a high-performance culture across the organisation. Under his stewardship, Kobay has continuously expanded its capabilities, diversified its business portfolio and strengthened its competitive position through disciplined execution, strategic investments and prudent risk management.

Recognising opportunities beyond the manufacturing sector, Dato' Seri Koay successfully led the Group's strategic diversification into property development in 2013. Leveraging his extensive experience, he has overseen the planning and successful delivery of residential, landed and commercial developments across Penang, establishing property development as one of the Group's complementary business segments.

Throughout his leadership journey, Dato' Seri Koay has consistently championed sound corporate governance, strategic agility and organisational resilience. His entrepreneurial vision, decisive leadership and ability to translate long-term strategies into sustainable business performance continue to underpin the Group's growth, competitiveness and value creation for shareholders.

Dato' Seri Koay does not hold any directorships in other public companies or listed issuers.

As at 30 September 2026, Dato' Seri Koay does not hold any direct shareholding in Kobay Technology Bhd. He is deemed interested in 120,645,484 ordinary shares held through Kobay Holdings Sdn. Bhd. and GXR Capital Sdn. Bhd. by virtue of his substantial interest in Kobay Holdings Sdn. Bhd., a major shareholder of the Company and GXR Capital Sdn. Bhd.

...OUR BOARD AND MANAGEMENT

BOARD OF DIRECTORS (CONT'D)

Koay Cheng Lye
Non-independent and Non-executive Director/Chairman of Remuneration Committee/Member of Audit and Risk Management Committee/Member of Nominating Committee
Malaysian, aged 78, Male

Mr. Koay Cheng Lye is a co-founder of the Kobay Group and was appointed to the Board on 17 September 1994 as an Executive Director. He served as Executive Director, Chief Administrative Officer, and a member of the Executive Committee until 30 June 2024. Following his relinquishment of executive duties on that date, he was redesignated as a Non-Independent Non-executive Director, effective 1 July 2024.

Mr. Koay holds a degree in Mathematics from National Taiwan University. He brings with him over 30 years of experience in the high-precision engineering and semiconductor industries. He also possesses extensive knowledge of the Kobay Group's operations, particularly in administrative functions and management information systems.

In addition to his engineering and semiconductor background, Mr. Koay has more than 26 years of experience in the property development sector, contributing valuable insight and expertise to the Group's diversified business interests.

Mr. Koay does not hold directorships in any other public companies or listed issuers.

In accordance with Article 101 of the Company's Constitution, Mr. Koay Cheng Lye is subject to retirement by rotation at the forthcoming Annual General Meeting and, being eligible, has offered himself for re-election.

As of 30 September 2026, Mr. Koay Cheng Lye has indirect shareholdings of 14,783,507 ordinary shares in Kobay, via Inna Capital Sdn. Bhd., a shareholder of the Company.

Koay Zee Ee, Keniz
Executive Director
Chief Operating Officer – Engineering, Mechatronic and Contract Manufacturing Division/Member of Executive Committee
Malaysian, aged 39, Male

Mr. Koay Zee Ee joined Kobay Group in February 2006 as a Management Trainee after completing the South Australian Matriculation programme at Disted College. Over the years, he has progressed through various leadership positions within the Group and was appointed General Manager of Bend Weld Engineering Sdn. Bhd., a wholly owned subsidiary of Kobay Technology Bhd., where he was responsible for overseeing the operations and business activities of the engineering unit specialising in the manufacture of equipment and steel structures.

In line with the Group's business expansion, Mr. Koay was appointed Chief Operating Officer ("COO") on 18 August 2017, with oversight of the Property Development Division and the Engineering & Fabrication Division. Following an organisational realignment effective 1 July 2024, he currently oversees the Engineering, Mechatronic and Contract Manufacturing Division as COO.

Mr. Koay Zee Ee was appointed to the Board of Kobay on 8 September 2023.

Save for his directorships in subsidiaries within the Engineering, Mechatronic and Contract Manufacturing Division and the Pharmaceutical Division of the Group, Mr. Koay does not hold any directorships in other public companies or listed issuers.

In accordance with Article 101 of the Company's Constitution, Mr. Koay Zee Ee is subject to retirement by rotation at the forthcoming Annual General Meeting and, being eligible, has offered himself for re-election.

As at 30 September 2026, Mr. Koay Zee Ee held a direct interest of 65,000 ordinary shares in Kobay and an indirect interest of 120,645,484 ordinary shares through Kobay Holdings Sdn. Bhd. and GXR Capital Sdn. Bhd., by virtue of his direct shareholdings in Kobay Holdings Sdn. Bhd. and GXR Capital Sdn. Bhd., as well as his deemed interest through Dato' Seri Koay Hean Eng.

...OUR BOARD AND MANAGEMENT

BOARD OF DIRECTORS (CONT'D)

Koay Wooi Seong, Nelson, D.J.N.
Executive Director
Chief Operating Officer – Property Development and Hospitality Management Division/Member of Executive Committee
Malaysian, aged 53, Male

Mr. Koay Wooi Seong joined the Board of Kobay on 11 March 2022 as a Non-Independent Non-executive Director. He was later redesignated as a Non-Independent Executive Director following his appointment as Executive Director and a member of Executive Committee on 1 July 2024.

Mr. Koay Wooi Seong started his career with Polytool Engineering Sdn. Bhd. as Sales Executive in year 1992 after graduating from high school and obtained his Sijil Pelajaran Malaysia. Polytool Engineering Sdn. Bhd. is now known as Kobay Assets Sdn. Bhd., a wholly owned subsidiary of Kobay Technology Bhd.

In year 1997, he changed his career path from manufacturing industry to property development industry. In year 1998, he was appointed to the Board of Kobay Properties Sdn. Bhd., Kobay Realty Sdn. Bhd. and Kobay Development Sdn. Bhd.. As an Executive Director of Kobay Development Sdn. Bhd., an established Property Development & Property Investment holding company, he has led several projects undertaken by the Company in Penang state ranging from residential to commercial products. During the same period in 2002, he was also appointed as Managing Director of Pembinaan Sendanas Sdn Bhd., a well-established company possessed license from Construction Industry Development Board (CIDB), expert in the construction of building and civil work.

He has more than 26 years extensive experiences in the property development & construction management industry. Throughout those years, he has shed his sweat and blood in numerous development & construction projects where his experience in this field is highly regarded and recognized amongst the peers.

Mr. Koay received the prestigious Darjah Johan Negeri (D.J.N.) award from the Governor of Penang in July 2025, for his meritorious service to the state of Penang.

Saved for his directorship in the subsidiary companies in Property Development and Hospitality Management Division of Kobay, he has no other directorship in any public company and listed issuer.

As at 30 September 2026, Mr. Koay Wooi Seong had an indirect shareholding of 12,698,894 ordinary shares in Kobay held through Premiergrow Capital Sdn. Bhd., a shareholder of the Company.

Lim Siew Wee
Senior Independent Non-executive Director//Chairman of Audit and Risk Management Committee/Member of Remuneration Committee/Member of Nominating Committee
Malaysian, aged 52, Female

Ms. Lim Siew Wee was appointed to the Board of Kobay Technology Bhd. as an Independent Non-executive Director on 19 March 2025. On the same day, she was also appointed as Senior Independent Non-executive Director, Chairman of Audit and Risk Management Committee, member of Remuneration Committee and Nominating Committee.

She began her career with the Audit Division at KPMG in 2001, where she managed a portfolio of clients involved in manufacturing, investment holdings, property and construction. She subsequently transitioned to the Internal Audit Division at KPMG, focusing on risk management, internal audit, and corporate governance.

In 2003, she joined a merchant bank, where she gained experience in corporate advisory and related services, including private placements, initial public offerings, corporate valuations and corporate restructuring. She is currently involved in overseeing her family's property development business.

Ms. Lim also serves as a director of See Hup Consolidated Berhad, a company listed on Bursa Malaysia. Apart from this, she does not hold any directorships in other public companies or listed issuers.

As at 30 September 2026, Ms. Lim does not hold any direct or indirect shareholding in Kobay Technology Bhd.

BOARD OF DIRECTORS (CONT'D)

Koay Pei Feng
Independent Non-executive Director/Member of Audit and Risk Management Committee/member of Remuneration Committee/ Chairman of Nominating Committee
Malaysian, aged 48, Female

Ms Koay Pei Feng was appointed to the Board of Kobay Technology Bhd as an Independent Non-executive Director on 19 March 2025. Concurrently, she was also appointed as a member of the Audit and Risk Management Committee, Remuneration Committee, and Nominating Committee.

She began her career at an audit firm, where she conducted audits of financial systems, analyzed financial statements, identified discrepancies, and ensured compliance with audit standards and accounting principles. She also gained experience in corporate taxation, including computing and filing taxes for companies under her portfolio.

Subsequently, she was involved in property sales, buyer services, as well as the management and maintenance of property projects. She later provided comprehensive accounting and financial services to various companies, overseeing their financial matters. In addition, she liaised with relevant authorities to ensure compliance with accounting, financial, and tax regulations, and occasionally assisted with payroll functions.

With over 20 years of experience in accounting, finance, and auditing, she has developed extensive expertise in the relevant rules and legal requirements. Her extensive professional background and independent perspective enable her to contribute meaningfully to the Board of Kobay.

Ms. Koay does not hold directorships in any other public companies or listed issuers.

As at 30 September 2026, Ms. Koay Pei Feng has direct shareholdings of 140,650 ordinary shares in Kobay.

...OUR BOARD AND MANAGEMENT

KEY SENIOR MANAGEMENT

Koay Wooi Tatt
Chief Operating Officer – Manufacturing Division (Precision Aerospace & Components, Extrusion and Surface Treatment) / Member of Executive Committee
Malaysian, aged 49, Male

Mr. Koay Wooi Tatt was appointed Chief Operating Officer of Kobay Technology Bhd. on 10 October 2016. He oversees the overall operations of the Manufacturing Division, which includes precision aerospace components, extrusion, and surface treatment.

He holds a Diploma in Mechanical Engineering from the German-Malaysian Institute, obtained in 1999. Prior to joining Kobay, he served as a Design Engineer at Hup Fatt Brothers Sdn. Bhd. He joined Paradigm Metal Industries Sdn. Bhd., a subsidiary of Kobay, on 2 May 2003 as Functional Manager and was promoted to General Manager in 2004. His extensive experience across various roles within the Group has provided him with a comprehensive understanding of Kobay's operational systems and business practices.

Other than his directorships in subsidiary companies within the Manufacturing Division, he does not hold any directorship in Kobay or any other public company and listed issuer.

As at 30 September 2026, he has an indirect interest of 12,281,694 ordinary shares in Kobay through Premiergrow Capital Sdn. Bhd., a shareholder of the Company.

Yee San Khien, Philip
VP - Corporate Planning
Malaysian, aged 72, Male

Mr. Philip Yee has vast experience in commercial banking where he served 22 years in the banking industry. He started his career in 1978 as a Junior Officer at a local bank. He advanced to the Treasury Department in 1981, serving as Correspondent Banking Officer and Dealer in Money Market and Foreign Exchange, before being appointed Chief Dealer from 1983 to 1989. He later served as Senior Manager in Branch Operations from 1989 until his departure in 2001.

He joined Kobay Technology Bhd. in October 2001 as Corporate Manager, where he was responsible for corporate control, restructuring, and mergers and acquisitions. He last served as Vice President – Commercial before retiring in August 2013.

From October 2013 to September 2019, Mr. Philip Yee was engaged as Chief Financial Officer of a fintech company providing e-payment gateway and remittance services regulated by Bank Negara Malaysia.

In January 2020, he rejoined Kobay as Vice President – Investment, overseeing strategic investments and acquisition analysis. In July 2020, he took on additional responsibilities in finance and treasury management for the Group.

Mr. Philip Yee holds a Higher Diploma in Accounting, a Certificate in Commercial Law, and a Master of Business Administration from the University of Portsmouth, United Kingdom.

Save for his directorships in Kobay's subsidiary companies, he does not hold any directorship in Kobay or any other public company and listed issuer.

Mr. Philip Yee had direct shareholding of 22,500 ordinary shares in Kobay as at 30 September 2026.

...OUR BOARD AND MANAGEMENT

KEY SENIOR MANAGEMENT (CONT'D)

Chan Mun Shee
VP - Corporate Affairs, Corporate Secretary
Malaysian, aged 61, Female

Chan Mun Shee is the VP in Corporate Affairs cum the Corporate Secretary of the Company. She joined the Group since November 1990. As an extensive experienced corporate governance and business management professional, she possessed experience covering corporate governance, company secretarial practice, investor relations, business operations, investment and asset management and corporate administration.

A Fellow of The Chartered Governance Institute UK & Ireland, she has extensive practical experience in supporting boards and senior management on governance, regulatory compliance, corporate exercises and the establishment of management policies, procedures and systems. She played a key role in Kobay Technology Bhd's listing exercise in 1997 and has since developed substantial experience operating within the governance and reporting environment of public listed companies.

Beyond corporate governance, Ms. Chan possesses significant commercial and operational management experience. Reporting directly to senior leadership and the Group CEO at various stages of her career, she has been entrusted with managing and overseeing profit-generating businesses and investments spanning manufacturing, F&B and asset management. Her multidisciplinary experience across accounting, human resources, IT, administration and business operations enables her to assess an organisation from both governance and commercial perspectives.

Effective 1 July 2026, she has been further entrusted with responsibilities covering Management Information Systems (MIS), Enterprise Risk Management and Internal Audit. This expanded mandate strengthens her role in management oversight, internal controls, risk governance and organisational performance. She then designated as VP in Corporate Affairs cum Corporate Secretary in October 2026.

Her experience extends to the boardroom. She has served as Director of subsidiary companies within the Kobay Group and currently serves as an Independent Non-executive Director of Golden Destinations Group Berhad, providing her with practical exposure to both executive management and independent board oversight.

As at 30 September 2026, Ms Chan has direct shareholding of 20,000 ordinary shares in Kobay.

Chan Bee Luang, Cheryl
VP - People and Organizational Development
Malaysian, aged 48, Female

Ms. Chan Bee Luang joined the Company in 2012 as Group HR Manager and was subsequently appointed as the VP of People and Organizational Development in year 2018. She is responsible for leading our Group HR organization and HR operational excellence in all business divisions. She has over 20 years of HR experience in manufacturing and services industries. Prior to joining Kobay, she held APAC HR Manager and Country HR Manager positions in few multinational companies.

She was graduated from University Malaya with a Bachelor of Business Administration (Honours) Degree in year 2002. She was also a graduate with Diploma in Industrial Relations awarded by the International Labour Organization (ILO)/ Malaysian Employers Federation (MEF) in year 2006. She received the global accreditation from PI Worldwide from India, a Human Resource Certification Institute (HRCI) as Predictive Index Management Practitioner in year 2008. In year 2018, she was further certified as "HR practitioner" by The Australian Human Resources Institute (AHRI) through the Professional Certification in Human Resources that set the bar for HR practice to be in line with international HR standards and confidently assures employers of her human capital capability.

She has broad regional experience in talent acquisition, talent assessment and development, performance management, compensation planning, conflict mediation and resolution, HR budgeting and reporting, HR policies development, and employment legal compliance and has a proven track record in setting up, maintaining and executing Talent and Organizational Development.

Save for her directorship in Kobay subsidiaries companies, Ms. Chan does not hold any directorship in Kobay or any other public company and listed issuer.

Ms. Chan Bee Luang has direct shareholding of 72,000 ordinary shares in Kobay as at 30 September 2026.

...OUR BOARD AND MANAGEMENT

OTHER INFORMATION

Family Relationship

Dato' Seri Koay Hean Eng and Mr. Koay Cheng Lye are brothers.

Dato' Seri Koay Hean Eng and Mr. Koay Zee Ee, the son of Dato' Seri Koay Hean Eng, are substantial shareholders of the Company by virtue of their respective interests, in Kobay Holdings Sdn. Bhd. which is a major shareholder of the Company.

Mr. Koay Wooi Seong, an Executive Director of the Company, and Mr. Koay Wooi Tatt, the Chief Operating Officer of the Manufacturing Division covering Precision Aerospace & Components, Extrusion and Surface Treatment, are brothers. They are nephews of Dato' Seri Koay Hean Eng and Mr. Koay Cheng Lye.

Accordingly, Mr. Koay Zee Ee, Mr. Koay Wooi Seong and Mr. Koay Wooi Tatt are cousins.

Save for the relationships disclosed above, none of the Directors or key senior management personnel of the Company has any family relationship with any other Director, key senior management personnel or major shareholder of the Company.

Conflict of Interest

None of the Directors and key senior management has acted in conflict in any arrangement, contract or transaction during the financial year.

Conviction for Offences

None of the Directors and key senior management had been convicted of any offence (other than traffic offences, if any) within the past five (5) years.

Number of board meetings attended in the financial year ended 30 June 2026

Four (4) board meetings were held during the financial year ended 30 June 2026. Details of attendance of Directors at the board meetings are as follows:

Directors	Attendance
Sharifah Faridah Binti Dato' Syed Mahadzar Jamalullil	4/4
Dato' Seri Koay Hean Eng	4/4
Koay Zee Ee	4/4
Koay Cheng Lye	3/4
Koay Wooi Seong	4/4
Lim Siew Wee	4/4
Koay Pei Feng	4/4

OTHER INFORMATION (CONT'D)

Directors' and Substantial Shareholders' Interests

	No. of shares held in Kobay as at 30 September 2026			
	Direct		Indirect	
Name	**No. of ordinary shares**	**%**	**No. of ordinary shares**	**%**
Directors				
Dato' Seri Koay Hean Eng	-	-	120,710,484 *	37.70
Koay Cheng Lye	-	-	14,783,507[&]	4.62
Koay Zee Ee	65,000	0.02	120,645,484*	37.68
Koay Wooi Seong	-	-	12,698,894[@]	3.97
Sharifah Faridah Binti Dato' Syed Mahadzar Jamalullil	-	-	-	-
Lim Siew Wee	-	-	-	-
Koay Pei Feng	140,650	0.04	-	-
Substantial Shareholders				
Kobay Holdings Sdn. Bhd. ("KHSB")	114,247,940	35.68	-	-
Norinv Kapital Sdn. Bhd.	59,714,100	18.65	-	-

Notes:-

The percentage of shareholding is calculated based on 320,180,803 ordinary shares, excluding 6,000,000 treasury shares from the total issued share capital of the Company, as per the Record of Depositors as at 30 September 2026.

* Deemed interest by virtue of Dato' Seri Koay Hean Eng's substantial shareholdings in GXR Capital Sdn. Bhd. [Registration No.: 201401032329 (1108413-U)] and in KHSB, for which KHSB is a substantial shareholder of Kobay, and his son Koay Zee Ee's direct interest.

& Deemed interest by virtue of Mr. Koay Zee Ee substantial shareholdings in KHSB, a substantial shareholder of Kobay, and his substantial shareholding in GXR Capital Sdn. Bhd..

$ Deemed interest by virtue of Mr. Koay Wooi Seong's substantial shareholdings in Premiergrow Capital Sdn. Bhd. [Registration No. 200001023083 (525691-H)], a shareholder of Kobay.

Deemed interest by virtue of Mr. Koay Cheng Lye's substantial shareholding in Inna Capital Sdn. Bhd. (Registration No. 9501014448 (343649-H)], a shareholder of Kobay.

Save as disclosed above, none of the other Directors in office at the end of the financial year held any direct or indirect interest in the shares of the Company or its related corporations.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The Board of Directors ("Board") of Kobay Technology Bhd. ("Kobay" or "the Company") recognises the importance of good corporate governance and is committed to upholding high standards of governance throughout the Company and its subsidiaries (collectively referred to as the "Group"). In line with the Malaysian Code on Corporate Governance 2021 ("MCCG"), the Board adopts the CARE (Comprehend, Apply and Report) approach in promoting sound corporate governance practices.

The Board remains committed to applying the principles and practices of the MCCG throughout the Group, with the objective of conducting the Group's affairs with integrity, accountability and professionalism, safeguarding shareholders' interests and creating sustainable long-term value for stakeholders for the financial year ended 30 June 2026.

This Corporate Governance Overview Statement outlines how the Group has applied the three Principles of the MCCG and the key governance practices adopted during the financial year. The Board will continue to strengthen its governance framework and enhance its corporate governance practices to meet evolving regulatory expectations and best practices.

The three Principles of the MCCG are:

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

This Corporate Governance Overview Statement is prepared pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and Practice Note 9, and with reference to the Malaysian Code on Corporate Governance 2021 ("MCCG") and the Corporate Governance Guide issued by Bursa Malaysia Berhad. It should be read together with the Company's Corporate Governance Report ("CG Report"), which provides the specific disclosures on the application of each Practice under the MCCG, including explanations for any departure and the alternative practice adopted. The CG Report is available on the Company's website and on Bursa Securities' website.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is accountable for the overall stewardship, strategic direction, performance and governance of the Group. In discharging its responsibilities, the Board provides leadership and oversight over the Group's strategic plans, business operations, risk management and internal control framework, internal control system and overall corporate governance practices. Each Director is expected to act in good faith, exercise due care and diligence, and discharge his or her fiduciary duties in the best interests of the Company while upholding the highest standards of integrity, professionalism and ethical conduct.

The Board has established a Board Charter, which serves as a primary governance document setting out the Board's roles, responsibilities, composition, authority, functions and operating procedures, having regard to the principles of good corporate governance and the requirements of the Main Market Listing Requirements of Bursa Securities. The Board Charter also sets out matters reserved for the Board, the respective roles and responsibilities of the Chairman and the Chief Executive Officer ("CEO"), as well as the roles of the Board Committees.

The Board Charter has been reviewed in May 2026 and will review periodically to ensure that it remains consistent with applicable laws, regulatory requirements and evolving corporate governance best practices, and continues to support the effective discharge of the Board's responsibilities. The Board Charter is available on the Company's website.

The Company has adopted a Code of Conduct and Ethics to foster a corporate culture founded on integrity, accountability, professionalism and ethical business conduct. The Code establishes the standards of behaviour expected of Directors, officers and employees in their dealings with customers, suppliers, business associates, regulators, shareholders and other stakeholders. Directors, officers and employees are required to comply with all applicable laws, regulations and internal policies in carrying out their respective duties and responsibilities.

To reinforce ethical conduct throughout the Group, continuous awareness programmes and training are provided to employees to ensure that the principles embodied in the Code of Conduct and Ethics are consistently understood and observed.

The Board also maintains procedures for the disclosure and management of conflicts of interest to ensure compliance with applicable laws and regulatory requirements. Directors who have an interest in any transaction or matter under deliberation are required to declare the nature of their interest and abstain from deliberation and voting on the relevant matter where appropriate. The Code of Conduct and Ethics is available on the Company's website.

...CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board Responsibilities (Cont'd)

The Board is committed to maintaining the highest standards of integrity, transparency and accountability in the conduct of the Group's business and operations. In support of this commitment, the Company has established a Whistleblowing Policy, which provides employees and members of the public with appropriate channels to report genuine concerns relating to misconduct, unethical behaviour, fraud or other irregularities without fear of retaliation.

The Whistleblowing Policy outlines the reporting procedures, the parties to whom disclosures may be made and the safeguards available to whistleblowers. Reports may be submitted in writing to the Chairman of the Audit and Risk Management Committee ("ARMC"). The identity of whistleblowers is treated with strict confidentiality, and appropriate protection is accorded against any form of retaliation or victimisation. The Whistleblowing Policy is available on the Company's website.

Consistent with the enhanced expectations of the MCCG, the Board also integrates sustainability considerations, including environmental, social and governance ("ESG") risks and opportunities, into the Group's strategy, governance, risk management and decision-making processes. This enables the Group to create sustainable long-term value, strengthen organisational resilience and respond effectively to the evolving business landscape and stakeholders' expectations.

Roles and Responsibilities

To ensure effective leadership and accountability, the roles and responsibilities of the Chairman, Chief Executive Officer ("CEO"), Independent Non-executive Directors, Company Secretaries and Senior Management are clearly defined and documented in the Board Charter.

Position	Roles and Responsibilities
Chairman	• Providing leadership for the Board so that the Board can perform its responsibilities effectively. • Leading the Board in the adoption and implementation of good corporate governance practices in the Company. • Setting the Board agenda and ensuring that Directors receive complete and accurate information in a timely manner. • Leading Board meetings and discussions. • Encouraging active participation and allowing dissenting views to be freely expressed. • Managing the interface between the Board and Management. • Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.
Chief Executive Officer ("CEO")	• Playing a vital role in leading the Group's business operations towards attaining the Group's vision and mission, in line with the Corporate Direction, Strategic Plans and Key Performance Indicators ("KPIs") set, which are reviewed quarterly and revised annually to support the Company's sustainability. • Acting as the conduit between the Board and Management in ensuring the effective discharge of the Company's governance and management functions. • Having executive responsibility for the day-to-day operation of the Company's business. • Implementing the policies, strategies and decisions adopted by the Board or, where the task is so assigned, by the Executive Committee ("EXCO"). • Exercising the authority delegated by the Board to Management through the CEO, which shall constitute the CEO's authority and accountability to the Board.
Independent Directors	• Playing a protective role for minority shareholders and other stakeholders in the Group. Their effective participation promotes an appropriate balance in the Board's decision-making. • Leading the Nominating Committee ("NC") in succession planning, appointment of Board members, as well as the annual review of individual Directors, Board Committees and the Board's performance as a whole. • Where the Remuneration Committee ("RC") comprises a majority of Independent Directors, implementing remuneration policies and procedures, including reviewing and recommending matters relating to the remuneration of Board members and Senior Management.

...CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Roles and Responsibilities (Cont'd)

Position	Roles and Responsibilities
Company Secretaries	• The Board is supported by two (2) qualified and competent Company Secretaries who play an important advisory role and ensure that they fulfil the functions for which they are appointed. • Being accountable to the Board through the Chairman of the Board and Board Committees on governance matters. • Serving as a central source of information and advice to the Board and its Committees on corporate disclosure matters and compliance with laws, rules, procedures and regulations affecting the Company. • Managing all Board and Board Committee meeting logistics, attending and recording minutes of all Board and Board Committee meetings, and facilitating Board communications. • Facilitating the orientation of new Directors and assisting in Directors' training and development. • Advising Directors on their obligations relating to: (i) individual Board members' roles and responsibilities; (ii) disclosure of interests in securities; (iii) disclosure of any conflict of interest in a transaction involving the Company; (iv) prohibition on dealing in securities; and (v) restrictions on disclosure of price-sensitive information. • Monitoring corporate governance developments and assisting the Board in applying corporate governance practices to meet the Board's needs and stakeholders' expectations. • The Board members have unrestricted access to the professional advice and services of the Company Secretaries. • Managing processes pertaining to the Annual General Meeting ("AGM"). • Serving as a focal point for stakeholders' communication and engagement on corporate governance matters.
Senior Management	• Driving the strategic management of material sustainability matters, integrating sustainability considerations into day-to-day Company operations, and ensuring the effective implementation of the Company's sustainability strategies and plans as set by the Board and its Committees.

The roles of the Chairman and the CEO are held by different individuals to ensure an appropriate balance of power, authority and accountability.

The Chairman is primarily responsible for the leadership and effectiveness of the Board, while the CEO is responsible for the management of the Group's business operations and the implementation of the Board's strategies and decisions.

The respective roles and responsibilities of the Chairman and the CEO are clearly set out in the Board Charter, while the standards of conduct expected of Directors are governed by the Company's Code of Conduct and Ethics, both of which are available on the Company's website.

Access to Information

The Board recognises that effective decision-making depends on the quality, accuracy and timeliness of information provided to Directors. Accordingly, Directors are provided with unrestricted access to information relating to the Group's affairs to enable them to discharge their duties and responsibilities effectively.

To facilitate informed decision-making:

- Senior Management attends Board and Board Committee meetings by invitation to present reports and provide updates on matters within their respective areas of responsibility, including financial performance, operations, corporate developments, regulatory matters, information technology, internal audit, risk management and sustainability.
- Board and Board Committee papers are circulated to Directors seven (7) calendar days prior to the respective meetings to provide sufficient time for review and consideration.
- The Chairman of the ARMC meets regularly with Management, the Internal Auditors and the External Auditors to review matters relating to financial reporting, internal controls, risk management and audit findings.

...CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Access to Information (Cont'd)

Directors also have direct access to Senior Management and may, where necessary and in accordance with established procedures under the Board Charter, obtain independent professional advice at the Company's expense to assist them in the discharge of their duties.

To facilitate meaningful Board deliberations, meeting agendas and supporting papers are prepared by the Company Secretaries and circulated in advance, providing Directors with timely updates on financial, operational, legal, governance and other significant matters requiring the Board's consideration.

The Board is regularly updated by the Company Secretaries on new statutory and regulatory developments and their implications to the Company and the Directors in the discharge of their duties and responsibilities.

Board Meetings

The Board meets on a scheduled basis to discharge its fiduciary and statutory responsibilities effectively. Additional meetings are convened whenever necessary to consider urgent or significant matters requiring the Board's deliberation and approval.

There were four (4) Board meetings held in the financial year ended 30 June 2026. Senior Management attended the meetings by invitation, where appropriate, to present reports, provide updates and respond to queries raised by the Board.

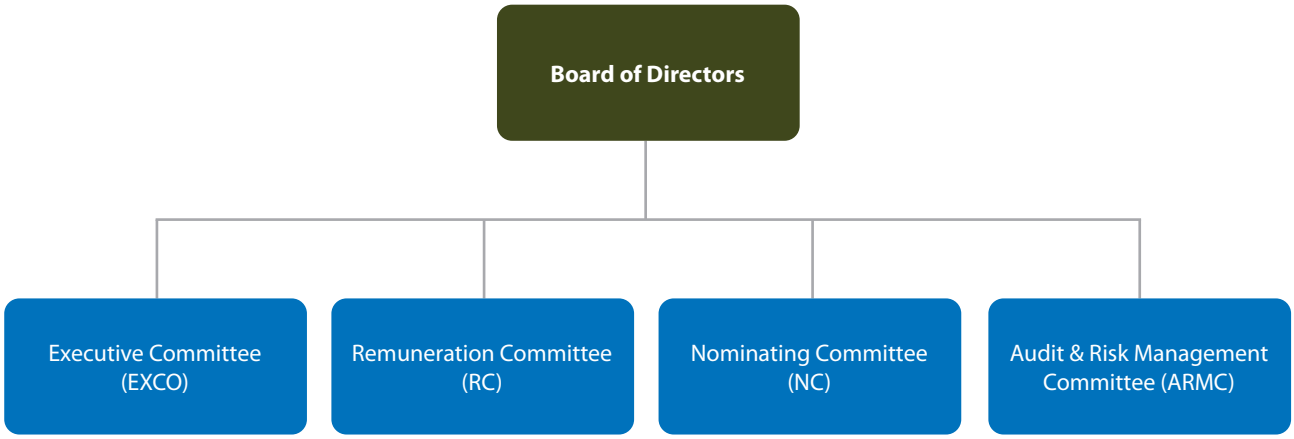
The Board operates on the principle of collective decision-making. No individual Director or group of Directors dominates the decision-making process. Directors contribute actively by drawing on their respective skills, experience and expertise, ensuring that matters presented to the Board are thoroughly deliberated before decisions are made.

The Board receives regular reports covering, among others:

- quarterly financial performance;
- Board and Board Committee attendance;
- resolutions passed;
- Directors' dealings in the Company's securities;
- directorships held in other listed companies;
- reports from the Board Committees;
- risk management and internal control updates;
- reports from the External Auditors; and
- significant corporate developments affecting the Group.

Board Committees

To enhance the effectiveness of the Board and facilitate the efficient discharge of its responsibilities, the Board has established the following Board Committees, each operating within clearly defined Terms of Reference approved by the Board:



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

Board Committees (Cont'd)

The Board delegates specific responsibilities and authority to the respective Board Committees to assist in carrying out its oversight functions. Each Committee operates within its Terms of Reference and reports its deliberations, findings and recommendations to the Board for consideration and, where appropriate, approval.

Committee	Scope of Responsibilities
Executive Committee (EXCO)	The EXCO assists the Board in overseeing the day-to-day management and operational performance of the Group. Its principal responsibilities include: • executing all matters assigned by the Board of Directors and/or its Committee and receive and review all relevant proposal for which requires Board of Directors' approval. • assisting the Board in establishing the Corporate Vision and Mission (and revise it if deemed necessary), as well as the philosophy or corporate culture of the Company, setting aims of the management and monitoring the performance of the management. • assisting Board in maintaining and executing the operational day-to-day functions and assist the Board in monitoring the operational performance of the Company/Group and overseeing the operational formulation, implementation and governance of the Company/Group in achieving the sustainability growth. • receiving, reviewing and discussing with the management financial reports of the Company/Group inclusive the forecast, budget variance report. • receiving, reviewing and approving proposals in relation to the following matters submitted by the management of the Company/Group per Authority Limit Matrix adopted by the Company/Group: (i) Business plan/project. (ii) Strategic plans and goals inclusive the forecast, budget variance report and performance report. (iii) Property/Project kick start plan and budget. (iv) Capital expenditure or disposal inclusive development land. (v) Appointment of auditors and other advisors. (vi) Source of finance (either internally or externally). (vii) Any tender and order granted for Property or Project Development. (viii) Any other corporate and business matters assisting the Board in monitoring the risk management matter and the system of internal controls. (ix) assisting the Board in appointment of Advisor as and when is required. (x) receiving, reviewing and recommending to the Board on all legal administrative policies, organisation, by-laws, any waiver or approval for deviation from Company policies and procedures, rules and regulations. (xi) undertaking any other functions that may be delegated by the Board from time to time.
Remuneration Committee (RC)	The RC assists the Board in establishing remuneration policies and practices that support the Group's long-term business objectives and attract, motivate and retain capable Directors and Senior Management. Its responsibilities include: • reviewing and recommending the remuneration framework for Executive Directors and Senior Management; • ensuring remuneration is aligned with individual performance, responsibilities, market competitiveness and the Group's long-term strategy; • recommending Directors' fees for Non-Executive Directors; and • reviewing remuneration policies to ensure they remain appropriate and competitive.

...CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board Committees (Cont'd)

Committee	Scope of Responsibilities
Nominating Committee (NC)	The NC assists the Board in matters relating to Board composition, succession planning and Board effectiveness. Its responsibilities include: • assessing the size, composition, independence, diversity, competencies and effectiveness of the Board and Board Committees; • reviewing the appointment, re-election and succession planning of Directors; • evaluating the skills, experience and competencies required by the Board; • overseeing succession planning for the Board and Senior Management; and • reviewing whether Senior Management possesses the appropriate experience, competencies and leadership capabilities to support the Group's strategic objectives.
Audit and Risk Management Committee (ARMC)	The ARMC assists the Board in overseeing the integrity of the Group's financial reporting, internal control system, risk management framework and internal and external audit functions. Its responsibilities include: • reviewing the adequacy and effectiveness of the Group's internal control and risk management framework; • overseeing financial reporting processes and the integrity of the Group's financial statements; • reviewing related party transactions and recurrent related party transactions; • assessing the independence, suitability and effectiveness of the External Auditors; and • monitoring the effectiveness of the internal audit function.

The Board appoints the Chairman and members of each Board Committee. The respective Committee Chairmen report to the Board on matters deliberated during Committee meetings and make recommendations for the Board's consideration where appropriate. The Terms of Reference of each Board Committee are reviewed periodically to ensure they remain relevant, effective and consistent with applicable laws, regulatory requirements and evolving corporate governance best practices. The Terms of Reference are available on the Company's website.

Main Activities of the Board and its Committees during the Financial Year

During the financial year ended 30 June 2026, the Board and its Committees carried out, among others, the following key activities in discharging their governance and oversight responsibilities:

(1) **Financial Reporting and Corporate Reporting**

- Reviewed and approved the Company and Group's quarterly financial results prior to their release to Bursa Securities.
- Reviewed and approved the Directors' Report and Audited Financial Statements for the financial year ended 30 June 2025.
- Reviewed and approved the Annual Report, including the Management Discussion and Analysis, Sustainability Statement, Corporate Governance Overview Statement, Corporate Governance Report and Statement on Risk Management and Internal Control.

(2) **Strategy, Performance and Risk Oversight**

- Reviewed and approved the Group's strategic plans, annual budget and key performance indicators through EXCO.
- Monitored the Group's financial performance and budget variance reports.
- Reviewed quarterly risk management reports and the Risk Management and Internal Control framework.
- Monitored major litigation, claims and other significant matters affecting the Group.
- Reviewed the adequacy and effectiveness of the Group's internal control systems, management information systems and compliance framework.

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

Main Activities of the Board and its Committees during the Financial Year (Cont'd)

(3) **Corporate Governance**

- Reviewed the performance and effectiveness of the Board, Board Committees and individual Directors.
- Reviewed Board composition, succession planning, Directors' training, Board diversity and the re-election or retention of Directors.
- Reviewed attendance at Board and Board Committee meetings.
- Reviewed all the corporate policies amongst others Board Charter, Whistleblowing Policy, Code of Business Conduct.
- Reaffirmed Board resolutions passed every quarter during the financial year.

(4) **Audit and External Auditors**

- Reviewed and approved the External Auditors' audit plan.
- Assessed the performance, independence and remuneration of the External Auditors.
- Reviewed the appointment of the External Auditors and recommended their appointment or re-appointment to the Board.

(5) **Regulatory and Corporate Exercises**

- Reviewed recurrent related party transactions.
- Reviewed and approved the Circulars to Shareholders relating to the proposed renewal and proposed new shareholders' mandates for recurrent related party transactions of a revenue or trading nature.
- Reviewed banking facilities, corporate guarantees and other financing arrangements supporting the Group's operations.

(6) **Stakeholder Engagement**

- Reviewed the effectiveness of the Group's investor relations and shareholder communication initiatives to promote transparent and timely communication with shareholders and stakeholders.

Board Composition

The Board recognises that an appropriate balance of skills, experience, diversity, independence and competencies is essential to the effective discharge of its responsibilities and the long-term success of the Group.

As at the date of this Statement, the Board comprises seven (7) Directors, consisting of three (3) Executive Directors and four (4) Non-executive Directors, of whom three (3) are Independent Non-Executive Directors. Accordingly, the Board satisfies the minimum independence requirement under Paragraph 15.02(1)(a) of the Main Market Listing Requirements ("MMLR"), which requires at least two (2) directors or one-third (1/3) of the Board, whichever is higher, to be independent directors. In the event of any vacancy resulting in non-compliance with the MMLR requirement, the Company must fill the vacancy within three (3) months.

The Board notes that three (3) out of seven (7) Directors are independent departs from MCCG Practice 5.2, which recommends that at least half of the Board comprise Independent Directors (and a majority for a Large Company). The Board will continue to source for suitable candidates or implementing alternative measures, where applicable, to achieve the Intended Outcome and shall be fully explained in the CG Report.

The Directors collectively possess extensive experience and expertise across a broad range of disciplines, including manufacturing, finance and accounting, corporate management, property development, risk management and governance. This diversity of experience enables the Board to discharge its responsibilities effectively and provides constructive oversight of Management.

The Board is committed to promoting diversity and recognises that diversity, including gender diversity, enhances the quality of decision-making and contributes to effective governance.

As at the date of this Statement, women comprise 43% of the Board, with three (3) female Directors serving on the Board. In addition, two (2) members of the Group's Key Senior Management are women and also serve on the boards of certain subsidiaries within the Group.

...CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board Composition (Cont'd)

With women comprising approximately 43% of the Board, the Company exceeds the MCCG recommendation for at least 30% women directors and also satisfies the Main Market Listing Requirements requirement for at least one woman director.

The gender composition of the Board and Key Senior Management is as follows:

	Total Headcount	Headcount	
		Male	Female
Board of Directors	7	4 (57%)	3 (43%)
Key Senior Management	4	2 (50%)	2 (50%)

The gender diversity of the Group's employees is disclosed on page 55 of this Annual Report.

Further information on the Directors and Key Senior Management, including their profiles, qualifications and experience, is set out in the "Our Board and Management" section, page 14 to 21 of this Annual Report.

Commitment

The Board recognises the importance of Directors devoting sufficient time and commitment to effectively discharge their fiduciary duties and responsibilities.

To facilitate effective planning, the Board schedules at least four (4) Board meetings annually, with additional meetings convened where necessary to consider urgent or significant matters.

The annual meeting calendar is planned well in advance. Directors are provided with the proposed dates of forthcoming Board meetings to facilitate attendance, while EXCO and Senior Management are provided with an extended 18 months of meeting calendar to support operational planning.

Board meetings are conducted in accordance with a structured agenda. Meeting notices and Board papers are circulated in advance to enable Directors to review the relevant information before each meeting and participate meaningfully in the Board's deliberations. All pertinent issues discussed at the Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries.

The Board is satisfied that all Directors have demonstrated an appropriate level of commitment during the financial year under review through their active participation in Board deliberations and attendance at Board and Board Committee meetings.

The attendance record of each Director at Board and Board Committee meetings for financial year ended 30 June 2026 is disclosed below :

Name of Members	Board Meeting	ARMC Meeting	NC Meeting	RC Meeting
Puan Sharifah Faridah Binti Dato' Syed Mahadzar Jamalullil	4/4	-	-	-
Dato' Seri Koay Hean Eng	4/4	-	-	-
Mr. Koay Zee Ee	4/4	-	-	-
Mr. Koay Wooi Seong	4/4	-	-	-
Mr. Koay Cheng Lye	3/4	3/4	1/1	1/1
Ms. Lim Siew Wee	4/4	4/4	1/1	1/1
Ms. Koay Pei Feng	4/4	4/4	1/1	1/1

EXCO meetings are held weekly to deliberate on operational matters, and proper records of the meetings are maintained by the Company Secretaries.

...CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board Assessment and Annual Evaluation

The Nominating Committee ("NC") is responsible for assessing the effectiveness of the Board, Board Committees and individual Directors on an annual basis. The evaluation process enables the Board to continuously enhance its effectiveness and ensures that it possesses the appropriate balance of skills, experience, diversity and competencies required to support the Group's strategic objectives.

The annual assessment covers, among others:

- the effectiveness of the Board as a whole;
- the performance and contribution of individual Directors;
- the effectiveness of the Board Committees;
- the composition, size and diversity of the Board;
- the independence of Independent Non-Executive Directors;
- succession planning for the Board and Senior Management;
- Directors' training and development; and
- the overall effectiveness of the Board's governance practices.

The evaluation process is coordinated by the Company Secretaries through structured evaluation questionnaires and is led by the Chairman of the NC.

As part of the annual evaluation process, Directors due for retirement are requested to indicate their willingness to stand for re-election at the forthcoming Annual General Meeting ("AGM"). The NC considers the outcome of the Board evaluation together with the Directors' performance, independence, contribution and commitment before making recommendations to the Board regarding their re-election.

The assessment also considers the Board's collective mix of competencies, experience, diversity, industry knowledge, governance expertise and leadership capabilities to ensure that the Board continues to possess the appropriate balance required to discharge its responsibilities effectively.

The findings of the evaluation are deliberated by the NC and subsequently reported to the Board. All assessments conducted by the NC are appropriately documented as part of the Company's governance records.

During the financial year ended 30 June 2026, the NC deliberated on the summary of Directors' responses and after conducting its meeting on 26 August 2026 provided to the Board reviewed, among others:

- the composition of the Board;
- the performance and effectiveness of individual Directors;
- the effectiveness of the Board and Board Committees; and
- the proposed re-election and re-appointment of Directors at the forthcoming AGM.

...CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board Assessment and Annual Evaluation (Cont'd)

The compositions of the existing Board are summarised as follows: -

Directors	Nationality	Designation	Industry/Background Experience							By Composition								
										Age					Ethnic		Gender	
			Technology	Marketing	Industrial	Corporate	Accounting/Finance	Internal Audit	Law/Legal	< 40 years	40-49 years	50 – 59 years	60 – 69 years	>70 years	Bumiputra	Chinese	Male	Female
Puan Sharifah	M	Chairman/INED		√		√							√		√			√
Dato' Seri Koay Hean Eng	M	CEO/Managing Director	√	√	√	√							√			√	√	
Koay Zee Ee	M	ED/COO in Manufacturing Division	√	√	√	√				√						√	√	
Koay Wooi Seong	M	ED/COO in Property and Project Development		√	√	√						√				√	√	
Koay Cheng Lye	M	NINED	√	√	√	√								√		√	√	
Lim Siew Wee	M	INED		√		√	√	√				√				√		√
Koay Pei Feng	M	INED		√		√	√				√					√		√

Note: M – Malaysian; ED – Executive Director; INED – Independent Non-executive Director; NINED - Non-independent Non-executive Director; CEO – Chief Executive Officer; COO – Chief Operating Officer

The Board is satisfied that the current Board composition continues to provide an appropriate balance of skills, experience, independence and diversity required to support the Group's long-term strategy and sustainable growth.

The Executive Committee and/or its representative has been delegated with the responsibility to evaluate the senior management's performance half yearly pursuant to the Group Human Resource (HR) Policies and Procedures on the KPIs set aligned with the Group's yearly direction, strategic plan and goals set after assessing the risk and opportunities of material sustainability matters of the Group. Rewards will be given in accordance to the performance attained by each and every senior management based on the rewards allocation approved by EXCO as a whole.

Appointment and Re-election of Directors

The Board recognises that the appointment of Directors is fundamental to maintaining an effective and high-performing Board. The Nominating Committee ("NC") is responsible for leading the process for the appointment of new Directors and making recommendations to the Board.

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

Appointment and Re-election of Directors (Cont'd)

In identifying suitable candidates, the NC considers, among others:

- the candidate's qualifications, skills, knowledge and industry experience;
- professional expertise and leadership capabilities;
- integrity, character and time commitment;
- diversity, including gender, age and experience;
- independence, where applicable; and
- the overall balance and composition of the Board.

The appointment process is conducted in a formal, rigorous and transparent manner to ensure that any new appointment enhances the overall effectiveness of the Board.

The Board has adopted a Directors' Fit and Proper Policy for the appointment and re-election of Directors of the Company and its subsidiaries in accordance with Paragraph 15.01A of the Main Market Listing Requirements. The policy addresses board quality and integrity and is made available on the Company's website.

Upon appointment, newly appointed Directors receive a formal letter of appointment setting out their duties, responsibilities, expected time commitment and fiduciary obligations. They also undergo an orientation programme to familiarise themselves with the Group's businesses, operations, governance framework, strategic priorities and key regulatory requirements.
In accordance with the Company's Constitution:

- one-third (1/3) of the Directors retire by rotation at each Annual General Meeting ("AGM") and are eligible for re-election; and
- any Director appointed during the financial year shall retire at the next AGM and shall be eligible for re-election.

Before recommending any Directors for re-election, the NC evaluates the Director's performance, contribution, attendance, independence (where applicable), time commitment and ability to continue contributing effectively to the Board.

During the financial year ended 30 June 2026, the NC reviewed the Directors' re-election and recommended the Directors retiring by rotation for re-election at the forthcoming AGM to the Board on 26 August 2026. The Board endorsed the recommendation after taking into consideration the NC's evaluation.

In accordance with the Company's Constitution, the following Directors are standing for retirement by rotation and subject to re-election at the forthcoming AGM:-

Name of Director	Re-election/Re-appointment	Constitution/MCCG
Mr. Koay Cheng Lye	Non-independent and Non-executive Director	Article 101
Mr. Koay Zee Ee	Executive Director	Article 101

Directors' Training and Development

The Board recognises that continuous professional development is essential to enable Directors to effectively discharge their responsibilities in an increasingly dynamic regulatory and business environment.

All Directors are expected to undertake continuous professional development and attend relevant training programmes, seminars, conferences and briefings to keep abreast of developments in corporate governance, the Main Market Listing Requirements, the MCCG, sustainability and ESG developments, financial reporting standards, risk management and internal control, cybersecurity and digital transformation, industry developments, and changes in laws and regulations affecting the Company. Directors are also required to comply with the applicable Mandatory Accreditation Programme requirements prescribed by Bursa Securities, including the sustainability-related training requirements within the prescribed timeframe.

...CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Directors' Training and Development (Cont'd)

The Nominating Committee has formalised an orientation programme, of which included introduction of Company's background, strategic plans and directions of the Company as well as the Group for all newly appointed Directors. The Company Secretaries were assigned with the arrangement of the orientation programme to newly appointed Directors and visitation to our operational business premise should it was requested by the Director.

The Company Secretaries regularly update the Board on new regulatory developments, amendments to legislation and emerging governance practices that may affect the discharge of the Board's responsibilities.

During the financial year ended 30 June 2026, the Directors have been briefed and updated , attended the following courses and training programmes :

Name of Director	Training Program Attended	Date
Puan Sharifah Faridah Binti Dato' Syed Mahadzar Jamalullil	Bursa Malaysia's Public Listed Companies Transformation (PLCT) Programme- Five e-guidebooks aimed at strengthening PLC performance, sustainability, stakeholder engagement, digital readiness, and nation-building	19 November 2025
	Consequential Amendments to the Main Market Listing Requirements in relation to significant change in Business Direction or Policy of a Listed Corporation	19 November 2025
	Amendments to the Main Market Listing Requirements in relation to Enhanced Continuing Disclosure Requirements and Exempted Related Party Transaction	19 November 2025
Dato' Seri Koay Hean Eng	Bursa Malaysia's Public Listed Companies Transformation (PLCT) Programme- Five e-guidebooks aimed at strengthening PLC performance, sustainability, stakeholder engagement, digital readiness, and nation-building	19 November 2025
	Consequential Amendments to the Main Market Listing Requirements in relation to significant change in Business Direction or Policy of a Listed Corporation	19 November 2025
	Amendments to the Main Market Listing Requirements in relation to Enhanced Continuing Disclosure Requirements and Exempted Related Party Transaction	19 November 2025
Koay Cheng Lye	Bursa Malaysia's Public Listed Companies Transformation (PLCT) Programme- Five e-guidebooks aimed at strengthening PLC performance, sustainability, stakeholder engagement, digital readiness, and nation-building	19 November 2025
	Consequential Amendments to the Main Market Listing Requirements in relation to significant change in Business Direction or Policy of a Listed Corporation	19 November 2025
	Amendments to the Main Market Listing Requirements in relation to Enhanced Continuing Disclosure Requirements and Exempted Related Party Transaction	19 November 2025

...CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Directors' Training and Development (Cont'd)

Name of Director	Training Program Attended	Date
Koay Zee Ee	Bursa Malaysia's Public Listed Companies Transformation (PLCT) Programme- Five e-guidebooks aimed at strengthening PLC performance, sustainability, stakeholder engagement, digital readiness, and nation-building	19 November 2025
	Consequential Amendments to the Main Market Listing Requirements in relation to significant change in Business Direction or Policy of a Listed Corporation	19 November 2025
	Amendments to the Main Market Listing Requirements in relation to Enhanced Continuing Disclosure Requirements and Exempted Related Party Transaction	19 November 2025
Koay Wooi Seong	Bursa Malaysia's Public Listed Companies Transformation (PLCT) Programme- Five e-guidebooks aimed at strengthening PLC performance, sustainability, stakeholder engagement, digital readiness, and nation-building	19 November 2025
	Consequential Amendments to the Main Market Listing Requirements in relation to significant change in Business Direction or Policy of a Listed Corporation	19 November 2025
	Amendments to the Main Market Listing Requirements in relation to Enhanced Continuing Disclosure Requirements and Exempted Related Party Transaction	19 November 2025
Lim Siew Wee	Bursa Malaysia's Public Listed Companies Transformation (PLCT) Programme- Five e-guidebooks aimed at strengthening PLC performance, sustainability, stakeholder engagement, digital readiness, and nation-building	19 November 2025
	Consequential Amendments to the Main Market Listing Requirements in relation to significant change in Business Direction or Policy of a Listed Corporation	19 November 2025
	Amendments to the Main Market Listing Requirements in relation to Enhanced Continuing Disclosure Requirements and Exempted Related Party Transaction	19 November 2025
	Blind Spots in The Boardroom: Strengthening Governance Through Real-World Case Studies	31 March 2026
Koay Pei Feng	Bursa Malaysia's Public Listed Companies Transformation (PLCT) Programme- Five e-guidebooks aimed at strengthening PLC performance, sustainability, stakeholder engagement, digital readiness, and nation-building	19 November 2025
	Consequential Amendments to the Main Market Listing Requirements in relation to significant change in Business Direction or Policy of a Listed Corporation	19 November 2025
	Amendments to the Main Market Listing Requirements in relation to Enhanced Continuing Disclosure Requirements and Exempted Related Party Transaction	19 November 2025

As of the date of this report, all Directors have undergone the Mandatory Accreditation Programme Part I and new Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) as governed by Bursa Listing Requirements.

...CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Remuneration Committee

The Remuneration Committee ("RC") shall recommend the appropriate level of remuneration packages for Directors and Senior Management, including benefits-in-kind, taking into consideration the seniority, responsibilities, merits, qualifications, competencies and expertise of the individual upon recruitment and/or during periodic performance evaluations. In making its recommendations, the RC shall have regard to the Company's operating results, individual performance and comparable market statistics.

The RC shall also take into consideration the individual's performance and alignment with the Group's Strategic Goals and Key Performance Indicators ("KPIs") established for the individual's respective roles and responsibilities. A well-structured remuneration package that is clearly linked to the strategic objectives of the Company and rewards contribution to the long-term success of the Company is intended to enable the Group to attract, engage and retain the right talent, as well as motivate them to drive and promote business sustainability and growth.

The RC shall review the Directors' remuneration packages, including benefits-in-kind, to ensure alignment with the Group's business strategy and long-term objectives, while taking into consideration the seniority, responsibilities and expertise of the individual upon recruitment and/or during periodic performance evaluations, as set out in the Group Human Resource ("HR") Policies and Procedures.

The performance evaluation interval for employees, including Executive Directors, is half-yearly in accordance with the Group HR Policies and Procedures. In respect of remuneration packages, the RC shall review annually the Executive Directors' fiduciary duties as Directors, as well as their KPIs in achieving the Group's long-term strategic sustainability plans. The RC's recommendations shall be tabled to the Board for consideration and approval, with execution by the Executive Committee ("EXCO"), with the aim of attracting and retaining committed and high-performing Executive Directors to drive the Group's performance. No Director is permitted to approve his or her own performance evaluation under the Group HR Policies and Procedures.

The remuneration of Non-executive Directors is reviewed by the RC and recommended to the Board. Directors shall abstain from deliberation and voting on their own remuneration.

The RC has also proposed that a mandate be given to the Group HR Authority Limit Panel to approve salary reviews and increments for any Executive Director and Senior Management based on KPI performance evaluations pursuant to the Group HR Policies and Procedures, subject to a quantum of not more than 10% of the individual's existing salary for the financial year 2027.

Directors' Remuneration

Executive Directors receive remuneration in accordance with their employment or service arrangements and the Group's approved remuneration framework. Directors' fees and benefits payable to Directors of the Company and its subsidiaries are subject to approval at a general meeting in accordance with Section 230 of the Companies Act 2016, where applicable. Non-Executive Directors' fees and benefits are likewise tabled for shareholders' approval at the general meeting.

Summary of the Non-executive Directors' remuneration comprising remuneration received/receivable from the Company during the financial year ended 30 June 2026 is as follows:

Director's Name	Fee (RM)	Allowance (RM)
Puan Sharifah Faridah Binti Dato' Syed Mahadzar Jamalullil	20,000	6,600
Mr. Koay Cheng Lye	20,000	5,000
Ms Lim Siew Wee	15,000	6,000
Ms Koay Pei Feng	15,000	6,000

Detailed disclosure of the remuneration of individual Directors and Key Senior Management, together with the Company's application of the relevant MCCG remuneration disclosure practices and any departure therefrom, is set out in the CG Report available on the Company's website and Bursa Securities' website.

...CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Key Senior Management Remuneration

The remuneration disclosure for the Company's four (4) Key Senior Management personnel for the financial year ended 30 June 2026 should be completed and aligned with the Company's disclosure under MCCG Practice 8.2. Where the Company does not disclose the remuneration of the Senior Management personnel on a named basis in bands of RM50,000, the CG Report should clearly state the departure, explain the reasons, describe the alternative practice adopted and explain how the Intended Outcome is achieved.

Age Bandwidth	≥ 45 years old		≥ 50 years old		≥ 55 years old		≥ 60 years old	
Per Annum	**M**	**F**	**M**	**F**	**M**	**F**	**M**	**F**
RM300,001 to RM350,000								1
RM350,001 to RM400,000		1					1	
RM400,001 to RM450,000								
RM450,001 to RM500,000								
RM500,001 to RM550,000			1					

* M – Male; F – Female

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The Board has established an Audit and Risk Management Committee ("ARMC") to assist the Board in fulfilling its oversight responsibilities in relation to financial reporting, external and internal audit processes, risk management, internal control systems, governance and compliance with applicable laws and regulations.

The ARMC comprises three (3) Non-executive Directors, of whom two (2) are Independent Directors. The Chairman of the ARMC is an Independent Director and is not the Chairman of the Board. ARMC members are complied with Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements where the two (2) Independent Directors are professionally qualified and all members are financially literate.

During the financial year under review, the ARMC reviewed the quarterly results and year-end financial statements prior to their approval by the Board, with particular attention to significant accounting matters, significant adjustments arising from the audit, the going concern assumption, significant judgements, significant and unusual transactions, and compliance with applicable accounting standards and legal requirements.

The ARMC reviewed the audited financial statements and, following its review, recommended the financial statements and the Statement of Directors' Responsibilities to the Board for approval. The relevant disclosures are set out on page 80 of this Annual Report.

The ARMC oversees the effectiveness and independence of the internal audit function and reviews and approves the internal audit plan, scope of work and budget. The ARMC also reviews internal audit reports and follow-up reports, monitors the implementation of audit recommendations and evaluates the performance of the internal audit function.

The ARMC also oversees the adequacy and effectiveness of the Group's risk management and internal control framework, including financial, operational, compliance and information technology controls, and reviews internal control deficiencies and the remedial actions taken by Management. The ARMC also ensures that appropriate mechanisms are in place for the prevention, detection and response to fraud.

...CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Audit and Risk Management Committee (Cont'd)

The ARMC oversees the establishment and implementation of the Group's risk management and internal control framework and practices. It reviews the adequacy and effectiveness of risk management activities, including financial and ESG-related risks, and the related reporting in accordance with the Group Risk Management and Internal Control Framework. The risk management and internal control statement disclosed in this Annual Report are made in accordance with the MCCG and Listing Requirements.

The ARMC reviews the audit plan, scope and results with the External Auditors and assesses their performance, independence and objectivity. The ARMC also discusses matters and reservations arising from the interim and final audits and reviews the External Auditors' management letter and Management's response to the findings.

In accordance with the Company's External Auditors Policy, the ARMC recommends the appointment, re-appointment or removal of the External Auditors and their remuneration.

For the financial year ended 30 June 2026, the External Auditors confirmed their independence in respect of the audit engagement at the ARMC meeting held on 26 August 2026.

The ARMC meet the External Auditors and/or Internal Auditors without the presence of Executive Directors and Management twice a year for the financial year under review, providing an opportunity for matters relating to the audit, internal controls and other matters requiring the ARMC's attention to be discussed.

Save for the audit services and review of the Statement on Risk Management and Internal Control provided during the financial year ended 30 June 2026, there were no other non-audit services provided by the External Auditors.

The ARMC reviews related party transactions and recurrent related party transactions and also reviews any conflict of interest ("COI") or potential COI situation that arose, persists or may arise within the Group, including any interest in a competing business involving a Director or Key Senior Management. The ARMC reports such matters to the Board together with the measures taken to resolve, eliminate or mitigate the conflict, in accordance with the Main Market Listing Requirements. The COI survey has been conducted amongst Directors' and Key Senior Management within the Group and the result has been submitted as stated in the ARMC Report in this Annual Return.

The ARMC oversees the implementation and effectiveness of the Group's Whistleblowing Policy and the appropriate channels for employees and stakeholders to raise concerns in confidence, including protection against retaliation and proper investigation of matters raised.

Any proposed engagement of the External Auditors for non-audit services shall be subject to prior review by the ARMC before being tabled to the Board for approval.

The External Auditors have indicated their intention to continue providing audit services to the Group. Having considered their performance, independence and objectivity, the ARMC has recommended their re-appointment to the Board for consideration and inclusion in the agenda for shareholders' approval at the forthcoming Annual General Meeting.

Further information on the composition, roles and responsibilities, number of meetings and attendance of the ARMC, together with a summary of the activities undertaken by the ARMC and Internal Auditors during the financial year under review, is set out in the Audit and Risk Management Committee Report on pages 77 to 79 of this Annual Report. The TOR specifically requires the Annual Report to cover the Committee's composition, meetings and attendance, and a summary of its work and the internal audit function.

...CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Risk Management and Internal Control Framework

The Board recognises its overall responsibility for maintaining a sound risk management framework and effective system of internal control to safeguard shareholders' investments and the Group's assets, and to support the achievement of the Group's strategic and operational objectives.

The Group's Risk Management and Internal Control Framework revised in May 2026, provides a structured approach for identifying, assessing, managing and monitoring the Group's key business risks. The framework sets out the Group's risk tolerance levels, risk management responsibilities and accountability structures, as well as the processes for ongoing monitoring and reporting of risks. The Group's risk management approach also encompasses material Environmental, Social and Governance ("ESG") risks relevant to its business and operations.

Risk management and internal control are embedded within the Group's governance structures, business processes and corporate culture. The Group has established documented values, Code of Conduct, policies and procedures that set out the authorities, responsibilities and accountability of the Board, Board Committees, departments, management and employees. These provide the foundation for consistent implementation of internal controls across the Group.

Management is responsible for implementing and maintaining an effective system of internal control and for monitoring its adequacy and effectiveness. Management is also responsible for identifying foreseeable events or situations that may affect the achievement of the Group's business objectives and implementing appropriate measures to mitigate or manage the associated risks. Significant issues identified are escalated to the appropriate level of Management and the Board, together with proposed remedial actions, where appropriate.

The Company has implemented a customised Enterprise Resource Management ("ERM") System to support Management in obtaining timely information and monitoring the performance and operations of individual subsidiary companies. The system also facilitates the monitoring of Key Performance Indicators ("KPIs") and assists Management in assessing whether operations are conducted in accordance with established policies, procedures and Management's expectations.

The Board has established an Executive Committee ("EXCO"), comprising four (4) members, namely three (3) Executive Directors and one (1) Senior Management staff, to oversee the implementation of the Group's strategic direction and goals and the effective implementation of the Group's policies and procedures. The roles and responsibilities of the EXCO are set out in the Board Charter, which is available on the Company's website. As part of its ongoing monitoring process, the EXCO reviews the risk management activities of the individual subsidiary companies at its quarterly meetings.

The Board, through the ARMC, maintains oversight of the Group's risk management and internal control framework. The ARMC assists the Board in reviewing the adequacy and effectiveness of the Group's risk management and internal control systems, including significant risk exposures and the measures taken by Management to address such risks.

The Group's detailed assessment of its risk management and internal control framework, including the key features and processes undertaken during the financial year, is set out in the Statement on Risk Management and Internal Control on page 74 to 76 of this Annual Report.

Internal Audit

The Board recognises that an effective internal audit function is an integral component of the Group's governance, risk management and internal control framework. The Group has established an in-house Internal Audit Department to provide independent and objective assurance on the adequacy and effectiveness of the Group's risk management, internal control and governance processes.

The Internal Audit Department adopts a risk-based approach in developing and implementing its internal audit plan, taking into consideration the Group's key risks, business operations and areas of significance. Its reviews are aimed at assessing the adequacy and effectiveness of internal controls and identifying areas for improvement, with recommendations made to address identified weaknesses and enhance the Group's control environment.

...CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Internal Audit (Cont'd)

The Internal Audit Department reports functionally to the ARMC and/or it delegates has direct access to the Chairman of the ARMC and the Board to ensure its independence and objectivity. The ARMC and/or its delegates oversees the internal audit function, including the review of the internal audit plan, scope of work, resources and performance of the Internal Audit Department, as well as the status of management's implementation of internal audit recommendations.

The Internal Audit Department is also responsible for carrying out investigations, where appropriate, into reported concerns relating to fraud, misconduct, mismanagement of the Group's assets and other irregularities.

The Board, through the ARMC, continues to monitor the effectiveness and adequacy of the internal audit function in supporting the Group's governance, risk management and internal control framework.

A summary of the activities undertaken by the Internal Audit Department during the financial year is set out in the Audit and Risk Management Committee Report on page 78 to 79 of this Annual Report.

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

Communication with Stakeholders

The Board recognises the importance of maintaining effective, transparent and timely communication with shareholders, investors and other stakeholders to promote trust, confidence and a better understanding of the Group's business, performance, strategy and prospects.

The Group is committed to maintaining constructive and ongoing engagement with its stakeholders through appropriate communication channels. Such engagement enables the Group to understand stakeholders' views and expectations while providing stakeholders with relevant information on the Group's performance, business developments and corporate direction.

The Group communicates with shareholders and the investment community through various channels, including announcements and disclosures made to Bursa Malaysia Securities Berhad, the Group's corporate website, annual reports, general meetings and investor relations activities. Quarterly financial results are announced to Bursa Malaysia following their review and approval by the Board, in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"). The Group also conducts investor relations engagements, including quarterly updates where appropriate, to provide shareholders and investors with updates on the Group's financial performance, business developments and outlook.

The Board is committed to ensuring that all material information is disseminated in a timely, accurate and equitable manner and in accordance with the Listing Requirements. The Board is aware that no information shall be disseminated in any forms and means prior to the announcement first made to Bursa Link pursuant to the Main Market Listing Requirements hence all information released to the public are accessible through the corporate website maintained by the Company.

The Group has established a Corporate Disclosure Guide to provide guidance on the proper handling and dissemination of corporate information and to promote consistency, accuracy, timeliness and transparency in the Group's disclosures. Disclosure of information to the media, investors and other external parties is subject to the appropriate level of authorisation in accordance with the Group's established policies and procedures.

The Group also recognises the importance of providing shareholders with accessible channels to raise queries, provide feedback and communicate their views to the Board. Shareholders may direct their queries or concerns to the Senior Independent Non-executive Director, or the Company Secretaries through office contact number or email to cosec@kobaytech.com provided in this Annual Report and on the Group's corporate website.

The Group's corporate website provides shareholders and other stakeholders with convenient access to corporate information, including financial results, announcements, annual reports, corporate governance information and other relevant disclosures.

The Board will continue to review and enhance its stakeholder engagement and communication practices to ensure that shareholders and other stakeholders are provided with appropriate, timely and transparent information on the Group's affairs.

...CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Conduct of General Meetings

The Board recognises that general meetings are an important avenue for effective engagement between the Company, its shareholders, the Board and senior management. General meetings provide shareholders with an opportunity to exercise their rights, participate actively in the decision-making process, seek clarification and raise questions on the Group's business, performance and other matters relevant to the resolutions proposed.

The Company provides shareholders with notice of general meetings within the prescribed timeframe under the Companies Act 2016 and the Main Market Listing Requirements. In line with MCCG Practice 13.1, the Company's application of the recommended minimum 28-day notice period for an AGM is disclosed in the CG Report. The Notice of Meeting provides sufficient information to enable shareholders to make informed decisions, with explanatory notes for special business where appropriate.

The Board, Board Committees where appropriate, senior management and the External Auditors attend the general meetings to engage with shareholders and address questions raised. The Chairman of the meeting facilitates an orderly and constructive discussion and provides shareholders with reasonable opportunity to raise questions, seek clarification and express their views on the matters tabled for consideration.

The Company encourages shareholders to participate actively in general meetings, including by submitting questions in advance, where applicable, and by raising questions during the meeting. The Company also facilitates shareholders' participation and voting in accordance with the applicable requirements, including the use of appropriate meeting and voting arrangements.

All resolutions tabled at general meetings are put to vote by poll in accordance with the Main Market Listing Requirements, and at least one independent scrutineer is appointed to validate the votes cast at the meeting.

To promote transparency and facilitate shareholders' access to information, the key matters discussed at the general meeting, including questions raised by shareholders and responses provided by the Board and Management, are made available on the Company's corporate website. In line with MCCG Practice 13.6, the complete and accurate minutes of the general meeting are published/circulated to shareholders no later than 30 business days after the general meeting.

The Company's general meeting-related information, including notices, explanatory statements, relevant documents, key matters discussed during the general meeting and minutes of general meetings, is made available through the Company's corporate website.

Key Focus Areas and Future Priorities

The Board's governance priorities include :-

- strengthening Board independence and succession planning; maintaining effective oversight of conflicts of interest and related party transactions;
- further integrating sustainability considerations into strategy and risk oversight;
- enhancing cybersecurity, data governance and internal control oversight; and
- continuing to improve the quality, timeliness and transparency of stakeholder and corporate governance disclosures.

Compliance Statement by the Board of Directors on Corporate Governance

The Board has reviewed and approved this Corporate Governance Overview Statement on 27 October 2026 for inclusion in the Annual Report for the financial year ended 30 June 2026.

The Board is satisfied that the Company has applied the Principles of the MCCG and complied with the applicable mandatory corporate governance requirements under the Main Market Listing Requirements during the financial year ended 30 June 2026, except as otherwise disclosed. The Company's application of each MCCG Practice, including any departure from a Practice, the reasons for the departure and the alternative practice adopted to achieve the Intended Outcome, is set out in the CG Report.

The Board remains committed to maintaining and continuously enhancing the Group's standards of corporate governance and ensuring that appropriate governance practices are embedded across the Group to support sustainable value creation and the interests of its shareholders and other stakeholders.

SUSTAINABILITY **STATEMENT**

1. BOARD STATEMENT AND REPORTING BASIS

The Board of Directors ("Board") of Kobay Technology Bhd. ("Kobay" or "the Company") is pleased to present the Sustainability Statement of the Company and its subsidiaries (collectively, the "Group") for the financial year ended 30 June 2026 ("FY2026"). The Board recognises that sustainability-related risks and opportunities can affect the Group's business model, value chain, strategy, access to resources, cost structure, financial performance, financial position and cash flows over the short, medium and long term.

The Group remains committed to sustainable and profitable growth while providing high-precision engineering solutions and related products and services to global customers. Sustainability considerations are integrated into strategic planning, risk management and operating decisions across the Group's businesses, with the objective of creating long-term value for shareholders and other stakeholders.

1.1 Applicable reporting framework

This Statement has been prepared having regard to the sustainability reporting requirements applicable to a Main Market listed issuer of Bursa Malaysia Securities Berhad, including Practice Note 9 and the saving and transitional provisions in Practice Note 9A, the National Sustainability Reporting Framework ("NSRF") and the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board, namely IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. The climate-related structure reflects the four core content areas of Governance, Strategy, Risk Management, and Metrics and Targets. The Statement is prepared with reference to the GRI Standards as an impact-reporting reference and considers relevant FTSE Russell ESG themes as a market benchmark.

The Statement also considers relevant ESG information commonly assessed under FTSE Russell methodologies for FTSE4Good. FTSE4Good considerations are used as a disclosure-quality and transparency benchmark and do not replace the Listing Requirements, NSRF or IFRS Sustainability Disclosure Standards. This Statement is not independently verified.

Based on the Group 2 classification, the revised Bursa Malaysia sustainability reporting amendments requiring preparation in accordance with the IFRS Sustainability Disclosure Standards apply to the Group for Sustainability Statements in annual reports issued for financial years ending on or after 31 December 2026. As FY2026 ended on 30 June 2025, this Statement falls before that Group 2 effective date. The Group nevertheless uses IFRS S1 and IFRS S2 voluntarily as a readiness and best-practice framework, while retaining the Bursa Malaysia requirements applicable to a Group 2 issuer for this reporting period. The former prescribed Common Sustainability Matters have retained for Sustainability Statements issued where material to the Group.

1.2 Reporting scope, boundary and period

The Group's core manufacturing activities comprise precision-machined metal parts and components, sheet metal fabrication, high-level assembly, automated equipment, aluminium extrusion and surface treatment. These activities contributed close to 70% of Group revenue. Accordingly, this Statement places particular emphasis on the manufacturing division and covers the period from 1 July 2025 to 30 June 2026. The Group's other activities include pharmaceutical and healthcare investments, property and project development, hospitality management, and asset investment and management, which collectively contributed approximately 30% of the Group's revenue.

The intended reporting entity is aligned, as far as practicable, with the entities consolidated in the Group's financial statements. The Statement covers the Group's principal activities, including manufacturing, property development, pharmaceutical and healthcare activities, hospitality and other investment businesses, subject to data availability and the specific boundaries disclosed for individual metrics.

Data collected and audited by the Internal Auditor in this Statement are majority collected from the manufacturing division, pharmaceutical and healthcare business unit and hospitality management business unit as the current affordable home project is near completion hence no data collected for property development business due to no new development project will be launched by the Group.

1. BOARD STATEMENT AND REPORTING BASIS (CONT'D)

1.3 Basis of preparation, estimates and data quality

The Executive Committee (EXCO), being Kobay Board Committee, has been assigned oversight of the entire business sustainability matters. In coordinating for information compilation and generate the report for the approval of the Board/Board Committee, EXCO has appointed the Corporate Affairs Department Head to coordinate on the data collection and the Internal Audit Department be assigned for verification and auditing the data collected according to an audit schedule prepared and approved by the EXCO and the Audit and Risk Management Committee (ARMC). Save for individual Head of the Human Resource and Finance leading both share service of the Group Corporate Function who shall be the person in charge in these respective functions of the Group participating in data or information collection and submission for compilation to the Corporate Affairs Department, each business unit within the Group shall appoint a lead person to compile all required data or information and furnished for the Internal Audit Department verification.

Sustainability data or information disclosed in this Statement is compiled from operating records, enterprise systems, utility bills, human-resource records, safety records, procurement records and other internal sources. Should there be any estimates are used, the respective business unit or corporate function coordinate person shall have to disclose the basis of the assumption as well as limitations while submitting the data or information to the Corporate Affairs Department.

For the financial year under review, the Corporate Affairs Department has continued sharing and updating the members of the team from respective business unit or corporate function on the knowledge and information relating to the ESG and the team members do share their training and respective information obtained therefrom via the communication platform set via WhatsApp for the knowledge of the team members therein. The methodology for GHG calculation, sources of emission or approach in computing are shared and updated from time to time.

As of the date of this Statement, there is no comparative information presented and/or any information being restated where a material change in methodology or boundary makes prior-period information no longer comparable.

2. SUSTAINABILITY GOVERNANCE

The Group's FY2025 Sustainability Statement described a governance arrangement under which the Board retained ultimate oversight, the Chief Executive Officer-led Executive Committee ("EXCO") translated sustainability priorities into business-unit plans and key performance indicators, the Corporate Core Team coordinated approved initiatives and the Audit and Risk Management Committee ("ARMC") provided oversight.

For FY2026, the Group intends to maintain continuity of this governance approach while strengthening data ownership, risk escalation and internal review. The Chief Executive Officer has launched the Group's Corporate Direction in mid-long term integrating sustainability into the Group's corporate direction, strategic plans, business plans and key performance indicators. The sustainability-related risks, internal controls and risk management have been integrated into relevant reporting whereby ARMC supports the Board in oversight via the internal audit activities. The linkage between performance and sustainability-related KPIs has been incorporated into the Executive Directors, Senior Management and Top Management of each business units and pursuant to the Group Human Resource (HR) Policies and Malaysia Code of Corporate Governance, employees' performance will be subject to review of the sustainability-related KPIs by the relevant Group HR Authority Panel and the Remuneration Committee.

Governance level	Principal sustainability responsibilities
Board of Directors	Integrate sustainability strategy into corporate strategic direction; oversees material sustainability-related risks and opportunities; reviews targets, materiality and reporting; promotes sustainability culture.
ARMC	Oversees risk management, internal controls and assurance over sustainability information; reviews material sustainability and climate-related risks and reporting.
Remuneration Committee	Considers Board and Senior Management performance and sustainability-linked KPIs that incorporated into individual performance assessment.
EXCO	Translates Board direction into strategy, targets, policies and business-unit plans; integrates sustainability into enterprise risk management and monitors performance.
Corporate Core Team	As the core committee of all governance issue within the Group where members are top management staff and corporate function heads, coordinates sustainability initiatives, policies, data collection, KPIs and reporting across functions and business units.
Internal Audit / Control	Provides independent review of controls, compliance and selected sustainability processes; reports deviations and follows up corrective actions.
Business Unit / Division Heads	Owns and executes sustainability initiatives, controls, action plans and data at operational level. Ensure the risk management in each business units' principal activities are evaluated and properly managed

2. SUSTAINABILITY GOVERNANCE (CONT'D)

SUSTAINABILITY GOVERNANCE STRUCTURE



Annually, the Chief Executive Officer will provide Group's corporate direction and formulate key performance indicators to all Business Unit/Business Group/Division Heads of the new financial year at least six (6) months before the current financial year ending. Further to that, each Business Unit/ Business Group/Division Head shall have to prepare their strategic and business plans in line with the Group's corporate direction and key performance indicators set for the EXCO's approval within three (3) calendar months before the current financial year ending.

The EXCO will conclude the forthcoming financial year strategic and business plans, target and key performance indicator set inclusive the budget and financial proposal tabled by each Business Unit/Business Group/ Division Head before the new financial year kick started. Each Business Unit/Business Group/Division Head shall review and deliberate individual Business Unit/Business Group/Division's performance together with Kobay EXCO every quarter compared to the approval strategic and business plans, target and key performance indicators set. If required, an additional review meeting will be set when there are any changes of the approved strategic and business plans for EXCO's approval whenever is necessary. Sustainability performance and significant risks are intended to be considered alongside business performance so that sustainability matters are not managed in isolation from the Group's financial and operational objectives.

Any material deviations identified through internal audit or management monitoring are escalated through the established governance channels for corrective action and follow-up. During the financial year under review, the Group has conducted review on its Corporate Policies and internal policies to ensure all these policies are relevant. A total of 12 policies were reviewed and approved by EXCO where corporate policies have been tabled for approval of the Board. The Group is currently reviewing the internal control department policy and procedures for improvement and effectiveness.

Historical continuity

The Group's longstanding corporate responsibility philosophy is grounded in creating value for stakeholders while taking account of the environment, employees and surrounding communities. Kobay's sustainability commitments are reflected in the Group's mission that is sustainable and profitable growth, market-leading technology, a competent workforce, customer and supplier partnerships, pride and ownership among employees, and good governance.

Kobay's mission is to achieve ***sustainable, profitable growth (Goal 8)*** and we combine ***market leading technology (Goal 9)*** with a ***highly competent and committed workforce (Goal 16)*** to achieve business excellence which is reflected in the products and services we offer.

We measured our ability to **create economic value, bond with our customers and suppliers (Goal 17)**, promote a **sense of pride and ownership amongst our employees (Goal 12)** and **produce a higher return on equity to our shareholders** in determining our success.

...SUSTAINABILITY STATEMENT

3. STRATEGY, BUSINESS MODEL AND VALUE CREATION

Kobay was established in 1984 and the Group's sustainability approach is organised into four dimensions: Economy, Environmental, Social and Governance and integrating environment and social element into financial performance with ready governance structure built by the Board. The financial results are discussed under the Management Discussion and Analysis in this Annual Report and item 5 of this Statement, while Environmental, Social and Governance matters are separately explained to improve clarity, accountability and alignment with investor-focused sustainability reporting.

Dimension	Value proposition	Key matters carried forward from source statement
Economy	Sustainable profitability, resilience and stakeholder value	Economic performance Customer satisfaction Supply-chain resilience Technology and market development
Environmental	Protect the environment and improve resource efficiency	Climate change and GHG emissions Energy Waste Water Materials; and Circularity
Social	Create the "Spirit of Success" through people and communities	Human rights and labour practices Health and safety Diversity, equity and inclusion Employee engagement and development Community investment
Governance	Integrity, accountability and resilient systems	Anti-corruption Business conduct Whistleblowing Cybersecurity and data protection Governance of sustainability and risk

Kobay Business Model & Value Proposition

Creation of Economic Value

To achieve superior and sustainable profitability

- Economic Performance
- Anti-corruption
- Cybersecurity & Data Protection
- Customer Satisfaction

Protect Our Environment & Build Communities

Preserve the environment and contribute to community well-being

- Supply Chain Management
- Climate Change
- Community Investment
- Waste Management
- Water Management
- Materials

Creation of the "Spirit of Success"

Attract, satisfy and retain customers, partners and employees

- Human Rights
- Health & Safety
- Employee Management
- Diversity, Equity & Inclusion

SDG Goals:



...SUSTAINABILITY STATEMENT

4. MATERIALITY AND STAKEHOLDER ENGAGEMENT

The Chief Executive Officer identifies material sustainability matters prior to the commencement of the annual strategic planning process by considering their relevance to the Group's business model, operations, stakeholders, strategic objectives and risk profile.

For FY2026, respective Business Unit/Business Group/Division Head and Corporate Function Head will tabulate their respective yearly plan and goals aligned with the Corporate Direction tabulated by the Chief Executive Officer inclusive assessing which sustainability-related risks and opportunities could reasonably be expected to affect the business unit then the Group's prospects, including cash flows, access to finance or cost of capital over the short, medium or long term then draw out the action plan in attaining sustainability of the business of the Group.

We recognize the need to focus our efforts and resources on sustainability matters that is relevant in delivering our performance result, we have revisited our materiality matters from the individual business unit level till the Group level with reference to GRI standards and Bursa Malaysia's Sustainability Reporting requirement. For the financial year under review, the Group retained the material matters identified that most relevant to our operational development and popularly during our on-going risk assessment in the annual strategic planning process and periodic review in the past few years and forward leading through FY2026 and beyond. These twelve material matters are critical sustainability-related representing significant concerns that critical in our business-unit/Business Group/Division plans and KPIs attainment.

MATERIALITY MATRIX



4. MATERIALITY AND STAKEHOLDER ENGAGEMENT (CONT'D)

Category	Material Matter	GRI Index	Material Disclosure
Economic	Economic Performance	201	Direct economic value generated and distributed
	Community/Society Investment	201	Total amount invested in the community where the target beneficiaries are external
	Anti-corruption	205	Percentage of operations assessed for corruption related risks
		205	Percentage of employees that received training on anti-corruption by employee category
		205	Confirmed incidents of corruption and action taken
	Supply-chain management	204	Proportion of spending on local suppliers
	Customers Satisfaction	418	Customer privacy, product quality, timely delivery
Environment	Energy management	302	Total energy consumption within the organization
	Water Management	303	(i) Water withdrawal
		303	(ii) Water discharge
		303	(iii) Water consumption
	Material	301	Material consumption in production
	Waste management	306	Total waste generated and a breakdown of:
		306	(i) Total waste diverted from disposal
		306	(ii) Total waste directed to disposal
Environment	Climate change/emission	305	(i) Scope 1 emissions in tonnes of CO2e
		305	(i) Scope 2 emissions in tonnes of CO2e (ii) Scope 3 emissions in tonnes of CO2e
	Environmental compliance	307	Non-compliance with environmental laws and regulations
Social	Occupational Health and Safety	403	Number of work-related fatalities
			Lost time incident rate
		403	Number of employees trained on health and safety standards
	Cybersecurity & Data Protection	418	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
	Diversity, Equity & Inclusion	405	Percentage of employees by gender and age group for each employee category
			Percentage of directors by gender and age group
	Human Capital Management	401	Total number of employee turnover/attrition rate
		404	Total hours of training by employee category
		409	Human Rights and forced labour

For the strategy goals and plans of FY2026, the planning process has been commenced in December 2024 and completed in the month of June 2025, right before the commencement of new financial year in July 2025. Thereafter, individual Business Unit/Business Group/Division and corporate function approved strategy goals and action plan will be recorded into individual owner's performance review to be evaluated half yearly and from the quarterly operation review by the EXCO.

The EXCO approval has been obtained on the entire Group's strategic goals and plans that linked to enterprise risk management of the respective individual business units for FY2027 in line with the long-term goal of the Group under its 9th Master Plan (FY2025 – FY2029). The process for FY2027 strategy goals and plans has commenced in December 2025 and completed in June 2026 to date. The approved annual strategy goal and action plan of individual Business Unit/Business Group/Division approved by the EXCO will be documented digitally in the Group's electronic documentation system for easy assessment by all Managers level and above of individual Business Unit/Business Group/Division.

...SUSTAINABILITY STATEMENT

4. MATERIALITY AND STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder Engagement

Further to the annual strategic goals setting and action plan process, we will actively engage with all the stakeholders to ensure they understand the impact of the EESG (Economy, Environment, Social and Governance) material matters onto our business. Through continuous engagement sessions, we receive feedback from our stakeholders, which play a vital role for us to reassess key issues and prioritise them for long-term sustainable performance and value creation.

Reference to the material matters identified aligned with globally recognized standard (e.g. GRI), we have identified and engaged with Stakeholders as illustrated in the chart below frequently in assessing our contribution to sustainable development and identify opportunities for improvement.

Stakeholder group	Typical engagement channels	Frequency of Engagement	Key interests / concerns
Shareholders, investors and medias	• General Meetings • Media briefings or press releases • Investor relations engagements	• Yearly or whenever conducted for EGM • quarterly • quarterly and as needed	Financial resilience, strategy, governance, climate and ESG risks, capital allocation.
Customers	• Business reviews, audits, ESG questionnaires • Quality and delivery feedback	• Yearly survey, during customer audit • Follow up by sales or marketing representative	Quality, delivery, cybersecurity, responsible sourcing, emissions and compliance.
Employees	• Performance reviews • Yearly surveys • Onboarding and orientation training • HR channels/safety committees	• Half yearly • Yearly HR survey • Employee onboarding or orientation training • HR PIC or safety committee engagement	Fair employment, safety, development, remuneration, inclusion and engagement.
Suppliers / vendors	• Yearly audit/supplier assessments • Due diligence on recruitment • Onboarding declarations	• Yearly supplier audit • Qualifying stage a preferred supplier • Supplier onboarding	Fair procurement, ethics, data protection, H&S and ESG expectations.
Regulators / government	• Statutory reporting • Inspections by regulatory during license or permit renewals	• Regular statutory audit by authorities • renewal of license or permit	Compliance, environment, labour, safety, data protection and governance.
Communities / NGOs / education institutions	• CSR programmes/sponsorships • Outreach and partnerships	• Assessed by committee or respective business unit when needs arises • Specially for Hospitality management and pharmaceutical and healthcare	Community impact, education, health, environment and local development.

5. ECONOMY — SUSTAINABLE VALUE CREATION

5.1 Economic performance and resilience

The Group considers sustainable financial performance fundamental to business continuity, reinvestment, employment, customer confidence and shareholder returns. Annual strategic planning, budgeting, KPI setting and performance reviews are used to align operating decisions with the Group's longer-term direction. Management continues to monitor the performance, operating costs, customer diversification, technology requirements and investment returns for individual Business Unit/Business Group/Division.

The EXCO has steered to improve the performance of the manufacturing division from the impacted performance in the past three (3) financial years due to the over inventory of semiconductor and E&E industries. Aside from taking stern actions to improve the performance of two (2) business units that is EMS and aluminium extrusion (where both of the business units seen improvement), the management managed to build up a high-level assembly incubated under one of the wholly-owned subsidiaries during the financial year under review.

Leading by the EXCO, the management has continuously monitored those material sustainability risks and opportunities, as historically mentioned continued from FY2025, affected or may affect the financial performance, financial position and cash flows while focus on resilience, customer diversification and movement up the value chain.

For the financial year ended 30 June 2026, we generated a total direct economic value of RM 533 million compared to RM 341 million recorded in the last financial year, representing a 56.1% increase driven mainly by the manufacturing division. The Board has recommended a 3 sen dividend per ordinary shares, subject to the approval of shareholders in the forthcoming Annual General Meeting, to the shareholders/investors.

Matter	FY2024	FY2025	FY2026
Economic Value Generated (RM million)*	330	341	533
Economic Value Distributed (RM million), which consists of:-			
• Payment to vendors/suppliers	0.255	0.327	0.530
• Payment to employees (wages and all benefits)	0.75	0.82	0.105
• Payment to investors (dividends)	0.8	0.1	0.2
• Payment to government (taxes)	0.13	0.12	0.12
Economic Value Retained (RM million)*	11	-20	49

* the figures was re-stated to audited financial statement

5.2 Customer satisfaction and product/service quality

We acknowledge that customer satisfaction is material to revenue resilience and long-term relationships. Business account personnel maintain regular engagement with customers, while business units monitor relevant KPIs such as quality, delivery and customer feedback. In property development, pharmaceutical & healthcare and hospitality management activities, end-customer experience similarly influences repeat business, reputation and market positioning.

The business units have been actively communicated with our customers and no complaints or expressions of dissatisfaction have been received via unofficial survey or meetings with the customers for the year under review.

Matter	FY2024	FY2025	FY2026
Number of customers engaged yearly on survey	33	35	28
Satisfaction score or survey outcome	31%	80%	47%
% customer feedback integrated into ESG decisions	10%	39%	7%

...SUSTAINABILITY STATEMENT

5. ECONOMY — SUSTAINABLE VALUE CREATION

5.3 Supply-chain resilience and local economic contribution

We are committed to upholding high standard of integrity, quality and sustainability in the product/services that we provided to our customers globally. We cultivate trust-based relationships with our suppliers and vendors to build a robust supply chain support as a key component to our operational strategy with quality standards, timely and cost-effective product/services in response to the increasing global expectations for sustainable procurement and commitment to ESG.

Prior to registration into our Enterprise Resource Management System, we will perform an onboarding process includes declarations, due diligence and approval by the procurement team. Procurement controls are intended to support fair and transparent selection, while suppliers are informed of expectations relating to anti-corruption, data protection, health and safety and ESG matters. The Group also seeks to procure locally where commercially and technically appropriate, supporting the local economy and improving supply-chain responsiveness.

After the onboarding process, top five suppliers and/or vendor will be selected to perform an annual survey to ensure the suppliers/vendors meet the quality, delivery, cost, environmental and ESG-related matters. The procurement team will continue to engage the supplier and/or vendor to close their gap in ensuring the ultimate product/service provided to our end customers met the target under the required global standard for resilience.

For the financial year under review, we have communicated to our supplier/vendor in environmental and social aspects from time to time when we visited the supplier or vice versa to strengthen their understanding on our expectations.

We have also spent RM 149,023,859.46, representing 28% to our sales revenue for the financial year ended 30 June 2026 to local purchase in contributing and supporting the local economic. During the year, we did not onboard any new local/foreign suppliers.

Matter	FY2024	FY2025	FY2026
Proportion of procurement spend on local suppliers	70%	77%	64%
New Supplier ESG screening coverage	N/A	12%	7%
Number/percentage of new supplier screened or number of new suppliers/vendors assessed on ESG impact	N/A	0	0
Material supply-chain incidents and corrective actions	N/A	0	0

6. ENVIRONMENTAL — ENVIRONMENTAL STEWARDSHIP

6.1 Climate change

The Group recognises that climate change can create both physical and transition risks. Manufacturing operations consume electricity and other energy and may be exposed to changing customer requirements, carbon-related regulation, energy costs and supply-chain expectations. Physical risks may include flooding, extreme rainfall, heat and other events that could disrupt facilities, logistics and customer deliveries. Opportunities include renewable energy, energy efficiency, lower-carbon production, circular use of materials and customer demand for more sustainable manufacturing solutions.

Governance

The Board oversees the Group's strategic direction and material risks, including climate-related matters. EXCO integrates approved priorities into business plans and enterprise risk management, while ARMC provides oversight of risk management, controls and reporting. Business units are responsible for implementation and data collection.

6. ENVIRONMENTAL — ENVIRONMENTAL STEWARDSHIP (CONT'D)

6.1 Climate change (Cont'd)

Strategy

For the Group's core business in manufacturing, we map our practical sustainability improvement with LEAPS.

(i) **L**EARN the baseline and material impacts for business sustainability;
(ii) **E**VALUATE risks, energy, emissions, water and material flows to look for opportunities to save cost;
(iii) **A**CT through engineering controls and improvement projects like Continuous Improvement Programme (CIP);
(iv) **P**ROGRESS by measuring results against business unit's KPIs in order to achieve Business Excellence; and
(v) **S**HARE verified outcomes with stakeholders via scheduled meetings.

During the financial year, the Group's climate strategy includes measuring emissions, improving energy efficiency, exploring renewable energy and considering physical climate risks when selecting or expanding operating locations. The Group has recorded solar installations at Polytool Technologies Sdn. Bhd. (519 kWp) and Paradigm Aerospace Sdn. Bhd. (935kWp) however no other plants have undergone the solar roof installations as the Group has focused on climate-related matters in the operational area. A total of 2,137,904.21 kWh of electricity has been generated from renewable energy representing 7% of the total purchased energy from TNB.

During the financial year under review, the Group has assessed the possibility to reduce the climate-related risks and opportunities in its aluminium extrusion business unit in its long-term horizons by exploring the possibility to give a new life to its scrap produced in the aluminium extrusion factory as well as the scrap produced by its precision machined components facilities.

The Group is currently evaluating the capital expenditure in setting up a smelting facility in its aluminium extrusion plant and anticipated the financial contribution of the strategy implemented inclusive the financial performance and cash flows. Aside for the aforementioned proposed strategy for the aluminium extrusion business unit, the hospitality management business unit under the investment division has committed to reduce the use of plastic in its business operations and reduce the single-use of plastic and replacing the bottled water with the filter water equipment installed in the rooms providing its customers with clean filtered water thus expecting to save operating cost and contributed a sum of approximately RM61,151.40 for the 6 months after implementation.

Whereas for the manufacturing division of the Group has formulated plan in participating in its customer's NPL R&D (new product line research and development) by assisting the customer in reducing the climate-related impact in its product.

Risk management

The Group will periodically assess, identify and monitor the climate-related risks through the Group's enterprise risk-management process, using consistent risk criteria and escalation thresholds. The Internal Audit will also evaluate the climate risk as part of the enterprise risk-management assessment and report to the EXCO and/or ARMC to consider likelihood, magnitude, time horizon, location, value-chain exposure and the effectiveness of existing controls.

Climate and resource Metrics and targets

Metric	FY2024	FY2025	FY2026
Scope 1 GHG emissions (tCO2e)*	145	101	1,314
Scope 2 GHG emissions — location based (tCO2e)*	7,771	11,757	20,416
Scope 3 GHG emissions (material categories) #	4	0	2663
Total energy consumption (MW)*	0	14	27,590
Renewable electricity generated/consumed %	0	16%	8%

** The increase in the consumption mainly due to additional business unit tracked for the said KPI*
 # The increase is due to computing the employee commuting emissions for the financial year under review

6. ENVIRONMENTAL — ENVIRONMENTAL STEWARDSHIP (CONT'D)

6.1 Climate change (Cont'd)

Climate and resource Metrics and targets (Cont'd)

The abovementioned chart recorded the Group energy consumption, which measures power consumption for which was extracted from the utility bills from each business units.

Certain business activities of the Group have recorded and tabulated Scope 3 categories that mainly the employee commuting CO2e emission and there is no tabulation being recorded for the employee business commuting. The Group shall record and report the Scope 3 in the forthcoming year pursuant to the NSRF directive.

6.2 Energy management

Energy management is closely linked to operating cost, emissions and production resilience. The Group has installed solar photovoltaic systems at two (2) selected manufacturing facilities and continues to evaluate renewable energy and energy-efficiency opportunities where technically and commercially feasible.

The Group will continue its effort in leveraging the renewable energy as part of its alignment to the Group's commitment in reducing the carbon emissions.

Matter	FY2024	FY2025	FY2026
Electricity/fuel consumption by material sources (kWh) *	N/A	14	27,589,602
Renewable-energy generation (kWh) #	0	756,328	2,137,904

** The increase in the consumption mainly due to additional business unit tracked for the said KPI*

 # The increase is due to the other plant's solar system installation has been completed and running for the financial year under review

6.3 Waste and circularity

The Group generates metal scrap, scheduled/chemical waste, wastewater and general waste. Manufacturing waste-management practices are guided by the 4Rs concept of Reduce, Reuse, Recycle and Recover. Metal scrap is segregated and disposed of through appropriate channels. Scheduled or chemical waste requiring controlled disposal is handled through licensed vendors and relevant records are maintained. The business units within the Group that used aluminium or any metal parts for producing their customised products to customers has scheduled collection of the recycled waste by the recycling supplier while installing our smelting capability at the aluminium extrusion plant to support circularity in the aluminium extrusion business. To date, the smelting facilities has been built and in operation. However, the financial effects are unable to be quantified at this juncture.

For offices and non-production areas, recycling and digitalisation initiatives are used to reduce paper and general waste. For the year under review, Group HR has worked with the vendor to roll out the digitalised performance evaluation process in supporting for the paper consumption. Simultaneously the Pharmaceutical and Healthcare business unit has successfully integrated e-invoicing ecosystem, digital reporting mechanisms and unified electronic record-keeping framework across the procurement, human resource and finance workflow to reduce the baseline paper usage.

The MIS Department and individual business units have e-waste properly stored and disposed of through appropriate channels, either initiated by individual business units or via group wise, periodically.

Every business unit within the Group will continue to explore the possibility for reducing use of single use plastic and paper especially for the hospitality management and pharmaceutical and healthcare activities in the retail industry.

Matter	FY2024	FY2025	FY2026
Hazardous waste – chemical waste (m3)	0	0	180.75
Waste diverted from disposal (Metric tonne)	0	0	0
Recycling/recovery quantities (metric tonnes)	410	1092	900.31
Normal water waste (megalitres)	0	10	191.15

** The increase in the consumption mainly due to additional business unit tracked for the said KPI*

6. ENVIRONMENTAL — ENVIRONMENTAL STEWARDSHIP (CONT'D)

6.3 Waste and circularity (Cont'd)

For the financial year under review, a total of 455.61 metric tonnes of metal scrap has been recycled from our production facilities in the manufacturing division. A total of 44.70 metric tonnes of paper has been diverted from disposal via the scheduled or planned arrangement with paper recycling vendor.

For the hospitality management, a reduction of single use plastic campaign has resulted RM28,501-50 of cost saved in the operation for the financial year under review.



Last Christmas, the said business unit has creatively decorated an outdoor display from recycled material, giving the second life to the waste from the business operations.



The said business unit has turned its garden into herb garden growing lemongrass, basil, pomegranate, curry leaf tree, pandan leaves, cat's whiskers and other herbs that can be used in our kitchen freshly straight from soil to plate.





The hospitality management business unit had on 25 May 2026, in conjunction with the International Plastic Free Day 2026, jointly with the customer towards reducing plastic waste and embracing sustainable living with a complimentary sustainable woven bag to all the customers during their stay. A total sum of RM 1,890 and 300 pax benefited from the activity.

As for the chemical waste derived from operations, the individual business unit will schedule licensed vendor appointed by the Authority to collect and during the financial year, a total of 180.75m3 of used liquid waste be disposed appropriately.

For the Pharmaceutical and Healthcare business unit, the medical waste generated has been disposed in compliance to Ministry of Health Good Distribution Practice.

6. ENVIRONMENTAL — ENVIRONMENTAL STEWARDSHIP (CONT'D)

6.4 Water and effluent

Water is used in manufacturing processes and for employee welfare and sanitation. Water scarcity, supply interruption and contamination may affect production and operating costs. The Group promotes water conservation, monitors for leaks and evaluates rainwater harvesting where appropriate. Facilities generating industrial effluent operate treatment processes and submit monitoring information to the relevant environmental authorities as required.

Matter	FY2024	FY2025	FY2026
Water withdrawal/consumption (Megalitres)	112.06	152.11	191.15
Water-stressed location if material	N/A	N/A	0

The Group is currently having a single source of water purchased from PBA as all the manufacturing facilities are located in Penang except the hospitality management business unit operating in Kedah and the Pharmaceutical and healthcare business units are operated in Selangor and Kuala Lumpur. A total of 191.15megalitres of the water were purchased and 26% increased compare to the previous financial year due to new facilities being set up during the year.

6.5 Materials and resource efficiency

Metals such as aluminium, stainless steel, mild steel and tool steel are key manufacturing inputs. The Group recognises that efficient material use and increased recycled content can reduce resource depletion, waste and cost. The aluminium extrusion business provides an opportunity to increase circularity through reuse or recycling of aluminium scrap, subject to technical, quality and economic feasibility.

Matter	FY2024	FY2025	FY2026
Material consumption for production (metric tonnes)	N/A	4336	4314
Scrap recovery rate (%)	N/A	0.2	0.8

As mentioned in item 6.3, we are looking forward to have the metal waste from the production across our business unit to be re-melt by Kual's smelting facilities to give a new life to the aluminium which is also the raw material purchased by other business unit. We anticipate some saving from the difference in price of the waste recycled through specific vendor compared to we re-melt and reform the waste from our own smelting facilities.

7. SOCIAL — PEOPLE, SAFETY AND COMMUNITIES

As a responsible corporate citizen, Kobay strives to preserve the principal community investment themes in employee ownership, continuous learning and local community responsibility. During FY2026, the Group has participated in several community programmes as illustrated in the following items below inclusive number of beneficiaries and spending.

7.1 Human rights and labour practices

The Group's Human Resource policies are intended to promote respect, dignity, fair treatment and lawful employment practices. Recruitment, employment and sourcing practices should be assessed for human-rights risks, including discrimination, harassment, forced labour, child labour, working conditions and grievance mechanisms. Reported concerns are to be handled through established escalation channels, with matters involving management escalated to the appropriate Board Committee where necessary.

As the Group operates in Malaysia, the relevant principal applicable for the employee is the Employment Act 1955, as amended, together with other applicable labour and immigration laws.

Below are the data collected by Group HR on turnover rate and the human-right cases. The increase in turnover rate was due to relocation of our Johore plant to Penang for better management.

Matter	FY2024	FY2025	FY2026
Turnover (%)	32	14	37
Grievance and human-right cases	0	0	0

7. SOCIAL — PEOPLE, SAFETY AND COMMUNITIES (CONT'D)

7.1 Human rights and labour practices (Cont'd)

Human-rights

For Kobay, priority human-rights exposures for assessment include responsible recruitment of migrant workers, recruitment fees, retention of identity documents, working hours, wages, freedom from forced or child labour, discrimination, harassment, contractor working conditions and supply-chain labour practices.

The Group refers to the UN Guiding Principles on Business and Human Rights as a risk-based management approach. Under the State duty to protect, business responsibility to respect, and access-to-remedy pillars, relevant operational controls include but not limited to:

(a) identifying actual and potential adverse impacts in recruitment, employment, accommodation, working hours, occupational safety, contractors and supply chains;
(b) assessing severity and likelihood;
(c) integrating findings into HR, procurement and enterprise risk management;
(d) monitoring effectiveness;
(e) communicating actions; and
(f) providing accessible, confidential grievance channels with protection against retaliation.

Individual business unit management together with Group HR continue to verify whether each mechanism has operated effectively during FY2026. Any suggested improvement on Group-wide practice, Core Team Member of the Group will propose, discuss and make necessary alignment. Accessible grievance channels via Group HR for any operational related grievances and/or Corporate Affairs on Whistle Blowing platform permits confidential reporting, prohibit retaliation and provide clear escalation and closure arrangements.

For the financial year under review, save for the periodic review of Group HR Policies and Procedures, the business unit has proposed ad hoc adjustment onto working hours to accommodate the needs of the operation. There are no human right nor child labour issues reported for the financial year.

7.2 Occupational safety and health

A safe and healthy workplace is essential to sustainable performance. Business units are expected to establish appropriate safety governance and workplace procedures, provide induction and periodic safety/emergency training, investigate incidents and report matters to Human Resources and relevant authorities where required. Safety performance should be monitored at management and Board/Committee level where material.

Individual business unit head vide his safety officer has conducted H&S training to all newly joined employees and yearly re-training to all existing employees as part of the ISO renewal for those business unit granted with ISO 9001 or ISO13485. Total trained employees under the occupational safety and health matters is 550 person for the financial year under review.

Safety indicator	FY2024	FY2025	FY2026
Work-related fatalities	0	0	0
Lost-time injuries / LTIFR	2.58	2.77	1.38
Recordable work-related injuries	3	1	4
Employees trained on H&S	1,694	1,195	550
Contractor safety incidents, if material	0	0	0

We committed to providing a safe, healthy and conducive working environment and the Group is cautious on the health and well-being of all our employees. Thus, the leaders (all Manager level and above) are entrusted with the responsibility to promote a conducive work environment as part of their performance evaluation criteria. The Health and Safety matters of the group has been detailed in in Group HR Policy and Procedures for which aside from the Health and Safety Officer in the individual business unit to jointly responsible for the individual business unit, the HR personnel shall support all the relevant employee relation matters relating to health and safety for cultivating a safe and healthy working environment.

7. SOCIAL — PEOPLE, SAFETY AND COMMUNITIES (CONT'D)

7.2 Occupational safety and health (Cont'd)

The group strives to maintain zero fatality incident throughout its operating years. We continue to strengthen the safety protocols with a strong focus on machine safety. All machines will undergo periodic maintenance and upkeeping to reduce the possibility of the machine malfunction while re-training the employees on the safety measures and related posters are displayed on the notice board of each Department to keep reminding the employees on the safety and health measure in the operation facilities.

For the financial year under review, no work-related fatalities and contractor material incidents with 4 recordable work-related injuries and 1.38 LTIR recorded for the financial year under review.

7.3 Diversity, equity and inclusion

The Group seeks to provide equal opportunity and fair treatment regardless of gender or background and recognises that diversity can support innovation, resilience and access to talent. Recruitment, development, performance evaluation and rewards should be governed by objective criteria and monitored for inappropriate discrimination.

The following chart illustrates both the Board gender composition and the workforce distribution by gender, age group, job category etc.

Matter	FY2024	FY2025	FY2026
Workforce by gender (%)			
- Management (Male)	67%	66%	60%
- Management (Female)	33%	34%	40%
- Exempt employee (Male)	62%	63%	52%
- Exempt employee (Female)	38%	37%	48%
- Non-exempt employee (Male)	86%	85%	81%
- Non-exempt employee (Female)	14%	15%	19%
Workforce by age group			
- Management age under 30	0%	0%	0%
- Management age between 30-50	64%	61%	59%
- Management age above 50	36%	39%	41%
- Exempt employee age under 30	12%	19%	16%
- Exempt employee age between 30-50	75%	66%	63%
- Exempt employee age above 50	13%	15%	21%
- Non-exempt employee age under 30	42%	47%	48%
- Non-exempt employee age between 30-50	63%	48%	46.5%
- Non-exempt employee age above 50	5%	5%	5.5%
Board gender composition			
- Male	67%	57%	57%
- Female	33%	43%	43%
Board age group composition			
- Under 30	0%	0%	0%
- Between 30 - 50	17%	57%	29%
- Above 50	83%	43%	71%
Discrimination cases and outcomes	0	0	0

FY2024 and 2025 was restated due to incorrect formula use
FY2026 was ratified with correct percentage formula

7. SOCIAL — PEOPLE, SAFETY AND COMMUNITIES (CONT'D)

7.3 Diversity, equity and inclusion (Cont'd)

The Group will continue to uphold the diversity, equity and inclusion commitment governed by Group HR policies which were established in 1998 aligned with the directive of the UN agreement signed in year 2015. However, due to the manufacturing business units are all in highly-skilled industries whereby we have yet to meet the diversity target of 30%. The Group HR is working towards the target for any vacancy available within the group.

On the age group composition of the Group's total headcount, together with Group HR, EXCO will continue to roll out succession planning for key management for sustainability.

The Board is mindful of the compliance on the 30% gender composition pursuant to Malaysian Code of Corporate Governance (MCCG) and will continue to ensure the targeted 30% threshold sustained.

7.4 Employee engagement, development and succession

Employees are central to the Group's "Spirit of Success". The Group uses performance management, employee feedback, training, succession planning and leadership assessment to support capability development and retention.

Individual business units will continuously conduct training in supply-chain management, FMEA and ISO 9001:2015 awareness and describes leadership-competency assessments for selected employees.

A total of 2,660 training hours from the chart are conducted by respective business units in respect to operational training whereas 920 training hours were conducted/coordinated by Group HR.

Matter	FY2024	FY2025	FY2026
Training hours	6,429	1,246	2,660
Percentage of employees receiving performance/career reviews	100%	100%	100%
Material action taken from employee feedback	0	0	0

Occupational Health & Safety Training – Personal Protective Equipment Awareness Training
5 August 2025





7. SOCIAL — PEOPLE, SAFETY AND COMMUNITIES (CONT'D)

7.4 Employee engagement, development and succession (Cont'd)

Occupational Health & Safety Training – Fire Drill Training
3 Sep 2025





Management Development Program
26 – 27 Jan 2026
Developing a Growth Mindset, Strategic Planning and Execution – 384 hours
9 – 10 Mar 2026
Coaching for High Performance with Growth Mindset, People Management – Managing Superiors – 272 hours
17 – 18 June 2026
Operation Management – customer centricity, manufacturing performance management – 264 hours





7. SOCIAL — PEOPLE, SAFETY AND COMMUNITIES (CONT'D)

7.4 Employee engagement, development and succession (Cont'd)

Session 1 – Noise & Hearing Conservation in the Workplace
Session 2 – Chemical Handling & Spill Response in the Workplace
18 August 2026






FORKLIFT SAFE HANDLING FOR DRIVER TRAINING REPORT (THEORY & PRACTICAL)
22 August 2026





During the financial year under review, Group HR has conducted an Annual Dinner for the Corporate Office and property development and assets management business units on 6 Feb 2026 and the Group has held an appreciation dinner for all the leaders of the Group for their contribution to the FY2026 performance result delivered in July 2026.

7. SOCIAL — PEOPLE, SAFETY AND COMMUNITIES (CONT'D)

7.5 Community investment

The Group's community programmes focus principally on education, social welfare, health and environmental awareness. Consistent with the Group's historical responsibility to employees and communities, for FY2026, the Group Committee has donated out RM15,500-00 to a manufacturing business unit's employee to support her family's financial needs. On top of RM 74,296-00 paid for the community event by the assets management business unit inclusive a 2,200km charity run "Run for Gold" Campaign by Lim SG x National Cancer Society of Malaysia (NCSM).

2,200km charity run "Run for Gold" Campaign by Lim SG x National Cancer Society of Malaysia (NCSM).



7. SOCIAL — PEOPLE, SAFETY AND COMMUNITIES (CONT'D)

7.5 Community investment (Cont'd)

PIFF @ Tanjung 2025





The hospitality management business unit has conducted the following activities and a total of RM 1,678-00 being invested and benefited 335 pax:-

(1) Sponsor for Bakat Muda Sezama 29 to support initiatives that nurture contemporary art, creativity and emerging talents in Malaysia

(2) Engage Silver Workforce Programme, an initiative that celebrates passion, wisdom and the invaluable age 50 and above;

(3) Program Agihan Bubur Lambuk Drive through on 13 March, a yearly CSR initiative and community engagement where about 400 bowls of bubur lambuk were prepared and distributed to the public by the main road in front of the hotel. This meaningful initiative truly embodies the spirit of gotong royong, bringing people together to share kindness and togetherness

(4) Program Ikatan Kasih Lavanya, a CSR initiative with local school and orphans in Langkawi reflect commitment to strengthening relationships with the local community while creating meaningful experiences for the younger generation where they were given a tour of the resort facilities and restaurants before continuing the evening with an iftar gathering, congregational prayers and a traditional music performance besides stationery contributions and duit raya.

(5) The employees have participated in the inter-hotel football tournament held by MAH in May 2026.





7. SOCIAL — PEOPLE, SAFETY AND COMMUNITIES (CONT'D)

7.5 Community investment (Cont'd)

The Pharmaceutical and Healthcare business unit has, during the financial year under review, conducted the following social event for the community:-

(1) In February 2026, assisting National Cancer Society Malaysia (NCSM) to secure reliable access to specialized oncology products, complimentary health screening clinics and evidence-based wellness counseling for cancer patients.
(2) In March 2026, hosted a comprehensive blood donation campaign and successfully collected 93 bags of blood directly to regional hospitals
(3) In April 2026, Avelon launched Biobay x NCSM: Journey of Hope health awareness event to educate the public on preventive health metrics, early cancer detection protocols and complementary holistic care.
(4) As co-organizer for the Healthcare Marathon at the Mental Health Awakening Wellness Carnival, alert public on psychological well-being and sponsored local events including interactive Family Health Run.

Matter	FY2024	FY2025	FY2026
No of beneficiaries of investment in community	N/A	1	5
Employee volunteer participation	20	15	5
Monetary/in-kind contributions (RM)	16,700	28,000	89,796

A total of 200 aromatherapy sleep aid pillows contributed by a business partner were distributed as part of the employee wellness initiative, covering both mainland and island manufacturing business unit.

8. GOVERNANCE — INTEGRITY, ETHICS AND RESILIENCE

8.1 Business ethics, anti-corruption and whistleblowing

The Group acknowledge on the impact of clean business undertaking and further reinforce ethical behaviour on top of the current practice of the Group discouraging employee from engaging in bribery and unethical business dealings.

The Group's governance framework includes the Code of Business Conduct, Anti-Corruption Policy, Whistleblowing Policy, Human Resource policies, Finance policies and operating procedures. These address matters including conflicts of interest, gifts and gratuities, use of company assets and information, misconduct, insider dealing and compliance with applicable laws and regulations. New employees receive orientation on relevant policies, and suppliers/vendors are expected to comply with the Group's ethical requirements.

Any employee who encountered breaching the said policy, the case will be routed to Group HR for operational related matter and corporate matter will be routed to EXCO/ARMC after screening be done by the Corporate Affairs Department.

No business-conduct or anti-corruption cases for FY2026, while to date a approximately 40% of total employees have signed and declared the compliance to Kobay Code of Business Conduct upon completion of the anti-corruption training.

Matter	FY2024	FY2025	FY2026
Confirmed corruption incidents	0	0	0
Whistle-blowing cases and outcomes	0	0	0
Supplier acknowledgement coverage/Number of supplier signed code of conduct	N/A	19	21
Corruption risk assessment conducted	N/A	28	0

8. GOVERNANCE — INTEGRITY, ETHICS AND RESILIENCE

8.2 Cybersecurity and data protection

Cybersecurity and data protection are material to customer trust, business continuity and regulatory compliance. The Group periodically reviews its enterprise resource management, electronic document management, human-resource management and email systems, and applies access controls to authorize users.

In enhancing the cybersecurity and data protection, the MIS of the Group will be taking care of the server hosted by the Group whereas for the individual business units, they are required to from time to time to engage an external IT vendor to control onto the access of individual employee and educate them for proper treatment of the spam-email and adoption of a Data Protection Policy set by the Group while entrusting the respective data owner on the safe and proper usage of the data received from their work assigned by the Company.

The Group should continue to assess obligations under Malaysia's Personal Data Protection Act 2010 and amendments, including governance, security controls, breach response and the need to appoint a Data Protection Officer where statutory criteria are met.

Matter	FY2024	FY2025	FY2026
Material cybersecurity incidents involving customers	N/A	0	0
Substantiated data-privacy complaints	N/A	N/A	0
Personal data breaches	N/A	N/A	0
Critical-system resilience test and remediation actions	N/A	N/A	0

8.3 Governance of related sustainability risks

The Group has revised the Group's Risk Management and Internal Control Framework in May 2026 for which sustainability-related risks especially the climate-risk has been integrated therewith. The Internal Audit Head has revamped the Materiality Risk Assessment Form which has includes GHG or CO2e inventory list to be disclosed by related business unit moving forward. Risk owners should identify, assess and monitor material risks and opportunities, establish controls and action plans, and report significant matters through EXCO and ARMC to the Board.

Respective business unit head and corporate function person in charge, or the person assigned by him/her, is required to report to the Holding Company's person in charge all ESG/sustainability relevant data and activities quarterly. The Internal Auditors will carry out a limited verification audit base on this report compiled and submitted by respective business unit or functional department as a separate reporting exercise. Internal Audit should evaluate the design and operating effectiveness of selected controls based on risk.

8.4 Business Unit Application

During the annual strategy goals and plan setting, each business unit should identify its actual and potential positive and negative impacts on the economy, environment and people, including human rights, and contribute these impacts to the Group's impact-materiality assessment which shall include sustainability-related and climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects.

Manufacturing Division

For the manufacturing division, the Group has assessed material matters which include energy consumption and GHG emissions, material efficiency and metal scrap, scheduled waste and effluent, water use, occupational safety and health, employee skills, responsible procurement, product quality and customer requirements. Individual business unit has strived to assess these matters in its business operation process and report the impact that determined to be material through proper communication channel and reporting line whereas those involve external stakeholder will be raised through meetings during procurement or customers visit by our sales and marketing personnel. With the fuel price increase lately due to the outbreak of the US-Iran crisis, the Group will evaluate matters on financially material risks and opportunities arising from electricity and fuel costs, customer decarbonisation requirements, physical disruption to production and logistics, availability and cost of aluminium and specialised materials, supply-chain continuity and the opportunity to improve energy and material efficiency.

In addition to that, with the recent upsurge of semiconductor and E&E market due to technology change, particular attention was given to traceability, quality and responsible sourcing expectations within technologically advanced customer supply chains, led by the business unit head/business group/division head the personnel in-charge has frequently communicated with our customers in meeting customers' expectation . Should there be any matters occurred, without implying compliance with customer-specific standards, the respective owner in each level of the business operation process shall immediately approach the business unit head for corrective action or solution and the matter will be reported by the business unit head to the strategic business group or division head depends on the material level of the impact onto the business operations.

8. GOVERNANCE — INTEGRITY, ETHICS AND RESILIENCE (CONT'D)

8.4 Business Unit Application (Cont'd)

Manufacturing Division (Cont'd)

Moving forward, the division will continue to explore on solar photovoltaic installations, process optimisation, recycling of metal scrap and potential circular-aluminium initiatives that may reduce operating costs or emissions and linked these material matters, where reasonably supportable, to revenue and customer retention, operating expenditure, capital expenditure, asset utilisation, production downtime and other current or anticipated financial effects over the defined short/medium/long-term horizons in the chart illustrated under item 9 below. The individual business unit shall treat this as a Continuous Improvement Programme (CIP) and the impact of the risk and opportunity shall be undertaken by the Business Unit Head into their annual strategic goals and action plan.

The Internal Auditors will perform periodic audit onto each business operation within the Group and report their findings to the strategic business group or division head after the respective business unit head has responded to the findings tabled by the Internal Auditors. The Group trusted that respective leaders will strive to resolve the matter at the lowest level unless the financial impact of the matter is crucial and/or reach the authority limit set in the Group Finance Policy that required to be escalated to the Board Committee or the Board. To date, no material matter was escalated to the Board Committee's or the Board's consideration and action.

Investment Division

Property/Project Development

For the upcoming Penang project under the property development business unit, State relevant authorities have required the Developer of any project to be assessed with the material matters relates to physical climate risks relevant to the site together with transition risks arising from planning requirements, building standards, energy performance expectations, construction-material costs and market demand for more sustainable buildings. Thus, the Group will carefully evaluate the risk and opportunity for the upcoming project for development cost, capital expenditure, project timing, asset value, selling price, demand, financing and expected cash flows, and how climate resilience is incorporated into project design and investment decisions prior to launching.

Hospitality management

For the hospitality business unit, the business unit head is well-aware of the GRI-related impacts that arise from the business operations and base on the disclosure in this Statement, effort has been placed onto single-use items, food and general waste, employee welfare and safety, guest health and safety, customer privacy and engagement with the local community. Moving forward, the business unit head will continue to identify the material matters and develop reliable operating metrics which may include energy and water intensity per occupied room or available room efficiency retrofits, waste generation and diversion, employee safety and training, and material guest or privacy incidents to improve the business unit's sustainability positioning.

Pharmaceutical and Healthcare

For the pharmaceutical and healthcare business unit, including the pharmacy outlet in Kuala Lumpur and own-brand wellness products manufactured by third-party OEMs, this Statement has reported the effort of the said business unit in environmental and community investment carried out during the financial year with reference to the GRI impact for packaging and single-use plastic, waste management and social practices.

Moving forward, the business unit intends to extend the focus on customer privacy, employee practices, responsible procurement and supplier/OEM environmental and social practices within the value chain.

Group-wide consolidation and disclosure approach

The Group has recently revamped the business-unit risk assessments which consolidated the Group's sustainability governance and enterprise risk-management processes. The said assessment has covered potential sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects, including their location in the business model and value chain, current and anticipated effects, management response, metrics and targets and the information collected therewith will be tabled for the EXCO's consideration on the possibility to reconciled into the reporting entity used for the related financial statements, subject to the applicable measurement boundaries for individual metrics.

9. SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES REGISTER

The Group has assessed the risk and opportunities lies in the business operations and the management has response to the mitigation action and the time horizon in the remedies to be applied onto the individual matters as shown in the below chart.

Matter	Risk / opportunity	Potential financial linkage	Time horizon	Management response
Climate / energy	Energy price volatility; customer decarbonisation requirements; physical disruption; renewable energy opportunity	Operating cost, capex, revenue/ customer retention, asset interruption	Short to medium term	Solar PV, energy monitoring, site-risk assessment, customer engagement.
Materials / waste	Material cost and waste-disposal exposure; circular aluminium opportunity	Raw-material cost, waste revenue/cost, capex, customer demand	Medium term	4Rs, scrap segregation/ recycling, circularity initiatives.
Water	Supply interruption and cost escalation	Production downtime, operating cost	Short term	Leak monitoring, conservation, rainwater-harvesting evaluation.
Human capital	Skills shortages, turnover, succession gaps	Recruitment/training cost, productivity, growth capacity	Short term	Training, performance management, succession planning.
Health & safety	Injury, downtime and regulatory/reputation exposure	Claims, downtime, insurance, penalties	Short term	Safety committees, training, investigation, corrective action.
Cyber / privacy	System disruption, data loss or breach	Downtime, remediation, penalties, customer loss	Medium term	Access controls, system reviews, policies, monitoring.
Ethics / supply chain	Corruption or supplier misconduct	Penalties, contract loss, disruption, reputation	Short term	Policies, due diligence, declarations, internal audit.

10. METRICS, TARGETS AND PERFORMANCE DASHBOARD

The below consolidated dashboard is the summary of the Group's sustainability performance of this Statement.

EESG area	Illustrative key metric	FY2024	FY2025	FY2026	FY2027 Target
Economy	Customer satisfaction (%)	31%	80%	47%	90%
Economy	Local procurement (RM'000s)	N/A	97,145	149,024	150,000
Environment	Scope 1 emissions (tCO2e)	145	101	1,314	Not set
Environment	Scope 2 emissions (tCO2e)	7,771	11,757	20,416	Not set
Environment	Energy consumption (MW)	N/A	14	27,590	Not set
Environment	Water consumption (Megalitres)	112	152	191	200
Environment	Waste recycled/recovered (MT)	410	1092	900	1,000
Social	LTIFR	2.58	2.77	1.38	1
Social	Average training hours per employee	136	9	6	5
Social	Employee turnover rate	32%	14%	37%	30
Governance	Breaches of corporate policies inclusive whistleblower cases received and timeline of 90 days for closure as KPI tracked	0%	0%	0%	0%
Governance	Confirmed corruption incidents	0	0	0	Zero
Governance	Substantiated privacy complaints / material breaches	0	0	0	Zero

...SUSTAINABILITY STATEMENT

11. CLIMATE TRANSITION READINESS ROADMAP

Priority	FY2026 readiness action	Next-stage action
GHG inventory	Complete controlled Scope 1 and Scope 2 inventory and document methodology.	Expand material Scope 3 categories in accordance with applicable transition reliefs and readiness.
Climate risk	Integrate physical and transition risks into ERM with risk owners and controls.	Perform scenario analysis and assess strategic resilience.
Financial effects	Map climate risks/opportunities to revenue, opex, capex, assets and financing.	Develop quantitative ranges where reasonably supportable.
Targets	Confirm energy/emissions targets and baselines.	Develop transition-plan actions, milestones and governance where appropriate.
Data controls	Define metric owners, evidence, review and sign-off.	Prepare selected metrics for internal/independent assurance.
Board oversight	Formalise reporting cadence to EXCO, ARMC and Board.	Embed sustainability/climate performance in strategy and remuneration where appropriate.

12. ASSURANCE AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

Reliable sustainability information requires defined data owners, documented methodologies, evidence retention, management review and escalation of exceptions. Aside from improvement of the reporting foundation, the Group's existing internal-audit and governance arrangements provide a foundation for strengthening controls over sustainability reporting.

The Board and ARMC is aware that an independent assurance is required, having regard to Bursa Malaysia requirements, the NSRF assurance roadmap, materiality, stakeholder expectations and data readiness in the forthcoming financial year. Recognized sustainability assurance frameworks include ISSA 5000 and ISAE 3000, while relevant ISO standards may apply to specific subject matter when the Statement is due for independent assurance review for financial year ending on or after 31 December 2027.

Based on limited evidence provided by the respective business units and/or Corporate Function Head, the incomplete data or information provided for the Corporate Affairs Department for the compilation of this report, the said report that is believed to be accurate has been prepared for the review of the Internal Auditors.

13. STATEMENT OF COMPLIANCE AND BOARD APPROVAL

This Sustainability Statement has been prepared to provide transparent information on the Group's management of material sustainability-related risks and opportunities and its performance across Economy, Environmental, Social and Governance matters. The Group has sought to align the structure of its climate-related disclosures with IFRS S1 and IFRS S2 and the NSRF, subject to the applicable effective dates, transition reliefs, proportionality mechanisms and the availability of reliable information.

The Board acknowledges its responsibility for oversight of the integrity of this Statement and for ensuring that material sustainability-related risks and opportunities are appropriately considered in the Group's strategy, risk management and decision-making.

For the financial year under review, we have attempted on disclosure of climate-related risks and opportunities in respect of the principal business segments namely manufacturing division and common sustainability measures for the rest of the businesses within the Group. The Board took note of the transition reliefs on the Scope 3 GHG Emission per the Practice Notes 9A and the respective person in charge is working on the data collection.

The Board has via Board resolution dated 27 October 2026 approve the said Statement for inclusion into this Annual Report and the submission to Bursa CSI platform.

KOBAY TECHNOLOGY BERHAD

BMLR Transition Period

Date & Time: 2026-10-29_15:21:47

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Economic Performance	Economic Value Generated (Revenue)	MYR(million)	341	* 533	—	No assurance
Economic Performance	Economic Value Distributed (OPE)	MYR(million)	335	492	—	No assurance
Economic Performance	Economic Value Retained (PAT/LAT)	MYR(million)	-21	49	—	No assurance
Climate Change & Energy Management	Total Energy Consumption	MW	14	27,589.60	—	No assurance
Climate Change & Energy Management	Scope 1 emissions in tonnes of CO2e/Scope 1 GHG emissions (tCO2e/year(Fuel)	tCO2e	101	* 1,314.64	* 1000	No assurance
Climate Change & Energy Management	Scope 2 emissions in tonnes of CO2e/Scope 2 GHG emissions (tCO2e/year)(TNB)	tCO2e	11,757	20,416.31	* 20,000	No assurance
Climate Change & Energy Management	Scope 3 emissions in tonnes CO2e (ie employee commuting/business travel)	tCO2e	0	2,663.09	—	No assurance
Climate Change & Energy Management	% of operations powered by renewable energy	%	11.5	8	—	No assurance
Water Management	Total volume of water used (1 megaliter=1000 m3)	Megaliters	152.11	191.15	200	No assurance
Waste Management	Total waste derived from disposal (recycle)	Metric tonne	1,092	900.31	1,000	No assurance
Waste Management	Metal waste	Metric tonne	1,074	455.61	460	No assurance
Waste Management	Paper waste	Metric tonne	17	444.70	460	No assurance
Waste Management	Liquid waste (waste water etc)	Metric tonne	10	191.15	180	No assurance
Waste Management	Total waste directed to disposal/% single-use plastic reduction over purchase value	Metric tonne	0	0	0	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Waste Management	Number of supplier/customer implementing packaging reduction	Number	10	0	0	No assurance
Raw Material	Total weight or volume of materials that used to produce and package products and services	Metric Tonnes	4,336	4,314.38	4300	No assurance
Raw Material	% of waste recycled vs purchase sum (metal/paper/plastic/liquid waste)	%	0.2	0.8	2	No assurance
Sustainable Sourcing Practices	Number of suppliers ESG-audited annually	Number	0	0	5	No assurance
Sustainable Sourcing Practices	Value spend on local/ethical sourcing	RM000s	97,145	149,024	150,000	No assurance
Sustainable Sourcing Practices	% renewable/raw sustainable materials used	%	20	0.43	0	No assurance
Sustainable Sourcing Practices	Number of supply chain ESG violations and resolution time	Number	0	0	0	No assurance
Supply Chain Management	Proportion of spending on local suppliers/vendors	%	77	64	60	No assurance
Supply Chain Management	New suppliers/vendors that were screened using ESG criteria	%	12	7	20	No assurance
Supply Chain Management	No. of new suppliers/vendors assessed on ESG impacts	Number	0	0	20	No assurance
Supply Chain Management	No. of suppliers signed Code of Conduct	Number	19	21	20	No assurance
Supply Chain Management	Number of non-compliance and corrective action provided with the timeframe	Number	0	0	0	No assurance

KOBAY TECHNOLOGY BERHAD

BMLR Transition Period

Date & Time: 2026-10-29_15:21:47

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Renewable Energy Adoption Strategy	% of energy sourced from renewable	%	16	7	—	No assurance
Renewable Energy Adoption Strategy	Total renewable energy generated	Kwh	756,328	2,137,904.21	2,100,000	No assurance
Renewable Energy Adoption Strategy	Number of green-certified buildings	Number	0	0	0	No assurance
Reporting and Transparency Measures	Frequency of ESG report per year	Number	0	4	4	No assurance
Reporting and Transparency Measures	Third-party assurance rating	%	0	NA	0	No assurance
Reporting and Transparency Measures	ESG performance score (from rating agency/financial institution)	%	0	0	0	No assurance
Reporting and Transparency Measures	Stakeholder accessibility and report download rates	Number	0	0	10	No assurance
Reporting and Transparency Measures	Breaches of corporate policies inclusive whistleblower cases received and timeline of 90 days for closure as KPI tracked	Number	0	0	0	No assurance
Reporting and Transparency Measures	% of operations audited for ESG compliance	%	0	0	0	No assurance
Cybersecurity & Data Protection	Number of complaints concerning breaches in customer privacy or losses of customers	Number	0	0	0	No assurance
Corruption Risk	Corruption Risk Assessment Conducted	Number	* 28	0	No Target	No assurance
Code of Conduct Training (inclusive Anti-Corruption)	Management	%	26	57.18	30	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Code of Conduct Training (inclusive Anti-Corruption)	Executive	%	61	50	50	No assurance
Code of Conduct Training (inclusive Anti-Corruption)	Non-executive/Technical staff	%	16	17	20	No assurance
Code of Conduct Training (inclusive Anti-Corruption)	Number of corruption incident	Number	0	0	0	No assurance
Health & Safety	Number of employees trained in health & safety standards	Number	1,195	550	500	No assurance
Health & Safety	Number of work-related fatalities	Number	0	0	0	No assurance
Health & Safety	Lost time incident rate (LTIR)	Rate	2.77	1.38	1	No assurance
Health & Safety	Total hours worked	Hours	1,531,583	2,894,491	No target	No assurance
Health & Safety	Number of lost time injury	Number	1	4	0	No assurance
Human Rights	Number of substantiated complaints concerning human rights violation/human rights grievance report and resolution rate	Number	0	0	0	No assurance
Human Rights	Impact score-training hours provided	Hours	0	0	0.5	No assurance
Diversity, Equity and Inclusion	Employees by gender group, Management-Male	%	* 66	60	70	No assurance
Diversity, Equity and Inclusion	Employees by gender group, Management-Female	%	* 34	40	30	No assurance

KOBAY TECHNOLOGY BERHAD

BMLR Transition Period

Date & Time: 2026-10-29_15:21:47

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity, Equity and Inclusion	Employees by gender group, Executive-Male	%	* 63	52	60	No assurance
Diversity, Equity and Inclusion	Employees by gender group, Executive-Female	%	* 37	48	40	No assurance
Diversity, Equity and Inclusion	Employees by gender group, Non-executive/techni- cal staff-Male	%	* 85	81	80	No assurance
Diversity, Equity and Inclusion	Employees by gender group, Non-executive/techni- cal staff-Female	%	* 15	19	20	No assurance
Diversity, Equity and Inclusion	Employees by age group, Management-under 30	%	0	0	No Target	No assurance
Diversity, Equity and Inclusion	Employees by age group, Management-between 30-50	%	* 61	59	No Target	No assurance
Diversity, Equity and Inclusion	Employees by age group, Management-above 50	%	* 39	41	No Target	No assurance
Diversity, Equity and Inclusion	Employees by age group, Executive under 30	%	* 19	16	No Target	No assurance
Diversity, Equity and Inclusion	Employees by age group, Executive-between 30-50	%	* 66	63	No Target	No assurance
Diversity, Equity and Inclusion	Employees by age group, Executive- above 50	%	* 15	21	No Target	No assurance
Diversity, Equity and Inclusion	Employees by age group, Non-executive/techni- cal staff-under 30	%	* 47	* 48	No Target	No assurance
Diversity, Equity and Inclusion	Employees by age group, Non-executive/techni- cal staff-between 30-50	%	* 48	* 46.5	No Target	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity, Equity and Inclusion	Employees by age group, Non-executive/techni- cal staff-above 50	%	* 5	* 5.5	No Target	No assurance
Diversity, Equity and Inclusion	Percentage of Directors by gender, Male	%	57	57	57	No assurance
Diversity, Equity and Inclusion	Percentage of Directors by gender, Female	%	43	43	43	No assurance
Diversity, Equity and Inclusion	Percentage of Directors by age, under 30	%	0	0	0	No assurance
Diversity, Equity and Inclusion	Percentage of Directors by age, between 30-50	%	57	29	30	No assurance
Health & Safety	Safety Training Coverage	%	0	46	30	No assurance
Diversity, Equity and Inclusion	Percentage of Directors by age, above 50	%	43	71	70	No assurance
Community Investment	Total amount invested to external beneficiaries to the listed issuer (community)	MYR	28,000	* 89796	No target	No assurance
Community Investment	Total number of beneficiaries of investment in communities	Number	15	5	No target	No assurance
Community Investment	Employees participated in community impact programmes	Number	15	5	No target	No assurance
Community Investment	Total hours spent on community impact programmes	Hours	60	8	No target	No assurance
Customer Satisfaction	Number of customers engaged yearly on survey	Number	35	28	30	No assurance
Customer Satisfaction	Customer satisfaction Index (from annual survey)	%	80	47	90	No assurance
Customer Satisfaction	% customer feedback integrated into ESG decision	%	39	7	10	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Customer Satisfaction	QLASSIC score for Property Development	%	N/A	N/A	N/A	No assurance
Employee Management	Total hours of training by employee category-M-anagement	Hours	413	878	500	No assurance
Employee Management	Total hours of training by employee category-Executive	Hours	637	420	400	No assurance
Employee Management	Total hours of training by employee category-N-on-executive/Technical staff	Hours	196	1362	400	No assurance
Employee Management	Total number of employees turnover by employee category-Management	Number	20	35	No Target	No assurance
Employee Management	New hire rate	%	9	11	No Target	No assurance
Employee Management	Total number of employees turnover by employee category-Executive	Number	38	80	No Target	No assurance
Employee Management	Total number of employees turnover by employee category-N-on-executive/Technical staff	Number	203	210	No Target	No assurance
Employee Management	Average training hour per employee	Hours	9	6	5	No assurance
Employee Management	Total new hires	Number	79	106	No Target	No assurance
Employee Management	Turnover rate	%	14	37.35	30	No assurance
Data Privacy & Security	Number of substantiated complaints concerning breaching of customer privacy and losses of customer data	Number	0	0	0	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO2e)	* 101	1,314.64	1,000	No assurance
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	* 11,757	20,416.31	20,000	No assurance
GHG emissions	Scope 3 Cat.6: Business travel	Metric tonnes of carbon dioxide equivalents (tCO2e)	—	56.97	50	No assurance
GHG emissions	Scope 3 Cat.7: Employee commuting and Business Travel	—	—	2,663.09	2,500	No assurance
GHG emissions	Scope 3 Cat.5: Waste generated in operations	Metric tonnes of carbon dioxide equivalents (tCO2e)	—	18.9	0	No assurance
GHG emissions	Percentage of renewable engery consumed over total energy consumption	%	* 16	8	10	No assurance
GHG emissions	Percentage of operation powered by renewable energy	%	* 16	8	10	No assurance

(i) Footnote 2025 : The percentage for FY2025 was restated due to incorrect formula used/ratification of typo-error
(ii) Footnote 2026 : The percentage formula has been corrected
(iii) Footnote Target : setting of target

STATEMENT ON RISK MANAGEMENT **AND INTERNAL CONTROL**

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("the Board") affirms its responsibilities in establishing a sound risk management framework and internal control system, constantly reviewing their adequacy and integrity to safeguard stakeholders' interests and company's resources. The Board is fully aware that risk management and internal control system cannot eliminate totally the risk of failure in achieving business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. This Statement will address the Group's approach in risk management and internal control, taking note the principles, intended outcome and practices as set out in Malaysian Code on Corporate Governance. The preparation of this Statement is also guided by "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines")" endorsed by Bursa Malaysia Securities Berhad pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements.

Risk Management

The Board has formalised and adopted a Risk Management Framework ("Framework") which documented down the approach, commitment, practices, policies and procedures to be applied in the Group on risk management and for communicating to all levels of management. The Framework is developed by reference to guidance provided in the Guidelines. To achieve the Group's objectives and goals, in ensuring business sustainability and continuity, the Board is committed to articulate risk management into Group's culture and day to day activities, implement a formalised risk management practices in its strategic planning, organisation structure, operation procedures, management processes and internal control systems.

As an on-going process, business risks faced by the Group are reviewed yearly by management to identify, assess their likelihood and impact and come out with action plans to manage and mitigate the risks. Risk management activities are applied to strategic business units in Kobay Group covering Manufacturing Division, Property/ Project Development Division and Pharmaceutical & Healthcare Division. The Framework provides guidance and methods to identify, analyse, evaluate and manage risks. It also provides the acceptable risk tolerance & appetite levels, planning & execution timetable, managing processes & information flow and responsible bodies to monitor and report on effectiveness of risk management activities carried out.

On risk management accountability structure, the key components are as follows:

Board of Directors ("Board")

The Board's role is to establish a sound framework to manage risk. The Board has set in the Framework the level of risk tolerance and appetite in assessing business risks faced by the Group and safeguard stakeholders' interests and Group's resources. Risk appetite measured by loss tolerance level in monetary value has been formally defined in the Framework for application in risk assessment and management.

For effective implementation and management, the Board has delegated its review process role on risk management to Audit and Risk Management Committee ("ARMC"). However, the Board as a whole still maintain the execution role and responsible for all the actions of ARMC.

Audit and Risk Management Committee ("ARMC")

The Audit Committee of the Board has been designated as Audit and Risk Management Committee in 2013, to be more reflective of its functional role in audit and risk management.

ARMC assists the Board in fulfilling its risk management oversight role. ARMC reviews Risk Management Report presented by management quarterly on updates of risk management activities carried out on items identified as high risk during strategic planning process and encountered during the financial year. ARMC is also provided with Internal Audit Report yearly on review of risk management activities carried out in the Group. Results of the review activities by ARMC are reported in Board's meetings.

...STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Management

Executive Committee ("EXCO") that consists of Executive Directors of the Board and Chief Operating Officers spearheads risk management activities' implementation in the Group. EXCO acts as Management Committee of risk management and reports risk management activities and matters of high or extreme risk level and their mitigation actions to ARMC on quarterly basis.

In business operations, the Chief Operating Officer ("COO") and Head of Strategic Business Group ("SBG Head") and Functional Units are responsible for risk management within respective SBG Head and functional units. Their responsibilities include develop and implementing a sound system of risk management to identify, assess, monitor and manage major risks that may have impacts on achieving Group's business objectives.

For accountability, Head of Strategic Business Unit ("SBU Head") takes charge of compliance and monitoring roles at individual business units. The business unit's line managers at all management levels are responsible for adoption and implementation of risk management practices as guided by the Framework and monitor the results of risk management activities relevant to their areas of responsibility.

Risk Identification, Evaluation and Management

The Group's risk coverage is divided into three key areas, namely strategic & operational, financial and regulatory compliance. To evaluate risk, individual risk item is measured based on scoring of its likelihood in terms of probability and monetary value of the consequence. The calculated risk value is compared against a pre-defined Risk Matrix Table prescribed in Framework to determine the risk level for each of the item, ranging from low to extreme risk. The risk level identified will determine which level of management is to manage and monitor the progress of risk management activities carried out.

To identify and evaluate strategic & operational risks faced by the Group, yearly strategic planning sessions attended by EXCO and operations management are held before beginning of new financial year. The Kick-Off meeting for Financial Year 2027 Strategic Plan commenced in January 2026. The Chief Executive Officer and senior management held brain-storming sessions to evaluate current business environment, competition landscape and sustainability issues, to identify key risks faced by Group's businesses and determined the Group's directions and expectations going forward.

At business operation level, with the guidance set by Group Corporate Strategic Plans & Goals, respective strategic business and functional units' SBG Head performed SWOT (Strengths/Weaknesses/Opportunities/Threats) analysis on operation environment, industry trends, capabilities, past performances to develop its strategic plan encompassing business direction, strategy, focus and expectations. Based on Strategic Business Group's strategic plan, SBU Head and line management prepared individual business unit's strategic plan, covering in details of planned activities, goals set, key performance indicators for guiding, measuring and monitoring performance and annual budget.

Meetings were conducted between EXCO, SBG Head and SBU Head to discuss, review and buy-off the annual strategic plans, goals, key performance indicators and budget. Buy-off of Financial Year 2027 Strategic Plan by EXCO was completed in June 2026.

As for financial and regulatory compliance risks, risk assessments are carried out by SBU Heads and Group Accountants at individual business unit level via Risk Assessment Forms. Risk assessment is done by way of questionnaires which systematically assess currently known risks guided by past records in risk register and any emerging risks foreseen.

For managing and monitoring risks, meeting agenda is set in quarterly held Operations Review Meeting for SBG Heads to report to EXCO on risk issues and current business situations that warrant risk management, their impacts or likely impact to the business units in achieving business objectives. Remedy actions taken to address high risk items identified during strategic planning process and the progress of planned risk management activities carried out in individual business units were reported to ARMC by IA on quarterly basis.

The Chief Executive Officer and Vice President – Corporate Planning have provided a written assurance to the Board on 26 October 2026 stating that the Group's risk management and internal control system are operating adequately and effectively for the current financial year under review and up to the approval date of this Statement for inclusion in Annual Report.

...STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Internal/ External Audit

Internal Audit is tasked with the responsibility to evaluate the effectiveness and efficiency of risk management activities carried out and in compliance with the Group's laid-down practices and procedures in the Framework. A review is to be conducted once in a year with the outcome reported to ARMC. The Internal Audit Department will table its financial year 2026 activities to ARMC in the forthcoming meeting scheduled in November 2026.

The External Auditors review the Statement on Risk Management and Internal Control and report the results thereof to the Board on annual basis. The External Auditors have reviewed the Statement for financial year ended 30 June 2026, which is included in this Annual Report, as guided by Audit and Assurance Practice Guide 3 issued by Malaysian Institute of Accountants. Based on the review, nothing has come to their attention that caused them to believe that the Statement is not prepared in all material respects, in accordance with the disclosures to be set out as required by paragraphs 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

Internal Control System

On the Group's systems of internal control that manage risks to achieve established goals and provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, the internal control systems' key elements are described below: -

- Formal Group Organisation Structure defines clearly the line of reporting and hierarchy of authority in alignment with Group's core activities that are managed by segregation into different strategic business groups.
- Group Policies and Procedures Manuals on Financial, Human Resource and Sales and Operations are adopted and laid down the objectives, scopes, policies and operating procedures to be complied by business units.
- Clearly defined authorisation limits at various management levels are set out in a Financial Authority Matrix for controlling and approving capital and revenue expenditures.
- Budgetary control system in place to establish responsibilities and accountabilities of each business unit in term of resources employed, control over costs and expenses and for measuring overall financial performance. The yearly budget of business unit is approved by the EXCO.
- Individual companies with active business operations hold monthly management meeting to review the financial performance, business overview, direction and development with Chief Operating Officer and Head of Strategic Business Group. They are then presented to operation review meeting with corporate management.
- EXCO consists of Executive Directors and Chief Operating Officers hold weekly meeting to discuss, approve and resolve any major issues arising from business operations and corrective action plans.
- Internal Audit Department is established and report directly to ARMC or the assigned Senior Officer and assigned with tasks to assist ARMC in discharging its duties and responsibilities.
- Regular internal audit visits to business units are carried out by Internal Audit Department to ensure compliance of Group Policies and Procedures and to examine effectiveness and efficiency of operations' internal control systems.
- Internal control issues noted by Internal Audit Department are tabled for discussion and resolution in business unit's monthly management meeting and presented in operation review meeting at corporate level. Improvements in existing policies and procedures or implementation of new policies and procedures are carried out when needed to keep in pace with the evolving business environment.
- ARMC and Board of Directors hold quarterly meeting to discuss internal audit reports, periodic financial statements and issues that warrant the Committee's and Board's attentions.

For the year under review, the Board confirms that there is an on-going process of identifying, evaluating and managing significant risks faced by the Group and reviewing internal control systems to safeguard stakeholders' interests and Group's assets. The Group's system of internal controls is in place, functioning and continuous efforts being taken to strengthen and improve the Group's internal control environment.

The Board is satisfied with the adequacy, integrity and effectiveness of the Group's risk management framework and its internal control systems. There was no material internal control system failure nor has any reported weaknesses resulted in material losses or contingencies that would require mention in the Annual Report for the financial year under review.

This Statement is made in accordance with the resolution of the Board of Directors dated 27 October 2026.

AUDIT AND RISK MANAGEMENT **COMMITTEE REPORT**

COMPOSITION AND DESIGNATION

Members of the Committee

1. **Lim Siew Wee**
   Chairman, Senior Independent and Non-executive Director

2. **Koay Cheng Lye**
   Non-independent and Non-executive Director

3. **Koay Pei Feng**
   Independent and Non-executive Director

Secretaries to the Committee

1. Chan Mun Shee (MAICSA 7003071)/SSM PC No. 202508000424

2. Wong Mee Choon (MACS 01562)/SSM PC No. 201908001211

TERMS OF REFERENCE

The Terms of Reference of the Audit and Risk Management Committee ("Committee") is available on the Company's website at www.kobaytech.com.

MEETINGS

The Committee met four times during the financial year ended 30 June 2026. The meetings were convened in a structured manner by formal notice. Meeting agendas and relevant reports were circulated to Committee members at least seven (7) calendar days before each meeting. The Committee Secretary recorded the minutes, which were confirmed by the Committee Chairman and tabled at the subsequent meeting for adoption. The Vice President - Corporate Planning, Group Accountant, Head of Internal Audit and External Auditors were invited, where appropriate, to attend meetings and provide information, clarification and advice on matters discussed.

Details of meeting attendance were as follows:

Name of Committee Members	Attendance
Lim Siew Wee	4/4
Koay Cheng Lye	3/4
Koay Pei Feng	4/4

...AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF WORK

During the financial year, the Committee had:

1. Reviewed with the External Auditors the Audit Review Memorandum in respect of the audit for the financial year ended 30 June 2025, including the status of the audit of the financial statements and annual report, comparison of audited results against the announced results, significant financial reporting matters and the expected audit opinion. No material matters relating to management judgements and estimates were highlighted for the Committee's further attention.

2. Reviewed the quarterly unaudited financial results with the Vice President - Corporate Planning and obtained the necessary explanations and clarifications before recommending the results to the Board for consideration and approval prior to announcement to Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The audited financial statements for the financial year ended 30 June 2025 were also reviewed before recommendation to the Board for approval and inclusion in the Annual Report.

3. Reviewed reports from the Internal Auditor on the Group's risk management activities and compliance with the policies and procedures set out in the Group Risk Management Framework.

4. Reviewed the Statement on Risk Management and Internal Control and the Audit and Risk Management Committee Report for recommendation to the Board and disclosure in the 2025 Annual Report.

5. Reviewed quarterly reports of the Internal Audit Department on audit activities carried out during the financial year. The Committee deliberated on the audit findings, management's corrective actions and the status of implementation, and assessed whether appropriate actions were taken on the recommendations.

6. Reviewed related party transactions and recurrent related party transactions entered into by the Group, including compliance with the applicable approval and reporting procedures, shareholders' mandate for recurrent related party transactions and the Bursa Malaysia Listing Requirements. The Committee also reviewed any conflict of interest or potential conflict of interest situation that arose, persisted or might arise, and the measures taken to resolve, eliminate or mitigate such conflicts, and reported the same to the Board.

7. Reviewed quarterly risk management reports presented by the Vice President – Corporate Planning on behalf of the Executive Committee, including risk management activities carried out during the quarter and progress updates on high-risk items identified in the annual risk management review.

8. Assessed the performance, suitability, objectivity and independence of the External Auditors, Messrs. Crowe Malaysia PLT, including the nature and extent of non-audit services, where applicable, before recommending their re-appointment to the Board. The assessment was carried out in accordance with the Company's External Auditors Policy published on the Company's website.

9. Reviewed with the newly appointed External Auditors, Messrs. PKF PLT, their Audit Planning Memorandum for the financial year ended 30 June 2026, including the respective responsibilities of directors and auditors, audit approach, materiality and performance materiality, areas of significant audit attention, engagement team, reporting and deliverables, ethical requirements including independence, relevant listed issuer updates and the audit firm's transparency report.

10. Reviewed and approved the Internal Audit Plan for the financial year ending 30 June 2027. The plan adopts a risk-based approach, with emphasis on core business units and key risk areas having regard to the nature of each business and prior audit experience. The plan also includes reviews of related party transactions and risk management activities.

11. Reviewed the Semi-annual Returns before recommending them to the Board for approval and submission to Bursa Malaysia.

12. Held two (2) private dialogue sessions in August 2025 and May 2026 with the External Auditors and Internal Auditor, without the presence of Executive Directors and management, to discuss matters affecting the discharge of their duties and responsibilities. No major matter requiring further action by the Committee was raised during these sessions.

13. Further to disclosure made by all the Directors, there are no conflict of interest or potential conflict of interest situation (excluding related party transactions) which reviewed by the Committee for the financial year under review.

...AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION - SUMMARY OF WORK

The Company has an in-house Internal Audit Department which reports functionally and directly to the Committee's delegated senior officer, whom in turn, report direct to the Committee and assists the Committee in discharging its oversight responsibilities. The internal audit function is independent of the activities it audits and operates under an Internal Audit Charter, that has been reviewed and approved by the Committee and the Board in May 2026, to support impartiality, proficiency and due professional care. The Committee reviews the adequacy of the internal audit function's scope, competency, experience and resources, its audit plan and processes, the results of internal audit assessments and investigations, and the implementation of agreed corrective actions. There is no additional cost incurred for the internal audit function for the financial year ended 30 June 2026 save for the salary and related travelling cost.

During the financial year, the Internal Audit Department carried out the following activities:

1. Conducted compliance, operational and financial audits covering the Group Policies and Procedures Manual and internal control systems.

   The audits conducted at the Manufacturing Division's business units covered, among others, inventory management, procurement, assets and spare parts management, scrap disposal process controls, tool room management, fixed asset sighting, , receivables management, Enterprise Resource Management system production process controls, deactivation of user access for resigned employees, purchase pricing and stock adjustment edit controls, and revenue management.

   As for the Healthcare and Pharmaceutical Division, audits related to revenue and inventory management and procurement were performed.

2. Issued audit reports to business unit management setting out audit findings and obtained management's corrective action plans. The reports were tabled at the relevant business unit management meetings and operations review meetings at corporate level and tabled at quarterly Committee meetings for deliberation and notation subsequently.

3. Conducted follow-up audits to assess whether corrective actions arising from internal and external audit findings had been implemented and were operating as intended.

4. Reviewed related party transactions and recurrent related party transactions entered into by the Group on a quarterly basis and reported the results of the reviews to the Committee.

5. Reviewed the Group's risk management activities for adequacy and compliance with the policies and procedures set out in the Group Risk Management and Framework and reported the results to the Committee.

DIRECTORS' RESPONSIBILITIES **STATEMENT**

Pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors ("Board") is pleased to present its statement on the responsibilities of the Directors in the preparation of the audited financial statements of the Company and its subsidiaries ("the Group").

The Directors are responsible for ensuring that the financial statements of the Company and the Group are prepared in accordance with the provisions of the Companies Act 2016, the applicable Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs"), and the requirements of the Main Market Listing Requirements of Bursa Securities, so as to give a true and fair view of the financial position of the Company and the Group as at the end of the financial year, and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that the applicable accounting standards and statutory requirements have been complied with, subject to any material departures being appropriately disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis, having assessed that the Company and the Group have adequate resources to continue their operations for the foreseeable future.

The Directors are also responsible for ensuring that proper accounting and other relevant records are maintained to enable the preparation of financial statements that comply with the Companies Act 2016 and the applicable accounting standards, and to safeguard the assets of the Company and the Group.

In addition, the Directors are responsible for taking reasonable steps to safeguard the assets of the Company and the Group and to prevent and detect fraud, misconduct and other irregularities.

The Board has reviewed the contents of this Annual Report, including the Corporate Governance Overview Statement, Corporate Governance Report, Statement on Risk Management and Internal Control, and the Audit and Risk Management Committee Report, and is satisfied that the Annual Report, taken as a whole, provides shareholders and other stakeholders with a fair, balanced and understandable assessment of the Company's and the Group's financial position, performance, business operations, governance and prospects.

This Statement is made in accordance with a resolution of the Board of Directors passed on 27 October 2026.

ADDITIONAL COMPLIANCE **INFORMATION**

UTILISATION OF PROCEEDS

No proceeds were raised by the Company from any corporate proposal during the financial year.

AUDIT AND NON-AUDIT FEES

For the financial year under review, the amount of audit fees paid or payable to the Group's external auditors amounted to RM60,000 and RM440,000 respectively for the Company and the Group. Other than the RM5,000 of non-audit fees paid by the Company to the Group's external auditors, there is no other non-audit fees be paid or payable to the external auditors.

MATERIAL CONTRACTS

There are no material contracts of the Company and its subsidiaries being entered into for which involving the interest of the Directors, Chief Executive who is not a Director or major shareholders since the end of the previous financial year and still subsisting at the end of the financial year.

RECURRENT RELATED PARTY TRANSACTIONS

Pursuant to Para 10.09(2)(b), the Company had obtained a general mandate from shareholders to enter into the recurrent related party transactions of a revenue and trading nature in its 31st Annual General Meeting held on 5 December 2025.

The Company herein disclosed the general mandate approved by the shareholders herein under paragraph 3.1.5 of the Practice Note 12, the type, the names of the related parties involved in each type of the recurrent related party transaction made, their relationship with the listed issuer and the aggregate value of the recurrent related party transactions conducted during the financial year ended 30 June 2026 are listed below.

Companies within the Kobay Group	Transacting parties	Interested parties	Nature of transactions	Amount transacted during the financial year (RM)
PMI	UA	Dato' Seri Koay Hean Eng & person connected	Purchase of aluminum and other materials	937,162
PPC	UA	Dato' Seri Koay Hean Eng & person connected	Purchase of aluminum and other materials	1,329,488
Kobay UA	PenAI	Dato' Seri Koay Hean Eng & person connected	Rendering of manufacturing service	55,004,136
Kobay UA	GXR	Dato' Seri Koay Hean Eng & person connected	Renting of warehouse space	1,618,702
Kual	UA	Dato' Seri Koay Hean Eng & person connected	Sales of extruded aluminium and other materials	8,676,320

Note :
PMI - Paradigm Metal Industries Sdn. Bhd.
PPC - Paradigm Preceision Components Sdn. Bhd.
Kual - Kual Technologies Sdn. Bhd.
UA - UA Materials Sdn. Bhd.
GXR - GXR Assets Sdn. Bhd.

EMPLOYEES SHARE OPTION SCHEME

The Company's Employees Share Option Scheme ("ESOS") was approved by the members at the Extraordinary General Meeting held on 9 December 2015 and became effective on 19 April 2016. The ESOS was valid for a period of 10 years from its effective date and expired on 18 April 2026. Announcement has been made to Bursa on 17 April 2026 on the expiry of ESOS.

No options were granted under the ESOS throughout its tenure. Accordingly, there were no outstanding options under the ESOS upon its expiry on 18 April 2026.

DISCLOSURE OF **FINANCIAL DATA FOR SHARIAH SCREENING**

(a) Group Total Income and Total Assets		
Item	**2026**	**2025**
Total Income		
Revenue	529,526,973	338,913,145
Other income	22,515,583	12,610,935
Rental income	2,758,954	1,879,847
Finance income	384,514	421,735
Total Income	**554,186,024**	**353,825,662**
Total Assets	**692,128,044**	**629,500,636**

(b) Business Activities		
Item	**2026**	**2025**
Shariah Non-Compliant Activities		
Liquor and liquor-related activities	887,502	264,759
Health care product	343,589	312,955
Money lending activity	387,364	421,735
Total	**1,618,455**	**999,449**

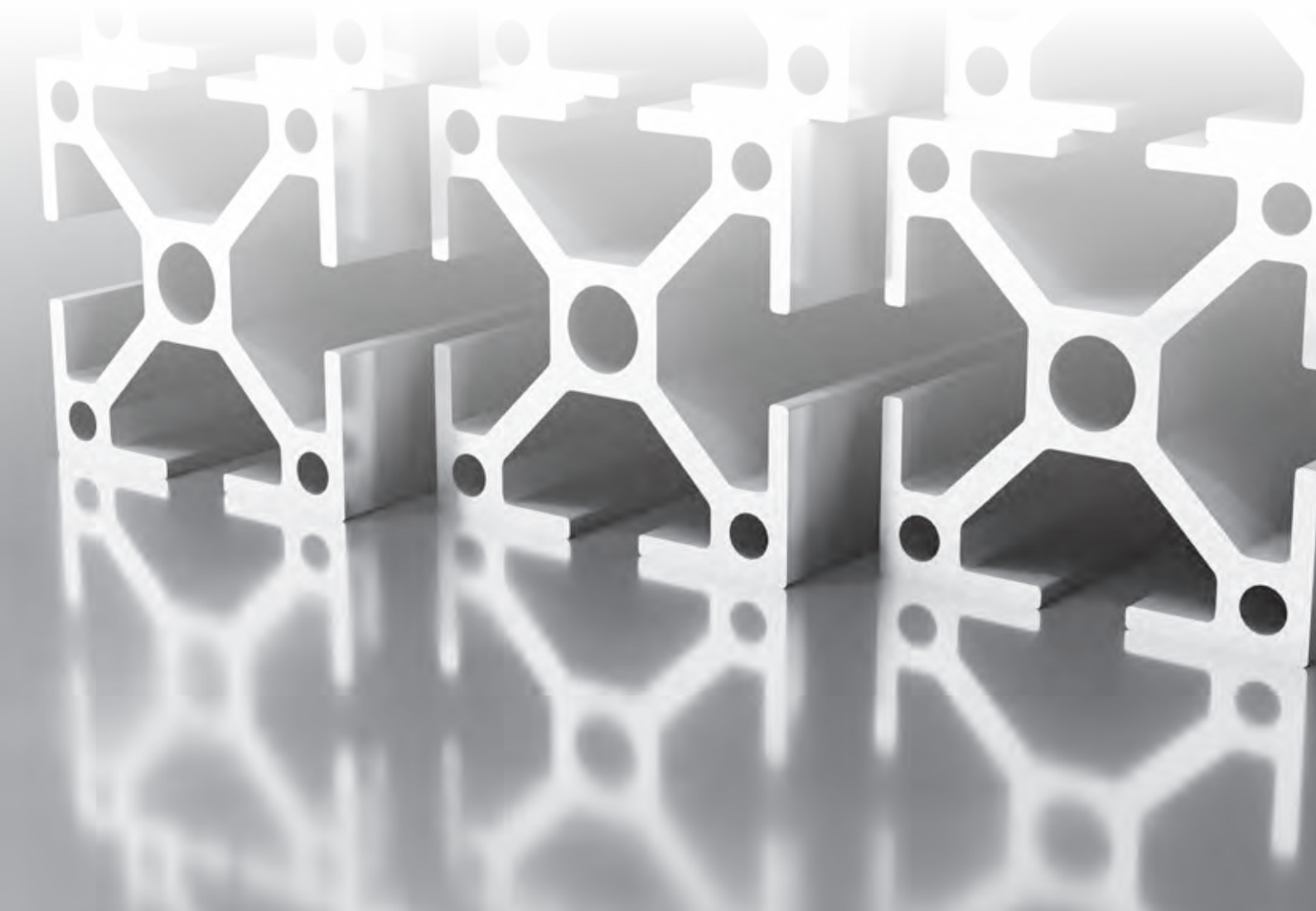
(c) Components of Financial Position — (i) Cash Components		
Item	**2026**	**2025**
Islamic Accounts/Instruments		
Cash at bank and in hand	9,914,347	7,750,303
Deposits with licensed banks/financial institutions	519,872	518,586
Money market instruments	14,550,962	13,407,570
Total	**24,985,181**	**21,676,459**
Conventional Accounts/Instruments		
Cash and bank balances	15,801,914	14,353,053
Deposits with licensed banks/financial institutions	3,247,150	3,812,123
Money market instruments	12,308,319	13,646,653
Total	**31,357,383**	**31,811,829**

...DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

(c) Components of Financial Position — (ii) Debt Components		
Item	**2026**	**2025**
Islamic Financing		
Current		
Islamic term loans	2,728,001	2,794,320
Islamic bank overdrafts	21,292,217	13,000,579
Islamic financing	50,008,300	54,741,459
Non-Current		
Islamic term loans	5,154,947	7,882,948
Total	**72,600,165**	**78,419,306**
Conventional Borrowings		
Current		
Term loans	4,289,857	5,103,776
Revolving credits, trade facilities and other short-term borrowings	32,733,364	34,932,578
Non-Current		
Term loans	17,701,462	22,753,720
Total	**54,724,683**	**62,790,074**

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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 2026.

Principal activities

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are as disclosed in Note 14 to the financial statements.

Results

	Group RM	Company RM
Profit/(Loss) for the financial year attributable to:		
Owners of the parent	47,278,971	(940,162)
Non-controlling interests	1,907,551	-
	49,186,522	(940,162)

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

Dividends

On 26 August 2026, the Directors proposed a first and final single-tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 30 June 2026, subject to shareholders' approval at the forthcoming Annual General Meeting.

Directors

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Seri Koay Hean Eng
Koay Cheng Lye
Koay Wooi Seong
Koay Pei Feng
Koay Zee Ee
Lim Siew Wee
Sharifah Faridah Binti Dato' Syed Mahadzar Jamalullil

Directors (continued)

The Directors of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who are already listed above are:

Chan Bee Luang
Chan Mun Shee
Chin Wai Foong
Chong Huei Shin
Dennycia Koay Zee Wei
Ho Pei Si
Koay Wei Keong
Koay Wooi Tatt
Lee Eng Lam - Appointed on 23 October 2026
Lim Beng Cheong
Lim Lai Choo (alternate to Ho Pei Si)
Tan Kim Fah
Tee Yee May
Yee San Khien

Directors' interest in shares

The shareholdings in the Ordinary Shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the end of the financial year, as recorded in Register of Director's Shareholding kept by the Company and the related corporation respectively under Section 59 of the Companies Act, 2016 in Malaysia were as follows:

	Number of Ordinary Shares			
In the Company	**Balance as at 01.07.2025**	**Bought**	**Sold**	**Balance as at 30.06.2026**
Direct interest:				
Koay Pei Feng	240,650	-	(100,000)	140,650
Koay Zee Ee	-	65,000	-	65,000
Deemed interest:				
Dato' Seri Koay Hean Eng	119,320,084[(a)]	476,400	-	119,796,484
Koay Cheng Lye	14,783,507[(a)]	-	-	14,783,507
Koay Wooi Seong	12,698,894[(a)]	-	-	12,698,894
Koay Zee Ee	119,320,084[(a)]	411,400	-	119,731,484

[(a)] Deemed interest by virtue of shares held by companies in which the directors have interests

By virtue of their interests in shares in the Company, Dato' Seri Koay Hean Eng and Koay Zee Ee are also deemed to have interest in shares in the subsidiaries to the extent of the Company's interest, pursuant to the Section 8 of the Companies Act, 2016.

None of the other Directors in office at the end of the financial year had any interest in shares of the Company and its related corporation during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Directors 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 as disclosed in Note 32 to the financial statements.

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

Directors' remuneration and fee

The remuneration paid to or receivable by the Directors or past Directors of the Company and the estimated money value of other benefits received or receivable by them otherwise than in cash from the Company or its subsidiaries are as follows:

	Group	Company
	RM	RM
Fees	70,000	70,000
Salaries, bonus and other emoluments	1,312,477	556,140
Contributions to defined contribution plan	112,074	21,306
	1,494,551	647,446

Indemnity and insurance for Directors, officers and auditor

There was no indemnity given to or insurance effected for any Directors, officers or auditor of the Group and of the Company.

Issue of shares and debentures

There were no changes in the share capital of the Company during the financial year.

There were no debentures issued during the financial year.

Treasury shares

As of 30 June 2026, the Company held 6,000,000 treasury shares out of the total 326,180,803 issued ordinary shares. Further relevant details are disclosed in Note 22 to the financial statements.

Options granted over unissued shares

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

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

(i) proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realised.

Other statutory information (continued)

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

(i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

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

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

(iv) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year to secure the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year, except as disclosed in the financial year statements.

No contingent liability or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 June 2026 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

Events after the reporting period

The events after the reporting period are disclosed in Note 39 to the financial statements.

Auditors

The auditors, Messrs PKF PLT, have indicated their willingness to continue in the office.

The auditors' remuneration of the Group and of the Company for financial year ended 30 June 2026 amounted to RM440,000 and RM60,000 respectively.

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

DATO' SERI KOAY HEAN ENG

KOAY WOOI SEONG

Penang

27 October 2026

STATEMENT BY **DIRECTORS**

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016 IN MALAYSIA

In the opinion of the Directors, the accompanying financial statements as set out on pages 95 to 174 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026 and of their financial performance and their cash flows for the financial year then ended.

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

DATO' SERI KOAY HEAN ENG

KOAY WOOI SEONG

Penang

27 October 2026

STATUTORY **DECLARATION**

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016 IN MALAYSIA

I, DATO' SERI KOAY HEAN ENG, being the Director primarily responsible for the financial management of KOBAY TECHNOLOGY BHD., do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements as set out on pages 95 to 174 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960 in Malaysia.

Subscribed and solemnly declared by the above-named)
at GEORGE TOWN in the State of PENANG on 27 October)
2026)

DATO' SERI KOAY HEAN ENG

Before me,

Khairuddin Bin Ahmad Tajuddin
No. P202
COMMISSIONER FOR OATHS

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF KOBAY TECHNOLOGY BHD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KOBAY TECHNOLOGY BHD., which comprise the statements of financial position as at 30 June 2026 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 95 to 174.

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

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

(i) Expected credit loss of trade receivables
(Refer to Note 1(d)(v), Note 2(d)(i) and Note 17 to the financial statements)

As at 30 June 2026, the Group's trade receivables amounted to approximately RM97.45 million (2025: RM71.56 million), representing an increase of approximately 36.18% compared to previous financial year, mainly attributable to the expansion of the Group's business activities.

The determination of expected credit losses requires management to exercise judgement in assessing historical loss experience, customer-specific risk characteristics, creditworthiness, ageing profiles and forward-looking economic information.

Given the significant increase in trade receivables balance arising from the expansion of business activities during the year and the judgement involved in determining expected credit losses under MFRS 9, Financial Instruments, this area required significant audit attention.

Accordingly, we considered the assessment of expected credit losses on trade receivables to be a key audit matter.

Our audit procedures performed include the following:

(a) Reviewed and tested the accuracy of ageing reports used in the expected credit loss assessment;
(b) Reviewed the recoverability of receivables which have been long outstanding including but not limited to, collections after the end of reporting period;
(c) Assessed the methodology applied by management in estimating expected credit losses;
(d) Evaluated key assumptions and inputs used in the impairment assessment; and
(e) Evaluated the customer-specific circumstances and historical default patterns.

...INDEPENDENT AUDITORS' REPORT

Key Audit Matters (continued)

(ii) Impairment of intangible assets
(Refer to Note 1(d)(viii), Note 2(f) and Note 13 to the financial statements)

As at 30 June 2026, the Group recognised intangible assets amounting to approximately RM23.57 million comprising goodwill, trademarks and customer relationships. The assessment of recoverable amounts involves significant judgement and estimation in determining future cash flows and key assumptions, including profitability and discount rates. Changes in these assumptions could have a significant impact on the recoverable amounts of the related cash-generating units and any resulting impairment loss.

Accordingly, we considered the assessment of impairment of intangible assets to be a key audit matter.

Our audit procedures performed include the following:

(a) Assessed the appropriateness of management's impairment assessment methodology;
(b) Compared forecast assumptions with historical performance and approved budgets;
(c) Assessed the reasonableness of key assumptions used in the cash flow projections, including forecast revenue growth rates, gross profit margins and discounted rates;
(d) Performed sensitivity analyses on key assumptions to evaluate the impact of reasonably possible changes on the recoverable amounts; and
(e) Evaluated the adequacy of disclosures in the financial statements.

(iii) Revenue recognition from manufacturing arrangements
(Refer to Note 1(d)(xi), Note 2(b) and Note 3 to the financial statements)

The Group recorded revenue of RM532.67 million for the financial year ended 30 June 2026. Revenue generated from certain manufacturing arrangements amounted to approximately RM128.91 million, representing a significant portion of the Group's total revenue. The assessment of whether revenue arising from these arrangements should be recognised on a gross basis as principal or on a net basis as agent under MFRS 15, *Revenue from Contracts with Customers*, requires significant judgement, particularly in evaluating responsibility for fulfilling customer orders, control over the manufacturing process and exposure to production and quality risks.

Given the significance of these revenue streams and the judgement involved in determining the appropriate basis of revenue recognition, this matter required significant auditor attention and was therefore considered to be a key audit matter.

Our audit procedures performed include the following:

(a) Reviewed the contractual arrangements;
(b) Obtained an understanding of the manufacturing and operational processes;
(c) Evaluated management's assessment of whether the entities act as principals or agents under MFRS 15;
(d) Performed substantive testing over significant revenue transactions;
(e) Performed cut-off testing on revenue transactions recorded before and after year end; and
(f) Reviewed post year-end credit notes and sales returns.

Key Audit Matters (continued)

(iv) Property development activities
(Refer to Note 1(d)(xii), Note 2(b), Note 3, Note 16 and Note 19 to the financial statements)

The Group recognised revenue of approximately RM44.86 million (2025: RM19.04 million) from property development activities during the financial year. Revenue is recognised over time based on the progress towards completion of the development projects. The determination of the stage of completion and estimated development costs involves significant management judgement and estimation. Changes in these estimates may have a material impact on the amount of revenue recognised.

Accordingly, property development activities were considered a key audit matter due to the significance of the judgement involved.

Our audit procedures performed include the following:

(a) Assessed the appropriateness of the basis used by management to determine the stage of completion;
(b) Evaluated the reasonableness of estimated development costs and costs to complete;
(c) Verified the cost capitalised under property development costs to the supporting documents such as invoices, architects' certificates and other supporting documentation; and
(d) Assessed the adequacy of the related disclosures in the financial statements.

(v) Impairment of investments in subsidiaries
(Refer to Note 1(d)(ix) and Note 14 to the financial statements)

As at 30 June 2026, the Company's investments in subsidiaries had a carrying amount of approximately RM226.63 million. During the financial year, an impairment loss of RM26.19 million was recognised. Management assessed the investments for impairment and determined the recoverable amounts based on fair value less costs to sell of the underlying subsidiaries. In the absence of observable market prices, the determination of recoverable amounts involved significant judgement and estimation in assessing the net asset positions and financial performance of the respective subsidiaries.

Accordingly, we considered this to be a key audit matter.

Our audit procedures performed include the following:

(a) Evaluated the impairment indicators and assessed the appropriateness of the methodology used in determining the recoverable amounts of the investments;
(b) Reviewed the financial performance, net asset values and supporting information of the respective subsidiaries used in the impairment assessment;
(c) Evaluated the reasonableness of key assumptions and estimates applied by management; and
(d) Reviewed the appropriateness of the disclosures in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors are responsible for the other information. The other information comprises the Management Discussion and Analysis, Sustainability Report, Audit and Risk Management Committee Report, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and Directors' 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.

...INDEPENDENT AUDITORS' REPORT

Information Other than the Financial Statements and Auditors' Report Thereon (continued)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified and, in doing so, consider whether the 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 the 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 Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

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

...INDEPENDENT AUDITORS' REPORT

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Other Matters

(i) 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 contents of this report.

(ii) The comparative figures were audited by another firm of auditors who expressed an unmodified opinion on the financial statements of the Group and of the Company for the financial year ended 30 June 2025 on 27 October 2025.

PKF PLT
202206000012 (LLP0030836-LCA) & AF0911
CHARTERED ACCOUNTANTS

NG CHEW PEI
03373/06/2028 J
CHARTERED ACCOUNTANT

Kuala Lumpur

27 October 2026

STATEMENTS OF PROFIT OR LOSS **AND OTHER COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

		Group		Company	
			Restated		
		2026	2025	2026	2025
	Note	RM	RM	RM	RM
Revenue	3	532,670,441	341,214,727	26,329,300	18,927,450
Cost of sales		(392,306,294)	(259,797,096)	-	-
Gross profit		140,364,147	81,417,631	26,329,300	18,927,450
Other income	4	22,515,583	12,610,935	3,395,984	1,957,598
Administrative and general expenses		(82,659,109)	(88,601,370)	(1,485,436)	(2,956,159)
Selling and distribution expenses		(10,594,284)	(9,454,675)	-	-
Finance costs	5	(6,801,789)	(7,007,070)	(1,870,572)	(1,492,380)
Impairment loss on investments in subsidiaries		-	-	(26,186,259)	(8,997,935)
Impairment loss on financial assets		(1,592,253)	(448,088)	(1,107,435)	-
Loss on derecognition of financial assets measured at amortised cost		-	(92,692)	-	-
Profit/(Loss) before tax	7	61,232,295	(11,575,329)	(924,418)	7,438,574
Tax expense	8	(12,045,773)	(9,263,463)	(15,744)	(312,782)
Profit/(Loss) representing total comprehensive income/(loss) for the financial year		49,186,522	(20,838,792)	(940,162)	7,125,792
Total comprehensive income/(loss) attributable to:					
Owners of the parent		47,278,971	(16,007,496)	(940,162)	7,125,792
Non-controlling interests		1,907,551	(4,831,296)	-	-
		49,186,522	(20,838,792)	(940,162)	7,125,792
Earnings/(Loss) per share:					
Basic (sen per share)	9	14.77	(5.00)		
Diluted (sen per share)	9	14.77	(5.00)		

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

STATEMENTS OF **FINANCIAL POSITION**

AS AT 30 JUNE 2026

		Group			Company	
			Restated	Restated		
		30.6.2026	30.6.2025	1.7.2024	30.6.2026	30.6.2025
	Note	RM	RM	RM	RM	RM
ASSETS						
Non-current assets						
Property, plant and equipment	10	177,405,019	155,325,872	138,670,923	71,730	131,588
Investment properties	11	7,950,035	10,868,088	11,178,227	-	-
Right-of-use-assets	12	40,265,158	45,296,368	41,044,021	-	127,482
Intangible assets	13	23,565,172	24,362,100	53,099,554	-	-
Investment in subsidiaries	14	-	-	-	226,626,697	253,812,956
Other investments	15	12,782,525	2,829,831	1,248,048	9,962,194	1,500
Inventories	16	71,309,547	70,450,284	64,656,098	-	-
Receivables	17	6,276,265	6,665,674	7,033,935	-	-
		339,553,721	315,798,217	316,930,806	236,660,621	254,073,526
Current assets						
Inventories	16	172,715,948	157,994,428	154,090,404	-	-
Receivables	17	101,994,091	75,409,574	71,787,551	78,087,584	64,228,274
Contract costs	18	2,354,245	222,099	10,186	-	-
Contract assets	19	7,945,576	10,157,767	-	-	-
Derivatives	20	79,020	32,231	28,490	-	-
Prepayments		6,304,893	7,028,448	10,032,013	7,867	4,175
Current tax assets		4,837,986	9,369,584	7,977,130	890,661	384,960
Cash and cash equivalents	21	56,342,564	53,488,288	57,942,781	990,635	1,729,720
		352,574,323	313,702,419	301,868,555	79,976,747	66,347,129
TOTAL ASSETS		692,128,044	629,500,636	618,799,361	316,637,368	320,420,655

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

...STATEMENTS OF FINANCIAL POSITION

		Group			Company	
			Restated	Restated		
		30.6.2026	30.6.2025	1.7.2024	30.6.2026	30.6.2025
	Note	RM	RM	RM	RM	RM
EQUITY AND LIABILITIES						
Share capital	22	210,917,984	210,917,984	210,917,984	210,917,984	210,917,984
Treasury shares	22	(9,522,642)	(9,522,642)	(9,522,642)	(9,522,642)	(9,522,642)
Capital reserve	23	1,550,000	1,550,000	1,550,000	-	-
Put option reserve	24	(8,757,033)	(7,264,037)	(6,818,985)	-	-
Retained earnings	25	212,683,633	165,404,662	181,412,158	79,143,483	80,083,645
Equity attributable to owners of the parent		406,871,942	361,085,967	377,538,515	280,538,825	281,478,987
Non-controlling interests		9,557,238	9,479,723	15,880,544	-	-
Total equity		416,429,180	370,565,690	393,419,059	280,538,825	281,478,987
Non-current liabilities						
Payables	26	16,969,500	16,969,500	16,969,500	-	-
Loan and borrowings	27	22,856,471	30,636,668	31,410,098	1,731,788	1,443,930
Hire purchase payables	28	18,176	87,927	102,030	-	-
Lease liabilities	29	7,506,524	10,312,079	4,029,971	-	-
Government grants	30	76,627	108,333	140,042	-	-
Deferred tax liabilities	31	11,759,289	11,812,310	12,371,237	-	-
		59,186,587	69,926,817	65,022,878	1,731,788	1,443,930
Current liabilities						
Contract liabilities	19	353,605	384,230	2,167,848	-	-
Derivatives	20	260,175	56,200	4,200	-	-
Payables	26	96,329,137	64,666,993	58,924,304	5,474,298	9,451,430
Put option liability	24	8,757,033	7,264,037	6,818,985	-	-
Loans and borrowings	27	104,468,377	110,572,712	84,528,986	28,892,457	27,912,475
Hire purchase payables	28	69,635	66,178	45,759	-	-
Lease liabilities	29	3,154,311	3,971,177	5,135,655	-	133,833
Government grants	30	31,708	31,708	31,708	-	-
Tax payables		3,088,296	1,994,894	2,699,979	-	-
		216,512,277	189,008,129	160,357,424	34,366,755	37,497,738
Total liabilities		275,698,864	258,934,946	225,380,302	36,098,543	38,941,668
TOTAL EQUITY AND LIABILITIES		692,128,044	629,500,636	618,799,361	316,637,368	320,420,655

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

		Non-distributable			Distributable			
	Share capital	Treasury shares	Capital reserve	Put option reserve	Retained profits	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group	RM	RM	RM	RM	RM	RM	RM	RM
At 1 July 2025 (Restated)	210,917,984	(9,522,642)	1,550,000	(7,264,037)	165,404,662	361,085,967	9,479,723	370,565,690
Total comprehensive income for the financial year	-	-	-	-	47,278,971	47,278,971	1,907,551	49,186,522
Total transactions with owners								
Put option over non-controlling interest	-	-	-	(1,492,996)	-	(1,492,996)	-	(1,492,996)
Dividends to non-controlling interests (representing total transactions with owners)	-	-	-	-	-	-	(1,830,036)	(1,830,036)
	-	-	-	(1,492,996)	-	(1,492,996)	(1,830,036)	(3,323,032)
At 30 June 2026	210,917,984	(9,522,642)	1,550,000	(8,757,033)	212,683,633	406,871,942	9,557,238	416,429,180
At 1 July 2024								
As previously reported	210,917,984	(9,522,642)	1,550,000	(4,833,628)	176,418,526	374,530,240	15,880,544	390,410,784
Prior year adjustments (Note 38)	-	-	-	(1,985,357)	4,993,632	3,008,275	-	3,008,275
As restated	210,917,984	(9,522,642)	1,550,000	(6,818,985)	181,412,158	377,538,515	15,880,544	393,419,059
Total comprehensive loss for the financial year	-	-	-	-	(16,007,496)	(16,007,496)	(4,831,296)	(20,838,792)
Total transactions with owners								
Put option over non-controlling interest	-	-	-	(445,052)	-	(445,052)	-	(445,052)
Dividends to non-controlling interests (representing total transactions with owners)	-	-	-	-	-	-	(1,569,525)	(1,569,525)
	-	-	-	(445,052)	-	(445,052)	(1,569,525)	(2,014,577)
At 30 June 2025 (Restated)	210,917,984	(9,522,642)	1,550,000	(7,264,037)	165,404,662	361,085,967	9,479,723	370,565,690

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

...STATEMENTS OF CHANGES IN EQUITY

			Distributable	
	Share capital	Treasury shares	Retained profits	Total equity
Company	**RM**	**RM**	**RM**	**RM**
At 1 July 2024	210,917,984	(9,522,642)	72,957,853	274,353,195
Total comprehensive income for the financial year	-	-	7,125,792	7,125,792
At 30 June 2025	210,917,984	(9,522,642)	80,083,645	281,478,987
Total comprehensive loss for the financial year	-	-	(940,162)	(940,162)
At 30 June 2026	210,917,984	(9,522,642)	79,143,483	280,538,825

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

STATEMENTS OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

		Group		Company	
			Restated		
		2026	2025	2026	2025
	Note	RM	RM	RM	RM
Cash flows from operating activities					
Profit/(Loss) before tax		61,232,295	(11,575,329)	(924,418)	7,438,574
Adjustments for:					
Amortisation of:					
- intangible assets		603,862	603,862	-	-
- government grants		(31,706)	(31,709)	-	-
- contract costs		203,026	94,267	-	-
Bad debt written off		990	-	-	-
Depreciation of:					
- property, plant and equipment		21,303,744	15,966,735	59,858	78,290
- right-of-use assets		5,475,520	5,215,646	127,482	139,071
- investment properties		264,775	310,139	-	-
Dividend income		-	-	(26,329,300)	(18,927,450)
Fair value loss/(gain) on financial instruments		294,409	(1,324,050)	-	-
Gain on derecognition of right-of-use assets		(4,240)	(672,589)	-	-
Impairment loss on:					
- receivables		1,592,253	448,088	1,107,435	-
- intangible assets		193,066	30,333,592	-	-
- property, plant and equipment		-	55,411	-	-
- investments in subsidiaries		-	-	26,186,259	8,997,935
Interest expense		6,801,789	7,007,070	1,870,572	1,492,380
Interest income		(1,190,775)	(1,392,344)	(3,367,484)	(1,957,598)
Inventories written down		58,368	3,176,388	-	-
Reversal of inventories written down		(999,729)	(280,109)	-	-
Loss on derecognition of financial assets		-	92,692	-	-
(Gain)/Loss on disposal of:					
- property, plant and equipment		(143,738)	4,583	-	-
- investment properties		(846,722)	-	-	-
- other investment		(28,500)	-	(28,500)	-
Prepayments written off		-	740,000	-	-
Property, plant and equipment written off		32,114	629,321	-	1,625
Unrealised (gain)/loss on foreign exchange		(1,176,897)	97,553	-	-
Operating profit/(loss) before working capital changes		93,633,904	49,499,217	(1,298,096)	(2,737,173)

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

...STATEMENTS OF CASH FLOWS

	Note	Group		Company	
			Restated		
		2026	2025	2026	2025
		RM	RM	RM	RM
Operating profit/(loss) before working capital changes (continued)					
Inventories		(16,974,594)	(12,900,669)	-	-
Receivables		(25,798,808)	(5,685,694)	29,373	(2)
Contract liabilities		2,181,566	(11,941,385)	-	-
Prepayments		723,555	2,263,565	(3,692)	29,665
Payables		33,813,661	6,842,859	25,574	(82,118)
Housing Development Account		(2,128,872)	588,078	-	-
Cash generated from/(used in) operations		85,450,412	28,665,971	(1,246,841)	(2,789,628)
Interest and fund distribution received		1,190,775	1,392,344	3,367,484	1,957,598
Tax paid		(11,934,167)	(12,454,885)	(521,445)	(581,664)
Real property gains tax paid		(44,142)	-	-	-
Tax refunded		5,504,515	534,956	-	22,000
Net cash from/(used in) operating activities		80,167,393	18,138,386	1,599,198	(1,391,694)
Cash flows from investing activities					
Acquisition of:					
- intangible assets		-	(2,200,000)	-	-
- other investments		(9,962,194)	-	(9,962,194)	-
- property, plant and equipment	(i)	(43,517,369)	(33,910,860)	-	(23,438)
- right-of-use assets	(ii)	-	(11,320)	-	-
Change in term deposit with maturity period more than 3 months		-	307,795	-	-
Contingent consideration paid		(1,800,000)	(1,650,000)	-	-
Dividends received		-	-	26,329,300	18,927,450
Net advance to subsidiaries		-	-	(18,998,824)	(9,128,362)
Proceeds from disposal of:					
- property, plant and equipment		246,102	171,195	-	-
- investment properties		3,500,000	-	-	-
- other investments		30,000	-	30,000	-
Redemption of preference shares from subsidiaries		-	-	17,800,000	1,100,000
Subscription for shares in subsidiaries		-	-	(16,800,000)	(16,000,000)
Net cash (used in)/from investing activities		(51,503,461)	(37,293,190)	(1,601,718)	(5,124,350)

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

...STATEMENTS OF CASH FLOWS

	Note	Group		Company	
			Restated		
		2026	2025	2026	2025
		RM	RM	RM	RM
Cash flows from financing activities					
Changes in term deposits pledged to licensed banks		(517,813)	(71,392)	-	-
Dividends paid to non-controlling interests		(2,344,546)	(1,055,015)	-	-
Drawdown of term loans	(iii)	-	8,030,170	-	-
(Decrease)/Increase in short-term loans and borrowings (net)	(iv)	(7,986,117)	16,330,208	-	-
Interest paid		(6,801,789)	(7,007,070)	(1,870,572)	(1,492,380)
Payment of hire purchase payables	(v)	(66,294)	(51,684)	-	-
Payment of lease liabilities	(vi)	(4,062,491)	(3,179,788)	(133,833)	(139,517)
Repayment of term loans	(iii)	(8,479,930)	(7,268,329)	(440,498)	(1,038,811)
Net cash (used in)/from financing activities		(30,258,980)	5,727,100	(2,444,903)	(2,670,708)
Net increase/(decrease) in cash and cash equivalents		(1,595,048)	(13,427,701)	(2,447,423)	(9,186,752)
Effect of exchange rate changes on cash and cash equivalents held		94,301	(167,636)	-	-
Cash and cash equivalents at 1 July 2025/2024		36,373,129	49,968,466	(11,270,859)	(2,084,107)
Cash and cash equivalents at 30 June	(vii)	34,872,382	36,373,129	(13,718,282)	(11,270,859)

Notes:

(i) Acquisition of property, plant and equipment

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Cost of property, plant and equipment acquired	3,517,369	33,968,860	-	23,438
Amount financed through hire purchase	-	(58,000)	-	-
Net cash disbursed	43,517,369	33,910,860	-	23,438

(ii) Acquisition of right-of-use assets

	Group	
	2026	2025
	RM	RM
Cost of right-of-use assets acquired	576,814	9,878,312
Acquisition by means of leases	(576,814)	(9,866,992)
Net cash disbursed	-	11,320

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

...STATEMENTS OF CASH FLOWS

Notes (continued):

(iii) Term loans

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
At 1 July 2025/2024	38,534,764	38,060,553	2,526,576	3,565,387
Drawdowns	-	8,030,170	-	-
Repayments	(8,479,930)	(7,268,329)	(440,498)	(1,038,811)
Currency translation differences	(180,566)	(287,630)	-	-
At 30 June	29,874,268	38,534,764	2,086,078	2,526,576

(iv) Short-term loans and borrowings

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
At 1 July 2025/2024	89,674,037	74,843,277	13,000,000	13,000,000
Net cash flow changes	(7,986,117)	16,330,208	-	-
Currency translation differences	1,053,744	(1,499,448)	-	-
At 30 June	82,741,664	89,674,037	13,000,000	13,000,000
Represented by:				
- Bankers acceptance (Note 27)	13,998,514	12,925,882	-	-
- Revolving credits (Note 27)	68,743,150	76,748,155	13,000,000	13,000,000
	82,741,664	89,674,037	13,000,000	13,000,000

(v) Hire purchase payables

	Group	
	2026	2025
	RM	RM
At 1 July 2025/2024	154,105	147,789
Drawdowns	-	58,000
Repayments	(66,294)	(51,684)
At 30 June (Note 28)	87,811	154,105

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

...STATEMENTS OF CASH FLOWS

Notes (continued):

(vi) Lease liabilities

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
At 1 July 2025/2024	14,283,256	9,165,626	133,833	273,350
Acquisition of right-of-use assets	576,814	9,866,992	-	-
Remeasurement from reassessment or lease modifications	-	791,473	-	-
Payments	(4,062,491)	(3,179,788)	(133,833)	(139,517)
Derecognition	(136,744)	(2,361,047)	-	-
At 30 June (Note 29)	10,660,835	14,283,256	-	133,833

The total cash outflow for leases are as follows:

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Operating activities				
Lease expense recognised in profit or loss (Note 7)	16,487,688	5,310,250	-	-
Investing activities				
Acquisition of right-of-use assets	-	11,320	-	-
Financing activities				
Interest portion of lease liabilities (Note 5)	443,436	650,522	3,199	9,973
Principal portion of lease liabilities	4,062,491	3,179,788	133,833	139,517
	20,993,615	9,151,880	137,032	149,490

(vii) Cash and cash equivalents

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Cash and cash equivalents	56,342,564	53,488,288	990,635	1,729,720
Term deposits pledged to licensed banks	(3,767,022)	(3,249,209)	-	-
Available cash	52,575,542	50,239,079	990,635	1,729,720
Bank overdrafts	(14,708,917)	(13,000,579)	(14,708,917)	(13,000,579)
Housing Development Account	(2,994,243)	(865,371)	-	-
	34,872,382	36,373,129	(13,718,282)	(11,270,859)

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

NOTES TO THE **FINANCIAL STATEMENTS**

AS AT 30 JUNE 2026

1. Basis of preparation

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

The accompanying financial statements have been prepared assuming that the Group and the Company will continue as going concern which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

These financial statements are presented in the Ringgit Malaysia ("RM"), which is the Group's and the Company's functional and presentation currency.

(a) Standards issued and effective

On 1 July 2025, the Group and the Company have adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 January 2025:

Description

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

The Directors expect that the adoption of the new and amended MFRS above has no impact on the financial statements of the Group and of the Company.

(b) Standards issued but not yet effective

At the date of authorisation of these financial statements, the following pronouncements have been issued by the Malaysian Accounting Standards Board ("MASB"), will become effective in future financial periods and have not been adopted by the Group and the Company:

Effective for financial periods beginning on or after 1 January 2026:

- Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107: Annual Improvements to MFRS Accounting Standards - Volume 11
- Amendments to MFRS 9: Financial Instruments and MFRS 7: Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments
- Amendments to MFRS 9: Financial Instruments and MFRS 7: Financial Instruments : Disclosures - Contracts Referencing Nature-dependent Electricity

Effective for financial periods beginning on or after 1 January 2027:

- MFRS 18: Presentation and Disclosure in Financial Statements
- MFRS 19: Subsidiaries without Public Accountability: Disclosures
- Amendments to MFRS 121 – Translation to a Hyperinflationary presentation Currency

Effective date yet to be determined:

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

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Company upon their initial application except as follows:-

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The Group and the Company are currently assessing the impact of implementing this new standard.

1. Basis of preparation (continued)

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise indicated in material accounting policies.

(d) Significant accounting estimates and judgements

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(i) Income Taxes

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

(ii) Depreciation of Property, Plant and Equipment and Amortisation of Intangible Assets

The estimates for the residual values, useful life and related depreciation charges for the property, plant and equipment and amortisation of intangible assets are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group and the Company anticipate that the residual values of their property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimated value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Write-down for Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(v) Provision for Expected Credit Losses ("ECLs") of Trade Receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the payment profiles of sales over a period of 36 months before the end of the reporting period and the corresponding historical credit losses experienced within this period.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The historical observed default rates are updated and changes in the forward-looking estimates are analysed at every end of the reporting period.

1. Basis of preparation (continued)

(d) Significant accounting estimates and judgements (continued)

(vi) Deferred Tax Assets and Liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

(vii) Classification between Investment Properties and Owner-occupied Properties

The Group determines whether a property qualifies as an investment property and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(viii) Impairment of Goodwill and Trademarks

Goodwill and trademarks are tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating units to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying amount of goodwill and trademarks.

(ix) Carrying Amount of Investments in Subsidiaries

Investments in subsidiaries are reviewed for impairment annually in accordance with their accounting policy as disclosed in Note 2(d)(ii) to the financial statements, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Significant judgement is required in assessing the recoverability of the investments in subsidiaries and determining their recoverable amounts. In the absence of observable market prices, management determined the recoverable amounts based on the fair value less costs of disposal of the underlying subsidiaries, taking into consideration their net asset positions, financial performance and other relevant factors.

Changes in the assumptions or assessments applied may materially affect the recoverable amounts of the subsidiaries and consequently the carrying amount of the Company's investments in subsidiaries.

1. Basis of preparation (continued)

(d) Significant accounting estimates and judgements (continued)

(x) Lease

(a) *Lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The extension options in leases for office buildings have been included in the lease liability in consideration of the costs and business disruption required to replace the leased assets.

(b) *Incremental borrowing rate of leases*

In determining the incremental borrowing rate, the Group used borrowing rate ranging 3.67% to 6.00% (2025: 4.24% to 6.70%) as a starting point and make adjustments specific to the lease terms.

(xi) Principal versus agent assessment

The Group exercises significant judgement in determining whether it acts as a principal or an agent in certain manufacturing and sales arrangements.

In making this assessment, management considers whether the Group controls the specified goods before they are transferred to the customer. Factors considered include whether the Group is primarily responsible for fulfilling the promise to provide the goods to customers, bears inventory and performance risks prior to transfer of the goods, and has discretion in establishing selling prices.

Based on an assessment of the contractual terms and the substance of the underlying arrangements, management concluded that the Group acts as a principal in these transactions as the Group controls the goods before they are transferred to customers and is primarily responsible for fulfilling its performance obligations to customers. Accordingly, revenue from these arrangements is recognised on a gross basis.

(xii) Property Development

The Group recognises property development revenue over time by measuring the progress towards complete satisfaction of the performance obligation. Property development costs and incremental costs of obtaining the contract are also recognised in profit or loss on a systematic basis that is consistent with the recognition of related revenue. These procedures involve judgements and estimation uncertainty in predicting the outcome of the performance obligation based on past experience, work of experts and continuous monitoring mechanism.

(xiii) Valuation of Put Option Liability

The put option liability is measured based on the present value of the estimated redemption amount payable upon exercise of the option. The measurement requires management to exercise judgement and make estimates regarding the expected settlement amount, timing of settlement and the discount rate applied.

Changes in these assumptions may have a material impact on the carrying amount of the put option liability.

2. Material accounting policies

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transactions costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured at fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate shares of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

(iii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the other comprehensive income for the financial year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Losses and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2. Material accounting policies (continued)

(b) Revenue and other income

(i) Rendering of services

Revenue from rendering of services is recognised at the point in time when the performance obligation has been satisfied and the customer obtains control of the services. This is generally when the agreed services have been completed or delivered in accordance with the contractual terms and the Group has an enforceable right to payment.

A receivable is recognised when the services have been rendered as this is the point in time at which the consideration becomes unconditional other than for the passage of time.

Principal versus agent considerations

In determining whether the Group acts as a principal or an agent in contracts with customers, the Group assesses whether it controls the specified goods or services before they are transferred to the customer.

Indicators considered include whether the Group:

- is primarily responsible for fulfilling the promise to provide the specified goods or services;
- bears inventory, performance or delivery risks before the goods or services are transferred to the customer; and
- has discretion in establishing the prices charged to customers.

Where the Group acts as a principal, revenue is recognised at the gross amount of consideration to which the Group expects to be entitled. Where the Group acts as an agent, revenue is recognised at the net amount retained, being the commission, fee or margin earned.

(ii) Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the goods has been transferred to the customer, which is generally upon delivery and acceptance of the goods by the customer.

Following delivery, the customer has full discretion over the manner of distribution and selling price of the goods and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(iii) Sales of development properties

Contracts with customers may include multiple promises to customers and are 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.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

2. Material accounting policies (continued)

(b) Revenue and other income (continued)

(iii) Sales of development properties (continued)

This is generally established when:

1. The promised properties are specifically identified by their plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and

2. The Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

   If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

   The Group recognises revenue over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

   The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the consideration to which it will be entitled to in exchange for the assets sold.

(iv) Interest income from money lending services

Interest income is recognised on a time proportion basis that takes into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

(v) Interest income earned

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(vi) Dividend income

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

(vii) *Rental income*

Rental income is accounted for on a straight-line basis over the lease terms.

(c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sales.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. Material accounting policies (continued)

(d) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost ("AC"), expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

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

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance amount.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

2. Material accounting policies (continued)

(d) Impairment (continued)

(ii) Non-financial assets

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Group and the Company shall estimate the recoverable amount of the asset. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows cash-generating units ("CGUs").

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

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

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

A previously recognised impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset shall be increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously.

A reversal of an impairment loss for an asset other than goodwill shall be recognised immediately in profit or loss, unless the asset is carried at revalued amount.

(e) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to the initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group and the Company recognise such parts as individual assets with specific useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and is therefore not depreciated.

Capital work-in-progress is not depreciated as these assets are not yet available for use. Upon completion of construction or development, and when the asset is ready for its intended use, the cost of the asset is transferred to the appropriate category of property, plant and equipment and depreciation commences in accordance with the Group's depreciation policy.

2. Material accounting policies (continued)

(e) Property, plant and equipment (continued)

Depreciation of the other property, plant and equipment is provided for on a straight-line basis over the estimated useful life of the assets, at the following annual rates:

Buildings	2% - 3%
Building improvement and renovation	2% - 33%
Factory machinery, moulds and equipment	10% - 20%
Furniture, fittings, office equipment and computer software	10% - 50%
Motor vehicles	10% - 20%

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

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(f) Intangible assets

(i) Goodwill from business combination

Goodwill from business combination is included in intangible assets and is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but it is tested for impairment annually, and whenever there is an indication that it may be impaired.

(ii) Other intangible assets

Separately acquired intangible assets are recognised at historical cost. Other intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Customer relationships represent the relationships established with its customers through continuous contracts which give rise to contractual rights. Customer relationships are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Customer relationships are amortised on a straight-line basis over 10 to 12 years which economic benefits are expected to be received.

2. Material accounting policies (continued)

(g) Leases

(i) *Initial recognition and measurement*

(a) *As a lessee*

The Group and the Company recognises a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises as follows:

- the initial amount of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's and the Company's incremental borrowing rate.

Variable lease payments that do not depend on an index or a rate are excluded from lease liability and right-of-use asset and recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases for which the underlying asset is of low value. 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.

(b) As a lessor

Leases for which the Group or the Company is a lessor are classified as finance or operating leases.

Leases which transfer substantially all of the risks and rewards incidental to ownership of the underlying asset are finance leases; if not, then it is an operating leases.

The Group and the Company recognise assets held under a finance lease in their statement of financial position and present them as receivable at an amount equal to the net investment in the lease. Initial direct costs, other than those incurred by manufacturer or dealer lessors, are included in the initial measurement of the investment in the lease.

When the Group or the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right- of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

2. Material accounting policies (continued)

(g) Leases (continued)

(ii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses determined in accordance with Note 2(d)(ii) to the financial statements, if any, and adjusted for certain remeasurements of the lease liability.

The carrying amount of lease liability is subsequently increased by interest on the lease liability and reduced by lease payments made. It is remeasured when there is a change in lease term, assessment of an option to purchase the underlying asset, future lease payments arising from the change in an index or rate, the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee or in-substance fixed lease payments.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Finance income from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease whereas lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

(b) As a lessor

Finance income from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease whereas lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

(h) Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes), are measured initially at their cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Leasehold land is depreciated on a straight-line basis over the lease terms of 60 years. Buildings are depreciated on a straight-line basis over their estimated useful lives of 50 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

The estimated useful life, residual values and depreciation method of investment properties are reviewed at each year end, with the effect of any changes in estimates accounted for prospectively.

(i) Inventories

(i) Raw materials and finished goods

Inventories are valued at the lower of cost (determined principally on the first-in, first out basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs of necessary to make the sale.

2. Material accounting policies (continued)

(i) Inventories (continued)

(ii) Land held for property development

Land held for property development comprises land on which development activities have not commenced or where such activities are not expected to be completed within the normal operating cycle.

Land held for future property development is stated at cost less any accumulated impairment losses, if any. Cost comprises the purchase price of the land and expenditure directly attributable to the acquisition of the land.

Land held for property development is transferred to property development costs when development activities commence and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Land held for property development is classified as a non-current asset unless it is expected to be realised within the normal operating cycle of the Group's property development activities.

(iii) Inventory properties

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value.

Cost of development properties comprises costs of land, and related development and construction expenditure.

Where development land is acquired under a joint development arrangement, the cost of development properties includes landowners' entitlements arising from the arrangement. Landowners' entitlements are measured based on the consideration payable to the landowner under the contractual terms of the joint development agreement and are recognised when the Group obtains the rights to undertake the development and the obligation to provide consideration to the landowner arises.

Landowners' entitlements are recognised as liabilities until settled in accordance with the terms of the respective joint development agreements. Such liabilities represent obligations to transfer specified property units, development rights or other non-cash consideration and therefore do not constitute financial liabilities within the scope of MFRS 9 Financial Instruments.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

Inventory properties under construction are referred to as property development costs and comprise the cost of land, direct building costs and a share of development costs common to the entire development project where applicable. Once sold, the cost of these inventories is recognised in profit or loss as and when control passes to the respective customers.

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Costs comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

(j) Financial guarantee contracts

Financial guarantee contracts are recognised initially at fair value. Subsequent to initial recognition, they are measured at the higher of the expected credit loss allowance determined under MFRS 9 and the amount initially recognised less cumulative amortisation, where appropriate.

(k) Derivatives

Derivatives are initially measured at fair value. Subsequent to the initial recognition, the derivatives are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss.

3. Revenue

	Group		Company	
		Restated		
	2026	2025	2026	2025
	RM	RM	RM	RM
Revenue from contracts with customers:				
Recognised at a point in time				
Sale of goods	302,799,095	268,643,295	-	-
Rendering of services	177,727,502	48,142,213	-	-
Sale of completed development units	4,137,000	3,085,920	-	-
	484,663,597	319,871,428	-	-
Recognised over time				
Property development	44,863,376	19,041,717	-	-
	529,526,973	338,913,145	-	-
Revenue from other sources:				
Dividend income	-	-	26,329,300	18,927,450
Interest income	384,514	421,735	-	-
Operating lease income	2,758,954	1,879,847	-	-
	3,143,468	2,301,582	26,329,300	18,927,450
	532,670,441	341,214,727	26,329,300	18,927,450

Revenue from contracts with customers

Revenue from contracts with customers is disaggregated in the table below by primary geographical market.

	Group	
		Restated
	2026	2025
	RM	RM
Malaysia	401,842,147	261,850,419
Singapore	14,582,748	22,861,581
United States of America	26,528,648	32,999,189
China	67,090,811	152,272
Others	19,482,619	21,049,684
	529,526,973	338,913,145

4. Other income

	Group		Company	
	2026	Restated 2025	2026	2025
	RM	RM	RM	RM
Amortisation of deferred income on government grants	31,706	31,709	-	-
Fair value gains on:				
- derivatives	6,938	223,246	-	-
- other investments	-	1,640,188	-	-
- contingent considerations	-	12,638	-	-
Gain on derecognition of right-of-use assets	4,240	672,589	-	-
Gain on disposal of:				
- other investments	28,500	-	28,500	-
- property, plant and equipment	143,738	8,654	-	-
- investment properties	846,722	-	-	-
Gain on lawsuit settlement	-	402,275	-	-
Reversal of inventories written down	999,729	280,109	-	-
Interest income from:				
- bank	339,074	305,859	9,884	13,395
- short-term fund	851,701	1,086,485	16,619	22,016
- amount due from subsidiaries	-	-	3,340,981	1,922,187
Realised gain on foreign exchange	627,481	188,393	-	-
Unrealised gain on foreign exchange	1,822,468	877,623	-	-
Management fee	180,000	-	-	-
Rental income	13,157,636	3,842,089	-	-
Scrap sales	3,336,862	2,303,487	-	-
Other income	138,788	748,229	-	-
	22,515,583	12,610,935	3,395,984	1,957,598

5. Finance costs

	Group		Company	
	2026	Restated 2025	2026	2025
	RM	RM	RM	RM
Interest expense on:				
- loans and borrowings	6,352,119	6,349,969	1,841,902	1,394,701
- hire purchase payables	6,234	6,579	-	-
- lease liabilities	443,436	650,522	3,199	9,973
- amount due to subsidiaries	-	-	25,471	87,706
	6,801,789	7,007,070	1,870,572	1,492,380

6. Employee benefits expense

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Staff costs				
Salaries and other emoluments	76,731,379	60,103,781	171,719	152,822
Bonus	4,604,444	2,754,449	16,335	13,517
Staff incentives	2,071,019	1,144,490	3,180	-
Contributions to defined contribution plan	6,300,868	5,696,936	17,419	20,618
Contributions to social security and employment insurance system	961,946	880,134	3,439	2,409
Other employee benefits	8,399,517	5,627,684	588	21,731
	99,069,173	76,207,474	212,680	211,097
Directors of the Company:				
(i) Executive Directors:				
- Fees	-	10,000	-	5,000
- Salaries and other emoluments	1,288,877	1,290,347	532,540	577,424
- Contributions to defined contribution plan	112,074	108,662	21,306	23,097
- Social security contributions	-	3,523	-	855
- HRD corp levy	-	6,556	-	-
	1,400,951	1,419,088	553,846	606,376
(ii) Non-executive Directors:				
- Fees	70,000	61,424	70,000	61,424
- Other emoluments	23,600	16,600	23,600	16,600
	93,600	78,024	93,600	78,024
	1,494,551	1,497,112	647,446	684,400
Directors of the subsidiaries:				
Fees	-	30,000	-	-
Salaries and other emoluments	3,660,622	3,810,339	-	-
Contribution to defined contribution plan	444,109	472,776	-	-
	4,104,731	4,313,115	-	-
Total Directors' remuneration	5,599,282	5,810,227	647,446	684,400
Total employee benefits	104,668,455	82,017,701	860,126	895,497

7. Profit/(Loss) before tax

	Group		Company	
		Restated		
	2026	2025	2026	2025
	RM	RM	RM	RM
Profit/(Loss) before tax is arrived at after charging/(crediting):				
Auditors' remuneration:				
- current year	440,000	502,500	60,000	105,000
- prior year	-	1,000	-	-
Amortisation of:				
- intangible assets	603,862	603,862	-	-
- contract costs	203,026	94,267	-	-
- government grant	(31,706)	(31,709)	-	-
Bad debt written off	990	-	-	-
Depreciation of:				
- property, plant and equipment	21,303,744	15,966,735	59,858	78,290
- investment properties	264,775	310,139	-	-
- Right-of-use assets	5,475,520	5,215,646	127,482	139,071
Impairment loss on:				
- intangible assets	193,066	30,333,592	-	-
- property, plant and equipment	-	55,411	-	-
Inventories written down				
- reversal	(999,729)	(280,109)	-	-
- addition	58,368	3,176,388	-	-
Fair value loss/(gain) on other investments				
- gain	-	(1,640,188)	-	-
- loss	8,000	58,402	-	-
	8,000	(1,581,786)	-	-
Fair value (gain)/loss on derivatives				
- gain	(6,938)	(223,246)	-	-
- loss	43,425	271,505	-	-
	36,487	48,259	-	-
Fair value loss on contingent consideration	249,922	209,477	-	-
Interest expense for:				
- loans and borrowings	6,352,119	6,349,969	1,841,902	1,394,701
- hire purchase payables	6,234	6,579	-	-
- amount due to subsidiaries	-	-	25,471	87,706

7. Profit/(Loss) before tax (continued)

	Group		Company	
		Restated		
	2026	2025	2026	2025
	RM	RM	RM	RM
Profit/(Loss) before tax is arrived at after charging/(crediting): -				
Interest expense for lease liabilities	443,436	650,522	3,199	9,973
Lease expense relating to:				
- short-term leases	8,003,616	2,693,953	-	-
- low-value assets	53,513	56,377	-	-
- variable lease payments not included in measurement of lease liabilities	8,430,559	2,559,920	-	-
Gain on derecognition of right-of-use assets	(4,240)	(672,589)	-	-
(Gain)/Loss on disposal of property, plant and equipment				
- gain	(143,738)	(8,654)	-	-
- loss	-	13,237	-	-
	(143,738)	4,583	-	-
Gain on disposal of investment properties	(846,722)	-	-	-
Gain on disposal of other investment	(28,500)	-	(28,500)	-
Realised on foreign exchange				
- gain	(627,481)	(188,393)	-	-
- loss	2,525,796	1,179,933	-	-
	1,898,315	991,540	-	-
Unrealised on foreign exchange				
- gain	(1,822,468)	(877,623)	-	-
- loss	645,571	975,176	-	-
	(1,176,897)	97,553	-	-
Prepayment written off	-	740,000	-	-
Property, plant and equipment written off	32,114	629,321	-	1,625
Interest income from:				
- bank	(339,074)	(305,859)	(9,884)	(13,395)
- short-term fund	(889,799)	(1,086,485)	(16,619)	(22,016)
- amount due from subsidiaries	-	-	(3,340,981)	(1,922,187)

8. Tax expense

	Group		Company	
		Restated		
	2026	2025	2026	2025
	RM	RM	RM	RM
Current tax				
- current	12,775,868	10,273,102	490,000	285,000
- (over)/underprovision in prior years	(721,216)	(450,712)	(474,256)	27,782
- real property gain tax	44,142	-	-	-
	12,098,794	9,822,390	15,744	312,782
Deferred tax (Note 31)				
- current	624,928	(463,227)	-	-
- overprovision in prior years	(677,949)	(95,700)	-	-
	(53,021)	(558,927)	-	-
	12,045,773	9,263,463	15,744	312,782
Reconciliation of tax expense				
Profit/(Loss) before tax:	61,232,295	(11,575,329)	(924,418)	7,438,574
Tax calculated at statutory rate of 24%	14,695,751	(2,778,079)	(221,860)	1,785,258
Non-deductible expenses	7,236,382	9,999,331	7,342,819	3,047,614
Non-taxable income	(4,865,999)	(996,464)	(6,630,959)	(4,547,872)
Reinvestment allowance claimed	-	(223,872)	-	-
Pioneer income exempted	-	(299,123)	-	-
(Utilisation of deferred tax assets previously not recognised)/Deferred tax assets not recognised during the financial year	(3,665,338)	4,108,082	-	-
	13,400,796	9,809,875	490,000	285,000
Real property gain tax	44,142	-	-	-
(Over)/Underprovision in prior year:				
- income tax expense	(721,216)	(450,712)	(474,256)	27,782
- deferred tax	(677,949)	(95,700)	-	-
	12,045,773	9,263,463	15,744	312,782

8. Tax expense (continued)

The Group has unutilised tax losses and unabsorbed capital allowances amounting to RM53,049,000 and RM25,826,000 (2025: RM63,200,000 and RM31,624,000) respectively.

Unutilised tax losses can be carried forward for a period of 10 years of assessment ("YA") to set off against future taxable profits as follows:

	Group	
	RM	**Utilised up to**
YA 2018 and before	17,652,000	YA 2028
YA 2019	821,000	YA 2029
YA 2020	1,796,000	YA 2030
YA 2021	356,000	YA 2031
YA 2022	2,116,000	YA 2032
YA 2023	7,148,000	YA 2033
YA 2024	11,191,000	YA 2034
YA 2025	11,459,000	YA 2035
YA 2026	510,000	YA 2036

9. Earnings/(Loss) per share

Basic earnings per share is calculated by dividing profit/(loss) for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
		Restated
	2026	**2025**
Earnings/(Loss) for the financial year attributable to owners of the parent (RM)	47,278,971	(16,007,496)
Weighted average number of ordinary shares in issue (units)	320,180,803	320,180,803
Basic earnings/(loss) per share (sen)	14.77	(5.00)

The diluted earnings/(loss) per share equals the basic earnings/(loss) per share as the Company did not have any dilutive potential ordinary shares during the financial year.

10. Property, plant and equipment

Group	Freehold land	Buildings	Building improvement and renovation	Factory machinery, moulds and equipment	Furniture fittings, office equipment and computer software	Motor vehicles	Capital work-in-progress	Total
2026	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Cost								
At 1 July 2025	4,161,603	56,721,228	30,887,842	162,782,887	23,298,603	2,354,477	12,052,129	292,258,769
Additions	-	29,764	2,242,441	25,673,938	4,305,084	228,045	11,038,097	43,517,369
Disposals/Write-offs	-	-	(23,164)	(1,133,564)	(137,900)	(76,154)	-	(1,370,782)
Reclassifications	-	-	2,589,720	7,365,722	25,020	-	(9,980,462)	-
At 30 June	4,161,603	56,750,992	35,696,839	194,688,983	27,490,807	2,506,368	13,109,764	334,405,356
Depreciation and impairment losses								
At 1 July 2025								
Accumulated depreciation	-	14,266,090	10,671,394	93,496,319	14,371,552	1,430,222	-	134,235,577
Accumulated impairment losses	-	-	7,262	1,836,872	688,205	37,761	127,220	2,697,320
	-	14,266,090	10,678,656	95,333,191	15,059,757	1,467,983	127,220	136,932,897
Depreciation	-	1,498,400	3,135,903	13,515,622	2,911,531	242,288	-	21,303,744
Disposals/Write-offs	-	-	(16,875)	(1,042,284)	(118,526)	(58,619)	-	(1,236,304)
Reclassifications	-	-	114,612	-	(114,612)	-	-	-
At 30 June								
Accumulated depreciation	-	15,764,490	13,905,034	105,969,657	17,049,945	1,613,891	-	154,303,017
Accumulated impairment losses	-	-	7,262	1,836,872	688,205	37,761	127,220	2,697,320
	-	15,764,490	13,912,296	107,806,529	17,738,150	1,651,652	127,220	157,000,337
Carrying amount								
At 30 June	4,161,603	40,986,502	21,784,543	86,882,454	9,752,657	854,716	12,982,544	177,405,019

10. Property, plant and equipment (continued)

Group	Freehold land	Buildings	Building improvement and renovation	Factory machinery, moulds and equipment	Furniture, fittings, office equipment and computer software	Motor vehicles	Capital work-in-progress	Total
2025	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Cost								
At 1 July 2024	4,328,270	57,054,561	23,239,265	150,836,452	20,759,295	2,216,537	2,021,647	260,456,027
Additions	-	-	5,648,337	12,196,920	2,773,164	109,950	13,240,489	33,968,860
Disposals/Write-offs	-	-	(518,877)	(877,428)	(269,813)	-	-	(1,666,118)
Transfer to right-of-use assets	(166,667)	(333,333)	-	-	-	-	-	(500,000)
Reclassifications	-	-	2,519,117	626,943	35,957	27,990	(3,210,007)	-
At 30 June 2025	4,161,603	56,721,228	30,887,842	162,782,887	23,298,603	2,354,477	12,052,129	292,258,769
Depreciation and impairment losses								
At 1 July 2024								
Accumulated depreciation	-	12,420,652	8,513,432	84,695,859	12,326,641	1,185,829	-	119,142,413
Accumulated impairment losses	-	-	938	1,813,078	666,333	35,122	127,220	2,642,691
	-	12,420,652	8,514,370	86,508,937	12,992,974	1,220,951	127,220	121,785,104
Depreciation	-	1,858,772	1,993,416	9,772,804	2,102,948	238,795	-	15,966,735
Impairment loss	-	-	7,106	23,794	21,872	2,639	-	55,411
Disposals/Write-offs	-	-	(32,800)	(775,953)	(52,266)	-	-	(861,019)
Transfer to right-of-use assets	-	(13,334)	-	-	-	-	-	(13,334)
Reclassifications	-	-	196,564	(196,391)	(5,771)	5,598	-	-
At 30 June								
Accumulated depreciation	-	14,266,090	10,671,394	93,496,319	14,371,552	1,430,222	-	134,235,577
Accumulated impairment losses	-	-	7,262	1,836,872	688,205	37,761	127,220	2,697,320
	-	14,266,090	10,678,656	95,333,191	15,059,757	1,467,983	127,220	136,932,897
Carrying amount								
At 30 June	4,161,603	42,455,138	20,209,186	67,449,696	8,238,846	886,494	11,924,909	155,325,872

10. Property, plant and equipment (continued)

Company	Renovation	Furniture, fittings and office equipment	Motor vehicles	Total
2026	**RM**	**RM**	**RM**	**RM**
Cost				
At 1 July 2025/30 June	427,084	979,870	1,800	1,408,754
Accumulated depreciation				
At 1 July 2025	396,727	878,640	1,799	1,277,166
Depreciation	26,510	33,348	-	59,858
At 30 June	423,237	911,988	1,799	1,337,024
Carrying amount				
At 30 June	3,847	67,882	1	71,730
2025				
Cost				
At 1 July 2024	427,084	990,370	1,800	1,419,254
Additions	-	23,438	-	23,438
Written-offs	-	(33,938)	-	(33,938)
At 30 June	427,084	979,870	1,800	1,408,754
Accumulated depreciation				
At 1 July 2024	358,393	870,997	1,799	1,231,189
Depreciation	38,334	39,956	-	78,290
Written-offs	-	(32,313)	-	(32,313)
At 30 June	396,727	878,640	1,799	1,277,166
Carrying amount				
At 30 June	30,357	101,230	1	131,588

The Group assessed indicators of impairment during the financial year and performed impairment assessments, with the recoverable amounts of the relevant cash-generating units ("CGUs") determined based on fair value less costs of disposal.

Based on the assessments performed, management concluded that the recoverable amounts of the relevant CGUs exceeded their carrying amounts as at 30 June 2026 and, accordingly, no impairment loss was recognised during the financial year (2025: RM 55,411).

The determination of fair value less costs of disposal requires the use of estimates and assumptions and involves significant judgement by management.

The carrying amounts of property, plant and equipment pledged as security for credit facilities granted to the Group are as follows:

	Group	
	2026	**2025**
Buildings	27,674,105	29,071,225
Building improvement and renovation*	8,680,164	11,001,006
Factory machinery, moulds and equipment	27,113,215	31,397,881
	63,467,484	71,470,112

* Being building improvement and renovation attached to the pledged buildings.

The carrying amount of the property, plant and equipment of the Group acquired under hire purchase financing which remained outstanding as at the end of the reporting period was RM102,318 (2025: RM190,696).

11. Investment properties

Group	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
2026				
Cost				
At 1 July 2025	2,356,000	3,530,000	11,631,405	17,517,405
Disposals	(1,506,000)	-	(1,283,006)	(2,789,006)
At 30 June	850,000	3,530,000	10,348,399	14,728,399
Accumulated depreciation				
At 1 July 2025	-	1,825,916	4,823,401	6,649,317
Depreciation	-	65,063	199,712	264,775
Disposals	-	-	(135,728)	(135,728)
At 30 June	-	1,890,979	4,887,385	6,778,364
Carrying amount				
At 30 June	850,000	1,639,021	5,461,014	7,950,035
2025				
Cost				
At 1 July 2024/30 June	2,356,000	3,530,000	11,631,405	17,517,405
Accumulated depreciation				
At 1 July 2024	-	1,760,854	4,578,324	6,339,178
Depreciation	-	65,062	245,077	310,139
At 30 June	-	1,825,916	4,823,401	6,649,317
Carrying amount				
At 30 June	2,356,000	1,704,084	6,808,004	10,868,088

The fair value of the investment properties is categorised within Level 3 of the fair value hierarchy and was determined by management using the market comparison approach. Significant unobservable inputs include adjusted market prices of comparable properties, taking into consideration differences in location, size, condition and other relevant characteristics.

No independent external valuation was obtained during the financial year.

The fair values of investment properties as at 30 June 2026 were estimated at approximately RM25,446,000 (2025: RM28,696,000). The fair values were determined by management based on reference to relevant market information and were categorised within Level 3 of the fair value hierarchy.

Investment properties have been pledged as security for credit facilities granted to the Group as disclosed in Note 27 to the financial statements.

	Group	
	2026 RM	2025 RM
Recognised in profit or loss:		
Rental income	2,758,954	1,879,847
Direct operating expenses generating rental income	510,116	158,518

11. Investment properties (continued)

The Group leases its buildings under operating leases for 1 to 3 years. The undiscounted lease payments to be received are as follows:

	Group	
	2026	2025
	RM	RM
Within 1 year	2,338,465	2,338,465
1 to 5 years	779,488	4,189,750
	3,117,953	6,528,215

12. Right-of-use assets

Group	Leasehold land RM	Buildings RM	Total RM
2026			
At 1 July 2025	31,266,737	14,029,631	45,296,368
Additions	-	576,814	576,814
Depreciation	(1,692,868)	(3,782,652)	(5,475,520)
Derecognition	-	(132,504)	(132,504)
At 30 June	29,573,869	10,691,289	40,265,158
2025			
At 1 July 2024	32,795,858	8,248,163	41,044,021
Additions	-	9,878,312	9,878,312
Remeasurement of lease liabilities	-	791,473	791,473
Depreciation	(1,695,788)	(3,519,858)	(5,215,646)
Derecognition	-	(1,688,458)	(1,688,458)
Transfer from property, plant and equipment	166,667	319,999	486,666
At 30 June	31,266,737	14,029,631	45,296,368

The Group acquired the rights to use the leasehold land as its principal places of business for 21 to 60 years (2025: 22 to 61 years). It also leases the buildings from related parties for business operations. The initial lease terms range from 1 to 3 years (2025: 1 to 3 years) and are extendable for 2 to 3 years.

Leasehold land has been pledged as security for credit facilities granted to the Group as disclosed in Note 27 to the financial statements.

Company	Buildings
	RM
2026	
At 1 July 2025	127,482
Depreciation	(127,482)
At 30 June	-
2025	
At 1 July 2024	266,553
Depreciation	(139,071)
At 30 June	127,482

The Company leases a premises as its principal place of business for 1 year with an option to renew for another 1 year.

13. Intangible assets

Group	Goodwill	Trademarks	Customer relationships	Intellectual property	Total
2026	**RM**	**RM**	**RM**	**RM**	**RM**
Cost					
At 1 July 2025/30 June	28,581,724	20,497,000	6,856,498	69,171	56,004,393
Accumulated amortisation					
At 1 July 2025	-	-	1,308,701	-	1,308,701
Charge for the financial year	-	-	603,862	-	603,862
At 30 June	-	-	1,912,563	-	1,912,563
Accumulated impairment losses					
At 1 July 2025	22,477,133	7,856,459	-	-	30,333,592
Impairment loss for the financial year	-	-	123,895	69,171	193,066
At 30 June	22,477,133	7,856,459	123,895	69,171	30,526,658
Carrying amount					
At 30 June	6,104,591	12,640,541	4,820,040	-	23,565,172
2025					
Cost					
At 1 July 2024	28,581,724	18,297,000	6,856,498	69,171	53,804,393
Additions	-	2,200,000	-	-	2,200,000
At 30 June	28,581,724	20,497,000	6,856,498	69,171	56,004,393
Accumulated amortisation					
At 1 July 2024	-	-	704,839	-	704,839
Charge for the financial year	-	-	603,862	-	603,862
At 30 June	-	-	1,308,701	-	1,308,701
Accumulated impairment losses					
At 1 July 2024	-	-	-	-	-
Additions	22,477,133	7,856,459	-	-	30,333,592
At 30 June	22,477,133	7,856,459	-	-	30,333,592
At 30 June	6,104,591	12,640,541	5,547,797	69,171	24,362,100

13. Intangible assets (continued)

Goodwill

Goodwill is attributable to the following subsidiaries:

	Group	
	2026	**2025**
Medicwave (M) Sdn. Bhd.	6,075,020	6,075,020
Others	29,571	29,571
	6,104,591	6,104,591

Each subsidiary represents a separate CGU, except for Avelon, which are collectively considered as a single group of CGUs for impairment testing purposes in line with the Group's internal monitoring of goodwill.

The recoverable amounts of the CGUs were determined based on their value in use, calculated by discounting future cash flows to be generated by the units. The future cash flows were projected based on the most recent financial budgets/forecasts approved by management covering a 5-year period. A growth rate ranging from 0% to 5.00% (2025: 0%) was used to extrapolate the cash flow projections beyond the 5 years covered by the financial budgets/forecasts. Discount rates ranging from 8.11% to 8.91% (2025: 10.55% to 13.42%) were applied to the cash flow projections to calculate the value in use.

The key assumptions used in the financial budgets/forecasts include among others: (i) budgeted revenue for 2027; (ii) annual growth for 2028 to 2031; and (iii) budgeted gross margins. The values assigned to the key assumptions reflect managem1,6ent's assessment of the CGUs' future prospects and are mainly based on past experience and internal historical data. Such data include factors such as average revenues and gross margins achieved in previous periods, adjusted for anticipated growth arising from ongoing improvements in product quality, marketing strategy, cost optimisation measures, and operational efficiency.

Based on the assessments performed, the Group recognised impairment losses of RM22,477,133 in previous financial year for Avelon as the recoverable amounts of the subsidiaries were lower than their carrying amounts as below:

	2026	**2025**
Arise Healthcare Sdn. Bhd.	-	150,260
Avelon Arise Sdn. Bhd.	-	1,414,313
Avelon Healthcare Sdn. Bhd.	-	18,202,606
Galaxis Healthcare Sdn. Bhd.	-	2,709,954
	-	22,477,133

Trademarks

Trademarks are attributable to the following subsidiaries:

	Group	
	2026	**2025**
Avelon Healthcare Sdn. Bhd.	10,440,541	10,440,541
Galaxis Healthcare Sdn. Bhd. ("GHSB")	2,200,000	2,200,000
	12,640,541	12,640,541

13. Intangible assets (continued)

Trademarks (continued)

During the previous financial year, GHSB acquired trademarks from a Director of GHSB for a total consideration of RM2,200,000.

The Group has assumed an indefinite useful life for the acquired trademarks because these brands have been established in the market for a number of years, are expected to continue contributing to cash flows indefinitely, and there is no foreseeable limit to the period over which they are expected to generate net cash inflows.

During the financial year, no impairment loss was recognised in respect of trademarks (2025: RM7,856,459). The impairment loss recognised in the previous financial year related to trademarks attributable to Avelon Healthcare Sdn. Bhd. and arose from the impairment assessment performed at the cash-generating unit ("CGU") level as described under the "Goodwill" section above. Following the full impairment of goodwill, the remaining impairment loss was allocated to trademarks. The recoverable amount and key assumptions used in the impairment assessment are disclosed above.

14. Investments in subsidiaries

	Company	
	2026	**2025**
Unquoted shares, at cost	284,137,365	269,237,365
Additions	16,800,000	16,000,000
Redemptions	(17,800,000)	(1,100,000)
	283,137,365	284,137,365
Less: Impairment loss		
At 1 July 2025/2024	(30,324,409)	(21,326,474)
Impairment loss for the financial year	(26,186,259)	(8,997,935)
At 30 June	(56,510,668)	(30,324,409)
	226,626,697	253,812,956

Management assessed indicators of impairment during the financial year and performed impairment assessments. The recoverable amounts were determined based on fair value less costs to sell of the underlying subsidiaries. In the absence of observable market prices, the fair values were estimated by reference to the net asset positions of the respective subsidiaries.

Based on these assessments, an impairment loss of RM26,186,259 (2025: RM8,997,935) was recognised as the recoverable amounts were lower than the carrying amounts of the investments

The details of the subsidiaries are as follows:

Name of companies:	**Principal place of business and country of incorporation**	**Effective equity interest**		**Principal activities**
		2026	**2025**	
Avelon Healthcare Group Sdn. Bhd.	Malaysia	70%	70%	Investment holding
Innospec Sdn. Bhd.	Malaysia	100%	100%	Electronic manufacturing services, product development and manufacturing services for PCB assembly, cable assembly, electromechanical assembly, and test
Kewjaya Sdn. Bhd.	Malaysia	100%	100%	Money lending
Kobay Assets Sdn. Bhd.	Malaysia	100%	100%	Property letting
Kobay G Sdn. Bhd.	Malaysia	100%	100%	Marketing and project management services for property developers
Kobay Industries Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Kobay Land Sdn. Bhd.	Malaysia	100%	100%	Property development

14. Investments in subsidiaries (continued)

The details of the subsidiaries, all of which are incorporated in Malaysia, are as follows: (continued)

Name of companies:	Principal place of business and country of incorporation	Effective equity interest		Principal activities
		2026	2025	
Kobay Management Services Sdn. Bhd.	Malaysia	100%	100%	Management services
Kobay Project Venture Sdn. Bhd.	Malaysia	100%	100%	Property development
Kobay SB Sdn. Bhd.	Malaysia	100%	100%	Property development
Kobay UA Sdn. Bhd.	Malaysia	100%	100%	Contract manufacturer and electronic manufacturing service provider
Kual Technologies Sdn. Bhd.	Malaysia	51%	51%	Manufacture of aluminium extrusion, formation, surface treatment for parts manufactured to all industries
Lavanya Resorts Sdn. Bhd.	Malaysia	100%	100%	Hotel operator and property management
LD Global Sdn. Bhd.	Malaysia	100%	100%	Property development
Lodge 18 Sdn. Bhd.	Malaysia	100%	100%	Providing accommodation rental services, letting of accommodation space or room and related services
Masset Capital Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Premierview Property Sdn. Bhd.	Malaysia	100%	100%	Property development
Ultimate Sanctuary Sdn. Bhd.	Malaysia	100%	100%	Property development
Subsidiaries of Avelon Healthcare Group Sdn. Bhd.				
Arise Healthcare Sdn. Bhd.	Malaysia	70%	70%	Retail sale of pharmaceutical, medicine and healthcare products
Avelon Arise Sdn. Bhd.	Malaysia	70%	70%	Retail sale of pharmaceutical, medicine and healthcare products
Avelon Healthcare Sdn. Bhd.	Malaysia	70%	70%	Sale of healthcare products
Galaxis Healthcare Sdn. Bhd.	Malaysia	70%	70%	Sale of healthcare products
Medicwave (M) Sdn. Bhd.	Malaysia	49%	49%	Sale of medical devices
Subsidiaries of Kobay Industries Sdn. Bhd.				
Bend Weld Engineering Sdn. Bhd.	Malaysia	100%	100%	Manufacture of metal works and structures, modules and parts for oil & gas production and extraction equipment
KT Microhandling Sdn. Bhd.	Malaysia	100%	100%	Manufacture of semiconductor assembly and testing equipment
Maker Technologies Sdn. Bhd.	Malaysia	100%	100%	Electronic manufacturing services, product development and manufacturing for PCB assembly, cable assembly, electromechanical assembly, and test

14. Investments in subsidiaries (continued)

The details of the subsidiaries, all of which are incorporated in Malaysia, are as follows: (continued)

Name of companies:	Principal place of business and country of incorporation	Effective equity interest		Principal activities
		2026	2025	
Subsidiaries of Kobay Industries Sdn. Bhd. (continued)				
Micro Surface Treatment Sdn. Bhd.	Malaysia	90%	90%	Precision plating and surface treatment
Paradigm Aerospace Sdn. Bhd.	Malaysia	100%	100%	Manufacture of components and sub-assemblies for aerospace parts
Paradigm Metal Industries Sdn. Bhd.	Malaysia	100%	100%	Manufacture of precision metal stamping, sheet metal and die casting parts
Paradigm Precision Components Sdn. Bhd.	Malaysia	100%	100%	Manufacture of precision machined components
Polytool Technologies Sdn. Bhd.	Malaysia	100%	100%	Manufacture of industrial equipment, machinery parts and tooling, encapsulation moulds, trim and form dies and progressive tooling for lead frames
Super Tropica Development Sdn. Bhd.	Malaysia	100%	100%	Property development

Changes in investments in subsidiaries during the financial year are as follows:

(i) Innospec Sdn. Bhd. redeemed 17,800,000 redeemable convertible cumulative preference shares held by the Company for a total cash consideration of RM17,800,000.

(ii) The Company subscribed for an additional 16,800,000 redeemable convertible non-cumulative preference shares in Kobay UA Sdn. Bhd. for a total cash consideration of RM16,800,000.

The subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

	Accumulated NCI		Profit/(Loss) allocated to NCI	
		Restated		Restated
	2026	2025	2026	2025
Group	**RM**	**RM**	**RM**	**RM**
Avelon Healthcare Group Sdn. Bhd.	618,434	(5,956)	624,390	401,969
Kual Technologies Sdn. Bhd.	(11,105,266)	(9,446,447)	(1,658,819)	(4,552,390)
Arise Healthcare Sdn. Bhd.	238,515	206,783	31,732	(52,565)
Avelon Healthcare Sdn. Bhd.	7,473,907	7,113,840	360,067	(2,785,658)
Avelon Arise Sdn. Bhd.	736,144	746,277	(10,133)	44,320
Galaxis Healthcare Sdn. Bhd.	1,497,836	1,475,333	22,503	(97,444)
Medicwave (M) Sdn. Bhd.	8,888,676	8,342,622	2,246,090	1,897,476
Micro Surface Treatment Sdn. Bhd.	1,208,992	1,047,271	291,721	312,996
	9,557,238	9,479,723	1,907,551	(4,831,296)

14. Investments in subsidiaries (continued)

The subsidiaries that have material non-controlling interests ("NCI") are as follows:

	Micro Surface Treatment Sdn. Bhd.	Avelon Healthcare Group Sdn. Bhd.	Kual Technologies Sdn. Bhd.	Arise Healthcare Sdn. Bhd.	Avelon Arise Sdn. Bhd.	Avelon Healthcare Sdn. Bhd.	Galaxis Healthcare Sdn. Bhd.	Medicwave (M) Sdn. Bhd.
	RM	RM	RM	RM	RM	RM	RM	RM
2026								
Percentage of ownership interest and voting interest of NCI	10%	30%	49%	30%	30%	30%	30%	51%
Carrying amount of NCI	1,208,992	618,434	(11,105,266)	238,515	736,144	7,473,907	1,497,836	8,888,676
NCI share of profit/(loss)	291,721	624,390	(1,658,819)	31,732	(10,133)	360,067	22,503	2,246,090
Dividend paid to NCI	(130,000)	-	-	-	-	-	-	(1,700,036)
Profit/(Loss) allocated to NCI	161,721	624,390	(1,658,819)	31,732	(10,133)	360,067	22,503	546,054
As at 30 June:								
Non-current assets	8,198,278	40,287,833	31,823,801	-	1,114,218	6,114,075	2,398,468	502,682
Current assets	9,307,152	266,606	30,092,689	808,297	3,615,724	20,831,691	4,645,979	14,680,452
Non-current liabilities	(1,799,461)	-	(9,574,214)	-	(777,312)	(215,801)	-	-
Current liabilities	(3,503,149)	(6,529,746)	(28,584,579)	(13,248)	(1,494,702)	(19,531,967)	(2,103,043)	(1,322,494)
Net assets	12,202,820	34,024,693	23,757,697	795,049	2,457,928	7,197,998	4,941,404	13,860,640

14. Investment in subsidiaries (continued)

Summarised financial information before intra-group elimination:

	Micro Surface Treatment Sdn. Bhd.	Avelon Healthcare Group Sdn. Bhd.	Kual Technologies Sdn. Bhd.	Arise Healthcare Sdn. Bhd.	Avelon Arise Sdn. Bhd.	Avelon Healthcare Sdn. Bhd.	Galaxis Healthcare Sdn. Bhd.	Medicwave (M) Sdn. Bhd.
Financial year ended 30 June 2026	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Revenue	19,813,068	2,333,360	52,199,597	2,257,597	9,048,071	56,767,482	8,950,005	13,904,501
Profit/(Loss) of the year	3,030,426	1,235,105	(3,463,841)	105,773	(29,659)	1,307,935	115,441	5,012,586
Total comprehensive income/(loss)	3,030,426	1,235,105	(3,463,841)	105,773	(29,659)	1,307,935	115,441	5,012,586
Cash from/(used in) operating activities	1,187,640	314,939	2,139,623	(278,560)	131,829	2,365,467	(50,528)	3,935,614
Cash (used in)/from investing activities	(601,933)	-	(756,605)	55,611	(13,896)	(85,943)	(3,832)	8,280
Cash (used in)/from financing activities	(1,667,261)	(53,705)	(2,204,313)	-	(359,999)	(2,613,510)	-	(3,333,400)
Net (decrease)/increase in cash and cash equivalents	(1,081,554)	261,234	(821,295)	(222,949)	(242,066)	(333,986)	(54,360)	610,494
Dividend paid to NCI	(130,000)	-	-	-	-	-	-	(1,700,036)

14. Investments in subsidiaries (continued)

The subsidiaries that have material non-controlling interests are as follows:

	Micro Surface Treatment Sdn. Bhd.	Avelon Healthcare Group Sdn. Bhd.	Kual Technologies Sdn. Bhd.	Arise Healthcare Sdn. Bhd.	Avelon Arise Sdn. Bhd.	Avelon Healthcare Sdn. Bhd.	Galaxis Healthcare Sdn. Bhd.	Medicwave (M) Sdn. Bhd.
	RM	RM	RM	RM	RM	RM	RM	RM
2025								
Percentage of ownership interest and voting interest of NCI	10%	30%	49%	30%	30%	30%	30%	51%
Carrying amount of NCI (restated)	1,047,271	(5,956)	(9,446,447)	206,783	746,277	7,113,840	1,475,333	8,342,622
NCI share of profit/(loss)	312,996	401,969	(4,552,390)	(52,565)	44,320	(2,785,658)	(97,444)	1,897,476
Dividend paid to NCI	(320,000)	-	-	-	-	-	-	(1,249,525)
(Loss)/Profit allocated to NCI	(7,004)	401,969	(4,552,390)	(52,565)	44,320	(2,785,658)	(97,444)	647,951
As at 30 June:								
Non-current assets	7,202,506	40,287,833	35,377,935	81,768	1,445,334	6,361,197	2,442,825	540,067
Current assets	6,492,924	1,011,692	29,480,398	847,699	2,794,068	19,012,590	4,283,830	12,351,105
Non-current liabilities	(1,476,286)	-	(11,972,201)	-	(650,483)	(317,592)	-	(7,000)
Current liabilities	(1,746,751)	(8,509,937)	(25,664,594)	(240,191)	(1,101,332)	(19,166,132)	(1,900,692)	(702,717)
Net assets	10,472,393	32,789,588	27,221,538	689,276	2,487,587	5,890,063	4,825,963	12,181,455

14. Investments in subsidiaries (continued)

Summarised financial information before intra-group elimination:

	Micro Surface Treatment Sdn. Bhd.	Avelon Healthcare Group Sdn. Bhd.	Kual Technologies Sdn. Bhd.	Arise Healthcare Sdn. Bhd.	Avelon Arise Sdn. Bhd.	Avelon Healthcare Sdn. Bhd.	Galaxis Healthcare Sdn. Bhd.	Medicwave (M) Sdn. Bhd.
Financial year ended 30 June 2026	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Revenue	14,791,593	1,715,020	42,863,103	3,840,367	8,776,856	54,294,424	6,343,725	11,866,012
Profit/(Loss) of the financial year representing comprehensive income/(loss)	3,129,965	1,725,178	(9,290,591)	(175,216)	147,732	(1,280,925)	(324,813)	3,727,637
Cash from/(used in) operating activities	2,834,270	(268,719)	(18,337,860)	72,778	(225,283)	(2,464,844)	2,434,601	3,343,231
Cash (used in)/from investing activities	(508,582)	65,020	(2,108,688)	-	(688)	(43,335)	(2,213,333)	(10,519)
Cash (used in)/from financing activities	(4,476,430)	-	20,544,525	(54,000)	(360,000)	(4,336,572)	-	(2,450,049)
Net (decrease)/increase in cash and cash equivalents	(2,150,742)	(203,699)	97,977	18,778	(585,971)	(6,844,751)	221,268	882,663
Dividend paid to NCI	(320,000)	-	-	-	-	-	-	(1,249,525)

15. Other investments

	Group		Company	
		Restated		
	2026	2025	2026	2025
	RM	RM	RM	RM
Fair value				
Shares quoted outside Malaysia	893	893	-	-
Shares quoted in Malaysia	8,000	16,000	-	-
Unquoted shares outside Malaysia	2,811,438	2,811,438	-	-
Unquoted shares in Malaysia	9,962,194	1,500	9,962,194	1,500
	12,782,525	2,829,831	9,962,194	1,500

16. Inventories

	Group	
		Restated
	2026	2025
	RM	RM
Non-current		
At cost		
Land held for property development	71,309,547	70,450,284
Current		
At cost		
Property development costs	22,314,762	14,135,178
Completed development units	89,103,775	91,583,392
Raw materials	17,916,738	17,559,034
Work-in-progress	20,958,916	12,762,360
Finished goods	22,331,967	20,830,282
Goods-in-transit	-	93,031
	172,626,158	156,963,277
At net realisable value		
Raw materials	68,338	166,623
Work-in-progress	4,443	14,621
Finished goods	17,009	849,907
	89,790	1,031,151
	172,715,948	157,994,428
Total	244,025,495	228,444,712

16. Inventories (continued)

	Group	
		Restated
	2026	2025
	RM	RM
Recognised in profit or loss		
- Inventories recognised as cost of sales	390,575,422	229,593,006
- Inventories written down	58,368	3,176,388
- Reversal of inventories written down	(999,729)	(280,109)

Certain land held for property development with a carrying amount of RM14,505,240 (2025: RM14,162,315) has been pledged as security for credit facilities granted to the Group as disclosed in Note 27 to the financial statements.

Included in land held for property development and property development costs are amounts of RM12,897,500 and RM5,100,000 (2025: RM12,897,500 and RM6,072,000) respectively representing the entitlement of landowners pursuant to joint development agreements to undertake the Group's property development projects.

17. Receivables

	Group		Company	
		Restated		
	2026	2025	2026	2025
	RM	RM	RM	RM
Non-current				
Trade receivables				
Loan receivables	6,276,265	6,665,674	-	-
Current				
Trade receivables				
Related parties	12,073,651	3,702,103	-	-
Loan receivables	407,062	387,125	-	-
Unrelated parties	80,989,792	63,640,653	-	-
	93,470,505	67,729,881	-	-
Less: Impairment loss				
At 1 July 2025/2024	(2,831,955)	(2,432,368)	-	-
Reversal/(Addition)	537,852	(399,587)	-	-
At 30 June	(2,294,103)	(2,831,955)	-	-
	91,176,402	64,897,926	-	-

17. Receivables (continued)

	Group		Company	
		Restated		
	2026	2025	2026	2025
	RM	RM	RM	RM
Other receivables				
Amounts due from subsidiaries	-	-	81,438,621	66,442,503
Third parties	8,887,497	6,111,294	-	-
	8,887,497	6,111,294	81,438,621	66,442,503
Less: Impairment loss				
At 1 July 2025/2024	(48,501)	-	(2,271,156)	(2,271,156)
Addition	(2,130,105)	(48,501)	(1,107,435)	-
At 30 June	(2,178,606)	(48,501)	(3,378,591)	(2,271,156)
	6,708,891	6,062,793	78,060,030	64,171,347
Deposits	4,108,798	4,448,855	27,554	56,927
	10,817,689	10,511,648	78,087,584	64,228,274
Total current	101,994,091	75,409,574	78,087,584	64,228,274
Total receivables				
Trade receivables	97,452,667	71,563,600	-	-
Other receivables	10,817,689	10,511,648	78,087,584	64,228,274
	108,270,356	82,075,248	78,087,584	64,228,274

Trade receivables

The credit terms of trade receivables range from 30 to 120 days (2025: 30 to 120 days).

Included in the trade receivables of the Group are retention sums which are expected to be recovered as below:

	Group	
	2026	2025
	RM	RM
Within 1 year	-	612,924

Loan receivables are property loans totalling RM6,683,327 (2025: RM7,052,799) granted to several customers and bearing interest ranging from 4.97% to 7.22% (2025: 5.22% to 7.22%) per annum. The loans are effectively secured against the development units sold to the customers and repayable over 10 to 30 years (2025: 2 to 30 years) as follows:

	Group	
	2026	2025
	RM	RM
Within 1 year	407,062	387,125
1 to 5 years	1,874,675	1,578,139
More than 5 years	4,401,590	5,087,535
	6,683,327	7,052,799

Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, interest free and repayable on demand except for certain amounts totalling RM58,303,200 (2025: RM48,370,700) which bear interest ranging from 5.60% to 6.50% (2025: 5.50% to 5.72%) per annum.

18. Contract costs

	Group	
	2026	2025
	RM	RM
At 1 July 2025/2024	222,099	10,186
Additions	2,335,172	306,180
Amortisation	(203,026)	(94,267)
At 30 June	2,354,245	222,099

The costs of obtaining contracts primarily comprise commissions paid to introducers as a result of securing sales of development units. These costs are amortised over the property development period over 1 year (2025: 2 years).

Included in the contract costs is an amount of RM2,274,540 (2025: RM Nil) relating to reimbursable costs incurred on behalf of customers. These costs are expected to be recovered from the customer in accordance with the terms of the underlying contract.

19. Contract assets and contract liabilities

	Group	
		Restated
	2026	2025
	RM	RM
At 1 July 2025/2024	9,773,537	(2,167,848)
	431,609,516	19,041,717
Revenue recognised during the year	44,863,376	(6,716,102)
Progress billings during the year	(46,691,337)	(6,716,101)
Advance payment from customers	(353,605)	(384,230)
At 30 June	7,591,971	9,773,537
Disclosed as:		
- Contract assets	7,945,576	10,157,767
- Contract liabilities	(353,605)	(384,230)
	7,591,971	9,773,537

The Group generally satisfies its performance obligations over time during the development period. Any excess of revenue recognised over progress billings is presented as a contract asset, whereas any deficit is presented as a contract liability.

Remaining performance obligations

As at 30 June 2026, the aggregate transaction price allocated to the remaining performance obligations amounted to approximately RM50,917,056 (2025: RM94,484,022) and the Group expects to recognise this revenue when the project is completed over the next 1 year (2025: 2 years).

20. Derivatives

	Group	
		Restated
	2026	2025
	RM	RM
Current assets		
Forward exchange contracts	79,020	32,231
Current liabilities		
Forward exchange contracts	(260,175)	(56,200)

Forward exchange contracts

Forward exchange contracts are used to hedge the exposure to currency risk. The Group does not apply hedge accounting. As at 30 June 2026, the Group had contracts with financial institutions due within 1 year to deal with the following currencies at contractual forward rates:

	2026		2025	
	To buy	To sell	To buy	To sell
Contract I	RM20,086,345	USD5,000,000	RM6,298,831	USD1,480,000
Contract II	USD500,000	RM1,975,000	USD1,000,000	RM4,302,000

21. Cash and cash equivalents

	Group		Company	
		Restated		
	2026	2025	2026	2025
	RM	RM	RM	RM
Cash and bank balances	25,716,261	22,103,356	472,433	1,228,137
Term deposits with licensed banks	3,767,022	4,330,709	-	-
Short-term funds - at fair value	26,859,281	27,054,223	518,202	501,583
	56,342,564	53,488,288	990,635	1,729,720

Short-term funds represent highly liquid investments in money market funds managed by financial institutions that invest in low risk instruments and are readily redeemable with insignificant risk of changes in value.

Included in the cash and bank balances of the Group are amounts totalling RM2,994,243 (2025: RM865,371) held under Housing Development Accounts opened and maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 in Malaysia.

Certain term deposits of the Group totalling RM3,767,022 (2025: RM3,249,209) have been pledged as security for credit facilities granted to the Group. Accordingly, these term deposits are not freely available for use.

The effective interest rates of term deposits ranged from 1.75% to 2.50% (2025: 2.10% to 3.38%) per annum. The term deposits have maturity periods ranging from 30 to 365 days (2025: 15 to 365 days).

22. Share capital

	Group and Company			
	2026	2025	2026	2025
	← Number of Shares →		RM	RM
Issued and fully paid:				
At 1 July 2025/ 2024/30 June	326,180,803	326,180,803	210,917,984	210,917,984

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company.

Treasury shares

The shareholders of the Company, by a resolution passed at the extraordinary general meeting held on 3 July 2002, approved the Company's plan to purchase its own shares. As at 30 June 2026, there were 6,000,000 (2025: 6,000,000) ordinary shares purchased from the open market and held as treasury shares at a total cost of RM9,522,642 (2025: RM9,522,642). The number of outstanding shares in issue after excluding the treasury shares is 320,180,803 (2025: 320,180,803).

23. Capital reserve

Capital reserve represents the capitalisation of retained earnings arising from share issue by subsidiaries, and it is not available for distribution as dividends.

24. Put option reserve and put option liability

	Group	
		Restated
	2026	2025
	RM	RM
At 1 July 2025/2024	7,264,037	6,818,985
Movement in put option liability	1,492,996	445,052
At 30 June	8,757,033	7,264,037

The obligation of Avelon Healthcare Group Sdn. Bhd. to acquire the equity interest held by the non-controlling interest in Medicwave (M) Sdn. Bhd. is recognised as a put option liability at the present value of the estimated redemption amount, with the corresponding entry recognised directly in equity and presented within the Put Option Reserve.

Subsequent changes in the carrying amount of the put option liability are recognised directly in equity through the Put Option Reserve. If the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

Put option over non-controlling interest

Where the Group grants a put option to a non-controlling shareholder that gives the holder the right to require the Group to acquire the remaining equity interest in a subsidiary, a financial liability is recognised for the present value of the estimated redemption amount payable under the contractual arrangement.

The put option liability is initially recognised with a corresponding adjustment to equity and presented within the put option reserve. Subsequent changes in the carrying amount of the put option liability are recognised directly in equity through the put option reserve.

Upon settlement of the put option, the carrying amount of the liability is derecognised and any difference between the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. Where the put option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

25. Retained earnings

Under the single-tier system introduced by the Finance Act 2007 in Malaysia which came into effect from the year of assessment 2008, dividends paid under this system are tax exempt in the hands of shareholders. As such, the whole retained earnings can be distributed to shareholders as tax-exempt dividends.

26. Payables

	Group		Company	
		Restated		
	2026	2025	2026	2025
	RM	RM	RM	RM
Non-current				
Landowners' entitlements	16,969,500	16,969,500	-	-
Current				
Trade payables:				
- Related parties	433,664	531,679	-	-
- Unrelated parties	45,536,126	29,228,007	-	-
	45,969,790	29,759,686	-	-
Other payables:				
- Amounts due to subsidiaries	-	-	5,150,000	9,152,706
- Sundry payables	26,383,561	13,351,401	2,378	22,789
- Deposits	7,099,101	5,472,234	-	-
- Accruals	14,981,955	12,124,354	321,920	275,935
- Dividend payable to non-controlling interests	-	514,510	-	-
	48,464,617	31,462,499	5,474,298	9,451,430
Contingent consideration at fair value	1,894,730	3,444,808	-	-
	50,359,347	34,907,307	5,474,298	9,451,430
	96,329,137	64,666,993	5,474,298	9,451,430
Total payables				
Trade payables	45,969,790	29,759,686	-	-
Other payables	48,464,617	31,462,499	5,474,298	9,451,430
Contingent consideration	1,894,730	3,444,808	-	-
Landowners' entitlements	16,969,500	16,969,500	-	-
	113,298,637	81,636,493	5,474,298	9,451,430

26. Payables (continued)

Trade and other payables

The credit terms of trade and other payables range from 14 to 120 days (2025: 14 to 120 days).

Included in the trade payables of the Group are retention sums which are expected to be settled as below:

	2026	2025
	RM	RM
Within 1 year	4,582,334	2,935,318
1 to 5 years	1,527,445	1,622,017
	6,109,779	4,557,335

Included in the sundry payables of the Group amounting to RM2,331,535 (2025: RM Nil) is an amount recognised in relation to arbitration awards arising from the ongoing litigation disclosed in Note 37 to the financial statements.

Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest free and repayable on demand except for certain amounts totalling RM4,631,000 (2025: RM7,621,250) which bear interest at 6.60% (2025: 6.05% to 6.60%) per annum.

Contingent consideration

	Group		Company	
		Restated		
	2026	2025	2026	2025
	RM	RM	RM	RM
At 1 July 2025/2024	3,444,808	4,885,331	-	-
Payment	(1,800,000)	(1,650,000)	-	-
Fair value loss	249,922	209,477	-	-
At 30 June	1,894,730	3,444,808	-	-

The contingent consideration is payable to non-controlling interests of Medicwave (M) Sdn. Bhd. ("MMSB") upon MMSB's achieving certain guaranteed profit targets for the financial periods from 1 August 2023 to 31 July 2026.

Landowners' entitlements

Under the joint development agreements, the landowners' entitlements are determined based on the agreed number or agreed percentage of the total development units of the respective property development projects. The entitlements are recognised as part of the cost of land held for property development and property development costs, with a corresponding liability recognised until settlement in accordance with the terms of the joint development agreements.

27. Loans and borrowings

	Group		Company	
		Restated		
	2026	2025	2026	2025
	RM	RM	RM	RM
Non-current				
Secured				
Term loans	22,856,471	30,636,668	1,731,788	1,443,930
Current				
Secured				
Bank overdrafts	14,708,917	13,000,579	14,708,917	13,000,579
Bankers' acceptance	-	921,958	-	-
Revolving credits	59,739,900	62,802,405	13,000,000	13,000,000
Term loans	7,017,796	7,898,096	354,290	1,082,646
Unsecured				
Bankers' acceptance	13,998,514	12,003,924	-	-
Revolving credits	9,003,250	13,945,750	-	-
Financial guarantee contracts	-	-	829,250	829,250
	104,468,377	110,572,712	28,892,457	27,912,475
	127,324,848	141,209,380	30,624,245	29,356,405
Total loans and borrowings				
Bank overdrafts	14,708,917	13,000,579	14,708,917	13,000,579
Bankers' acceptance	13,998,514	12,925,882	-	-
Revolving credits	68,743,150	76,748,155	13,000,000	13,000,000
Term loans	29,874,267	38,534,764	2,086,078	2,526,576
	127,324,848	141,209,380	29,794,995	28,527,155
Financial guarantee contracts	-	-	829,250	829,250
	127,324,848	141,209,380	30,624,245	29,356,405

Secured loans and borrowings are secured against certain property, plant and equipment (Note 10), investment properties (Note 11), right-of-use assets (Note 12), inventories (Note 16) and term deposits (Note 21) to the financial statements.

Certain secured and unsecured loans and borrowings are guaranteed by the Company. The total amount guaranteed by the Company is disclosed under the "Financial guarantee contracts" section below.

The effective interest rates of loans and borrowings ranged from 3.71% to 6.85% (2025: 3.99% to 8.35%) per annum.

According to the terms of the facility agreement, a secured revolving credit facility amounting to RM9,125,000 (2025: RM10,625,000) is subject to certain financial covenants. These require the subsidiary to maintain a gearing ratio of not more than 1.50 at the end of each reporting period and to obtain the bank's prior consent for any change in its shareholding.

As at 30 June 2026, the gearing ratio of the subsidiary was 1.28 (2025: 2.04).

The subsidiary has obtained an indulgence/waiver letter from the bank in respect of the covenant breach and the non-compliance does not result in the facility becoming immediately repayable for prior year.

27. Loans and borrowings (continued)

Financial guarantee contracts

The Company entered into financial guarantee contracts to provide financial guarantees to financial institutions for credit facilities granted to certain subsidiaries up to a total limit of RM298,132,000 (2025: RM205,699,000). The total utilisation of these credit facilities as at 30 June 2026 amounted to RM113,822,000 (2025: RM124,997,000).

Financial guarantee contracts are recognised as financial liabilities at the time the guarantees are issued. The liability is initially measured at fair value and subsequently at the higher of the expected credit loss model under MFRS 9 and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of a financial guarantee is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument 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.

No movements on the financial guarantee contracts during the financial year.

28. Hire purchase payables

	Group	
		Restated
	2026	2025
	RM	RM
Current liabilities	69,635	66,178
Non-current liabilities	18,176	87,927
	87,811	154,105

Hire purchase payables are secured against certain property, plant and equipment as disclosed in Note 10 to the financial statements.

The effective interest rates of hire purchase payables as at 30 June 2026 ranged from 4.24% to 6.70% (2025: 4.24% to 6.70%) per annum.

29. Lease liabilities

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Current liabilities	3,154,311	3,971,177	-	133,833
Non-current liabilities	7,506,524	10,312,079	-	-
	10,660,835	14,283,256	-	133,833

The incremental borrowing rates applied to lease liabilities ranged from 3.67% to 6.00% (2025: from 4.24% to 6.70%) per annum.

30. Government grants

	Group	
	2026	2025
	RM	RM
At 1 July 2025/2024	140,041	171,750
Amortisation	(31,706)	(31,709)
At 30 June	108,335	140,041
Disclosed as:		
- Current liabilities	31,708	31,708
- Non-current liabilities	76,627	108,333
	108,335	140,041

The Group received grants from the local government under the project of modernisation and upgrading of facilities and equipment. The grants covered 50% of the cost of certain plant and machinery under the project subject to the limits approved by the local government.

31. Deferred tax liabilities

	Group	
	2026	2025
	RM	RM
At 1 July 2025/2024	11,812,310	12,371,237
Deferred tax expense/(income) relating to origination and reversal of temporary differences	624,928	(463,227)
Over provision in prior years	(677,949)	(95,700)
At 30 June	11,759,289	11,812,310
In respect of taxable/(deductible) temporary differences of:		
- Property, plant and equipment	9,505,070	7,154,560
- Right-of-use assets	706,950	(61,000)
- Intangible assets	5,302,648	5,722,750
- Financial instruments	(963,052)	(637,000)
- Lease liabilities	(405,005)	(367,000)
- Unutilised tax losses	(499,434)	-
- Unabsorbed capital allowances	(1,887,888)	-
	11,759,289	11,812,310

31. Deferred tax liabilities (continued)

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

	2026 RM	2025 RM
Deductible temporary differences of:		
- Property, plant and equipment	9,239,000	17,989,000
- Lease liabilities	(190,000)	(145,000)
- Provisions	(726,000)	(929,000)
- Inventories	(1,257,000)	(1,306,000)
Unabsorbed capital allowances	(17,960,000)	(31,624,000)
Unutilised tax losses:		
- Expiring in year of assessment 2028	(17,652,000)	(17,920,000)
- Expiring in year of assessment 2029	(821,000)	(827,000)
- Expiring in year of assessment 2030	(1,796,000)	(1,796,000)
- Expiring in year of assessment 2031	(356,000)	(2,203,000)
- Expiring in year of assessment 2032	(2,116,000)	(4,760,000)
- Expiring in year of assessment 2033	(7,148,000)	(10,856,000)
- Expiring in year of assessment 2034	(11,191,000)	(12,290,000)
- Expiring in year of assessment 2035	(11,459,000)	(12,548,000)
- Expiring in year of assessment 2036	(510,000)	-
	(63,943,000)	(79,215,000)

32. Significant related party transactions

(a) Identities of related parties:

Parties are considered to be related to the Group if the Group has the ability to directly 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) Subsidiaries;
(ii) Entities in which directors have substantial financial interests; and
(iii) Key management personnel of the Group and of the Company, comprising persons having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

32. Significant related party transactions (continued)

(b) Significant related party transactions

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Acquisition of trademark from a director of subsidiary	-	2,200,000	-	-
Dividends declared by subsidiaries	-	-	26,329,300	18,927,450
Interest charged by subsidiaries	-	-	25,471	87,706
Interest charged to subsidiaries	-	-	3,340,981	1,922,187
Management fees charged by subsidiary	-	-	-	1,349,190
Purchase of goods from other related parties[(a)]	2,351,808	1,514,493	-	-
Redemption of shares by subsidiaries	-	-	17,800,000	1,100,000
Rendering of services to other related party[(a)]	56,582,767	3,506,071	-	-
Rental charged by other related parties[(a)]	1,961,739	950,399	145,032	149,490
Sale of goods to other related parties[(a)]	9,143,169	115,748	-	-
Subscription for shares in subsidiaries	-	-	16,800,000	16,000,000

[(a)] *Being companies in which certain directors have substantial financial interests*

Details of outstanding balances with related parties are disclosed in Notes 17 and 26 to the financial statements.

(c) Key management personnel compensation

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Directors of the Company:				
- Fees	70,000	71,424	70,000	66,424
- Other short-term employee benefits	1,312,477	1,317,026	556,140	594,879
- Defined contribution plans	112,074	108,662	21,306	23,097
	1,494,551	1,497,112	647,446	684,400
Directors of subsidiaries:				
- Fees	-	30,000	-	-
- Other short-term employee benefits	3,660,622	3,810,339	-	-
- Defined contribution plans	444,109	472,776	-	-
	4,104,731	4,313,115	-	-
	5,599,282	5,810,227	647,446	684,400

33. Operating segments

The Group has arrived at 6 reportable segments that are organised and managed separately according to the products and services, which require different business and marketing strategies. The reportable segments are summarised as follows:

(i)	Manufacturing	- Manufacture of precision machined components, precision metal stamping, sheet metal parts, surface treatment, precision moulds and parts, tooling and form dies, semiconductor assembly and testing equipment, metal works and structures, modules and parts for oil and gas production and extraction equipment and components and sub-assemblies for aerospace parts
(ii)	Property development	- Property development and property management
(iii)	Pharmaceutical and healthcare	- Wholesale and retail sale of pharmaceutical and healthcare products
(iv)	Asset management	- Property letting, operation of dormitory and hotel operators
(v)	Investment holding	- Investment holding
(vi)	Others	- Money lending and management services

The accounting policies of operating segments are the same as those described in the respective notes to the financial statements. The Group evaluates performance on the basis of profit or loss from operations after tax not including non-recurring gains/(losses), such as bargain purchase gain and goodwill on consolidation written off. These policies have been applied consistently throughout the current and previous financial years.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements.

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

33. Operating segments (continued)

Segment revenue and results

Group	Manufacturing	Property development	Pharmaceutical and healthcare	Asset management	Investment holding	Others	Consolidation adjustments and eliminations	Total
	RM	RM	RM	RM	RM	RM	RM	RM
2026								
Statement of financial position								
Segment assets	389,419,678	208,529,620	95,247,435	25,995,051	371,120,813	19,285,539	(417,470,092)	692,128,044
Included in the measure of segment assets are:								
- Additions to non-current assets	47,584,012	6,966,359	328,563	465,662	9,962,194	7,915	(4,356,939)	60,957,766
Segment liabilities	204,912,997	97,248,623	31,988,310	8,981,728	37,169,193	794,861	(105,396,848)	275,698,864
Statement of profit or loss and other comprehensive income								
Segment profit/(loss)	36,655,360	2,074,169	5,395,232	3,689,223	(27,606,992)	762,556	28,216,974	49,186,522
Other information:								
- External revenue	364,080,553	49,000,376	82,850,486	36,354,512	-	384,514	-	532,670,441
- Inter-segment revenue	22,404,122	1,514,736	10,410,531	792,482	48,608,600	10,913,397	(94,643,868)	-
- Interest income	692,281	123,524	231,654	130,960	3,369,703	9,104	(3,366,451)	1,190,775
- Non-cash income	1,870,166	6,051	56,386	116,590	-	6,762	(180,534)	1,875,421
- Interest expense	5,327,413	2,831,913	616,300	180,806	1,870,572	216	(4,025,431)	6,801,789
- Amortisation and depreciation	26,036,783	320,008	851,795	3,078,254	197,645	87,031	(2,720,589)	27,850,927
- Other non-cash expenses	1,064,643	673	973,378	8,504,148	3,199	217	(140,858)	10,405,400
- Tax expense	7,835,386	1,271,509	1,597,195	1,285,885	16,002	214,458	(174,662)	12,045,773

33. Operating segments (continued)

Segment revenue and results (continued)

Group (Restated)	Manufacturing	Property development	Pharmaceutical and healthcare	Asset management	Investment holding	Others	Consolidation adjustments and eliminations	Total
	RM	RM	RM	RM	RM	RM	RM	RM
2025								
Statement of financial position								
Segment assets	344,565,827	203,006,701	57,602,055	29,595,185	374,947,631	18,500,643	(398,717,406)	629,500,636
Included in the measure of segment assets are:								
- Additions to non-current assets	43,312,926	52,400	2,287,085	1,003,691	23,438	140,625	(772,993)	46,047,172
Segment liabilities	173,305,206	93,799,873	32,997,536	12,221,085	39,718,318	772,520	(93,879,592)	258,934,946
Statement of profit or loss and other comprehensive income								
Segment profit/(loss)	10,022,482	(1,891,250)	1,433,233	2,719,126	23,952,108	222,095	(57,296,586)	(20,838,792)
Other information:								
- External revenue	214,894,367	22,127,637	76,735,830	27,035,158	-	421,735	-	341,214,727
- Inter-segment revenue	27,248,660	1,463,147	-	1,390,200	36,154,900	9,357,399	(75,614,306)	-
- Interest income	933,273	103,014	255,751	48,369	1,960,064	14,060	(1,922,187)	1,392,344
- Non-cash income	815,165	-	2,101,346	-	22,451	3,568	(162,694)	2,779,836
- Interest expense	4,335,548	2,728,243	915,183	276,793	1,492,380	6,530	(2,747,607)	7,007,070
- Amortisation and depreciation	22,297,136	274,133	1,537,455	3,163,838	229,049	185,097	(5,496,059)	22,190,649
- Other non-cash expenses	4,106,677	758,689	186,934	2,849,990	30,336,956	-	-	38,239,246
- Tax expense	6,306,318	352,570	1,030,529	1,141,824	312,969	166,035	(46,782)	9,263,463

33. Operating segments (continued)

Geographical information

The manufacturing facilities and sales offices of the Group are mainly based in Malaysia.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location from where the customers are originated.

The majority of the segment assets and liabilities of the Group are derived from Malaysia. Hence, no additional disclosure is made on geographical breakdown/details of the segment assets and liabilities of the Group.

Revenue information based on the geographical location of customers is presented in Note 3 to the financial statements. Revenue from contracts with customers amounted to RM529,526,973, while other revenue of RM3,143,468 was derived from Malaysia.

Major customers

The Group has two major customers which individually contributed 10% or more of the Group's total revenue during the financial year. Revenue derived from these customers amounted to RM66,874,839 and RM55,004,136 respectively.

34. Contractual commitments

	Group	
	2026	2025
	RM	RM
Contracted but not provided for:		
Acquisition of property, plant and equipment	7,051,968	22,639,000

35. Financial instruments

Categories of financial instrument

	Carrying amount RM	FVTPL RM	AC RM
Group			
2026			
Financial assets			
Other investments	12,782,525	12,782,525	-
Derivatives	79,020	79,020	-
Short-term funds	26,859,282	26,859,282	-
Receivables	108,270,356	-	108,270,356
Term deposits	3,767,022	-	3,767,022
Cash and bank balances	25,716,260	-	25,716,260
	177,474,465	39,720,827	137,753,638
Financial liabilities			
Derivatives	260,175	260,175	-
Contingent consideration	1,894,730	1,894,730	-
Put option liability	8,757,033	8,757,033	-
Trade payables	45,969,790	-	45,969,790
Other payables	48,464,617	-	48,464,617
Loans and borrowings	127,324,848	-	127,324,848
Hire purchase payables	87,811	-	87,811
	232,759,004	10,911,938	221,847,066
Restated			
2025			
Financial assets			
Other investments	2,829,831	2,829,831	-
Derivatives	32,231	32,231	-
Short-term funds	27,054,223	27,054,223	-
Receivables	82,075,248	-	82,075,248
Term deposits	4,330,709	-	4,330,709
Cash and bank balances	22,103,356	-	22,103,356
	138,425,598	29,916,285	108,509,313
Financial liabilities			
Derivatives	56,200	56,200	-
Contingent consideration	3,444,808	3,444,808	-
Put option liability	7,264,037	7,264,037	-
Trade payables	29,759,686	-	29,759,686
Other payables	31,462,499	-	31,462,499
Loans and borrowings	141,209,380	-	141,209,380
Hire purchase payables	154,105	-	154,105
	213,350,715	10,765,045	202,585,670

35. Financial instruments (continued)

Categories of financial instrument (continued)

	Carrying amount RM	FGC RM	FVTPL RM	AC RM
Company				
2026				
Financial assets				
Other investments	9,962,194	-	9,962,194	-
Short-term funds	518,202	-	518,202	-
Receivables	78,087,584	-	-	78,087,584
Cash and bank balances	472,433	-	-	472,433
	89,040,413	-	10,480,396	78,560,017
Financial liabilities				
Other payables	5,474,298	-	-	5,474,298
Loans and borrowings	29,794,995	-	-	29,794,995
Financial guarantee contracts ("FGC")	829,250	829,250	-	-
	36,098,543	829,250	-	35,269,293
2025				
Financial assets				
Other investments	1,500	-	1,500	-
Short-term funds	501,583	-	501,583	-
Receivables	64,228,274	-	-	64,228,274
Cash and bank balances	1,228,137	-	-	1,228,137
	65,959,494	-	503,083	65,456,411
Financial liabilities				
Other payables	9,451,430	-	-	9,451,430
Loans and borrowings	28,527,155	-	-	28,527,155
Financial guarantee contracts ("FGC")	829,250	829,250	-	-
	38,807,835	829,250	-	37,978,585

35. Financial instruments (continued)

Net (gains)/losses arising from financial instruments

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Net (gains)/losses arising on:				
Financial assets measured at FVTPL				
Gain on disposal of other investment	(28,500)	-	(28,500)	-
Fair value loss/(gain) on:				
- other investment	8,000	(1,581,786)	-	-
- derivatives	36,487	48,259	-	-
Interest income from:				
- short-term fund	(851,701)	(1,086,485)	(16,619)	(22,016)
Financial assets measured at AC				
Interest income from:				
- bank	(339,074)	(305,859)	(9,884)	(13,395)
- amount due from subsidiaries	-	-	(3,340,981)	(1,922,187)
Impairment loss on financial assets	1,592,253	448,088	1,107,435	-
Bad debt written off	990			
Loss/(Gain) on foreign exchange:				
- Realised	1,898,315	991,540	-	-
- Unrealised	(1,176,897)	97,553	-	-
Financial liabilities measured at FVTPL				
Fair value loss on:				
- Contingent consideration	249,922	209,477	-	-
	1,742,918	654,529	-	-
Financial liabilities measured at AC				
Interest expense for:				
- Loans and borrowings	6,352,119	6,349,969	1,841,902	1,394,701
- Hire purchase payables	6,234	6,579	-	-
- Amount due to subsidiaries	-	-	25,471	87,706
	6,358,353	6,501,369	1,867,373	1,482,407

35. Financial instruments (continued)

Financial risk management objectives and policies

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

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 of the Company's businesses whilst managing their credit risk, foreign currency risk, interest rate risk, other price risk and liquidity risk.

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

Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group recognises a loss allowance for expected credit losses on trade receivables. For trade receivables, the Group applies the simplified approach under MFRS 9, which requires lifetime expected credit losses to be recognised at all times. Expected credit losses are estimated using a provision matrix based on historical credit loss experience, adjusted for current conditions and forward-looking information that may affect customers' ability to settle outstanding balances. The loss allowance is reviewed at each reporting date and adjusted to reflect changes in credit risk and expected recovery patterns.

Credit risk concentration profile

As at 30 June 2026, there were 3 (2025: 2) major customers that individually accounted for 10% or more of the Group's trade receivables and the total outstanding balances due from these major customers amounted to RM31,373,772 (2025: RM14,291,726).

Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any loss allowance recognised. Property loans receivable amounting to RM6,683,327 (2025: RM7,052,799) are secured by the related development units sold and such collateral mitigates the Group's exposure to credit risk.

In addition, the Company's maximum exposure to credit risk includes financial guarantees provided to its subsidiaries. The maximum credit risk exposure arising from these financial guarantees is the total utilisation of the credit facilities granted to the subsidiaries as disclosed in Note 27 to the financial statements.

Assessment of impairment losses

The Group's exposure to credit risk is monitored on an ongoing basis through periodic review of the ageing of the receivables. The Group closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

35. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

Trade receivables and contract assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 180 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The changes in the loss allowance are as follows:

	Not credit-impaired	Credit-impaired	Total
	RM	RM	RM
Balance at 1 July 2025	4,362	2,827,593	2,831,955
Impairment/(Reversal)	81,932	(619,784)	(537,852)
Balance at 30 June 2026	86,294	2,207,809	2,294,103
Balance at 1 July 2024	130,311	2,302,057	2,432,368
(Reversal)/Impairment	(125,949)	525,536	399,587
Balance at 30 June 2025	4,362	2,827,593	2,831,955

	Gross amount	Loss allowance	Carrying amount
	RM	RM	RM
2026			
Not past due	67,165,000	(16,032)	67,148,968
Past due:			
- 1 to 30 days	14,243,641	(7,502)	14,236,139
- 31 to 60 days	4,437,354	(3,975)	4,433,379
- 61 to 90 days	7,816,477	(10,393)	7,806,084
- 91 to 120 days	3,876,489	(48,392)	3,558,096
Credit impaired	2,207,809	(2,207,809)	-
Trade receivables	99,746,770	(2,294,103)	97,452,667
Contract assets	7,945,576	-	7,945,576
Total	107,692,346	(2,294,103)	105,398,243

35. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

Assessment of impairment losses (continued)

Trade receivables and contract assets (continued)

Allowance for impairment losses (continued)

	Gross amount RM	Loss allowance RM	Carrying amount RM
2025			
Not past due	53,610,878	(3,511)	53,607,367
Past due:			
- 1 to 30 days	10,425,334	(851)	10,424,483
- 31 to 60 days	1,496,573	-	1,496,573
- 61 to 90 days	2,001,513	-	2,001,513
- More than 90 days	4,033,664	-	4,033,664
Credit impaired	2,827,593	(2,827,593)	-
Trade receivables	74,395,555	(2,831,955)	71,563,600
Contract assets	10,157,767	-	10,157,767
Total	84,553,322	(2,831,955)	81,721,367

The average credit loss rates were based on the payment profile of revenue over a period of 36 (2025: 36) months and the corresponding historical credit losses experienced during the period. The rates were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Other receivables and amounts due from subsidiaries

The Group and the Company apply the general approach to measuring expected credit losses for their other receivables and amounts due from subsidiaries. Under this approach, the Group and the Company assess whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company measure the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

Allowance for impairment losses

The changes in the loss allowance are as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Balance at 1 July	48,501	-	2,271,156	2,271,156
Impairment losses	2,130,105	48,501	1,107,435	-
Balance at 30 June	2,178,606	48,501	3,378,591	2,271,156

The above loss allowance relates to individually assessed credit-impaired other receivables and amounts due from subsidiaries. During the financial year, the Company recognised an impairment loss of RM1,107,435 on certain amounts due from subsidiaries based on an assessment of their financial position, repayment capacity and expected recoverability of the outstanding balances. The total loss allowance recognised in respect of amounts due from subsidiaries amounted to RM3,378,591 as at 30 June 2026 (2025: RM2,271,156).

Based on the low historical observed default rates, adjusted for forward-looking information, the expected credit losses on other receivables and amounts due from subsidiaries that are not credit-impaired are not considered material and, accordingly, no loss allowance has been recognised in respect of those balances.

35. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

Allowance for impairment losses (continued)

Term deposits with licensed banks, cash and bank balances

The Group considers the licensed banks have low credit risk. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Financial guarantee contracts

As disclosed in Note 27 to the financial statements, certain financial guarantee contracts have been recognised at fair value on initial recognition, determined based on the present value of the difference between the contractual cash flows due under the debt instrument and the cash flows that would be expected without the guarantee. Subsequently, the financial guarantee contracts are measured in accordance with the accounting policy set out in Note 2(j) to the financial statements.

Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

Maturity analysis

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

Group	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 – 5 years RM	More than 5 years RM
2026					
Non-derivative financial liabilities					
Trade payables	45,969,790	45,969,790	44,442,345	1,527,445	-
Other payables	48,464,617	48,464,617	48,464,617	-	-
Contingent consideration	1,894,730	1,950,000	1,950,000	-	-
Put option liability	8,757,033	8,946,329	8,946,329	-	-
Bank overdrafts	14,708,917	14,708,917	14,708,917	-	-
Banker acceptance	13,998,514	13,998,514	13,998,514	-	-
Revolving credits	68,743,150	68,743,150	68,743,150	-	-
Term loans	29,874,268	34,604,021	8,600,111	23,075,868	2,928,042
Hire purchase payables	87,811	91,053	72,528	18,525	-
Lease liabilities	10,660,835	11,964,197	3,640,950	8,323,247	-
	243,159,665	249,440,588	213,567,461	32,945,085	2,928,042

35. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Maturity analysis (continued)

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

Group	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 – 5 years RM	More than 5 years RM
2026					
Derivative financial liabilities					
Forward exchange contracts (gross settled):	260,175				
- gross payments		20,086,345	20,086,345	-	-
- gross receipts		1,975,000	1,975,000	-	-
	243,419,840	271,501,933	235,628,806	32,945,085	2,928,042

Restated Group	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 – 5 years RM	More than 5 years RM
2025					
Non-derivative financial liabilities					
Trade payables	29,759,686	29,759,686	28,137,669	1,622,017	-
Other payables	31,462,499	31,462,499	31,462,499	-	-
Contingent consideration	3,444,808	3,750,000	1,800,000	1,950,000	-
Put option liability	7,264,037	7,264,037	7,264,037	-	-
Bank overdrafts	13,000,579	13,000,579	13,000,579	-	-
Banker acceptance	12,925,882	12,925,882	12,925,882	-	-
Revolving credits	76,748,155	76,748,155	76,748,155	-	-
Term loans	38,534,764	44,571,061	9,525,395	27,038,781	8,006,885
Hire purchase payables	154,105	163,566	72,528	91,038	-
Lease liabilities	14,283,256	16,831,935	4,391,440	9,740,495	2,700,000
	227,577,771	236,477,400	185,328,184	40,442,331	10,706,885

35. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Maturity analysis (continued)

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

Restated	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 – 5 years RM	More than 5 years RM
Group					
2025					
Derivative financial liabilities					
Forward exchange contracts (gross settled):	56,200				
- gross payments		6,298,831	6,298,831	-	-
- gross receipts		4,302,000	4,302,000	-	-
	227,633,971	247,078,231	195,929,015	40,442,331	10,706,885

Company	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 – 5 years RM	More than 5 years RM
2026					
Non-derivative financial liabilities					
Other payables	5,474,298	5,474,298	5,474,298	-	-
Bank overdrafts	14,708,917	14,708,917	14,708,917	-	-
Revolving credits	13,000,000	13,000,000	13,000,000	-	-
Term loans	2,086,078	2,360,195	426,444	1,326,812	606,939
Financial guarantee contracts*	829,250	113,344,000	113,344,000	-	-
	36,098,543	148,887,410	146,953,659	1,326,812	606,939

Company	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 – 5 years RM
2025				
Non-derivative financial liabilities				
Other payables	9,451,430	9,451,430	9,451,430	-
Bank overdrafts	13,000,579	13,000,579	13,000,579	-
Revolving credits	13,000,000	13,000,000	13,000,000	-
Term loans	2,526,576	2,708,479	1,176,000	1,532,479
Financial guarantee contracts*	829,250	124,997,000	124,997,000	-
	38,807,835	163,157,488	161,625,009	1,532,479

** The disclosure represents the maximum amount that is required to be settled in the event of a default and the lenders, where applicable, call on the Company to pay for a subsidiary.*

35. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Foreign currency risk

The Group's exposure to currency risk arises mainly from transactions entered into by individual entities within the Group in currencies other than their functional currency. The functional currency within the Group is Ringgit Malaysia ("RM"), whereas the major foreign currency transacted in is US Dollar ("USD"). The gross carrying amounts of foreign currency denominated monetary items at the end of the reporting period are as follows:

	USD	Total
Group	**RM**	**RM**
2026		
Financial assets		
Receivables	41,632,483	41,632,483
Cash and cash equivalents	1,492,178	1,492,178
	43,124,661	43,124,661
Financial liabilities		
Payables	(15,103,174)	(15,103,174)
Loans and borrowings	(12,492,404)	(12,492,404)
	(27,595,578)	(27,595,578)
Net currency exposure	15,529,083	15,529,083
2025		
Financial assets		
Receivables	31,244,162	31,244,162
Cash and cash equivalents	4,109,520	4,109,520
	35,353,682	35,353,682
Financial liabilities		
Payables	(7,770,454)	(7,770,454)
Loans and borrowings	(24,394,230)	(24,394,230)
	(32,164,684)	(32,164,684)
Net currency exposure	3,188,998	3,188,998

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. Where necessary, the Group enters into derivative contracts to hedge the exposure. Such exposure is also partly mitigated in the following ways:

(i) The Group's foreign currency sales and purchases provide a natural hedge against fluctuations in foreign currencies.

(ii) The Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

35. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:

	Group	
	2026 Increase/ (Decrease) RM	2025 Increase/ (Decrease) RM
Effects on profit after taxation:		
USD/RM		
Strengthen by 3% (2025: 3%)	354,063	72,709
Weaken by 3% (2025: 3%)	(354,063)	(72,709)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial assets and financial liabilities.

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they mature or reprice.

Effective interest rates and repricing analysis

The following table shows information on the Group's and the Company's exposure to interest rate risk.

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Fixed rate instruments				
Term deposits	3,767,022	4,330,709	-	-
Banker acceptance	13,998,514	12,925,882	-	-
Hire purchase payables	87,811	154,105	-	-
Lease liabilities	10,660,835	14,283,256	-	133,833
Floating rate instruments				
Loan receivables	6,683,327	7,052,799	-	-
Amounts due from subsidiaries	-	-	58,303,200	48,370,700
Amounts due to subsidiaries	-	-	-	7,621,250
Bank overdrafts	14,708,917	13,000,579	14,708,917	13,000,579
Revolving credits	68,743,150	76,748,155	13,000,000	13,000,000
Term loans	29,874,268	38,534,764	2,086,078	2,526,576

35. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Interest rate risk (continued)

Sensitivity analysis for fixed rate instruments

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any change in interest rates at the end of the reporting period would not affect its profit or loss.

Sensitivity analysis for floating rate instruments

For floating rate financial instruments measured at amortised cost, the following table details the sensitivity to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant, on the Group's and the Company's profit after taxation:

	Group		Company	
	2026	2025	2026	2025
	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Effects on profit after taxation				
Increase of 50 basis points	405,243	405,243	(108,331)	(104,366)
Decrease of 50 basis points	(405,243)	(405,243)	108,331	104,366

Other price risk

The Group's exposure to other price risk arises mainly from its investments in quoted and unquoted securities.

The Group manages its investment portfolio on an individual investment basis and monitors market conditions, investment performance and developments affecting the underlying investees on an ongoing basis.

The Group and the Company are exposed to changes in the fair value of these investments arising from movements in market prices and valuation inputs. As a significant portion of these investments comprises unquoted investments measured using valuation techniques involving unobservable inputs, the effect of reasonably possible changes in those inputs is disclosed in the fair value measurement section where applicable. The actual impact on profit or loss and equity may differ from management's estimates and assumptions.

35. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Fair values

The aggregate fair values and the carrying amounts of financial assets and liabilities carried on the statement of financial position are as below:

Fair value hierarchy

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
Group				
2026				
Financial assets				
Other investments:				
- Quoted	8,893	-	-	8,893
- Unquoted	-	-	12,773,632	12,773,632
Derivatives:				
- Forward exchange contracts	79,020	-	-	79,020
Short-term funds	26,859,281	-	-	26,859,281
Financial liabilities				
Derivatives:				
- Forward exchange contracts	260,175	-	-	260,175
Contingent consideration	-	-	1,894,730	1,894,730
Put option liability	-	-	8,757,033	8,757,033
2025 (Restated)				
Financial assets				
Other investments:				
- Quoted	16,893	-	-	16,893
- Unquoted	-	-	2,812,938	2,812,938
Derivatives:				
- Forward exchange contracts	32,231	-	-	32,231
- Call option	-	-	1,006,320	1,006,320
Short-term funds	27,054,223	-	-	27,054,223
Financial liabilities				
Derivatives:				
- Forward exchange contracts	56,200	-	-	56,200
Contingent consideration	-	-	3,444,808	3,444,808
Put option liability	-	-	7,264,037	7,264,037

35. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Fair values (continued)

The aggregate fair values and the carrying amounts of financial assets and liabilities carried on the statement of financial position are as below (continued):

Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Company				
2026				
Financial assets				
Other investments:				
- Unquoted	-	-	9,962,194	9,962,194
Short-term funds	518,202	-	-	518,202
Financial liabilities				
Term loans	-	2,086,078	-	2,086,078
Financial guarantee contracts	-	-	829,250	829,250
2025				
Financial assets				
Other investments:				
- Unquoted	-	-	1,500	1,500
Short-term funds	501,583	-	-	501,583
Financial liabilities				
Term loans	-	2,526,576	-	2,526,576
Financial guarantee contracts	-	-	829,250	829,250

Fair value of financial instruments carried at fair value

The fair values of quoted investments are directly measured using their unadjusted closing prices in active markets.

The fair values of unquoted investments are estimated based on management's estimation by reference to market evidence of transaction price, and external and independent valuers, having appropriate recognised professional qualifications and recent experience in the industry and category of investments being valued.

The fair values of derivatives and short-term funds are directly measured using their unadjusted market values quoted by financial institutions.

The fair values of contingent consideration and put option liability are measured using a probability-weighted present value technique by discounting the expected future cash flows at a discount rate derived from the observable cost of capital of comparable listed companies.

There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

35. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Fair values (continued)

Fair value of financial instruments carried at fair value (continued)

The fair values of long-term trade receivables, term loans and hire purchase payables are measured using the present value technique by discounting the expected future cash flows using observable current market interest rates for similar assets or liabilities.

The fair values of financial guarantee contracts are measured using the present value technique by discounting the difference in expected future cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or by reference to the estimated amount payable to a third party for assuming the obligations.

36. Capital management

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group manages its capital based on a debt-to-equity ratio that complies with debt covenants and regulatory requirements, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, interest bearing debts less available cash. The debt-to-equity ratio of the Group at the end of the reporting period is as follows:

	Group		Company	
		Restated		
	2026	2025	2026	2025
	RM	RM	RM	RM
Amounts due to subsidiaries	-	-	5,150,000	7,621,250
Loans and borrowings	127,324,848	141,209,380	30,624,245	29,356,405
Hire purchase payables	87,811	154,105	-	-
Lease liabilities	10,660,835	14,283,256	-	133,833
Total interest bearing debts	138,073,494	155,646,741	35,774,245	37,111,488
Less: Available cash	(52,575,542)	(50,239,079)	(990,635)	(1,729,720)
Net debt	85,497,952	105,407,662	34,783,610	35,381,768
Total equity	416,429,180	370,565,690	280,538,825	281,478,987
Debt-to-equity ratio (times)	0.21	0.28	0.12	0.13

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

37. Material litigations

A wholly-owned subsidiary of the Company, LD Global Sdn. Bhd. ("LD Global") is involved in arbitration proceedings with Khor Khye Hin Constructions Sdn. Bhd. ("KKH") arising from a construction contract relating to the Lavanya Langkawi development project.

On 9 January 2026, the arbitrator issued a Final Award against the subsidiary and, on 14 January 2026, an Additional Award was issued in relation to the same arbitration proceedings.

The total amount awarded, including interest and costs, amounted to RM2,331,535. The Group has recognised the full amount of the awards as a liability in the financial statements for the financial year ended 30 June 2026, as disclosed in Note 26 to the financial statements.

On 24 September 2026, the High Court of Malaya dismissed the subsidiary's application to set aside the Final Award and Additional Award and allowed the counterparty's application to register the awards.

On 2 October 2026, the subsidiary filed appeals against both decisions to the Court of Appeal. As at the date of authorisation of these financial statements, the appeals remain pending and case management has been fixed on 4 January 2027.

Based on legal advice received, the Directors are of the view that the liability recognised at 30 June 2026 adequately reflects the Group's present obligation arising from the awards. Any additional exposure, if any, would principally relate to further interest, legal costs and other costs associated with the appeal proceedings, the amount of which cannot presently be estimated reliably.

38. Prior year adjustments

	As previously reported	Prior year adjustments	As restated
	RM	RM	RM
Group			
Statements of Financial Position as at 30 June 2025			
Non-current assets			
Inventories	64,408,158	6,042,126	70,450,284
Current assets			
Inventories	155,624,917	2,369,511	157,994,428
Contract assets	10,870,332	(712,565)	10,157,767
Receivables	74,409,574	1,000,000	75,409,574
Derivatives	1,038,551	(1,006,320)	32,231
Equity			
Put option reserve	(4,833,628)	(2,430,409)	(7,264,037)
Retained earnings	(161,242,070)	(4,162,592)	(165,404,662)
Non-controlling interests	(9,570,833)	91,110	(9,479,723)

38. Prior year adjustments (continued)

	As previously reported	Prior year adjustments	As restated
	RM	RM	RM
Group			
Statements of Financial Position as at 30 June 2025			
Non-current liabilities			
Payables	(13,425,524)	(3,543,976)	(16,969,500)
Current liabilities			
Payables	(64,444,878)	(222,115)	(64,666,993)
Put option liability	(4,978,449)	(2,285,588)	(7,264,037)
Statements of Profit or Loss and Other Comprehensive Income for financial year ended 30 June 2025			
Revenue	341,927,292	(712,565)	341,214,727
Cost of sales	(259,129,328)	(667,768)	(259,797,096)
Other income	13,072,093	(461,158)	12,610,935
Administrative and general expenses	(88,303,143)	(298,227)	(88,601,370)
Finance costs	(8,224,638)	1,217,568	(7,007,070)
Loss representing total comprehensive loss for the financial year	(19,916,642)	(922,150)	(20,838,792)
Non-controlling interests	(4,740,186)	(91,110)	(4,831,296)
Earnings/(Loss) per share:			
Basic (sen per share)	(4.74)	(0.26)	(5.00)
Diluted (sen per share)	(4.74)	(0.26)	(5.00)
Statements of Cash Flows for the financial year ended 30 June 2025			
Cash flows from operating activities			
Net cash from operating activities	17,695,132	443,254	18,138,386
Cash flows from financing activities			
Net cash from financing activities	5,582,279	144,821	5,727,100
Cash and cash equivalents at 1 July 2024	51,421,915	(1,453,449)	49,968,466
Cash and cash equivalents at 30 June 2025	37,238,500	(865,371)	36,373,129

38. Prior year adjustments (continued)

The prior year adjustments did not have any significant impacts on the reported cash flows.

The nature of these adjustments and restated is described below:

(a) The subsidiaries of the Group entered into joint development agreements ("JDAs") with landowners, under which the landowners are entitled to specified portions of completed development units arising from the development projects.

Following a reassessment of the terms of the JDAs, management concluded that the landowners' entitlement represents an obligation to transfer completed development units rather than cash or another financial asset. Accordingly, the landowners' entitlement does not meet the definition of a financial liability under MFRS 132 and is not within the scope of MFRS 9.

The Group has therefore retrospectively restated the comparative financial statements to reverse the present value discounting, unwinding of discount recognised as finance costs and related remeasurement adjustments previously recognised.

The restatement also resulted in consequential adjustments to land held for property development, property development costs, inventories, contract assets, revenue, cost of sales, administrative expenses, equity and non-controlling interests to reflect the revised accounting treatment. The related tax effects, where applicable, have also been recognised.

The effects of the restatement on the affected line items of the financial statements are presented in the tables above.

(b) During the current financial year, management reassessed the presentation adopted in the prior financial year in respect of an advance payment of RM1,000,000 made to the landowner pursuant to the Joint Development Agreement ("JDA").

Based on the terms of the JDA, the payment is deductible from the landowner's entitlement and does not represent additional consideration payable to the landowner.

Accordingly, management determined that the payment does not give rise to a new financial liability nor alter the nature of the landowner's entitlement under the JDA. The payment represents an advance settlement of the landowner's entitlement and should be separately presented and monitored against the future settlement of the landowner's entitlement obligation.

Prior to the reassessment, the advance payment had been presented as a reduction of landowners' entitlement payable. Following the reassessment, management concluded that separate presentation provides more relevant information regarding the outstanding landowners' entitlement obligation and the advance payment made.

Accordingly, the comparative statement of financial position has been restated to increase other receivables by RM1,000,000 and increase landowners' entitlement payable by RM1,000,000. The restatement has no impact on profit, total assets, total liabilities or total equity.

(c) On 23 February 2024, Avelon Healthcare Group Sdn. Bhd. ("AHGSB"), an indirect subsidiary of the Company, acquired a 70% equity interest in Medicwave (M) Sdn. Bhd. ("Medicwave"). The remaining 30% equity interest was retained by the Founders.

The guaranteed profit periods referred to in Note 24 and Note 26 to the financial statements commenced on 1 August 2023 pursuant to the commercial terms agreed between the parties prior to completion of the acquisition. The commencement of the guaranteed profit periods does not represent the date on which control of Medicwave was obtained by the Group. Control was obtained upon completion of the acquisition on 23 February 2024.

Under a Put and Call Option Agreement dated 4 March 2024, the Founders were granted a put option to require AHGSB to acquire the remaining 30% equity interest in Medicwave, while AHGSB was granted a corresponding call option over the same shares. Medicwave has been consolidated as a subsidiary since the acquisition date.

AHGSB is a 70%-owned subsidiary within the Avelon Healthcare sub-group. Accordingly, although AHGSB acquired a 70% equity interest in Medicwave, the Group's effective interest in Medicwave is 49%, which is consistent with the interest disclosed in Note 14 to the financial statements.

38. Prior year adjustments (continued)

The nature of these adjustments and restated is described below: (continued)

(c) Subsequent to the reporting date, the Founders exercised the put option on 12 August 2026. Whilst the exercise occurred after the end of the reporting period, it prompted management to reassess the accounting treatment of the contractual arrangement and the obligations arising therefrom.

Following a reassessment of the contractual terms of the Put and Call Option Agreement, management concluded that the Group should have recognised the obligation arising from the put option granted to the Founders from the acquisition date. The adjustments of this obligation in the previously issued financial statements constituted a prior-period error.

Accordingly, the Group has retrospectively restated the comparative financial statements in accordance with MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors. The restatement resulted in:

- recognition of a put option liability arising from the Group's contractual obligation to acquire the Founders' remaining 30% equity interest in Medicwave;
- reclassification and derecognition adjustments relating to the previously recognised call option arrangement;
- recognition of the corresponding adjustments within equity through the put option reserve in accordance with the Group's accounting policy for transactions with non-controlling interests; and
- consequential adjustments to non-controlling interests and retained earnings.

The effects of the restatement on the affected line items of the financial statements are presented below and in Note 24 to the financial statements.

39. Events after the reporting period

On 12 August 2026, the put option under the Put and Call Option Agreement in respect of the remaining 30% equity interest in Medicwave was exercised. The transaction is expected to be completed by November 2026. Upon completion, Medicwave will become a wholly-owned subsidiary of the Group.

On 26 August 2026, the Directors proposed a first and final single-tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 30 June 2026, subject to shareholders' approval at the forthcoming Annual General Meeting.

40. General information

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

The Company is principally involved in investment holding and provision of management services. The principal activities of the subsidiaries are as stated in Note 14 to the financial statements.

The registered office and principal place of business of the Company are located at 3rd Floor, Wisma Kobay, No. 42-B Jalan Rangoon, 10400 George Town, Penang, Malaysia.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors on 27 October 2026.

SHAREHOLDING **STATISTIC**

AS AT 30 SEPTEMBER 2026

Analysis of Shareholdings as at 30 September 2026

Issued Share Capital	:	320,180,803 [(a)]
Class of Equity Securities	:	Ordinary Shares ("Shares")
Voting Rights	:	One vote per ordinary share

Distribution Schedule of Shareholders

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	215	3.79	5,849	[(b)]
100 - 1,000	1,363	24.04	799,566	0.25
1,001 - 10,000	3,006	53.02	13,978,397	4.37
10,001 - 100,000	988	17.42	26,855,806	8.39
100,001 - 16,009,039 [(c)]	95	1.68	104,579,145	32.66
16,009,040 and above [(d)]	3	0.05	173,962,040	54.33
TOTAL	**5,670**	**100.00**	**320,180,803**	**100.00**

Substantial Shareholders' Shareholdings based on Register of Substantial Shareholders

	Direct Interest		Deemed Interest	
Name of Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Kobay Holdings Sdn Bhd	114,247,940	35.68	-	-
Dato' Seri Koay Hean Eng	-	-	120,710,484 [(e)]	37.70
Koay Zee Ee	65,000	0.02	120,645,484 [(f)]	37.68
Norinv Kapital Sdn Bhd	59,714,100	18.65	-	-

Directors' Shareholdings based on Register of Director's Shareholdings

	Direct Interest		Deemed Interest	
Name of Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
Dato' Seri Koay Hean Eng	-	-	120,710,484 [(e)]	37.70
Koay Cheng Lye	-	-	14,783,507 [(g)]	4.62
Puan Sharifah Binti Dato' Syed Mahadzaar Jamalullil	-	-	-	-
Koay Wooi Seong	-	-	12,698,894[(h)]	3.97
Koay Zee Ee	65,000	0.02	120,645,484[(f)]	37.68
Lim Siew Wee	-	-	-	-
Koay Pei Feng	140,650	0.04	-	-

Notes:

(a) The issued shares as per Record of Depositors as at 30 September 2026 excluding 6,000,000 shares held as Treasury Shares

(b) Negligible

(c) Less than 5% of issued shares

(d) 5% and above of issued shares

(e) Deemed interest by virtue of shares held by Kobay Holdings Sdn Bhd & GXR Capital Sdn Bhd in which the director has interest, and shares held by his son, Mr Koay Zee Ee

(f) Deemed interest by virtue of shares held by Kobay Holdings Sdn Bhd & GXR Capital Sdn Bhd in which the director has interest

(g) Deemed interest by virtue of shares held by Inna Capital Sdn Bhd in which the director has interest

(h) Deemed interest by virtue of shares held by Premiergrow Capital Sdn Bhd in which the director has interest

By virtue of their interests in shares in Kobay Holdings Sdn Bhd, Dato' Seri Koay Hean Eng and Koay Zee Ee are deemed to have interests in shares in Kobay and all the subsidiaries to the extent of the Company's interests, pursuant to Section 8 of the Companies Act 2016.

...SHAREHOLDING STATISTIC

30 Largest Securities Account Holders
(without aggregating the securities from different securities accounts belonging to the same person)

	Name of Shareholders	No. of Shares Held	%
1	Kobay Holdings Sdn. Bhd.	114,247,940	35.68
2	Norinv Kapital Sdn. Bhd.	40,050,900	12.51
3	Norinv Kapital Sdn. Bhd.	19,663,200	6.14
4	Inna Capital Sdn. Bhd.	14,783,507	4.62
5	Premiergrow Capital Sdn. Bhd.	12,698,894	3.97
6	Xiang Tingting	7,010,100	2.19
7	Ch'ng Chuon Ghee	6,401,400	2.00
8	GXR Capital Sdn. Bhd.	6,397,544	2.00
9	Ang Ying Ying	4,415,800	1.38
10	Citigroup Nominees (Tempatan) Sdn. Bhd. *Lembaga Tabung Haji (UOB)*	4,015,000	1.25
11	Citigroup Nominees (Asing) Sdn. Bhd. *Exempt An for Citibank New York (Norges Bank 19)*	3,091,200	0.97
12	Citigroup Nominees (Tempatan) Sdn. Bhd. *Lembaga Tabung Haji (Aiiman)*	2,889,000	0.90
13	HSBC Nominees (Tempatan) Sdn. Bhd. *BNPP SIN/2Ss for Pertubuhan Keselamatan Sosial (PKSUOBAM EG)*	2,883,300	0.90
14	Lok Geng Choon	2,473,900	0.77
15	Lai Shwu Yan	2,401,650	0.75
16	Citigroup Nominees (Asing) Sdn. Bhd. *UBS AG*	2,219,500	0.69
17	HSBC Nominees (Asing) Sdn. Bhd. *J.P. Morgan Securities plc*	2,155,600	0.67
18	Citigroup Nominees (Tempatan) Sdn. Bhd. *Kumpulan Wang Persaraan (Diperbadankan) (UOB AM SC EG)*	2,139,900	0.67
19	Ch'ng Chuon Ghee	1,659,000	0.52
20	Kenanga Nominees (Tempatan) Sdn. Bhd. *One IFC Hotel Sdn. Bhd.*	1,375,000	0.43
21	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (UOBESGSCEQ)*	1,200,000	0.37
22	Tan Lai Hock	1,022,900	0.32
23	Amsec Nominees (Tempatan) Sdn. Bhd. *Ambank (M) Berhad for Syarikat Ping Thye Trading Co. (Penang) Sdn. Bhd. (8544-1501)*	1,000,000	0.31
24	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (MBBESGSCEG)*	1,000,000	0.31
25	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (Aberdeen)*	953,108	0.30
26	Maybank Securities Nominees (Tempatan) Sdn. Bhd. *One IFC Residence Sdn. Bhd.*	897,000	0.28
27	Hlb Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Choon Keat*	820,000	0.26
28	Maybank Securities Nominees (Tempatan) Sdn. Bhd. *Maybank Securities Pte Ltd for Lim Khai Jiunn*	755,700	0.24
29	Tan Choon Keat	700,000	0.22
30	CIMB Group Nominees (Tempatan) Sdn. Bhd. *Cimb Commerce Trustee Berhad for Ta Dana Optimix*	622,000	0.19
	Total	**258,924,943**	**81.92**

LIST OF **PROPERTIES**

AS AT 30 JUNE 2026

Location	Description/Existing use	Land Area (Built-up Area)	Date of Acquisition	Tenure (Age of Buildings)	Net Book Value @ 30.06.26 RM'000
PN5918, Lot 12383, Mukim 12, Daerah Barat Daya, Pulau Pinang Plot 30, Hilir Sungai Kluang 1, Bayan Lepas Industrial Park, Phase 4, 11900 Pulau Pinang	Single storey factory with an annexed two storey office block in front	Approx. 130,652 sq. ft./ (85,007 sq. ft.)	01.07.1991	Leasehold for 60 years expiring on 26.12.2051/ (31 years)	5,322
PN4028, Lot 12461, Mukim 12, Daerah Barat Daya, Pulau Pinang Plot 83, Medan Bayan Lepas, Bayan Lepas Industrial Park, Phase 4, 11900 Pulau Pinang	Single storey factory building with an annexed two storey office block	Approx. 87,599 sq. ft./ (58,104 sq. ft.)	24.06.1998	Leasehold for 60 years expiring on 17.01.2062/ (26 years)	4,815
HS(D) No. 38116, PT 1528 & HS(D) No. 47236, PT 1530, Mukim 1, Daerah Seberang Prai Tengah, Pulau Pinang 2631, Lot 376 & 377, Lorong Perusahaan 10, Phase 3, Prai Industrial Estate, 13600 Pulau Pinang	Single storey factory building with an annexed single storey office block	Approx. 118,099 sq. ft./ (86,900 sq. ft.)	20.05.1997	Leasehold for 60 years expiring on 07.08.2045/ (35 years)	4,688
HS(D) No. 42050, PT 5, Mukim 1, Daerah Seberang Prai Tengah, Pulau Pinang 967, Jalan Perusahaan, Kawasan Perusahaan Prai, 13600 Pulau Pinang	Single storey factory building	Approx. 22,500 sq. ft./ (20,000 sq. ft.)	19.09.1991	Leasehold for 99 years expiring on 21.01.2071/ (33 years)	1,465
GRN459888, Lot No. 6348, GRN459887, Lot No. 6341, Mukim Rimba Terjun, Daerah Pontian, Negeri Johor Lot 3611, Batu 30, Jalan Johor, 81500 Pekan Nenas, Johor	Single storey factory building	Approx. 4.22 hectares (25,630 sq. ft.)	09.06.2009	Freehold/ (15 years)	4,584
GRN24324, Lot No. 2628, Sek 4, Daerah Seberang Prai Utara, Butterworth, Pulau Pinang No. 1, Lorong Bagan Luar, 12000 Butterworth, Pulau Pinang	8 storey hotel building	Approx. 4,305 sq. ft. (36,822 sq. ft.)	06.01.2011	Freehold/ (44 years)	3,494
HS(D) No. 33005, PT 1529, Mukim 1, Daerah Seberang Prai Tengah, Pulau Pinang No. 2478, Lorong Perusahaan 10, Prai Industrial Estate, 13600 Pulau Pinang	Single storey factory with an annexed two storey office block in front	Approx. 203,259 sq. ft. (127,650 sq. ft.)	14.03.2018	Leasehold for 60 years expiring on 17.12.2045/ (38 years)	18,841

...LIST OF PROPERTIES

Location	Description/Existing use	Land Area (Built-up Area)	Date of Acquisition	Tenure (Age of Buildings)	Net Book Value @ 30.06.26 RM'000
HS(D) No. 27773, PT 1358, Mukim 1, District of Seberang Perai Tengah, Pulau Pinang. No. 3016, Tingkat Perusahaan 6, Prai Industrial Estate, 13600 Pulau Pinang	Single storey factory & double storey office block	Approx. 659,451 sq. ft. (175,729 sq. ft.)	27.10.2021	Leasehold for 60 years expiring on 03.10.2042/ (24 years)	44,896
No. 33,33-1 & 33-2, Jalan Seri Bintang 2, Taman Sri Bintang, Kepong, 52100 Kuala Lumpur	Three storey mid terraced shop office	Approx. 1,712 sq. ft. (5,133 sq. ft.)	5.08.2021	Freehold/ (5 years)	2,260
Plot W7, Type A, Premium Villa, No.3A, Avenue West, Jalan Teluk Baru, Lavanya Residences, Pantai Tengah, 07000 Langkawi, Kedah	One unit of three storey detached house	Approx. 5,404 Sq. ft. (4,640 Sq. ft.)	1.04.2021	Freehold/ (7 years)	2,628
59-1, Block E, No. 1, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor	Office lot cum store	Approx. 1,567 Sq. ft.	23.2.2024	Leasehold for 99 years expiring on 13.04.2085/ (3 years)	475
Land Held For Property Development					
GRN47092 Lot 34, GRN46881 Lot 35, GRN46882 Lot 36, GRN28204 Lot 249, GRN44961 Lot 251, GRN52732 Lot 990, GRN52733 Lot 992, GRN27217 Lot 993, GRN28218 Lot 995, GRN28219 Lot 996, HS (D) No. 18014, PT143 Bandar Tanjung Bungah, Daerah Timur Laut, Pulau Pinang	Vacant land for future development	Approx. 67,336 sq. ft.	01.12.2009/ 25.02.2010/ 18.05.2011/ 29.02.2012	Freehold	14,877
HSD 26453, Lot 74000, Daerah Barat Daya, Bandar Bayan Baru, Pulau Pinang	Vacant land for future development	Approx. 96,367 sq. ft.	12.02.2015- 05.12.2024	Freehold	30,618

...LIST OF PROPERTIES

Location	Description/Existing use	Land Area (Built-up Area)	Date of Acquisition	Tenure (Age of Buildings)	Net Book Value @ 30.06.26 RM'000
GM452, Lot 886, Mukim 11, Daerah Seberang Perai Tengah, Pulau Pinang	Vacant land for future development	Approx. 108,333 sq. ft.	22.12.2022	Freehold	16,525
GM352, Lot 42, Mukim 11, Daerah Seberang Perai Tengah, Pulau Pinang		Approx. 131,507 sq.ft	22.12.2022		
HS (D) No. 63503, Lot 10418, Mukim 7, Daerah Seberang Perai Tengah, Pulau Pinang		Approx. 13,315 sq.ft.	18.01.2022		
HS (D) No. 63501, Lot 50806, Mukim 11, Daerah Seberang Perai Tengah, Pulau Pinang		Approx. 56,306 sq.ft.	18.01.2022		
Panjakan Negeri 373107, Lot 50788, Mukim Lumut, Daerah Manjung, Perak	Vacant land for future development	Approx. 849,509 sq. ft.	28.06.2024	Leasehold for 99 years expiring on 07.02.2112	9,661

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Thirty Second (32nd) Annual General Meeting ("AGM") of Kobay Technology Bhd. will be held at **4th Floor, Wisma Kobay, No. 42-B, Jalan Rangoon, 10400 George Town, Penang on Friday, 4 December 2026 at 2.30 p.m.** for the following purposes:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2026 together with the Reports of the Directors and Auditors thereon. — Explanatory Note A

2. To approve the payment of first and final single tier dividend of 3.0 sen in respect of the financial year ended 30 June 2026. — **Resolution 1** Explanatory Note B

3. To approve the payment of Directors' fees and/or benefits payable to Non-executive Directors up to an amount RM150,000.00 for the period after the date of the AGM to the conclusion of next AGM of the Company. — **Resolution 2** Explanatory Note C

4. To re-elect the following Directors who retire in accordance with Article 101 of the Company's Constitution and being eligible, have offered themselves for re-election :-

   i) Mr. Koay Cheng Lye — **Resolution 3**

   ii) Mr. Koay Zee Ee — **Resolution 4** Explanatory Note D

5. To re-appoint Messrs. PKF PLT as Auditors of the Company and to authorize the Directors to fix their remuneration. — **Resolution 5** Explanatory Note E

SPECIAL BUSINESS

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

6. **AUTHORITY TO ISSUE SHARES IN ACCORDANCE TO SECTION 75 AND 76 OF THE COMPANIES ACT, 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS** — **Resolution 6** Explanatory Note F

   "THAT subject always to the Companies Act, 2016 ("the Act") and the approvals from the relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to Section 75 and 76 of the Act, to issue and allot shares in the capital of the Company from time to time upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit PROVIDED THAT the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.

   THAT pursuant to Section 85 of the Companies Act, 2016 read together with Clause 9 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act 2016 AND THAT the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company AND FURTHER THAT the Directors and/or the Company Secretaries be hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Waiver of Pre-emptive Rights for and on behalf of the Company. "

...NOTICE OF ANNUAL GENERAL MEETING

7. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

Resolution 7
Explanatory Note G

"THAT subject to the compliance by the Company with all applicable laws, regulations and guidelines pursuant to the Act, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant authorities, the Company be and is hereby authorized to purchase and/or hold such amount of ordinary shares in the Company ("shares") as may be determined by the Directors of the Company from time to time through the Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company PROVIDED THAT the maximum number of aggregate shares purchased or treasury shares held pursuant to this resolution does not exceed ten per cent (10%) of the total number of issued shares of the Company at any given point in time and that the maximum amount of fund allocated by the Company for the purpose of purchasing the shares shall not exceed the retained profits account of the Company.

THAT authority be and is hereby given to the Directors to treat the shares so purchased by the Company pursuant to this Proposed Share Buy-back Authority in accordance with the provision of the Act, which allows a Company that has purchased its own shares to either retain part of or entire shares as treasury shares or cancel part of or entire shares, or a combination of both. The shares so retained as treasury shares by the Company may, either be distributed as share dividends to shareholders or resell on Bursa Securities or in any manner pursuant to the Act, Bursa Securities Listing Requirements or any other relevant authority for the time being in force.

THAT such authority from the shareholders would be effective immediately upon passing of this resolution and would continue to be in force until:-

a. the conclusion of the next AGM of the Company following the AGM at which such resolution was passed, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions; or

b. the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to sections 340(1) & 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Companies Act, 2016); or

c. revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting.

whichever occurs first.

AND THAT authority be and is hereby given to the Directors to take all such steps as are necessary or expedient to implement or to give effect of the Proposed Share Buy-back Authority with full powers to assent to any conditions, modifications, re-valuations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time.

AND THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner: (i) to cancel all or part of the shares so purchased; and/or (ii) to retain the shares so purchased as treasury shares for distribution as dividends to the shareholders and/or resell the treasury shares on the stock market of Bursa Securities in accordance with the relevant rules of Bursa Securities; and/ or (iii) to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares so purchased; and/or (iv) to transfer the treasury shares, or any of the said shares for the purposes of or under an employees' share scheme and/or (v) transfer the shares, or any of the shares as purchase consideration and/or in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements and any other relevant authorities for the time being in force. AND THAT the Directors of the Company be authorised to give effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any modifications and/or amendments as may be required by the relevant authorities."

8. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Resolution 8**
Explanatory Note H

"THAT pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a mandate of the shareholders be and is hereby granted to allow recurrent related party transactions of a revenue or trading nature ("RRPTs"), which are necessary for the day-to-day operations of the Company and/or its subsidiary companies ("Kobay Group"), to be entered into by the Kobay Group in the ordinary course of business, PROVIDED THAT such transactions are entered into at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company, the particulars of such transactions are set out in Part B Section 2.4 of the Circular to Shareholders of Kobay dated 30 October 2026 ("Proposed Shareholders' Mandate");

THAT disclosure of the breakdown of the aggregate value of transactions conducted will be made based on the type of RRPTs made, names of the related parties involved in each type of the RRPTs made and their relationship with the Company, in the annual report of the Company during the current financial year and in the annual report for the subsequent financial year during which the Proposed Shareholders' Mandate is in force;

THAT the authority conferred by this resolution shall commence immediately upon the passing of this Ordinary Resolution and shall continue to be in force until:-

a. the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

b. the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to sections 340(1) & 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Companies Act, 2016); or

c. revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is earlier.

AND THAT the Directors of the Company and/or any of them be and are hereby authorised to give effect to the Proposed Shareholders' Mandate with full powers to deal with all matters relating thereto and to complete and do all acts and things (including executing such documents as may be required) in connection with the Proposed Shareholders' Mandate."

9. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Thirty Second (32nd) Annual General Meeting, the first and final single tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 30 June 2026 will be paid on 19 January 2027 to depositors registered in the Records of Depositors on 31 December 2026.

A depositor shall qualify for entitlement to the dividend only in respect of:-

a) Shares transferred into the depositor's securities account before 4.00p.m. on 31 December 2026 in respect of ordinary transfers;

b) Shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the rules of Bursa Securities.

BY ORDER OF THE BOARD

WONG MEE CHOON (MACS 01562)/SSM PC No. 201908001211
CHAN MUN SHEE (MAICSA 7003071)/SSM PC No. 202508000424
Company Secretaries
Penang, 30 October 2026

...NOTICE OF ANNUAL GENERAL MEETING

NOTES :

1. *A member entitled to attend, participate, speak and vote at the AGM of the Company shall be entitled to appoint not more than two (2) proxies to attend, participate, speak and vote for him. A proxy may but need not be a member of the Company.*

2. *Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one 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.*

3. *Where a member, an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy in the Form of Proxy.*

4. *The duly completed Form of Proxy must be deposited at the Registered Office of the Company or email to cosec@kobaytech.com not less than forty-eight (48) hours before the time set for holding the AGM of the Company PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, PROVIDED ALWAYS that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).*

5. *If the appointor is a corporation, the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*

6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 20 November 2026.*

7. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of AGM will be put to vote by way of poll.*

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS:

A. Agenda 1 - Audited Financial Statements for the financial year ended 30 June 2026

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 ("**the Act**") for discussion only under Agenda 1. No voting is required from the shareholders.

B. Resolution 1- Payment of first and final single tier dividend of 3.0 sen in respect of the financial year ended 30 June 2026

With reference to Section 131 of the Act, a company may only distribute dividends to its shareholders out of profit of the Company to the shareholders if it is solvent.

The Board of Directors ("Board") is satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made on 19 January 2027 in accordance with the requirements under Sections 132(2) and (3) of the CA 2016.

On 26 August 2026, the Board had considered the proposed dividend and decided to recommend the same for the shareholders' approval.

C. Resolution 2 - Payment of Directors' fees and/or any benefits payable to Non-Executive Directors

Pursuant to Section 230(1) of the Act, the Directors' fees and/or any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting.

The proposed Ordinary Resolution 2, if passed, will allow the Company to pay Directors' fees and Directors' benefits comprising meeting-related expenses to the Non-executive Directors up to an amount of RM150,000.00 for the period after the date of AGM to the conclusion of the next AGM of the Company.

In the event the proposed amount is insufficient due to more meetings or an enlarged Board size, approval will be sought at the next AGM for the shortfall.

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS (CONT'D):

D. Resolution 3 & 4 - Re-election of Directors

The Board of Directors, through the Nomination Committee ("NC"), has conducted an annual assessment of each director on the performance, skills, experience, integrity, competence, commitment, and effective contribution to the Board and its Committees, and overall suitability of the retiring Directors.

For retiring Independent Non-executive Directors, the NC also assessed their independence and effectiveness of each Director standing for re-election including the review of their fit and proper assessment declarations in accordance with the Directors' Fit and Proper Policy of the Company.

Based on these evaluations, the NC and the Board are satisfied with the performance, effectiveness and fitness of Mr. Koay Cheng Lye and Mr. Koay Zee Ee who are retiring as Directors, and supported their re-election at the 32nd AGM.

All Directors standing for re-election have abstained from deliberations and decisions on their respective re-election at the relevant NC and Board Meeting. In addition, Mr Koay Zee Ee, being a shareholder of the Company, will abstain from voting on his own re-election at the 32nd AGM.

The profiles of the Directors standing for re-election are set out in the Directors' Profiles section under page 15 of the 2026 Annual Report.

E. Resolution 5 - Re-appointment of Auditors

The Audit Committee has, at its meeting on 26 August 2026, reviewed and evaluated the performance of the External Auditors for the financial year ended 30 June 2026 and was satisfied with the quality of service, adequacy of resources provided, communication and interaction skills, as well as the independence, objectivity, and professionalism demonstrated by the External Auditors, PKF PLT, in discharging their duties.

Based on the Audit Committee's recommendation, the Board has endorsed the re-appointment of PKF PLT as the External Auditors of the Company for the financial year ending 30 June 2027, and to be tabled the same for shareholders' approval.

The Board is also seeking shareholders' approval to authorise the Directors to fix the remuneration of the External Auditors for the financial year ending 30 June 2027.

F. Resolution 6 - Authority to Issue Shares in accordance to Section 75 and 76 of the Act and Waiver of Pre-Emptive Rights

The proposed Ordinary Resolution 6, if passed, will renew the mandate granted to the Directors at the 31st AGM held on 5 December 2025 ("31st AGM") for the issuance of shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("General Mandate") and shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and Clause 9 of the Company's Constitution in respect of any new shares issued pursuant to the General Mandate.

This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company or at the expiry of the period within which the next AGM is required to be held after the approval is given, whichever is earlier.

The purpose of this resolution is to provide the Company with flexibility for potential fund-raising activities, including but not limited to the issuance of shares to fund current and/or future investment project(s), working capital, repayment of banking facilities, acquisitions or the issuance of shares as consideration for the acquisition of assets or any other purposes deemed to be in the best interest of the Company by the Board.

The General Mandate will, therefore, enable the Company to issue new securities without convening separate general meetings to obtain its shareholders' approval, thereby reducing administrative costs and time.

The disapplication of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 9 of the Constitution of the Company will allow the Directors of the Company to issue new shares of the Company which will rank equally to the existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

The Company did not issue any new shares pursuant to the General Mandate approved at the 31st AGM. As at the date of this notice, there is no decision to issue new shares. Should the Company decide to issue new shares pursuant to the General Mandate after it is obtained, an announcement will be made on the purpose and utilisation of proceeds from such issuance in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

...NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS (CONT'D):

G. Resolution 7 - Proposed Renewal of Share Buy Back Authority
The proposed Ordinary Resolution 7 if passed, will allow the Company to purchase up to ten per cent (10%) of the issued share capital of the Company, excluding treasury shares retained by the Company at any given point in time. This authority unless revoked or varied at the general meeting, will expire at the next AGM. The details of this proposal are set out in the Share Buy-Back Statement to Shareholders dated 30 October 2026 which is available at the Company's website at www.kobaytech.com.

H. Resolution 8 - Proposed Shareholders Mandate for Recurrent Related Party Transactions
Pursuant to Paragraph 10.09(1) of the Bursa Malaysia Securities Berhad's Listing Requirements, the listed issuer shall seek for shareholders' mandate to enter into recurrent related party transactions (RRPTs) of a revenue or trading nature and in the ordinary course of business which are necessary for day-to-day operations. The Group wishes to renew its current RRPTs mandate for which the details are set out in 2.4 of Part B of the Circular to Shareholders dated 30 October 2026 (herein collectively referred to as "Proposed Shareholders' Mandate") which is available at the Company's website at www.kobaytech.com.

The proposed Ordinary Resolution 8, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature and in the ordinary course of business which are necessary for day-to-day operations and unless this authority be revoked or varied at the general meeting else the said approval will be lapsed at the next AGM.

STATEMENT ACCOMPANYING NOTICE TO AGM

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

A. Details of individuals who are standing for election as directors (excluding directors standing for a re-election)
The profiles of the Directors standing for re-election pursuant to Resolution 3 & 4 of the Notice of the 32nd AGM are set out on page 15 of the Company's Annual Report 2026. There are no individuals standing for election as Directors (other than Directors standing for re-election) as disclosed under Appendix 8A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

B. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
Details of the authority to issue and allot shares in the Company pursuant to Section 75 and 76 of the Companies Act 2016 are set out in Explanatory Note F, Resolution 6 of the Notice of the 32nd AGM.

Personal Data Privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 32nd AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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KOBAY
TECHNOLOGY BHD
Registration No. 199401022600 (308279-A)
(Incorporated in Malaysia)

FORM OF **PROXY**

No. of shares held	
CDS account no.	

I/ We _____ Tel: _____
(FULL NAME IN BLOCK CAPITAL, NRIC/PASSPORT/COMPANY NO.)

of _____
(FULL ADDRESS AND E-MAIL ADDRESS)

being *a member/ members of **Kobay Technology Bhd (199401022600 (308279-A))** hereby appoint :

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address, telephone no. and e-mail address			

*and/or

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address, telephone no. and e-mail address			

or failing *him/ her the Chairperson of the Meeting as *my/ our proxy/ proxies to attend, participate, speak and vote for *me/ us on *my/ our behalf at the 32nd Annual General Meeting of Kobay Technology Bhd ("**Company**") which will be held at 4th Floor, Wisma Kobay, No. 42-B, Jalan Rangoon, 10400 Georgetown, Penang on Friday, 4 December 2026 at 2.30p.m.

My/our proxy/proxies to vote for on a poll as indicated below :

RESOLUTIONS NO.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
FOR								
AGAINST								

Please mark with "X" in either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit.

* *Strike out whichever is not desired*

_____ _____
Signature of Member(s)/Common Seal Date:

Notes:

1. *A member entitled to attend, participate, speak and vote at the AGM of the Company shall be entitled to appoint not more than two (2) proxies to attend, participate, speak and vote for him. A proxy may but need not be a member of the Company.*
2. *Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one 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.*
3. *Where a member, an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy in the Form of Proxy.*
4. *The duly completed Form of Proxy must be deposited at the Registered Office of the Company or email to cosec@kobaytech.com not less than forty-eight (48) hours before the time for holding the AGM of the Company PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).*
5. *If the appointor is a corporation, the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 20 November 2026 (General Meeting Record of Depositors) shall be eligible to attend, participate, speak and vote at the AGM of the Company or appoint proxy(ies) to attend, participate, speak and vote on his behalf.*
7. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of AGM will be put to vote by way of poll.*

Personal Data Privacy
By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.

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Affix
Stamp

The Company Secretaries

KOBAY TECHNOLOGY BHD.
(Registration No. 199401022600 (308279-A))

3rd Floor, Wisma Kobay,
No. 42-B, Jalan Rangoon,
10400 Georgetown,
Penang.

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Kobay Technology Bhd.
Company No : 199401022600 (308279-A)

Wisma Kobay, No. 42-B, Jalan Rangoon,
10400 Georgetown, Penang, Malaysia.

: 604-371 1338

: 604-226 1363

www.kobaytech.com