

JAYCORP Berhad
199801003663 (459789-X)

# ANNUAL REPORT 2026

**JAYCORP** Berhad
199801003663 (459789-X)

**JAYCORP BERHAD** was incorporated as **YEO AIK RESOURCES BERHAD** in 2002 when it was listed in Bursa Malaysia Securities Berhad. Subsequently, in 2006 it changed its name to **JAYCORP BERHAD.**

The logo symbolises Jaycorp Berhad's efforts to reach greater heights as a responsible corporate entity. Jaycorp Berhad is an investment holding company while its subsidiaries' principal activities are wooden furniture manufacturing, pressure treatment and kiln drying of wood, biomass, corrugated carton packaging, general trading, property letting, investment holding, general construction and civil engineering works.

## Vision

To conscientiously and continuously seek knowledge and improvement of our people and processes. To constantly pursue our goal of working in harmony with the environment for the good of future generations.

## Mission

To be a leader in all the businesses that we undertake.



# OPERATIONAL OVERVIEW

**Furniture**
manufacture and sale of furniture (mainly rubberwood furniture)

**Packaging**
conversion of corrugated boards into carton boxes




The main contributor to the Group's revenue for the FY26 was the furniture segment which accounted for approximately 53.9% of total revenue (54.1% in FY25).

The Group's operations are located in Kuala Lumpur, Melaka, Johor, Sabah and Medan (Indonesia).

**Renewable Energy**
renewable energy, biomass and environmentally friendly waste treatment

**Construction**
general construction and civil engineering works

**Others**
general trading, property letting, transportation and printing

**Wood Processing**
pressure treatment and kiln-drying of wood and manufacturing of furniture parts

# KEY METRICS

**Revenue**

RM 139 million

**Shareholders' Equity**

RM 155 million

**No. of Shareholders**
As at 15 October 2026

4,414

**Loss Before Taxation**

RM 17 million

**Loss Per Share**

RM 0.0599

**Net Assets Per Share**

RM 0.58

**Dividend Per Share**

NIL*

* *The Board does not recommend the payment of a dividend for the current financial year.*



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**28th**

Annual General Meeting of
**Jaycorp Berhad**

Meeting Room 3, Level 2,
Holiday Inn Melaka,
Jalan Syed Abdul Aziz,
75000 Melaka, Malaysia.

10 December 2026, Thursday
at 10:30 a.m.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Tan Sri Datuk (Dr.) Abdul Majid Khan**
*Executive Chairman*

**Yeo Ayk Ke**
*Managing Director*

**Yeo Aik Tan**
*Executive Director*

**Lim Poh Teot**
*Executive Director*

**Muaz bin Jema Anton Khan**
*Executive Director*

**Nadja binti Jema Khan**
*Non-Independent Non-Executive Director*

**Ivan Oh Boon Wee**
*Independent Non-Executive Director*

**Bianca Daniella Lind**
*Independent Non-Executive Director*

**Patricia Ubing @ Magdalene Edward**
*Independent Non-Executive Director*

### AUDIT COMMITTEE

*Chairman*
**Ivan Oh Boon Wee**

*Members*
**Bianca Daniella Lind**
**Patricia Ubing @ Magdalene Edward**

### NOMINATION COMMITTEE

*Chairperson*
**Bianca Daniella Lind**

*Members*
**Ivan Oh Boon Wee**
**Patricia Ubing @ Magdalene Edward**

### REMUNERATION COMMITTEE

*Chairman*
**Ivan Oh Boon Wee**

*Members*
**Yeo Ayk Ke**
**Bianca Daniella Lind**

### INVESTMENT COMMITTEE

*Chairman*
**Muaz bin Jema Anton Khan**

*Members*
**Yeo Ayk Ke**
**Lim Poh Teot**
**Yeo Aik Tan**
**Bianca Daniella Lind**
**Patricia Ubing @ Magdalene Edward**

### BOARD RISK MANAGEMENT COMMITTEE

*Chairman*
**Ivan Oh Boon Wee**

*Members*
**Muaz bin Jema Anton Khan**
**Patricia Ubing @ Magdalene Edward**

### ENTERPRISE RISK MANAGEMENT COMMITTEE

*Chairman*
**Muaz bin Jema Anton Khan**

*Members*
**Yeo Ayk Ke**
**Yeo Aik Tan**

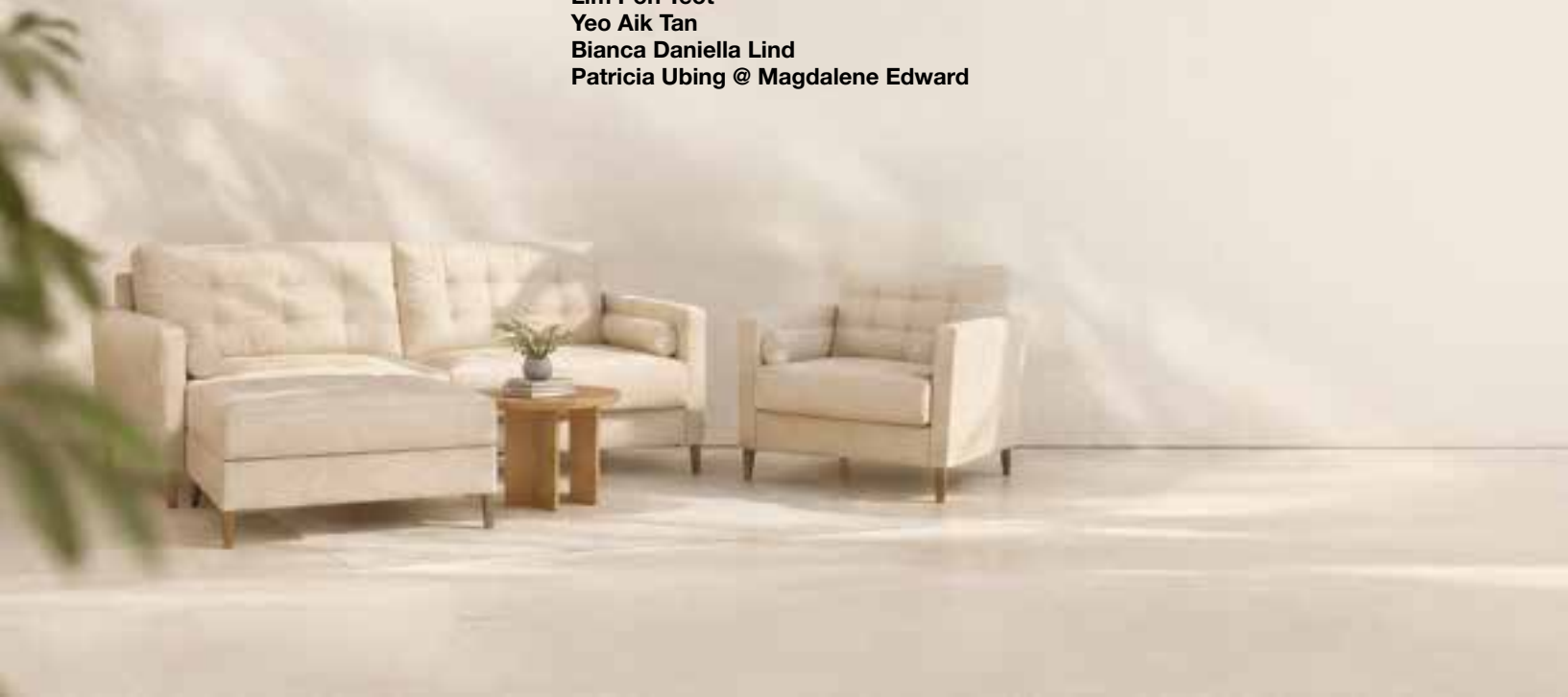
### COMPANY SECRETARY

**Mak Chooi Peng**
(MAICSA 7017931)
(SSM PC NO. 201908000889)

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

JA 1880, Batu 22½ Parit Perawas
Sungai Rambai, 77400 Melaka

Website : www.jaycorp.com.my
Email : inquiry@jaycorp.com.my
Tel : 606-265 0111
Fax : 606-265 9999



# Corporate Information

## PRINCIPAL BANKERS

**AmBank (M) Berhad**
[Registration No. 196901000166 (8515-D)]

**HSBC Bank Malaysia Berhad**
[Registration No. 198401015221 (127776-V)]

**Malayan Banking Berhad**
[Registration No. 196001000142 (3813-K)]

**OCBC Bank (Malaysia) Berhad**
[Registration No. 199401009721 (295400-W)]

**PT. Bank Mandiri (Persero) Tbk, Indonesia**
[Registration No. S99FC5733G]

## AUDITORS

**Crowe Malaysia PLT**
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
Muar Office
8, Jalan Pesta 1/1
Taman Tun Dr. Ismail 1
Jalan Bakri, 84000 Muar, Johor

Website : www.crowe.com.my
Tel : 606-952 4328
Fax : 606-952 7328

## SHARE REGISTRAR

**Boardroom Share Registrars Sdn Bhd**
[Registration No. 199601006647 (378993-D)]

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

Tel : 603-7890 4700
Fax : 603-7890 4670
Email : BSR.Helpdesk@boardroomlimited.com

## ADVOCATES & SOLICITORS

**Cheang & Ariff**
273A, Jalan Medan Tuanku
50300 Kuala Lumpur

Tel : 603-2691 0803
Fax : 603-2693 4475

**MahWengKwai & Associates**
Level 10-1, Tower B, Menara Prima
Jalan PJU 1/39, Dataran Prima
47301 Petaling Jaya
Selangor Darul Ehsan

Tel : 603-7887 2702
Fax : 603-7887 2703

## STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad

STOCK NAME : **JAYCORP**
STOCK CODE : **7152**

## WEBSITE

www.jaycorp.com.my



# CORPORATE STRUCTURE

**JAYCORP** Berhad
(Registration No. 199801003663 (459789-X))

## FURNITURE

- 100% — **Yeo Aik Wood Sdn Bhd**
  Manufacturing and selling of furniture
  - 100% — **Winshine Holdings Sdn Bhd**
    Investment holding, provision of management services and property renting
    - 100% — **Winshine Industries Sdn Bhd**
      Manufacturing and selling of furniture
- 87% — **Instyle Sofa Sdn Bhd**
  Manufacturing of sofa sets and upholstery work
- 60% — **Honsoar Jaycorp Cabinetry Sdn Bhd** *(Joint Venture Company)*
  Manufacturing, trading, import and export all kind of furniture and related products

## WOOD PROCESSING

- 100% — **Yeo Aik Hevea (M) Sdn Bhd**
  Pressure treatment, processing and kiln-drying of wood and manufacturing of furniture parts
- 80% — **Jaycorp LVL Sdn Bhd**
  Processing of veneer sheet and manufacturing bent LVL pieces for furniture from veneer sheets
- 62.3% — **PT Tiga Mutiara Nusantara** *(Joint Venture Company)*
  Manufacturing and selling of finger jointed finished gesso coated and primed moulding products

## PACKAGING

- 100% — **Pine Packaging (M) Sdn Bhd**
  Conversion of corrugated boards into carton boxes

## RENEWABLE ENERGY

- 100% — **Jaycorp Green Energy Sdn Bhd**
  Renewable energy, biomass and environmentally friendly waste treatment

## CONSTRUCTION

- 60% — **Jaycorp Engineering & Construction Sdn Bhd**
  General construction and civil engineering works

## INVESTMENT HOLDING

- 100% — **Jaycorp Properties Sdn Bhd**
  Investment holding
  - 60% — **Bongawan Solo Sdn Bhd**
    Investment holding

## TRADING & OTHERS

- 100% — **Jaycorp Trading Sdn Bhd**
  General trading, property letting, transportation and printing
- 70% — **Jaycorp Limited**
  (Dormant)

# DIRECTORS' PROFILE



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## TAN SRI DATUK (DR.) ABDUL MAJID KHAN

*Executive Chairman*
*Non-Independent Executive Director*

**Board Committee Membership**

- None

**Tan Sri Datuk (Dr.) Abdul Majid Khan** was appointed to the Board on 6 November 2003.

He is an established businessman and a well-known entrepreneur. He has vast experience in banking, corporate sectors, politics and public service. He served as Political Secretary to the late Tun Fuad Stephens from 1964 to 1965. He was the Information Chief of Party Berjaya Sabah from 1979 to 1985. From 1981 to 1985, he was a member of Sabah State Legislative Assembly. He was the Chairman of the Sabah Timber Association from 1978 to 1985. He was also the Founder, Director and Chairman of Sabah Development Bank (1978 to 1985), Founder and Director of Sabah Bank Berhad (1979 to 1985) and Chairman of Sabah Finance Berhad (1977 to 1985). Tan Sri sat on the Board of Directors of Malaysian Airline System Berhad from 1980 to 1985. He was the former Chairman of Ranhill Power Berhad from 2004 to 2015. He was the Chairman and Director of Dunham-Bush Holdings Berhad from 2009 to 2013. Currently, Tan Sri is the Chairman of Jawala Corporation Sdn Bhd.

He attended all six (6) Board meetings held in the financial year 2026.

He is not a Director of any other public company.

He is the grandfather of Muaz bin Jema Anton Khan (Executive Director) and Nadja binti Jema Khan (Non-Independent Non-Executive Director) and father of Datuk Jema Anton Khan (deemed substantial shareholder and major shareholder of the Company).



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## YEO AYK KE

*Managing Director*
*Non-Independent Executive Director*

**Board Committee Membership**

- Member of Remuneration Committee
- Member of Investment Committee
- Member of Enterprise Risk Management Committee

**Yeo Ayk Ke** was appointed to the Board on 19 July 2002 and re-designated to Managing Director on 10 February 2020.

He started his career as Marketing Executive with Pioneer Packing Industries in 1990. He joined Yeo Aik Wood Sdn Bhd as Marketing Manager in 1992. Since then, he has been involved in developing the marketing master plan for the Group's products, especially in penetrating the overseas market. His great interpersonal skills have enabled him to build up strong relationships with the customers. He has travelled extensively to participate in trade fairs and to meet up with customers overseas. This has given him wide exposure to furniture trade designs, customers buying patterns, trends and behaviours in various countries. He oversees the marketing plan and strategies for the Group. His extensive marketing network enables him to lead the marketing function for the Group's furniture products.

He attended all six (6) Board meetings held in the financial year 2026.

He is not a Director of any other public company.

He is the brother of Yeo Aik Tan (Executive Director).

In financial year 2023, a penalty was imposed on him by the Companies Commission of Malaysia ("CCM") for late disclosure in respect of the changes in his indirect substantial shareholdings in the Company. The penalty imposed amounted to RM50,000.00 (after reduction granted by the CCM).

# Directors' Profile



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## YEO AIK TAN

*Non-Independent Executive Director*

**Board Committee Membership**

- Member of Investment Committee
- Member of Enterprise Risk Management Committee

**Yeo Aik Tan** was appointed to the Board as an Alternate Director to Yeo Ayk Ke on 16 April 2007 and was appointed as Non-Independent Executive Director of the Company on 10 February 2020.

He started his career as a Western Cook with Genting Highland Hotel in 1980. Two (2) years later, he joined Apollo Hotel as a Western Cuisine Chef for two (2) years. He joined his brother in setting up the family's packaging business, Pioneer Packing Industries in 1985. His involvement in the well-established organisation in the hospitality industry has trained him to be disciplined in delivering products that meet customers' expectations. This skill has enabled him to handle the customer service and marketing roles for the packaging business effectively. His drive to continuously find solutions to improve the operational efficiency and enhance productivity has prompted him to computerise the company's production planning and control function, and apply the cutting-edge technology in block making and tracking system.

He attended all six (6) Board meetings held in the financial year 2026.

He is not a Director of any other public company.

He is the brother of Yeo Ayk Ke (Managing Director).



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## LIM POH TEOT

*Non-Independent Executive Director*

**Board Committee Membership**

- Member of Investment Committee

**Lim Poh Teot** was appointed to the Board on 19 July 2002.

He graduated from Kolej Tunku Abdul Rahman with a Diploma in Commerce (Management Accounting) in 1987. In 1988, he attained his Professional Accountancy Certificate from the Chartered Institute of Management Accountants ("CIMA"). He has been a member of the Malaysian Institute of Accountants ("MIA") since 1991 and has been a Fellow of CIMA ("FCMA") and is a certified Chartered Global Management Accountant ("CGMA") since 9 April 1992 by the Association of International Certified Professional Accountants ("AICPA").

He started his career in 1987 as an Assistant Accountant with Perusahaan Chan Choo Sing Sdn Bhd ("PCCS"). In 1989, he was responsible in setting up Harta Packaging Industries Sdn Bhd ("Harta"), the packaging operation of the PCCS group of companies. Subsequently, in 1992, he was promoted to Deputy Managing Director of Harta. In 1995, he was appointed as Group General Manager of PCCS Group Berhad when it was listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities"). In 1997, he was involved in the listing of Harta on the Second Board of Bursa Securities. Subsequently, he left the PCCS Group in 1999. He was the Chairman of the Batu Pahat Furniture Association from 2004 to 2010 and Vice President of the Johor Furniture Association ("JFA") for the same period. During that period, he was also the Governing Committee of the Malaysia Furniture Industry Council ("MFIC") and the Joint Council of MFIC and Malaysia Furniture Entrepreneur Association's ("MFEA") Head of Market Development Sub Committee. In January 2010, he was appointed by the Johor State Government as the Ex Officio representing the Batu Pahat Chinese Chamber of Commerce to the Majlis Perbandaran Batu Pahat for a period of five (5) years. Currently, he is the Honorary President of the Batu Pahat Chinese Chamber of Commerce and the Batu Pahat Hoon Jiao Tong Association.

He attended all six (6) Board meetings held in the financial year 2026.

He is not a Director of any other public company.

He does not have any family relationship with any Directors and/or major shareholders of the Company.

# Directors' Profile



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## MUAZ BIN JEMA ANTON KHAN

*Non-Independent Executive Director*

**Board Committee Membership**

- Chairman of Investment Committee
- Chairman of Enterprise Risk Management Committee
- Member of Board Risk Management Committee

**Muaz bin Jema Anton Khan** was appointed to the Board on 24 June 2016.

He graduated from University College London (UCL) with a B.Sc. (Honours) in Human Genetics in 2011. He started his career as an associate in CIMB Private Equity Sdn Bhd in 2012. In 2013, he joined Jaycorp Berhad as Head of Business Development and was subsequently appointed as a Non-Independent Executive Director in 2016.

He attended all six (6) Board meetings held in the financial year 2026.

He is also a Non-Independent Non-Executive Director of Jawala Inc, a company listed on the Catalist Board of the Singapore Exchange.

He is the grandson of Tan Sri Datuk (Dr.) Abdul Majid Khan (Executive Chairman), brother of Nadja binti Jema Khan (Non-Independent Non-Executive Director) and son of Datuk Jema Anton Khan (deemed substantial shareholder and major shareholder of the Company).



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## NADJA BINTI JEMA KHAN

*Non-Independent Non-Executive Director*

**Board Committee Membership**

- None

**Nadja binti Jema Khan** was appointed to the Board as Director cum Chief Financial Officer on 1 October 2018 and was re-designated to Non-Independent Non-Executive Director on 1 November 2019.

She graduated from Imperial College London with a B.Sc. (Honours) in Biomedical Sciences in 2010. She started her career in the audit department in Deloitte LLP, UK in September 2010. Nadja stayed in the audit department for three (3) years and spent this time auditing privately-owned and listed businesses across a range of industries. Subsequently, Nadja was transferred to the tax advisory department in Deloitte LLP where she spent four (4) years advising large businesses (privately-owned and listed) and their owners on both corporate and personal tax issues. During this time, Nadja's main areas of focus included mergers and acquisitions, IPOs, group reorganisations and international expansion.

She left Deloitte LLP, UK, as an Associate Director in 2017 and moved back to Malaysia to join Jaycorp Berhad as Group Financial Controller on 4 September 2017. Nadja is a member of the Institute of Chartered Accountants in England and Wales ("ICAEW") and Chartered Institute of Taxation ("CIOT") (UK).

She attended five (5) out of six (6) Board meetings held in the financial year 2026.

She was a Non-Independent Non-Executive Director of Jawala Inc, a company listed on the Catalist Board of the Singapore Exchange. Currently, she is not a Director of any other public company.

She is the granddaughter of Tan Sri Datuk (Dr.) Abdul Majid Khan (Executive Chairman), sister of Muaz bin Jema Anton Khan (Executive Director) and daughter of Datuk Jema Anton Khan (deemed substantial shareholder and major shareholder of the Company).

# Directors' Profile



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## BIANCA DANIELLA LIND

*Independent Non-Executive Director*

**Board Committee Membership**

- Chairperson of Nomination Committee
- Member of Audit Committee
- Member of Remuneration Committee
- Member of Investment Committee

**Bianca Daniella Lind** was appointed to the Board as an Independent Non-Executive Director on 1 January 2020.

She graduated from Oxford Brookes University with an LLB (Honours) in law in 2000. She obtained the Certificate of Legal Practice qualification in 2003 and an LLM Master of Laws in Intellectual Property Law from Monash University in 2005. She was admitted as an Advocate and Solicitor to the High Court of Malaya in 2006.

She started her career in Kuala Lumpur with Azman Davidson & Co. where she completed her pupillage and went onto to head the Intellectual Property department. Her interest in corporate law continued at Lee Hishamuddin Allen and Gledhill where she had significant exposure to Shariah-compliant transactions.

She moved to the Corporate sector when she joined Navis Capital in the KL office as in-house counsel. There, she had exposure in mergers and acquisitions, public listings, corporate take overs and fund raising. The transactions encompassed many industries from cosmetics, packaging, educational institutes to industrial safety footwear.

She attended five (5) out of six (6) Board meetings held in the financial year 2026.

She is not a Director of any other public company.

She does not have any family relationship with any Directors and/or major shareholders of the Company.



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## IVAN OH BOON WEE

*Independent Non-Executive Director*

**Board Committee Membership**

- Chairman of Audit Committee
- Chairman of Remuneration Committee
- Chairman of Board Risk Management Committee
- Member of Nomination Committee

**Ivan Oh Boon Wee** was appointed to the Board as an Independent Non-Executive Director on 20 October 2022.

He began his career with PricewaterhouseCoopers in 1985; spanning over fourteen (14) years which included Assurance and Corporate Advisory services.

He has over thirty-seven (37) years of total working experience with in-depth knowledge and capabilities in his areas of responsibilities whilst extensively familiar with listing requirements and corporate governance. He is also experienced in certain specialised functions such as tax planning and compliance including cross border transactions, corporate restructuring of distressed companies and corporate finance work including fund raising and mergers and acquisitions. He is a Certified Public Accountant of Malaysian Institute of Accountants ("MIA") as well as Malaysian Institute of Public Accountants ("MICPA").

He attended all six (6) Board meetings held in the financial year 2026.

He is not a Director of any other public company.

He does not have any family relationship with any Directors and/or major shareholders of the Company.

# Directors' Profile



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## PATRICIA UBING @ MAGDALENE EDWARD

*Independent Non-Executive Director*

**Board Committee Membership**

-Member of Audit Committee
-Member of Nomination Committee
-Member of Board Risk Management Committee
-Member of Investment Committee

**Patricia Ubing @ Magdalene Edward** was appointed to the Board on 9 June 2023.

She has over 30 years of experience in banking sector comprising areas of corporate and investment banking, consumer banking, and wealth management.

She has worked for Maybank Malaysia for past 21 years. She held position of Head of Corporate and Commercial Business, Regional Manager for Sabah/FT Labuan, and also the Group Head of Private Banking. She had served BNP Paribas Wealth Management as Managing Director, Head of Malaysia and as Managing Director for Deutsche Bank Wealth Management, Singapore. During the period from 2009 to 2016, Patricia was the Managing Director of Tridium Consultant Pte Ltd.

She attended all six (6) Board meetings held in the financial year 2026.

She is also a Director and Chief Executive Officer of Sabah Development Bank Bhd.

She does not have any family relationship with any Directors and/or major shareholders of the Company.

**Other Information:**

1. **Directors' Shareholdings**

   Details of the Directors' shareholdings in the Company are provided in the Analysis of Shareholdings Section in this Annual Report.

2. **Conflict of Interest or Potential Conflict of Interest with the Group**

   None of the Directors of the Company have any conflict of interest or potential conflict of interest with the Group.

3. **Convictions for Offences**

   Save as disclosed above, none of the Directors of the Company have been convicted of any offences (other than traffic offences, if any) within the past five (5) years. There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 July 2026.

# KEY SENIOR MANAGEMENT PROFILE

## TAN SRI DATUK (DR.) ABDUL MAJID KHAN
*Executive Chairman*

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Please refer to his Director's profile on page 5 of the Annual Report 2026.

## YEO AYK KE
*Managing Director*

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Please refer to his Director's profile on page 5 of the Annual Report 2026.

## YEO AIK TAN
*Executive Director*

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Please refer to his Director's Profile on page 6 of the Annual Report 2026.

## LIM POH TEOT
*Executive Director*

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Please refer to his Director's profile on page 6 of the Annual Report 2026.

## MUAZ BIN JEMA ANTON KHAN
*Executive Director*

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Please refer to his Director's profile on page 7 of the Annual Report 2026.

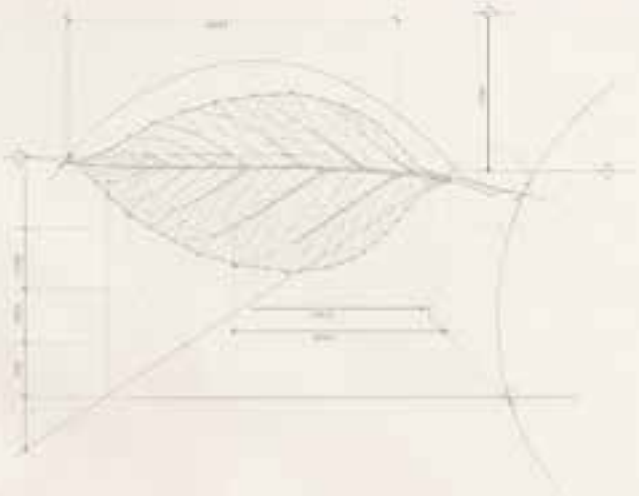
## TAN CHUN KOON
*Group Financial Controller*

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Tan Chun Koon is a Chartered Certified Accountant, a member of the Association of Chartered Certified Accountant ("ACCA") and Malaysian Institute of Accountants ("MIA"). He began his career as an auditor with Y.C. Chong & Co in January 2002 before joining Jaycorp Berhad as the Group Accountant in March 2007. In February 2016, he resigned from the Company and worked as Finance Manager of another public listed company. He re-joined the Company as the Group Accountant on 1 April 2017 and was promoted to Group Financial Controller on 1 November 2019.

He is not a Director of any public company. He does not have any family relationship with any Directors and/or major shareholders of the Company.

He has no conflict of interest or potential conflict of interest with the Group and has never been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.



# CHAIRMAN'S STATEMENT



## Dear Shareholders,

*On behalf of the Board of Directors, I present the Annual Report and Financial Statements of the Group and the Company for the financial year ended 31 July 2026 ("FY26").*

**TAN SRI DATUK (DR.) ABDUL MAJID KHAN**
*Executive Chairman*
*Non-Independent Executive Director*

The global economy continued to face considerable uncertainty during the year, with subdued demand across various segments, volatile foreign exchange movements and persistent cost pressures. These factors weighed on business confidence and purchasing decisions, particularly in sectors exposed to discretionary consumer spending and international trade. Businesses were therefore required to navigate changing market conditions while managing costs and maintaining their competitiveness.

In Malaysia, businesses continued to contend with intense market competition and rising operating costs. For the Group, these pressures were compounded by weaker demand across several core business segments, higher raw material costs and impairment losses. These factors placed considerable pressure on the Group's financial performance and reinforced the importance of prudent financial management, operational efficiency and disciplined cost control.

Against this backdrop, the Group recorded a 15.3% decline in revenue, from RM163.7 million in FY25 to RM138.7 million in FY26. The Group also recorded a loss before tax of RM17.5 million, compared with a profit before tax of RM3.9 million in FY25. The deterioration in financial performance reflected the combined effects of softer market demand, cost pressures and impairment losses across the Group's businesses.

The furniture segment faced a difficult year amid subdued demand across its export and domestic markets, resulting in a 15.0% decline in revenue. The challenging market environment, coupled with cost pressures and currency movements, weighed on the segment's performance. Moving forward, the Group will continue to focus on strengthening customer relationships, enhancing product competitiveness and improving operational efficiency, while maintaining prudent cost management to support the segment's longer-term sustainability.

Revenue in the packaging segment decreased by 7.3% amid softer demand and intense market competition, which continued to exert pressure on selling prices. Given its close links to the furniture industry, broadening the customer base remains an important priority in reducing reliance on a particular industry and strengthening the segment's resilience. The Group will continue to explore opportunities in other markets, improve production efficiency and enhance productivity to support the segment's competitiveness.

# Chairman's Statement

The renewable energy segment recorded a 23.3% decline in revenue during FY26, reflecting a moderation in its operating performance. Notwithstanding the lower revenue, the Group remains confident in the segment's long-term potential, supported by the growing emphasis on renewable energy and sustainable industrial solutions. During the year, the Group also completed the acquisition of the remaining minority equity interest in Jaycorp Green Energy Sdn Bhd ("JGESB"), bringing its ownership to 100%. This acquisition enables the Group to capture the full earnings attributable to its ownership of JGESB and is expected to strengthen the segment's contribution to the Group's overall financial performance. Moving forward, the Group will continue to focus on operational reliability and efficiency to support the segment's sustainable growth.

The construction segment's revenue was 53.9% lower in FY26, mainly attributable to lower levels of project completion across its existing and new projects. The segment continued to experience pressure on its financial performance amid a competitive market landscape. In view of its sustained losses over the past several years, the Group will take a prudent approach to managing the segment, with an emphasis on limiting further losses and ensuring that financial and operational resources are deployed effectively.

The joint venture companies contributed less favourably to the Group's financial results in FY26, leading to a greater share of losses attributable to the Group. Their performance reflected the difficulties encountered in sustaining business activities amid changing market conditions. The Group recognises the importance of these joint ventures and will continue to give due consideration to their performance in assessing their alignment with the Group's overall business objectives.

Looking ahead, the Group expects the operating environment to remain challenging, requiring continued vigilance and adaptability across its businesses. Our priorities will be to strengthen the resilience of our existing operations, improve cost and operational efficiency, and maintain disciplined financial management. While uncertainties remain, the Group will remain focused on managing risks effectively and responding to market developments in a measured and disciplined manner to supporting sustainable growth and enhancing long-term shareholder value.

On behalf of the Board of Directors, I would like to express my sincere appreciation to the management team and all employees across the Group for their dedication, perseverance and commitment throughout FY26. Despite the challenges encountered during the year, your continued efforts in managing our businesses and supporting the Group's operations are greatly valued. Your contributions remain important to our ongoing efforts to strengthen the Group's resilience and pursue its long-term objectives.

I would also like to extend my heartfelt gratitude to our shareholders, customers, joint venture partners, business associates, suppliers, bankers and government authorities for their continued trust, confidence and support. We value these relationships and look forward to their continued support as we navigate the challenges and opportunities ahead.

Finally, I wish to thank my fellow Board members for their guidance, dedication and valuable contributions throughout the year. Their collective oversight and commitment remain instrumental in guiding the Group through a challenging business environment and safeguarding the Group's long-term interests.



# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW OF THE JAYCORP GROUP'S BUSINESS AND OPERATIONS

### Business and operations

The Jaycorp group ("the Group") operates six main business segments as follows:

**Furniture**
manufacture and sale of furniture (mainly rubberwood furniture);

**Renewable energy**
renewable energy, biomass and environmentally friendly waste treatment;

**Packaging**
conversion of corrugated boards into carton boxes;

**Construction**
general construction and civil engineering works; and

**Wood processing**
pressure treatment and kiln-drying of wood and manufacturing of furniture parts;

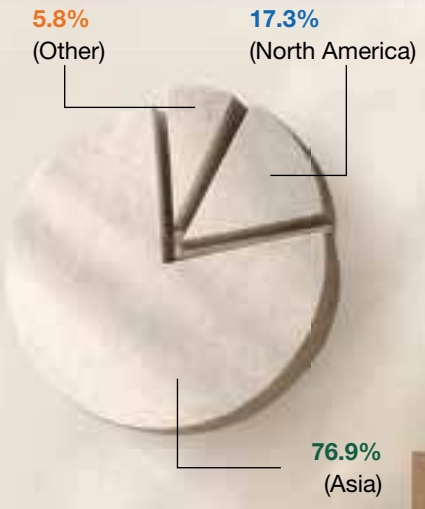
**Others**
general trading, transportation, property letting and printing.

The main contributor to group revenue for the financial year ended 2026 ("FY26") was the furniture segment which accounted for approximately 53.9% of total revenue (FY25: 54.1%).

The Group's operations are located in Kuala Lumpur, Melaka, Johor, Sabah, and Medan (Indonesia).

### Key markets

The Group's key markets are Asia and North America, which contributed 76.9% and 17.3% of revenue in FY26 respectively (FY25: Asia - 78.3% and North America - 16.2%).






# Management Discussion and Analysis

## OVERVIEW OF THE JAYCORP GROUP'S BUSINESS AND OPERATIONS (CONTINUED)

### Objectives and strategy

The Group's primary objective is to enhance shareholder value by nurturing sustainable growth in all businesses the Group undertakes.

The Group's strategy continues to focus on controlling costs and improving operational efficiency to achieve better profits. Furthermore, the Group continues to actively explore new markets, develop new products, and expand its customer base to facilitate business growth and deliver maximum value to its shareholders.

### Highlights of the Group's financial information for the past 5 financial years

| Financial | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|
| Revenue (RM'000) | 305,691 | 222,735 | 194,416 | 163,658 | **138,651** |
| Profit/(Loss) before taxation (RM'000) | 30,196 | 26,339 | 19,327 | 3,874 | **(17,457)** |
| Profit/(Loss) after taxation (RM'000) | 21,387 | 20,729 | 13,566 | (70) | **(18,915)** |
| Shareholders' equity (RM'000) | 186,472 | 192,128 | 190,634 | 182,392 | **154,664** |
| Total assets (RM'000) | 279,388 | 251,072 | 252,101 | 237,747 | **205,363** |
| Borrowings (RM'000) | 19,987 | 14,197 | 13,461 | 13,542 | **21,847** |
| Debt/Equity (%) | 10.72 | 7.39 | 7.06 | 7.42 | **14.13** |
| Earnings/(Loss) per share (sen) | 7.99 | 7.49 | 5.26 | 0.50 | **(5.99)** |
| Net assets per share (RM) | 0.69 | 0.71 | 0.71 | 0.68 | **0.58** |

## REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

### Segment results

The Group experienced a decline in revenue in FY26 compared with FY25, primarily due to weaker demand in both export and local markets, coupled with the appreciation of the Ringgit Malaysia ("MYR") against the United States Dollar ("USD").

The decline in the Group's segment results was mainly attributable to lower revenue, higher operating costs, particularly material costs, impairment losses on receivables and property, plant and equipment, as well as higher write-down of inventories.

The Group's financial performance across its six main segments is summarised as follows:

**FY26**

| | Furniture RM'000 | Packaging RM'000 | Wood processing RM'000 | Renewable energy RM'000 | Construction RM'000 | Others RM'000 | Consolidated RM'000 |
|---|---|---|---|---|---|---|---|
| Revenue | 84,720 | 34,075 | 19,215 | 11,857 | 4,534 | 2,827 | 138,651 |
| Segment result | (3,118) | 714 | (1,826) | 1,415 | (5,860) | (385) | (7,790) |

**FY25**

| | Furniture RM'000 | Packaging RM'000 | Wood processing RM'000 | Renewable energy RM'000 | Construction RM'000 | Others RM'000 | Consolidated RM'000 |
|---|---|---|---|---|---|---|---|
| Revenue | 99,635 | 36,741 | 19,646 | 15,466 | 9,838 | 2,822 | 163,658 |
| Segment result | 8,127 | 2,332 | (1,804) | 2,473 | (3,761) | (211) | 8,177 |

# Management Discussion and Analysis

## REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONTINUED)

### Segment results (Continued)



#### Furniture Segment

The furniture segment saw revenue decline from RM99.6 million in FY25 to RM84.7 million in FY26, while its segment result deteriorated from a profit of RM8.1 million to a loss of RM3.1 million. The decline in revenue was primarily attributable to weaker sales in both export and local markets, further exacerbated by the strengthening of the MYR against the USD. The deterioration in the segment result was mainly due to lower revenue, coupled with higher raw material costs and impairment losses on receivables and property, plant and equipment.



#### Packaging Segment

The packaging segment recorded lower revenue and segment results in FY26, with revenue decreasing from RM36.7 million in FY25 to RM34.1 million, while the segment result declined from RM2.3 million to RM0.7 million. The weaker performance was attributed to lower demand from existing internal and external customers in the furniture industry, intensified market competition that exerted downward pressure on selling prices and impairment losses on receivables.



#### Wood Processing Segment

The wood processing segment generated revenue of RM19.2 million in FY26, compared with RM19.6 million in FY25, while its segment loss remained unchanged at RM1.8 million. The lower revenue was due to reduced intercompany sales to the furniture segment. The segment continued to incur losses due to lower revenue, higher raw material costs and the continued underutilisation of production capacity which affected by subdued market demand.



#### Renewable Energy Segment

The renewable energy segment posted lower performance in FY26, with revenue decrease from RM15.5 million in FY25 to RM11.9 million, and segment result decreasing from RM2.5 million to RM1.4 million. The lower revenue and segment result in FY26 was primarily attributable to reduced steam supply following a plant shutdown to undertake rectification works.



#### Construction Segment

Revenue in the construction segment dropped to RM4.5 million in FY26 from RM9.8 million in FY25, while segment losses widened from RM3.8 million to RM5.9 million. The lower revenue in FY26 was primarily due to a reduced percentage of completion on existing and new projects. The larger segment loss resulted from reduced revenue, additional project-related expenses including provisions for foreseeable losses and liquidated ascertained damages (LAD) cost, impairment losses on property, plant and equipment and receivables.



#### Others Segment

The others segment contributed revenue of RM2.8 million in both FY25 and FY26. However, its segment loss widened from RM0.2 million to RM0.4 million, primarily due to impairment losses on receivables.



#### Joint Venture Company

The Group's share of losses from its joint venture companies rose from RM2.0 million in FY25 to RM5.3 million in FY26. The increase was mainly attributable to lower export sales recorded by the Indonesian joint venture company due to shortages in local raw material supply, coupled with higher raw material costs arising from the need to import raw materials and higher foreign exchange losses. Meanwhile, the Malaysian joint venture company also faced lower export sales and higher foreign exchange losses, further contributing to the weaker performance.

# Management Discussion and Analysis

## REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONTINUED)

### Significant balances

#### Trade Receivables

Trade receivables decreased from RM19.9 million in FY25 to RM16.3 million in FY26, primarily attributable to lower Group revenue recorded in the fourth quarter of FY26 compared with the corresponding quarter in FY25.

#### Inventories

Inventories decreased to RM19.1 million in FY26 from RM23.2 million in FY25, mainly due to lower Group sales during the year and the reduction in inventory levels in response to subdued customer orders.

#### Deposits, bank and cash balances

Deposits, bank and cash balances decreased from RM54.3 million in FY25 to RM51.2 million in FY26, primarily due to the Group's acquisition of an approximately 40% equity interest in Jaycorp Green Energy Sdn Bhd ("JGESB"), which was funded through internally generated funds.

#### Trade Payables

Trade payables decreased from RM9.7 million in FY25 to RM9.1 million in FY26. This was due to reduced procurement activity in the Group following a decline in revenue.

#### Borrowings

Group borrowings stood at RM21.8 million in FY26, compared with RM13.5 million in FY25. The increase was mainly attributable to term loans obtained to finance the expansion project under the renewable energy segment, as well as the utilisation of term loans, invoice financing and other borrowings to meet working capital requirements and support the ongoing operations of certain segments.

Consequently, the Group's gearing ratio increased from 7.42% in FY25 to 14.13% in FY26.

## ANTICIPATED OR KNOWN RISKS

The Group is exposed to various risks that could affect its business operations and overall performance. To address these risks, the Group has established robust processes for their identification, assessment, and management. An Enterprise Risk Management Committee ("ERMC") convenes regularly, working in close collaboration with key members of management ("Management") to:

- Identify and assess risks relevant to the Group.
- Develop, implement, and continuously monitor the risk management framework.
- Detect changes in existing risks or the emergence of new risks, take appropriate actions, and promptly escalate significant matters to the Board Risk Management Committee ("BRMC"), which in turn reports to the Board.

The following are the key risks considered material and specific to the Group.

### Sustainability of business

The Group operates across different business segments, each of which is subject to its own operating and financial considerations. Changes in the operating environment, business performance, cost structure and financial sustainability of individual businesses may affect their ability to remain commercially viable over the longer term.

Management regularly reviews the performance, financial position and prospects of the Group's respective business segments to assess their continued sustainability. Where necessary, Management evaluates appropriate measures to improve operational efficiency, optimise costs and resources, and align the scale and structure of individual businesses with their long-term prospects.

The Group remains focused on maintaining a resilient business portfolio by monitoring the performance and sustainability of its businesses and taking appropriate measures to preserve long-term value.

### Availability and cost of raw materials

The Group faces key risks related to the shortage and price fluctuations of raw materials, as purchases are made from suppliers without long-term supply contracts. To mitigate this, the Group actively monitors raw material pricing and sourcing while maintaining strong relationships with its suppliers.

Environmental factors, including weather conditions and rainfall levels, may also impact the supply of rubberwood. In addition, new or enhanced government regulations (such as logging restrictions) could further constrain supply availability.

In addition, the Group's sourcing strategy may rely heavily on a small number of key suppliers or specific geographic regions for critical raw materials. This concentration risk exposes the Group to potential supply disruptions if any of these suppliers experience operational issues, financial instability, quality non-compliance, or capacity constraints.

## ANTICIPATED OR KNOWN RISKS (CONTINUED)

### Staff availability and cost of labour and loss of key personnel

The Group may face challenges in attracting and retaining an adequate workforce, particularly employees with specialised skills and experience. Labour-related costs may also increase due to changes in government policies, including requirements relating to foreign workers, recruitment restrictions, worker levies and minimum wage requirements. Such developments may affect the Group's operating costs, productivity and financial performance.

The Group also faces potential challenges arising from an ageing workforce and the possible loss of key personnel, particularly within management and critical technical roles. The departure or retirement of experienced employees may result in the loss of institutional knowledge, disruption to operations and reduced leadership continuity.

To mitigate these risks, the Group continues to strengthen workforce planning, succession planning and talent development initiatives. Management places emphasis on employee development, knowledge transfer and retention of experienced personnel to maintain operational continuity. Where appropriate, the Group also explores the use of subcontractors and automation to improve operational efficiency and reduce reliance on labour-intensive processes.

### Foreign currency exchange rates

As a substantial portion of the Group's revenue is generated from export sales, significant fluctuations in the Malaysian Ringgit ("MYR") against the United States Dollar ("USD") may impact the Group's financial results. Given the numerous factors influencing exchange rate movements, currency trends remain inherently unpredictable. To mitigate this risk, the Group employs appropriate hedging strategies to reduce its exposure to major foreign exchange fluctuations. In FY26, the MYR appreciated by approximately 4% against the USD.

### Market competition, sales order and key customer reliance

The Group operates in competitive markets that are influenced by customer demand, economic conditions, evolving consumer preferences and global trade developments. Manufacturers continue to face competitive pressures in terms of pricing, product quality, production costs and delivery requirements, while fluctuations in raw material and labour costs, supply chain disruptions and changes in regulatory or tariff requirements may further affect competitiveness.

A slowdown in customer demand, changes in purchasing patterns or delays in securing new sales orders may result in lower production volumes, reduced capacity utilisation and pressure on the Group's revenue and profitability. In addition, a portion of the Group's revenue is dependent on a limited number of key customers. Any significant reduction, cancellation or loss of orders from these customers could adversely affect the Group's business performance.

To mitigate these risks, the Group closely monitors market conditions, customer demand and sales pipelines, while maintaining regular engagement with existing and prospective customers. The Group continues to strengthen cost discipline, improve production efficiency and enhance its product offerings to meet evolving customer requirements. The Group also explores opportunities to develop new customers and markets to broaden its customer base and reduce reliance on individual customers.

### Safety, Health & Environment

The Group's operations are subject to safety, health and environmental risks arising from activities undertaken across its manufacturing and other operating facilities. Workplace accidents or incidents may result in injuries, disruption to operations, regulatory action and financial or reputational consequences. The Group also operates under various environmental requirements relating to areas such as air and noise emissions, dust control, waste management and other environmental matters.

To manage these risks, the Group continues to strengthen workplace safety practices, conduct relevant training and awareness programmes, and monitor compliance with applicable safety, health and environmental requirements. The Group also continues to implement appropriate measures to minimise environmental impacts and maintain safe and healthy working conditions across its operations.

### Operational risks associated with the construction segment

The Group's construction segment is subject to risks arising from the nature of project-based operations and prevailing market conditions. These include uncertainties relating to the availability and timing of new project opportunities, competitive pressures, fluctuations in construction costs, project execution and delays arising from factors such as weather conditions, labour availability and supply chain disruptions. Changes in these factors may affect project profitability, operational efficiency and the overall performance of the segment.

To manage these risks, Management continues to closely monitor the construction segment's project portfolio, project execution, financial performance and prevailing market conditions. Management also evaluates the allocation of resources and operating costs in line with the level of business activity, while taking appropriate measures to manage project-related risks and maintain the financial sustainability of the segment.

# Management Discussion and Analysis

## BUSINESS OUTLOOK

### Manufacture and sale of furniture

The outlook for the furniture segment remains challenging amid uncertainties in the global economic environment, subdued consumer demand and intensifying competition in international markets. Although global economic growth is expected to remain positive, persistent geopolitical uncertainties, fluctuations in foreign exchange rates and evolving trade policies may continue to weigh on consumer spending and global furniture demand.

In Malaysia, the segment is expected to face continued cost pressure rising from elevated raw material and operating costs. In addition, the strengthening of the MYR against the USD, which may affect the price competitiveness of Malaysian furniture exporters in international markets. Nevertheless, opportunities may arise from market diversification, product innovation, operational efficiency and the development of higher-value-added furniture products.

As furniture remains the Group's core business, the Group will continue to focus on strengthening the segment's resilience amid prevailing market challenges. Although financial performance is expected to remain under pressure due to subdued customer orders and rising operating costs, the Group will adopt a prudent approach to cost management, enhance production efficiency and strengthen customer relationships to mitigate operational risks. These measures, together with efforts to explore new market opportunities and improve product competitiveness, are expected to support the segment's recovery.

### Manufacture and sale of carton boxes

The performance of the packaging segment is expected to remain closely linked to the furniture industry, particularly demand from local furniture manufacturers serving both domestic and export markets. However, the segment continues to face a highly competitive and challenging business environment, with subdued customer orders and intense price competition potentially placing further pressure on revenue and profit margins.

Despite these challenges, this segment's strength lies in its ability to foster long-term customer relationships, maintain competitive selling prices, manage raw material costs, ensure timely delivery and enhance operational efficiency. These capabilities have enabled the segment to build customer trust and loyalty while maintaining its competitiveness in the market.

Going forward, the segment will continue to strengthen relationship with existing customers, exploring new business opportunities and enhance cost management initiatives to improve operational efficiency, sustain profitability and reinforce its competitive position amid challenging market condition.



# Management Discussion and Analysis

## BUSINESS OUTLOOK (CONTINUED)

### Renewable energy

The renewable energy segment remains encouraging supported by the Government's continued emphasis on renewable energy development. However, the Group's near-term performance will depend on the reliability of its plant operations, the stability of steam supply and its ability to minimise operational disruptions. Following the plant shutdown for rectification works in FY26, the Group will focus on restoring operational stability, improving plant efficiency and ensuring a consistent supply of steam to support revenue recovery and, in turn, enhance profitability.

In FY25, the Group announced an expansion project within this segment, which is expected to strengthen the segment's operating capacity and support the Group's future growth. The Group remains committed to the successful implementation of the project and will continue to take appropriate measures to manage implementation risks and oversee the execution of the project. Upon completion, the project is expected to enhance the segment's operating capabilities and contribute positively to the Group's future financial performance.

In FY26, the Group announced and completed the acquisition of an approximately 40% equity interest in JGESB. Following the completion of the acquisition, the Group's equity interest in JGESB increased to 100%, enabling the Group to capture the full earnings attributable to its ownership of the company. This acquisition is expected to further strengthen the Group's position in the renewable energy segment and enhance its contribution to the Group's overall performance.

### Construction and property development

In view of the segment's persistent losses over the past several years and the challenging operating environment, the Group will adopt a prudent approach to managing its construction segment, with a focus on mitigating further losses and optimising the allocation of its financial and operational resources. Going forward, the Group will continue to evaluate the segment's operating strategy and future prospects in light of prevailing market conditions and in alignment with its overall business objectives and strategic priorities.

### Joint venture companies

The performance of the Group's joint venture companies is expected to remain subject to challenges arising from uncertainties in export market demand, raw material supply constraints, and elevated raw material costs. The Group will continue to monitor the operating performance of its joint venture companies and work closely with its joint venture partners to address operational challenges, improve cost efficiency and strengthen overall business performance. The Group will also remain attentive to prevailing market conditions and external risk factors that may affect the performance of its joint venture companies.

### Dividend

When recommending dividends, the Board considers the Group's and the Company's financial position, operating working capital requirements, and its commitment to shareholders. Having considered these factors, and in view of the prevailing challenging market conditions, the Board does not recommend the payment of a dividend for the current financial year.



# SUSTAINABILITY STATEMENT

## INTRODUCTION

This Sustainability Statement ("the Statement") presents Jaycorp Berhad and its subsidiaries' ("Jaycorp" or "the Group") continued commitment to responsible and sustainable business practices. It highlights the Group's efforts and performance in identifying, managing, and responding to material Economic, Environmental, and Social ("EES") risks and opportunities that are integral to long-term business resilience and stakeholder value creation.

Through this Statement, Jaycorp outlines the approach to embedding sustainability principles across its operations, from governance and ethical conduct to environmental stewardship, employee safety and community engagement. Guided by our core values and commitment to responsible business practices, the Group remains focused on balancing business growth with positive environmental and social impact. We strive to ensure that the progress we make today strengthens our long-term resilience and contributes to a more sustainable future for our stakeholders and communities.



## REPORTING FRAMEWORK

In preparing this Statement, the Group has been guided by the Sustainability Reporting requirements outlined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), while also taking into consideration the principles and disclosures recommended by the Global Reporting Initiative ("GRI") Standards.

## REPORTING SCOPE

This Statement covers the Group's principal business segments, comprising furniture manufacturing, packaging, wood processing operations in Malaysia and Indonesia, renewable energy, construction, and other related activities for the financial year ended 31 July 2026 ("FY26").

It outlines the Group's response to material sustainability matters that have a significant impact on our business operations, performance, and long-term value creation, as well as our approach in addressing the needs and expectations of our stakeholders.

# Sustainability Statement

## OUR APPROACH TO SUSTAINABILITY

Our approach to sustainability is anchored in the integration of responsible practices into our organisational culture, the continuous strengthening of our core operations, and the cultivation of a high-performance and resilient workforce.

At Jaycorp, a Sustainability Policy has been established to guide our efforts in embedding ethical, responsible, and transparent practices across the Group's activities. The Policy outlines our commitment to addressing material EES matters in a manner that supports both business growth and long-term value creation. The key objectives of the Sustainability Policy are presented below, while the full policy document is available on our Company's website at www.jaycorp.com.my.

### Objectives of Sustainability Policy:

- Endeavour to integrate the principles of sustainability into the Group's strategies, policies and procedures;
- Promote sustainable practices;
- Ensure that the Board and senior management are involved in the implementation of this policy and review the sustainability performance; and
- Create a culture of sustainability within the Group and communicate this, with an emphasis on integrating the environmental, social and governance considerations into decision making and the delivery of outcomes.

Our aims and focus on sustainability can be summarised as follows:



**Environment**

- Reduce consumption of non-renewable and non-recycled materials
- Pursue and encourage the use of renewable resources
- Reduce the level of pollutants released into air and water as a result of business activities
- Reduce waste produced by operational practices and manage waste effectively
- Comply with environmental and legal requirements



**Social**

- Maintain a safe and healthy workforce
- Recruit and retain high potential and high performing employees
- Use training and development as a strategic investment and a way of shaping culture in the Group
- Enable employees to further develop their professional and personal skills
- Provide a safe working environment for all employees
- Promote racial harmony and prevent racial discriminations
- Prevent sexual harassment and other forms of violence against women
- Be recognised as a good corporate citizen
- Support and encourage community development
- Respond in a professional and timely manner to public enquiries
- Enhance the public's perception of and experience with the Group



**Economic**

- Ensuring sustainability forms an integral part of strategic planning
- Enhance sustainability through regular updates of strategies, policies, procedures and provide relevant training
- Assess the impacts and outcomes of sustainability
- Plan for long term resources including human and financial
- Ensure business is conducted in an ethical way with effective implementation and enforcement of our Code of Conduct policies and procedure

# Sustainability Statement

## SUSTAINABILITY GOVERNANCE

The Group's sustainability governance is closely integrated with its corporate governance structure and Enterprise Risk Management ("ERM") framework, ensuring that sustainability considerations are embedded in strategic decision-making and operational practices. The Board of Directors ("the Board") retains ultimate responsibility for overseeing the Group's sustainability agenda, including its performance and alignment with long-term business objectives.

During the current reporting financial year, the Board was supported by two (2) key committees, the Board Risk Management Committee ("BRMC") and the Enterprise Risk Management Committee ("ERMC") in carrying out this oversight. The ERMC comprises of Executive Directors, Group Financial Controller (GFC), Group Risk & Compliance Manager and selected representatives from subsidiaries, providing a coordinated approach to sustainability and risk management across the Group. Each subsidiary maintains its own risk management team, consisting of a Risk Coordinator and Risk Owners with the support of Group Risk & Compliance Manager to assist the ERMC in identifying and assessing material risks, gathering relevant information, and ensuring the effective integration of risk management practices within day-to-day operations.

Progress updates, key sustainability risks, and performance outcomes are reported periodically to the Board through the BRMC ensuring continuous monitoring, accountability, and improvement in the Group's sustainability governance and performance.



**Board of Directors**

- Responsible for ensuring adequate oversight on management of sustainability matters.

**Board Risk Management Committee**

- Comprises two (2) Independent Non-Executive Directors and an Executive Director.
- Review management of key risks and sustainability matters through periodic update on key/principal risks and sustainability related matters.
- Communicate the Board's vision, strategy, policy, responsibilities and reporting lines in risk management to all personnel across Jaycorp.
- Articulate and provide direction on risk appetite, organisational control environment and risk culture at Jaycorp Berhad.

**Enterprise Risk Management Committee**

- Management working committee - consists of Executive Directors, Group Financial Controller, Group Risk & Compliance Manager and representatives from subsidiaries.
- Spearheads the implementation of Jaycorp's risk management function which includes management of material sustainability matters.
- Ensure that the ERM Framework and related processes are applied consistently across the organisation.
- Provide guidance on suitable risk treatment options and assist in developing an action plan.

# Sustainability Statement

## STAKEHOLDER ENGAGEMENT

We recognise that active stakeholder engagement is fundamental to our sustainability journey. The Group integrates stakeholder feedback to ensure that our sustainability initiatives remain relevant and aligned with stakeholder interests and expectations. Engagement with both internal and external stakeholders is conducted on an ongoing basis through various channels to promote transparency, trust, and mutual understanding.

Through continuous dialogue with stakeholders, including regular discussions with top management and the Board, we identify and prioritise key sustainability matters that have a direct impact on our operations and long-term business objectives. We also monitor developments within our business environment to ensure that stakeholder concerns are appropriately addressed and emerging issues are managed effectively.

The table below outlines the Group's principal stakeholder groups, their key areas of interest, and the primary modes of engagement through which we maintain ongoing communication and collaboration.

| Stakeholders | Focus Areas | Engagement Approach | Frequency |
|---|---|---|---|
| Customers | • Product quality and pricing<br>• Market demand<br>• Product development and innovation<br>• Customer satisfaction<br>• After-sales services<br>• Quality assurance | • Marketing plan<br>• Product promotions<br>• Customer feedback and surveys<br>• Customer/factory visits<br>• Regular meetings and visits | • Continuously<br>• Continuously<br>• Continuously<br>• Continuously<br>• Continuously |
| Employees | • Employee occupational health and safety<br>• Career development and advancement<br>• Remuneration package<br>• Performance review | • Performance appraisals<br>• Team building activities<br>• Social events with employees<br>• Meetings and discussions<br>• Trainings | • Annually<br>• Continuously<br>• Continuously<br>• Continuously<br>• Continuously |
| Vendors & suppliers | • Material and service quality<br>• Suppliers' service and complaints resolution<br>• Legal compliance<br>• Contract terms and conditions review | • Supplier performance evaluations<br>• Meeting and discussions<br>• Factory visits<br>• Quality audit<br>• Contract negotiations | • Annually<br>• Continuously<br>• Continuously<br>• Continuously<br>• Continuously |
| Shareholders & investors | • Financial performance<br>• Regulatory compliance<br>• Corporate governance<br>• Ethical business conduct<br>• Internal control and risk management | • Financial announcement and reporting<br>• Annual & Extraordinary General Meetings<br>• Bursa announcements<br>• Company website<br>• Annual Report | • Annually/ Quarterly<br>• Continuously<br>• Continuously<br>• Continuously<br>• Annually |
| Government regulators/ authorities etc | • Regulatory compliance<br>• Approvals and permits<br>• Standards and certifications<br>• Bursa listing requirements | • Meetings and consultations<br>• Training programmes and dialogue<br>• Audit and verification | • Continuously<br>• Continuously<br>• Continuously |
| Local communities | • Community wellbeing<br>• Community investment<br>• Job opportunities<br>• Corporate Social Responsibilities ("CSR") activities | • Media announcements<br>• Annual report<br>• Company website<br>• Community events | • As and when necessary<br>• Annually<br>• Continuously<br>• Continuously |
| Financial institutions | • Financial performance<br>• Compliance with terms & conditions | • Periodic reporting<br>• Loan covenant compliance reporting | • Continuously<br>• Continuously |

# Sustainability Statement

## MATERIALITY ASSESSMENT

Through ongoing stakeholder engagement, Jaycorp has identified, assessed, and prioritised material sustainability topics that are most significant to the Group's operations and have the greatest influence on stakeholders' decision-making.

The prioritisation of these material matters is presented in the materiality matrix for the reporting year, which has been reviewed and endorsed by the Board of Directors through the Board Risk Management Committee ("BRMC").

The materiality matrix below maps each material topic along two dimensions: the horizontal axis represents the significance of the Group's EES impacts on our business, while the vertical axis reflects the degree of influence these topics have on stakeholders' assessments and decisions regarding their engagement with the Group.




Based on the materiality assessment, four topics were identified as the most critical due to their high significance to the Group's EES impacts and their strong influence on stakeholders' assessments and decision-making. These are Economic Performance, Anti-Corruption, Supply Chain Management, and Health and Safety.

Economic performance remains central to the Group's ability to deliver long-term value and sustain business growth. Anti-corruption reflects our commitment to integrity, transparency, and ethical business conduct across all operations. Supply chain management is vital to ensuring responsible sourcing, quality assurance, and fair working practices throughout our value chain. Health and safety continue to be a top priority, underscoring our duty of care towards employees, contractors, and business partners. Together, these focus areas represent the foundation of Jaycorp's sustainability agenda and guide our continuous efforts to balance business performance with responsible and ethical practices.

## MATERIALITY ASSESSMENT (CONTINUED)

The following is a list of material topics and key indicators.

| No. | Material Topic | GRI Reference | Indicators |
|---|---|---|---|
| 1 | Economic Performance | 201-1 | Direct economic value generated and distributed |
| 2 | Anti-Corruption | 205-1 | Percentage of operations assessed for corruption-related risks |
| | | 205-2 | Percentage of employees that have received training on anti-corruption by employee category |
| | | 205-3 | Confirmed incidents of corruption and action taken |
| 3 | Supply Chain Management | 204-1 | Proportion of spending on local suppliers |
| 4 | Data Privacy and Security | 418-1 | Number of substantiated complaints concerning breaches of customer privacy and losses of customer data |
| 5 | Health and Safety | 403-5 | Number of employees trained on health and safety standards |
| | | 403-9 | Lost time incident rate |
| | | 403-9 | Number of work-related fatalities |
| 6 | Labour Practices and Standards | N/A | Number of substantiated complaints concerning human rights violations |
| 7 | Diversity | 405-1 | Percentage of employees by gender and age group for each employee category |
| | | 405-1 | Percentage of directors by gender and age group |
| 8 | Human Capital Management | 401 | Percentage of employees that are contractors or temporary staff |
| | | 401-1 | Total number of employee turnover by employee category |
| | | 404 | Total hours of training by employee category |
| 9 | Community | 201-1 | Total amount invested in the community where the target beneficiaries are external |
| | | 201-1 | Total number of beneficiaries of the investment in communities |
| 10 | Energy Management | 302-1 | Total energy consumption |
| 11 | Emissions Management | 305-1<br>305-2<br>N/A | (i) Scope 1 emissions in tonnes of $CO_2e$<br>(ii) Scope 2 emissions in tonnes of $CO_2e$<br>(iii) Reduction of GHG Emissions, in tonnes of $CO_2e$<br>(iv) Number of non-compliance to environmental laws |
| 12 | Water Management | 303-3<br>303-4<br>303-5 | Total volume of water used |
| 13 | Waste Management | 306-3<br>306-4<br>306-5 | Total waste generated and a breakdown of:<br>(i) Total waste diverted from disposal<br>(ii) Total waste directed to disposal |

## ASSURANCE STATEMENT

The information disclosed in this Statement has been reviewed by the Board Risk Management Committee ("BRMC") and subsequently endorsed by the Board of Directors. At present, this Statement, whether in full or in part, has not been subjected to independent assurance by internal or external assurance providers.

Recognising the growing importance of transparency and accountability in sustainability reporting inclusive of upcoming regulatory requirements, the Board through Management will continue to evaluate the feasibility and benefits of obtaining independent assurance on selected sustainability information in future reporting periods. This will be undertaken in consultation with key stakeholders and in alignment with regulatory requirements and industry best practices, with the aim of progressively enhancing the credibility, reliability, and robustness of the Group's sustainability disclosures.

# Sustainability Statement

## ECONOMIC

### Economic Performance

Jaycorp's economic performance remains a primary concern for our key stakeholders. Our target is to generate and sustain financial returns for our shareholders and lenders, continue to provide job opportunities for our direct and indirect employees, and pay our fair share of taxes to local authorities. The Group's economic performance is essential not only for driving business growth, but also for creating long-term value for the communities and economies in which we operate.

To achieve these objectives, the Group continues to implement strategic initiatives focused on enhancing operational efficiency, expanding market reach, and developing new business opportunities. In FY26, the Group's revenue was primarily derived from six (6) main business segments - furniture, packaging, wood processing, renewable energy, construction and others with the furniture segment remaining the principal revenue contributor. Throughout the year, the Group has made continuous efforts to strengthen its economic performance through cost optimisation, product innovation, and market diversification.

A summary of economic value generated during the reporting year and prior years are as follows:

| (RM'000) | FY26 | FY25 | FY24 |
|---|---|---|---|
| Economic Value Generated | 138,651 | 163,658 | 194,416 |

The economic value distributed to our key stakeholders is summarised as follows:

| (RM'000) | FY26 | FY25 | FY24 |
|---|---|---|---|
| Payment to employees - salaries and other staff costs | 32,235 | 33,973 | 34,469 |
| Payment to government - income tax | 1,458 | 3,944 | 5,761 |
| Payment to investors - dividend | - | 9,406 | 16,124 |
| Payment to lenders - interest | 897 | 679 | 566 |
| Payment to suppliers | 88,267 | 97,315 | 111,241 |

We believe that Jaycorp's economic success is driven by our unwavering commitment to customer satisfaction and the consistent delivery of high-quality products and services. To sustain this success, we maintain continuous engagement with our customers to better understand and respond to their evolving needs and expectations.

A more detailed discussion of the Group's economic performance, key drivers, and challenges can be found in the Management Discussion and Analysis ("MD&A") section of this Annual Report.

### Anti-Corruption

As a responsible and ethical organisation, Jaycorp recognises that the implications of failing to uphold a robust compliance environment extend beyond potential legal repercussions under anti-corruption laws. Such failures could erode stakeholder trust, damage our corporate reputation, and undermine our ability to create long-term value for shareholders. Accordingly, we maintain a strong culture of integrity and vigilance to ensure that our operations and business relationships are conducted in full compliance with applicable laws and in a manner that discourages any form of corrupt practice.

Our Anti-Bribery and Anti-Corruption Manual and related procedures are derived from corruption risk assessments and are subject to continuous review and enhancement. These assessments are carried out annually by the Group Risk and Compliance Department and are reviewed by the ERMC and the BRMC to ensure that emerging and significant risks are effectively identified and addressed.

## ECONOMIC (CONTINUED)

### Anti-Corruption (Continued)

**100%**
**Percentage of operations assessed for corruption risks for FY26**

1. *Our risk assessment is performed at the group and subsidiary level.*
2. *We continuously review and improve our corruption risk assessment and management.*

To strengthen our ethical foundation, all employees and relevant business partners are required to familiarise themselves with Jaycorp's Anti-Corruption and Anti-Bribery Policy and adhere to the highest standards of professional conduct. Annual training and awareness programmes are conducted to reinforce understanding of anti-corruption and anti-bribery principles, while our Whistleblowing Policy provides a secure and confidential channel for reporting any suspected misconduct without fear of retaliation. Through these collective measures, Jaycorp strives to uphold a transparent, accountable, and integrity-driven business environment.

The following table illustrates the extent of participation by employee categories in our annual anti-bribery and anti-corruption training for FY26.

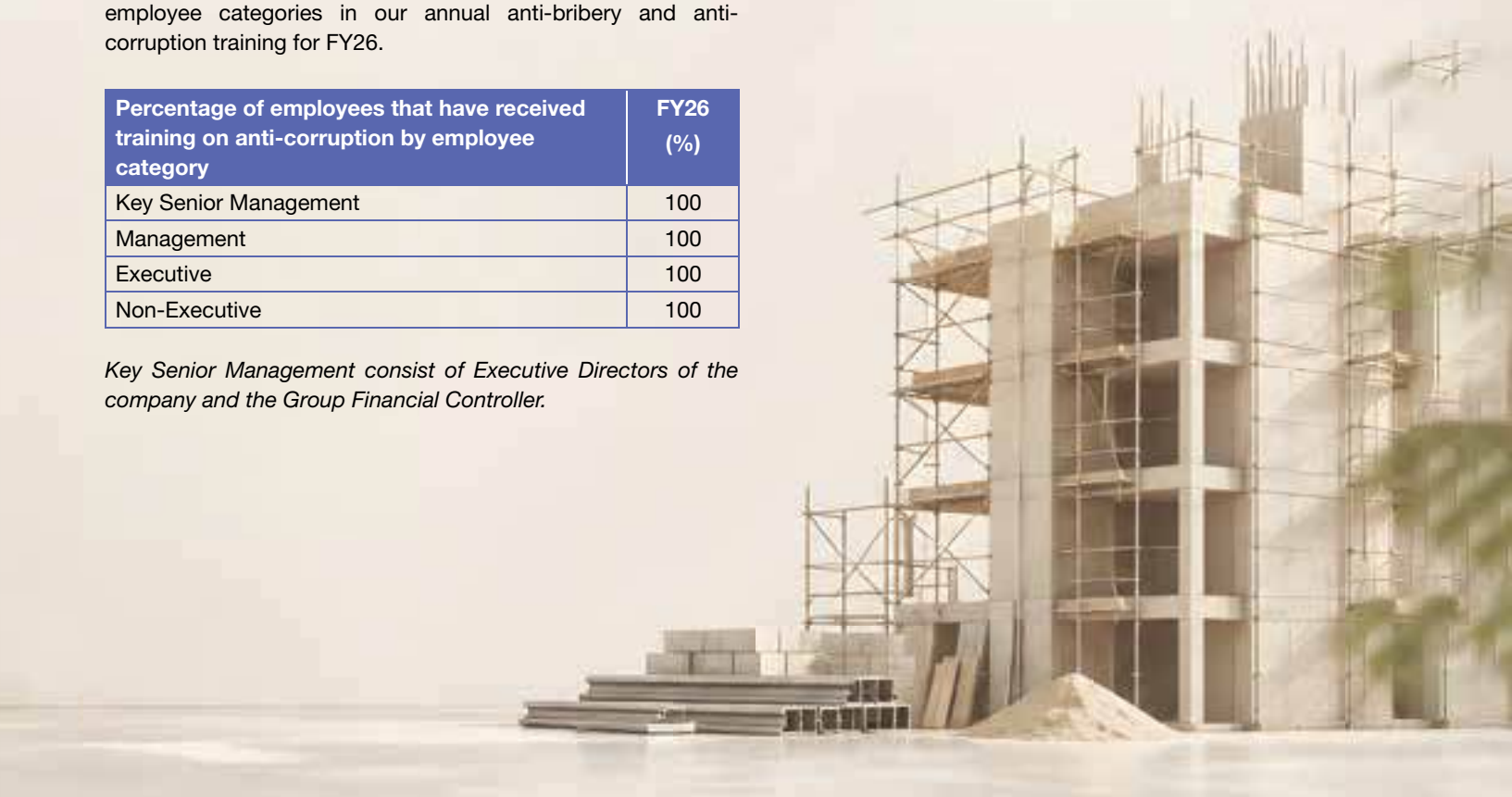
| Percentage of employees that have received training on anti-corruption by employee category | FY26 (%) |
|---|---|
| Key Senior Management | 100 |
| Management | 100 |
| Executive | 100 |
| Non-Executive | 100 |

*Key Senior Management consist of Executive Directors of the company and the Group Financial Controller.*

Notwithstanding, we remain dedicated to strengthening communication and awareness initiatives across the Group. These include regular compliance monitoring and feedback sessions led by top management and the Board, complemented by ongoing discussions and meetings at the executive level to reinforce ethical conduct and accountability.

Through continuous assessment, monitoring, and transparent communication, we are pleased to report that no confirmed incidents of corruption were recorded during the reporting year. This outcome reflects our ongoing commitment to maintaining a culture of integrity and responsible business practices throughout Jaycorp's operations.

**None**
**Number of confirmed incidents of corruption and action taken for FY26**



# Sustainability Statement

## ECONOMIC (CONTINUED)

### Supply Chain Management

#### Responsible sourcing

As a company engaged in wood processing, packaging, and furniture manufacturing, Jaycorp is committed to ensuring that all raw materials are sourced responsibly. We recognise that sustainable sourcing is an evolving area and are dedicated to engaging relevant stakeholders continuously to enhance our value proposition and promote responsible practices across our supply chain.

Rubberwood, the primary type of wood used in our furniture production is considered an environmentally friendly choice compared to many other timber sources. Rubberwood *(Hevea brasiliensis)* is obtained from trees harvested from rubber plantations originally cultivated for latex production. These trees are typically felled at around 20 years of age, once they become less productive for latex, after which replanting is undertaken. As such, the use of rubberwood represents a sustainable practice, optimising the use of resources from rubber estates while minimising environmental impact.

To further ensure responsible sourcing, Jaycorp actively engages with suppliers to promote compliance with environmental standards, ethical labour practices, and traceability of raw materials. We prioritise sourcing from certified or sustainably managed plantations wherever feasible. In addition, the Group is in the process of aligning its sourcing practices with the European Union Deforestation Regulation (EUDR) requirements and other relevant wood traceability certification schemes to enhance transparency and strengthen the credibility of our supply chain.

Through these combined measures, Jaycorp strives to maintain a supply chain that balances operational efficiency, environmental stewardship, and social responsibility, reinforcing our commitment to sustainable business practices and long-term stakeholder value.

#### Local Sourcing Policy

Jaycorp's policy is to prioritise local suppliers, provided they meet our standards for price, quality, performance, and ethical conduct. Supporting local suppliers enables us to contribute to the domestic economy while fostering strong, long-term partnerships. The table below summarises the proportion of our spending allocated to local suppliers during the reporting period.

Proportion of spending on local suppliers




Jaycorp's subsidiaries have established a Procurement Standard Operating Procedure (SOP) to ensure that all suppliers meet our requirements before being included in the Approved Supplier List. Suppliers undergo a thorough selection and qualification process, and their performance is regularly evaluated to ensure the consistent delivery of products and services that meet our quality and ethical standards. Feedback from these evaluations is shared with suppliers to support continuous improvement and strengthen our partnerships.

Building and maintaining strong supplier relationships is critical for Jaycorp, particularly as we rely on our suppliers for raw materials in the absence of long-term supply agreements. We are also cognisant of the increasing scrutiny by stakeholders regarding labour rights and compliance with environmental regulations throughout the supply chain. As a matter of principle, we require all vendors to comply with applicable local laws and regulations, reinforcing our commitment to responsible and ethical sourcing practices.

#### Supply Chain Continuity

We recognise that supply chain continuity is critical to the success of our business. To manage this, we continuously assess our exposure to supply chain risks and have begun implementing contingency measures, including identifying alternative suppliers and enhancing sourcing practices. These proactive steps are designed to mitigate potential disruptions and ensure the ongoing resilience of our operations.

### Data Privacy and Security

At Jaycorp, we are mindful of data privacy regulations, including the Personal Data Protection (Amendment) Act 2024. Our exposure to data privacy risk is considered moderate, as our business operations do not involve the collection or processing of significant or sensitive personal data from our customers or suppliers.

In FY26, we are pleased to report that no complaints or notifications were received from regulatory or official bodies regarding breaches of customer privacy or loss of customer data. This reflects our ongoing commitment to maintaining robust data protection practices and safeguarding the trust of our stakeholders.



**None**

**Number of substantiated complaints concerning breaches of customer privacy and losses of customer data for FY26, FY25 and FY24**

## SOCIAL

### Health and Safety

We are firmly committed to safeguarding the health, safety, and well-being of all our direct and indirect employees, ensuring that every individual returns home safely at the end of each workday. This commitment underpins our continuous efforts to prevent and minimise workplace incidents through proactive risk management, effective controls, and adherence to recognised safety standards. We are proud to report that we have maintained a record of zero fatal incidents, reflecting our ongoing dedication to a strong safety culture across all operations.

The Group's safety management approach is guided by compliance with applicable occupational health and safety laws and regulations, including those set by the Department of Occupational Safety and Health (DOSH) in Malaysia and relevant authorities in Indonesia. Each subsidiary is responsible for implementing safety programmes tailored to its operations, supported by regular workplace inspections, safety audits, and risk assessments.

In addition, Jaycorp fosters open communication and collaboration between management and employees through active safety and health committees inclusive of employer and employee representatives. These committees monitor safety performance, review incidents, and recommend improvements to ensure a safe and healthy working environment.

**Nil**

FY26
FY25
FY24

**Number of work-related fatalities**

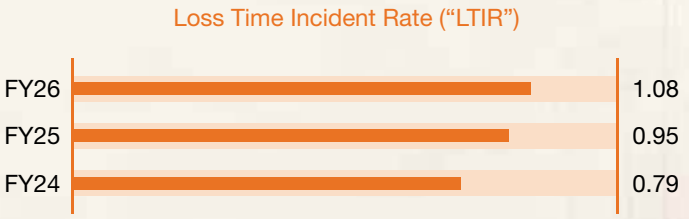
We are aware that the nature of our work involves intricate processes, stringent safety standards, and the potential for unforeseen challenges. As we navigate this demanding environment, our focus remains on continuous improvement and proactive measures to safeguard our workforce. Our Health, Safety & Environment (HSE) Department plays a vital role in ensuring compliance with regulatory requirements, monitoring safety performance, and maintaining ongoing communication with employees through regular training and awareness programmes.

The following table provides a summary of the number of employees trained on health and safety standards during the reporting period.

| Number of employees trained on health and safety standards | FY26 | FY25 | FY24 |
|---|---|---|---|
| | 482 | 611 | 517 |

Despite our best efforts and continuous awareness initiatives, we recognise that workplace incidents cannot be entirely eliminated. This is inherent to the nature of our operations in manufacturing and construction, where the handling of raw materials, equipment, and machinery naturally presents higher occupational health and safety risks.

The following table provides a summary of the Loss Time Incident Rate ("LTIR") during the reporting period.




1. *LTIR measures the frequency of lost-time injuries arising out of or in the course of work.*
2. *LTIR is calculated by dividing the number of lost-time incidents during the reporting period by the total hours worked during the reporting period and multiplying the result by 200,000. The figure of 200,000 represents the equivalent of 100 employees working 40 hours per week for 50 weeks.*
3. *The total hours worked are based on the average working hours of an employee across the Group during the reporting year.*
4. *The reported incidents include those involving subcontractors.*
5. *The number of lost-time incidents were 12 in FY26, 18 in FY25 and 8 in FY24. Despite the decrease in incidents in FY26, the LTIR increased from 0.95 in FY25 to 1.08 in FY26 due to a reduction in total working hours during the reporting year.*

Nevertheless, we remain committed to prompt incident investigations, root-cause analysis, and the implementation of corrective and preventive actions to strengthen our safety culture and drive continuous improvement across all operations.

# Sustainability Statement

## SOCIAL (CONTINUED)

### Labour Practices and Standards

Here at Jaycorp, we recognise the increasing global scrutiny on labour and human rights practices, particularly from mature export markets where compliance expectations for Malaysian manufacturing companies are high.

We are committed to ensuring full compliance with local labour regulations and our customers' ethical sourcing and human rights standards. To uphold these commitments, our operations are regularly audited by customers and independent assessors, and we extend the same expectations to our vendors and subcontractors. Furthermore, we have established a whistleblowing channel to enable employees and stakeholders to report any suspected misconduct or violations confidentially and without fear of retaliation.

These collective measures reflect our firm stance against forced labour and other exploitative practices, aligning with the principles of the International Labour Organization (ILO). A summary of our key labour policies is presented below.

| Policy | Description |
|---|---|
| Non-Discrimination and Equal Opportunity | • We are committed to maintaining a diverse and inclusive workplace that provides equal opportunities regardless of gender, ethnicity, religion, or background |
| No Recruitment Fees Policy | • We ensure that employees, including foreign workers, are not required to pay any recruitment-related fees, costs, or deposits, directly or indirectly, to obtain or maintain employment with Jaycorp or its contractors. |
| Passport Handling | • We uphold workers' right to retain possession of their personal identification documents, including passports and work permits. Secure storage facilities are provided for those who voluntarily wish to store their documents, and access remains fully controlled by the workers. |
| Employee Accommodation | • We provide decent, safe, and hygienic living accommodations for our workers in compliance with the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019). |
| Fair Wages and Working Hours | • All employees are compensated in compliance with applicable wage and hour laws. |
| Overtime and Leaves | • We ensure that employees' working hours, rest days, overtime, and leave entitlements are managed in accordance with the Employment Act 1955. |
| Forced and Child Labour | • We strictly prohibit the use of any form of forced, bonded, or child labour within our operations and supply chain. |
| Safe and Healthy Working Conditions | • We provide a safe and healthy workplace environment through continuous monitoring, training, and hazard prevention measures. |

As a result of our continuous engagement, monitoring, and proactive management of labour practices, we are pleased to report that no substantiated complaints relating to human rights violations have been identified within our operations or value chain over the past three (3) years. We remain vigilant and committed to ensuring that all employees, contractors, and business partners uphold our ethical, labour, and human rights standards in every aspect of our operations.

The following table provides a summary of substantiated complaints relating to human rights violations.

**None**

**Number of substantiated complaints concerning human rights violations for FY26, FY25 and FY24**

# Sustainability Statement

## SOCIAL (CONTINUED)

### Diversity

Here at Jaycorp, we are committed to providing equal employment opportunities to both existing and prospective employees. All recruitment, promotion, and development decisions are made based on merit, qualifications, and potential for growth, without bias or discrimination. In line with this merit-based approach, the Group does not set specific diversity quotas or targets but remains steadfast in fostering an inclusive and fair workplace that values individual contributions.

The following tables present an overview of the age and gender composition of our workforce, categorised by employee group.

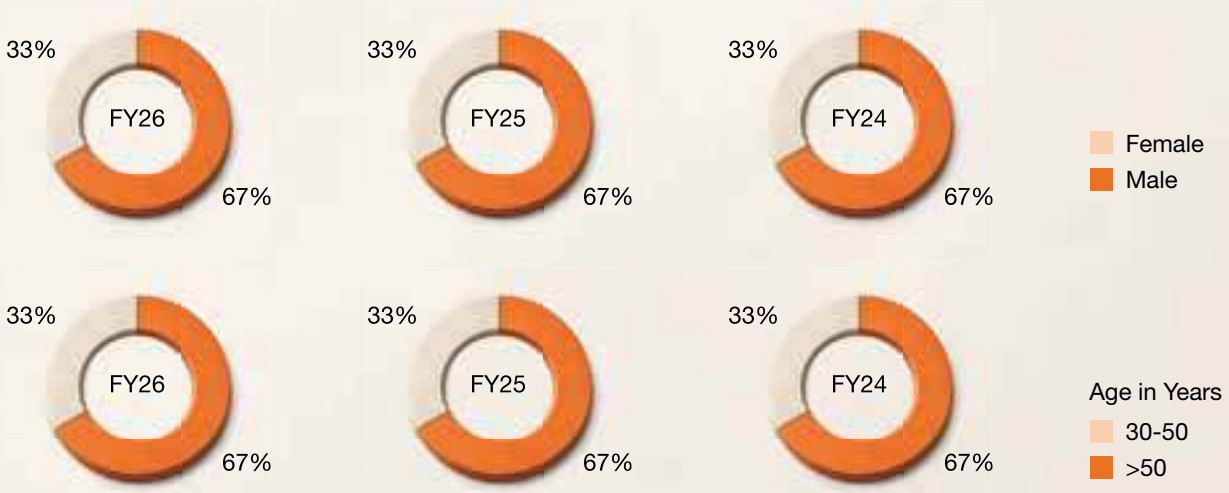
| Percentage of employees by gender and employee category | % for FY26 | | % for FY25 | | % for FY24 | |
|---|---|---|---|---|---|---|
| | Male | Female | Male | Female | Male | Female |
| Key Senior Management | 100 | Nil | 100 | Nil | 100 | Nil |
| Management | 64 | 36 | 69 | 31 | 69 | 31 |
| Executive | 57 | 43 | 54 | 46 | 49 | 51 |
| Non-Executive | 82 | 18 | 85 | 15 | 76 | 24 |

| Percentage of employees by age and employee category | Age in Years (%) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | FY26 | | | FY25 | | | FY24 | | |
| | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | 30-50 | >50 |
| Key Senior Management | Nil | 33 | 67 | Nil | 33 | 67 | Nil | 33 | 67 |
| Management | 8 | 52 | 40 | 1 | 66 | 33 | 4 | 66 | 30 |
| Executive | 18 | 69 | 13 | 6 | 88 | 6 | 17 | 66 | 17 |
| Non-Executive | 32 | 64 | 4 | 36 | 60 | 4 | 35 | 60 | 5 |

### Board Diversity

We recognise that gender and age diversity at the decision-making level is an important consideration for our stakeholders, as it enhances perspective, balance, and strategic insight. Jaycorp remains committed to building a diverse and inclusive Board, where appointments are based on merit, integrity, and the ability to contribute effectively to the Group's long-term strategy. We continue to value representation that reflects a balance of experience, expertise, age, and gender.

The composition of our Board of Directors by gender and age group is as follows:



# Sustainability Statement

## SOCIAL (CONTINUED)

### Human Capital Management

At Jaycorp, we recognise that our employees are the driving force behind our success and a core part of our corporate identity. We depend on their skills, dedication, and creativity to deliver quality products and services that uphold our reputation and create value for our customers. Our goal is to attract, develop, and retain talented individuals, ensuring the long-term sustainability of our workforce and, in turn, the continued growth and resilience of our business.

To achieve this, we provide training and development opportunities to enhance employee skills and competencies, enabling them to perform effectively and grow with the organisation.

A breakdown of total training hours across the Group, categorised by employee level is presented in the table below.

| Total hours of training by employee category | FY26 (Hours) | FY25 (Hours) | FY24 (Hours) |
|---|---|---|---|
| Key Senior Management | 76 | 102 | 182 |
| Management | 376 | 420 | 419 |
| Executive | 417 | 538 | 542 |
| Non-Executive | 3,108 | 3,860 | 1,713 |
| **Overall Composition** | **3,977** | **4,920** | **2,856** |

#### Employee benefits

Employee benefits help in employee retention as well as in demonstrating our commitment to our workforce. By supporting and valuing our employees, we in turn contribute to their health and well-being. Here at Jaycorp, we continuously benchmark against industry standards to maintain a competitive compensation package. We regularly review our employee benefits to ensure they remain fair, equitable, and aligned with the evolving needs of our workforce. The key benefits that we offer include:

| Types of Benefits | Description |
|---|---|
| Insurances | Group hospitalisation and surgical plan, personal accident insurance |
| Leaves | Paid study and examination leave, annual leave, medical/sick leave, maternity and paternity leave, compassionate leave, prolonged illness leave, marriage Leave |
| Allowances | Travelling allowance (including mileage and subsistence allowance), handphone allowance, overseas training/work allowance, medical allowance |

#### Utilisation of temporary/contractor staff

To support our business operations, we recognise the importance of hiring both permanent and temporary staff, particularly as we rely on a significant percentage of foreign workers. All our foreign workers are employed under temporary contracts aligned with the validity of their work permits and in compliance with relevant labour laws and regulations.

We ensure that all employment terms for temporary and foreign workers are fair and transparent, including remuneration, working hours, and welfare benefits. Where applicable, we also provide induction and on-the-job training to familiarise them with our safety standards, operational procedures, and ethical expectations.

The following table illustrates the trend in contractors/temporary staff hiring within the Group.

| Employment Type | % for FY26 | % for FY25 | % for FY24 |
|---|---|---|---|
| Temporary/contractor staff* | 47 | 68 | 61 |

* *Our temporary/contractor staff mainly consist of foreign workers, who are temporary staff – given their employment are subject to management's periodic renewal and validity of their working permits.*

#### Employee retention

Employee retention is critical to ensuring the continuous and uninterrupted delivery of our value proposition. At Jaycorp, we strive to retain our employees through various initiatives, including a comprehensive employee benefits package designed to promote satisfaction, well-being, and long-term engagement.

That said, a certain degree of turnover, particularly at the management level, is inevitable in a free labour market due to factors such as voluntary resignations and retirements. We recognise, however, that moderate turnover can be healthy for the organisation, as it provides opportunities to attract new talent who bring fresh perspectives, enhanced competencies, and renewed energy often at a more competitive cost.

Moving forward, we remain committed to maintaining a balanced approach that ensures workforce stability, supports organisational renewal, and enhances cost competitiveness.

# Sustainability Statement

## SOCIAL (CONTINUED)

### Human Capital Management (Continued)

#### Employee retention (Continued)

The following table presents the number and percentage of employee turnover at the end of the reporting period:

| Employee Category | Number and Percentage of Employee Turnover | | | | | |
|---|---|---|---|---|---|---|
| | FY26 | | FY25 | | FY24 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Key Senior Management | Nil | Nil | Nil | Nil | Nil | Nil |
| Management | 8 | 14.0% | 6 | 9.0% | 4 | 7.3% |
| Executive | 17 | 17.0% | 11 | 12.0% | 10 | 12.0% |
| Non-Executive[1] | 124 | 12.0% | 97 | 9.0% | 147 | 14.6% |

*1. The high turnover amongst the non-executives is in part due to foreign worker's permit expiry. Notwithstanding, the nature of business which is manufacturing contributes to inherently high turnover.*
*2. The employee turnover is based on number of employees on 31 July for the respective reporting years.*
*3 The FY25 employee turnover percentages have been restated following a review of the previously reported figures. The revised figures are reflected in the comparative data above.*

### Community

The Group acknowledges the importance of contributing to the well-being of the communities in which we operate, as part of our broader commitment to social responsibility. During the reporting period, a total of RM70,390 was channelled towards community development initiatives, benefitting approximately 5,925 recipients. These initiatives reflect our ongoing efforts to create positive socio-economic impact and strengthen our relationship with the communities that support our operations.

| | FY26 | FY25 | FY24 |
|---|---|---|---|
| Total amount invested in an external community (RM'000) | 70 | 47 | 108 |
| The total number of individuals who benefited | 5,925 | 3,790 | 10,350 |

*The total number of individuals who benefited is based on the management's rough estimate.*

## ENVIRONMENT

### Energy Management

At Jaycorp, we recognise that our manufacturing operations are inherently energy intensive. With rising energy costs and growing uncertainties surrounding global energy supply and climate change, the Group continues to face mounting pressure on operational costs. In response, we remain committed to monitoring our energy consumption closely and implementing measures to improve efficiency and reduce our carbon footprint.

The following initiatives demonstrate our ongoing efforts to enhance energy efficiency across our operations. We continue to monitor their effectiveness to ensure sustained performance improvements:

1. Solar Photovoltaic (PV) Systems: Three (3) of our production sites are equipped with solar PV installations, with a total capacity of 1.8 MWp. These systems collectively supply approximately 20% of the electricity requirements at the respective sites.

2. Enhanced Biomass Steam Plant Efficiency: We have upgraded our biomass steam plant assets to increase utilisation capacity and operational availability, improving the thermal conversion of biomass into renewable energy.

3. Energy-Efficient Technologies and Practices:

   a) Implementation of LED lighting across facilities.
   b) Energy conservation measures such as switching off lighting and air-conditioning during rest periods and after working hours.
   c) Upgrading of office equipment, including photocopy machines, computers, and laptops, to models with enhanced power-saving features.
   d) Regular maintenance of boilers and production equipment to ensure optimal energy performance.

# Sustainability Statement

## ENVIRONMENT (CONTINUED)

### Energy Management (Continued)

A breakdown of the Group's total energy consumption for FY26 is presented in the table below.

| Total Energy Consumption (Megawatt-hour) | | FY26 | FY25 | FY24 |
|---|---|---|---|---|
| Fuel Consumption (i.e. diesel and petrol) | | 2,603 | 3,270 | 3,959 |
| Electricity Consumption | Malaysia | 9,303 | 9,281 | 10,209 |
| | Indonesia | 1,801 | 2,967 | 5,343 |
| Total | | 13,707 | 15,518 | 19,511 |

1. *The energy conversion factors used for fuel consumption are derived from the UK Government GHG Conversion Factors for Company Reporting for FY26, FY25, and FY24. For FY26, the energy conversion factors used are 10.54 kWh/litre for diesel and 9.458 kWh/litre for petrol, both of which are 100% mineral oil.*
2. *For FY26, approximately 20% of our group-wide electricity consumption is from solar photovoltaic panels on our properties*

### Emission Management

#### Emission Contributed

The Group has not yet established a formal emissions management framework or programme. Consequently, specific targets or roadmaps for greenhouse gas ("GHG") emissions reduction have not been set at this stage. Nevertheless, we continue to monitor and report our emissions performance in line with prevailing regulatory requirements. During the reporting period, we tracked and disclosed our Scope 1 and Scope 2 GHG emissions, as presented below.

| Emission Type | Locations | FY26 ($tCO_2e$) | FY25 ($tCO_2e$) | FY24 ($tCO_2e$) |
|---|---|---|---|---|
| Direct GHG Emission (Scope 1) | Overall | 655 | 825 | 988 |
| Indirect GHG Emission (Scope 2) | Malaysia | 5,222 | 5,520 | 4,569 |
| | Indonesia | 1,702 | 2,803 | 5,049 |
| | **Overall** | **6,924** | **8,323** | **9,618** |
| Total GHG Emissions | | 7,579 | 9,148 | 10,606 |

1. *Scope 1 emissions are direct GHG emissions that occur from sources that are owned or controlled by the Group. The Emission Conversion factor for Scope 1 is derived from the UK Government GHG Conversion Factors for Company Reporting FY26, FY25 and FY24, based on petrol/diesel which are 100% mineral oil.*
2. *Our disclosure of Scope 1 emissions is limited to the fuel consumption of our vehicles/machineries only. It excludes any other emissions as a result of our production process at our sites.*
3. *Scope 2 emissions are indirect GHG emissions arising from the generation of purchased electricity consumed by the Group. The emission conversion factor for Scope 2 is derived from the Grid Emission Factor (GEF) for 2024 by Energy Commission of Malaysia. Emission factor of 0.740 $tCO_2$/MWh for Peninsular Malaysia and 0.539 $tCO_2$/MWh for Sabah. For Indonesia, the emission factor is 0.945 $tCO_2$/MWh, as stated in the Ministry of Energy and Mineral Resources of Indonesia No. 163.K/HK.02/MEM.S/2021 for Sumatera Utara.*

# Sustainability Statement

## ENVIRONMENT (CONTINUED)

### Emission Management (Continued)

#### Emission Reduction

The following represents the estimated emissions reduced or avoided through power generation from our solar photovoltaic ("PV") systems, which have been installed across three (3) of our production facilities.

| Emissions Reduced | FY26 | FY25 | FY24 |
|---|---|---|---|
| $tCO_2e$ | 1,656 | 1,703 | 1,432 |

### Non-Compliance to Local Environmental Laws

Our operations involve processes that generate various types of emissions and waste, inclusive of air emissions, domestic and scheduled waste. Dust emissions primarily result from cutting, planing, and sanding activities within our furniture and wood processing operations. These are managed through continuous monitoring and maintenance of dust extraction systems to ensure compliance with acceptable air quality standards across all of our factories. In addition, our Health, Safety, and Environment ("HSE") team conducts scheduled preventive maintenance to ensure these systems operate efficiently and safely.

Another source of air emissions arises from our renewable energy operations, where biomass is combusted to generate renewable energy. We continuously monitor and manage these emissions to minimise environmental impact, while taking appropriate measures to ensure emissions are managed in line with applicable environmental requirements

In addition to air quality management, we also manage scheduled waste in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005. All hazardous wastes, such as used oil, sludge, and contaminated materials, are properly labelled, stored, and disposed of through licensed waste contractors approved by the Department of Environment ("DOE").

No fines or penalties relating to environmental regulatory matters were issued to Jaycorp across its operations during FY26. We continue to work closely with DOE to strengthen our monitoring and controls.

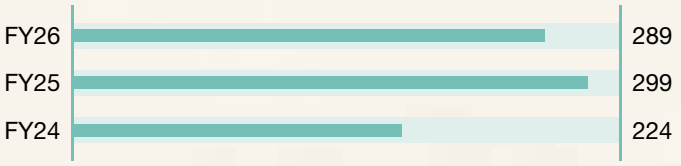
| Number of non-compliance to local environmental laws | FY26 | FY25 | FY24 |
|---|---|---|---|
| | Nil | Nil | 1 |

### Water Management

Challenges posed by global water scarcity and climate change-induced disruptions have increased the volatility and reduced the reliability of water supply chains. The Group recognises the vital importance of water as a resource in supporting our operations, particularly in sectors that are inherently more water-intensive, such as renewable energy and furniture manufacturing.

A breakdown of the Group's total water consumption for FY26 is presented in the table below.

Total Water Consumption (Megalitres/ML)




We prioritise responsible water management practices, recognising their critical role in conserving this essential resource for both the environment and surrounding communities. While our current operations benefit from stable and readily available water supplies, we remain mindful of potential water scarcity risks in certain regions. Accordingly, we implement water-saving and efficiency measures wherever practicable to minimise our overall consumption and ensure long-term water sustainability across our operations.

### Waste Management

With respect to waste management, the Group is guided by applicable local laws to ensure that all waste handling, storage, and disposal activities are conducted responsibly. Our operations generate both non-hazardous and hazardous waste, and we remain committed to full compliance with the Environmental Quality Act 1974 and all relevant regulations enforced by the DOE. These include strict adherence to requirements for the management of scheduled waste, proper documentation, and the engagement of licensed waste collectors and disposal contractors.

# Sustainability Statement

## ENVIRONMENT (CONTINUED)

### Waste Management (Continued)

The following table presents a summary of the total waste generated by the Group, categorised by waste diverted from disposal and waste directed to disposal.

| Category | FY26 (Tonnes) | FY25 (Tonnes) | FY24 (Tonnes) |
|---|---|---|---|
| **Waste directed to disposal:** | | | |
| Hazardous Waste | 63 | 37 | 27 |
| Non-Hazardous Waste | 458 | 420 | 42 |
| **Total Waste diverted to disposal** | **521** | **457** | **69** |
| Add: Waste diverted from disposal | 1,548 | 1,958 | 383 |
| Total Waste Generated | 2,069 | 2,415 | 452 |

1. *Waste diverted from disposal includes waste that is reused, recycled, or subject to other recovery operations.*
2. *Recovery refers to an operation wherein products, components of the products or materials that have become waste are prepared to fulfil a purpose in place of new products, components, or materials that would otherwise have been used for that purpose.*
3. *Waste diverted from disposal mainly comprises wood scraps generated from production processes, which are either reused as fuel for boiler operation or sold to external buyers.*
4. *The increase in reported waste generation is primarily attributable to improved tracking and monitoring of waste disposal activities, reflecting our ongoing enhancement of data collection and reporting practices rather than an actual increase in operational waste.*

#### Waste Directed to Disposal

Jaycorp recognises the critical importance of properly managing and disposing of scheduled waste generated by our operations, in order to mitigate potential risks to public health and the environment due to its hazardous nature.

In compliance with legal requirements, we engage licensed external contractors who are authorised to handle the collection, transport, and disposal of our scheduled waste safely and responsibly.

During FY26, the Group generated a total of 63 tonnes of scheduled waste. The reported increase in scheduled waste is primarily attributable to enhanced tracking and monitoring of disposal activities, reflecting our improved data collection and reporting practices. A detailed breakdown of this waste is presented in the table below.

| | SW Code* | Scheduled Waste Generated | Total Hazardous Waste |
|---|---|---|---|
| FY26 | SW322 | 25 | 63 |
| | SW409 | 16 | |
| | SW410 | 3 | |
| | SW416 | 19 | |
| FY25 | SW322 | 3 | 37 |
| | SW409 | 15 | |
| | SW410 | | |
| | SW416 | 19 | |
| FY24 | SW409 | 2 | 27 |
| | SW410 | | |
| | SW416 | 25 | |

1. *SW322 - Waste of non-halogenated organic solvents*
2. *SW409 - Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes.*
3. *SW410 - Rags, plastics, papers or filters contaminated with scheduled wastes.*
4. *SW416 - Sludges of inks, paints, pigments, lacquer, dye or varnish.*

#### Waste Diverted from Disposal

Reducing reliance on landfills is a key component of responsible waste management, as landfills can have adverse run-off effects on surrounding ecosystems and communities. In line with this, Jaycorp has adopted the 3Rs approach (Reduce, Reuse, and Recycle) and continues to embed these principles across its operations to minimise environmental impact and promote resource efficiency.

For the reporting year, the Group successfully diverted 1,548 tonnes of waste from disposal, comprising primarily of plastics, metal scraps, and wood scraps.

| Diverted Waste | FY26 (Tonnes) | FY25 (Tonnes) | FY24 (Tonnes) |
|---|---|---|---|
| Paper | 188 | 213 | Nil |
| Plastics | 32 | 29 | 9 |
| Metal Scraps | 15 | 30 | 34 |
| Wood Scraps | 1,313 | 1,686 | 340 |
| Total | 1,548 | 1,958 | 383 |

Our diverted waste is based on sales information of our waste to third-party buyers and our internal records of wood scraps that have been re-used for boiler operation.

## ENVIRONMENT (CONTINUED)

### Preparing for The Future

Acknowledging that sustainability is an ongoing journey, we remain committed to continually reviewing and strengthening our sustainability practices in response to evolving regulatory developments, stakeholder expectations, and global best practices. As new sustainability requirements emerge, we will proactively integrate them into our business strategy and operations, ensuring alignment with both national and international standards.

Looking ahead, our focus will be on enhancing climate readiness, improving supply chain resilience, and strengthening sustainability reporting and data management capabilities. We will also continue to deepen our stakeholder engagement, ensuring that our long-term strategies remain relevant and responsive to the changing sustainability landscape.

### Task Force on Climate-Related Financial Disclosures ("TCFD") Realignment

Building on our initial climate-related disclosures introduced in FY24, Jaycorp continues to align its reporting with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This ongoing effort underscores our commitment to transparency and accountability in addressing climate-related risks and opportunities.

There were no material changes to our climate-related disclosure approach compared to the previous reporting year, as our governance structure, risk management processes, and overall strategy remain consistent. Nonetheless, we continue to monitor developments in climate-related regulations and industry best practices, and will progressively enhance our disclosures as data availability and business maturity improve.

The Board and management remain actively engaged in overseeing climate-related risks and opportunities. While we recognise the evolving nature of climate challenges, our response will continue to be guided by the Group's financial capacity, feasibility of initiatives, and the effectiveness of government policies supporting a low-carbon and climate-resilient economy.

The table below summarises Jaycorp's approach to the four pillars of the TCFD framework — Governance, Strategy, Risk Management, and Metrics & Targets.

| Recommendations | Our Responses |
|---|---|
| **Governance** | |
| a) Describe the Board's oversight of climate-related risks and opportunities. | Climate-related risk and opportunities are overseen through the Group's Sustainability Governance structure, as detailed in the *"Sustainability Governance"* section of this Statement. |
| b) Describe management's role in assessing and managing climate-related risks and opportunities. | Management plays an active role in assessing, managing, and integrating climate-related risks and opportunities within the Group's overall operations and decision-making processes. The Enterprise Risk Management Committee ("ERMC"), which comprises Executive Directors and senior management representatives from key subsidiaries, is primarily responsible for identifying, assessing, and monitoring climate-related risks as part of the Group's broader risk management framework.<br><br>The Health, Safety and Environment (HSE) and Operations teams provide support by monitoring environmental performance indicators, including energy consumption, emissions, and waste management, and by recommending operational efficiency initiatives that can help reduce the Group's carbon footprint.<br><br>Findings, progress updates, and significant climate-related issues are reported to the Board Risk Management Committee ("BRMC") on a periodic basis for oversight, guidance, and alignment with the Group's strategic priorities.<br><br>Management also remains attentive to emerging regulatory requirements and industry developments relating to climate change and will continue to review and strengthen the Group's approach in alignment with evolving stakeholder expectations and sustainability best practices. |

# Sustainability Statement

## ENVIRONMENT (CONTINUED)

### Task Force on Climate-Related Financial Disclosures ("TCFD") Realignment (Continued)

| Recommendations | Our Responses |
|---|---|
| **Strategy** | |
| a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.<br><br>b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.<br><br>c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | The Group has not yet conducted a formal scenario analysis to assess the potential impacts of physical and transition climate risks. Nonetheless, we remain aware of the growing importance of this area and will continue to monitor developments and assess our capacity to perform such analysis in the future. This will enable us to better evaluate and disclose the resilience of our business strategy and operations against evolving climate-related risks.<br><br>As part of our ongoing commitment to enhancing transparency and meeting stakeholder expectations, we have provided below a descriptive overview of the key risks and opportunities that may arise from climate change and their potential implications for Jaycorp's business activities.<br><br><u>Risks posed by climate change:</u><br><br>**a. Security of People and Property**<br><br>The increasing frequency and intensity of extreme weather events, such as floods and prolonged heat waves, pose potential threats to the safety and security of our people and property.<br><br>**Impact:** These events may result in damage to assets, production downtime, and disruptions to operations, as well as a higher likelihood of workplace accidents or injuries involving employees and third parties.<br><br>**Mitigation Plan:**<br><br>• Conducting regular property inspections and preventive maintenance to ensure structural integrity and operational safety.<br>• Continuous weather monitoring by management personnel and activation of emergency response protocols during adverse conditions<br>• Employee training and awareness programmes on emergency preparedness, first aid, and safe response during extreme weather events.<br>• Insurance coverage reviews to ensure adequate protection for physical assets and business interruption risks.<br><br>*Refer to Health and Safety section of our Sustainability Statement*<br><br>**b. Supply Chain Disruption**<br><br>Climate change and extreme weather events can cause supply chain disruptions, particularly through the shortage or delay in the availability of critical raw materials and manpower, either within our operating sites or among our key suppliers.<br><br>**Impact:** Potential production or construction delays, cost escalation, and reduced operational efficiency, which may affect our ability to meet delivery schedules and customer expectations.<br><br>**Mitigation plan:**<br><br>• Diversifying suppliers and sourcing channels to reduce reliance on a single region or vendor.<br>• Maintaining open and transparent communication with clients and suppliers to manage expectations and ensure business continuity during disruptions.<br>• Periodic review of buffer stocks and manpower practices to ensure adequate contingency planning.<br>• Engaging with local suppliers where feasible, to reduce dependency on long-distance supply chains that may be more vulnerable to climate-related disruptions.<br><br>*Refer to Supply Chain Management Section of our Sustainability Statement.* |

## ENVIRONMENT (CONTINUED)

### Task Force on Climate-Related Financial Disclosures ("TCFD") Realignment (Continued)

| Recommendations | Our Responses |
|---|---|
| Strategy (continued) | |
| | **c. Regulatory and Policy Risk**<br><br>The evolving regulatory landscape surrounding climate change including potential carbon pricing mechanisms, emission reporting requirements, and sustainability disclosure obligations may increase compliance costs and operational complexity for the Group. Inconsistent or rapidly changing regulations across jurisdictions may also impact business planning and competitiveness.<br><br>**Impact:** Increased compliance costs, potential operational disruptions, or penalties arising from non-compliance with new environmental standards or carbon-related regulations.<br><br>**Mitigation plan:**<br><br>• Ongoing monitoring of regulatory developments related to climate change, energy efficiency, and emissions management.<br>• Engagement with industry associations and relevant government agencies to stay informed of upcoming requirements and compliance expectations.<br>• Progressive enhancement of data tracking and reporting capabilities to support future regulatory disclosures, including carbon and energy reporting.<br>• Capacity building and staff training to improve understanding of sustainability-related regulations and compliance procedures.<br><br>*Refer to Sustainability Governance and Energy and Emissions Management sections of our Sustainability Statement.*<br><br>*<u>Opportunities posed by climate change:</u>*<br><br>**a. Renewable Energy**<br><br>Recognising the growing emphasis on renewable energy due to the following:<br><br>i. Rising energy costs and energy security concerns given Malaysia's high reliance on imported non-renewable energy sources;<br>ii. Malaysia's Net Zero aspirations; and<br>iii. Technological advancements in green technology enabling wider adoption through lower costs.<br><br>Jaycorp is continuously exploring opportunities to integrate renewable energy systems, such as solar photovoltaic ("PV") panels, into additional properties and production sites. Currently, a significant portion of the energy mix in three (3) of our factories is derived from renewable sources.<br><br>**b. Operational Efficiency**<br><br>Our continued focus on energy and resource efficiency presents opportunities to reduce carbon emissions while enhancing productivity. By investing in energy-efficient technologies, upgrading equipment, and implementing process optimisation initiatives, we aim to reduce wastage, improve overall operational performance, and lower production costs.<br><br>**c. Market and Product Opportunities**<br><br>The increasing demand for sustainably produced goods, particularly in export markets, opens opportunities for Jaycorp to strengthen our market positioning. Through ongoing adherence to environmental and social standards including traceability requirements under the EU Deforestation Regulation (EUDR), we are well-positioned to meet customer expectations and capture emerging opportunities in environmentally conscious markets. |

# Sustainability Statement

## ENVIRONMENT (CONTINUED)

### Task Force on Climate-Related Financial Disclosures ("TCFD") Realignment (Continued)

| Recommendations | Our Responses |
|---|---|
| **Strategy (continued)** | |
| | **d. Improving Cost Competitiveness**<br>As energy and raw material prices continue to fluctuate due to global climate and market dynamics, improving cost competitiveness remains a key strategic focus. By adopting energy-efficient technologies, optimising resource utilisation, and reducing waste to landfill, Jaycorp mitigates rising operating costs while enhancing long-term profitability.<br>Our early investments in renewable energy and sustainable operations also position us favourably against competitors who may face higher transition costs or regulatory compliance burdens in the future. These measures collectively strengthen our operational resilience and cost leadership in an increasingly sustainability-conscious market.<br>*Refer to the Energy Management Section of our Sustainability Statement.* |
| **Risk Management** | |
| a) Describe the organisation's processes for identifying and assessing climate-related risks.<br>b) Describe the organisation's processes for managing climate-related risks.<br>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. | Currently, climate-related risks are not managed through a separate or standalone process but are considered within Jaycorp's broader Enterprise Risk Management ("ERM") framework. Through this framework, management reviews key operational, financial, and compliance risks that may be influenced by climate-related factors such as rising energy costs, raw material availability, and changing regulatory expectations.<br>At present, climate-related risks are identified and assessed qualitatively through ongoing discussions at the management and Board committee levels, particularly within the ERMC and the BRMC. These discussions allow the Group to consider potential exposures such as supply chain disruptions, asset damage due to extreme weather, and the implications of future carbon-related regulations.<br>While a dedicated climate risk assessment framework has not yet been established, the Group aims to progressively formalise the integration of climate-related risk identification, assessment, and management into its ERM process. This will include developing internal capacity, improve data collection, and conducting scenario-based assessments in the medium term.<br>Looking ahead, Jaycorp plans to embed climate-related considerations into strategic planning, capital allocation, and business continuity management. This integration will ensure that climate-related risks and opportunities are evaluated alongside traditional business risks, enhancing the Group's overall resilience to a changing climate. |
| **Metrics and Targets** | |
| a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.<br>b) Disclose Scope 1, Scope 2, and if appropriate Scope 3 greenhouse gas ("GHG") emissions and the related risks.<br>c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. | Refer to the Energy Management and Emissions Management sections of our Sustainability Statement for the Group's material metrics relating to climate performance, which include energy consumption as well as Scope 1 and Scope 2 GHG emissions.<br>At present, Scope 3 GHG emissions are excluded from our disclosure, as the Group is still in the process of enhancing its existing data collection framework to ensure completeness and accuracy of emission data across the Group.<br>The Group has not yet established specific quantitative targets to manage climate-related risks and opportunities. Nonetheless, we remain committed to monitoring our emissions performance and prioritising energy efficiency initiatives. These efforts are aimed at mitigating the impact of rising electricity costs, enhancing operational efficiency, and supporting the Group's long-term business resilience.<br>As our sustainability management practices evolve, we will continue to strengthen our data collection systems and assess the feasibility of setting measurable targets to better track our progress in managing climate-related risks and opportunities. |

| Sustainability Matter | Metric | Measurement Unit | 2025 | 2026 | Target | Assurance |
|---|---|---|---|---|---|---|
| Bursa (Anti-corruption) | Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Key Senior Management | % | 100 | 100 | - | No assurance |
| Bursa (Anti-corruption) | Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Management | % | 100 | 100 | - | No assurance |
| Bursa (Anti-corruption) | Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Executive | % | 100 | 100 | - | No assurance |
| Bursa (Anti-corruption) | Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Non-Executive | % | 100 | 100 | - | No assurance |
| Bursa (Anti-corruption) | Bursa C1(b) Percentage of operations assessed for corruption-related risks | % | 100 | 100 | - | No assurance |
| Bursa (Anti-corruption) | Bursa C1(c) Confirmed incidents of corruption and action taken | Number | 0 | 0 | - | No assurance |
| Bursa (Community/Society) | Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | RM | 47,000 | 70,000 | - | No assurance |
| Bursa (Community/Society) | Bursa C2(b) Total number of beneficiaries of the investment in communities | Number | 3,790 | 5,925 | - | No assurance |

**JAYCORP BERHAD**
BMLR Transition Period

Date & Time: 2026-11-11_11:57:53
Main Market | Group 2 | FYE 31/07/2026

| Sustainability Matter | Metric | Measurement Unit | 2025 | 2026 | Target | Assurance |
|---|---|---|---|---|---|---|
| Bursa (Diversity) | Bursa C3(a) Gender Group by Employee Category: Key Senior Management Male | % | 100 | 100 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Gender Group by Employee Category: Key Senior Management Female | % | 0 | 0 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Gender Group by Employee Category: Management Male | % | 69 | 64 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Gender Group by Employee Category: Management Female | % | 31 | 36 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Gender Group by Employee Category: Executive Male | % | 54 | 57 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Gender Group by Employee Category: Executive Female | % | 46 | 43 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Gender Group by Employee Category: Non-Executive Male | % | 85 | 82 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Gender Group by Employee Category: Non-Executive Female | % | 15 | 18 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Age Group by Employee Category: Key Senior Management Under 30 | % | 0 | 0 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Age Group by Employee Category: Key Senior Management 30-50 | % | 33 | 33 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Age Group by Employee Category: Key Senior Management Above 50 | % | 67 | 67 | - | No assurance |

| Sustainability Matter | Metric | Measurement Unit | 2025 | 2026 | Target | Assurance |
|---|---|---|---|---|---|---|
| Bursa (Diversity) | Bursa C3(a) Age Group by Employee Category: Management Under 30 | % | 1 | 8 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Age Group by Employee Category: Management 30-50 | % | 66 | 52 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Age Group by Employee Category: Management Above 50 | % | 33 | 40 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Age Group by Employee Category: Executive Under 30 | % | 6 | 18 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Age Group by Employee Category: Executive 30-50 | % | 88 | 69 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Age Group by Employee Category: Executive Above 50 | % | 6 | 13 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Age Group by Employee Category: Non-Executive Under 30 | % | 36 | 32 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Age Group by Employee Category: Non-Executive 30-50 | % | 60 | 64 | - | No assurance |
| Bursa (Diversity) | Bursa C3(a) Age Group by Employee Category: Non-Executive Above 50 | % | 4 | 4 | - | No assurance |
| Bursa (Diversity) | Bursa C3(b) Gender Group by Director Category: Male | % | 67 | 67 | - | No assurance |
| Bursa (Diversity) | Bursa C3(b) Gender Group by Director Category: Female | % | 33 | 33 | - | No assurance |

**JAYCORP BERHAD**
BMLR Transition Period

Date & Time: 2026-11-11_11:57:53
Main Market | Group 2 | FYE 31/07/2026

| Sustainability Matter | Metric | Measurement Unit | 2025 | 2026 | Target | Assurance |
|---|---|---|---|---|---|---|
| Bursa (Diversity) | Bursa C3(b) Age Group by Director Category: Under 30 | % | 0 | 0 | - | No assurance |
| Bursa (Diversity) | Bursa C3(b) Age Group by Director Category: 30 -50 | % | 33 | 33 | - | No assurance |
| Bursa (Diversity) | Bursa C3(b) Age Group by Director Category: Above 50 | % | 67 | 67 | - | No assurance |
| Bursa (Energy management) | Bursa C4(a) Total energy consumption | MWh | 15,518 | 13,707 | - | No assurance |
| Bursa (Health and safety) | Bursa C5(a) Number of work-related fatalities | Number | 0 | 0 | - | No assurance |
| Bursa (Health and safety) | Bursa C5(b) Lost time incident rate ("LTIR") | Rate | 0.95 | 1.08 | - | No assurance |
| Bursa (Health and safety) | Bursa C5(c) Number of employees trained on health and safety standards | Number | 611 | 482 | - | No assurance |
| Bursa (Labour practices and standards) | Bursa C6(a) Total hours of training by employee category: Key Senior Management | Hours | 102 | 76 | - | No assurance |
| Bursa (Labour practices and standards) | Bursa C6(a) Total hours of training by employee category: Management | Hours | 420 | 376 | - | No assurance |
| Bursa (Labour practices and standards) | Bursa C6(a) Total hours of training by employee category: Executive | Hours | 538 | 417 | - | No assurance |
| Bursa (Labour practices and standards) | Bursa C6(a) Total hours of training by employee category: Non-Executive | Hours | 3,860 | 3,108 | - | No assurance |
| Bursa (Labour practices and standards) | Bursa C6(b) Percentage of employees that are contractors or temporary staff | % | 68 | 47 | - | No assurance |

| Sustainability Matter | Metric | Measurement Unit | 2025 | 2026 | Target | Assurance |
|---|---|---|---|---|---|---|
| Bursa (Labour practices and standards) | Bursa C6(c) Total number of employee turnover by employee category: Key Senior Management | Number | 0 | 0 | - | No assurance |
| Bursa (Labour practices and standards) | Bursa C6(c) Total number of employee turnover by employee category: Management | Number | 6 | 8 | - | No assurance |
| Bursa (Labour practices and standards) | Bursa C6(c) Total number of employee turnover by employee category: Executive | Number | 11 | 17 | - | No assurance |
| Bursa (Labour practices and standards) | Bursa C6(c) Total number of employee turnover by employee category: Non-Executive | Number | 97 | 124 | - | No assurance |
| Bursa (Labour practices and standards) | Bursa C6(d) Number of substantiated complaints concerning human rights violations | Number | 0 | 0 | - | No assurance |
| Bursa (Supply chain management) | Bursa C7(a) Proportion of spending on local suppliers | % | 80 | 94 | - | No assurance |
| Bursa (Data privacy and security | Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | 0 | 0 | - | No assurance |
| Bursa (Water) | Bursa C9(a) Total volume of water used | Megalitre | 299 | 289 | - | No assurance |
| Bursa (Waste management) | Bursa C10(a) Total waste generated | Tonnes | 2,415 | 2,069 | - | No assurance |
| Bursa (Waste management) | Bursa C10(a)(i) Total waste diverted from disposal | Tonnes | 1,958 | 1,548 | - | No assurance |

**JAYCORP BERHAD**
BMLR Transition Period

Date & Time: 2026-11-11_11:57:53
Main Market | Group 2 | FYE 31/07/2026

| Sustainability Matter | Metric | Measurement Unit | 2025 | 2026 | Target | Assurance |
|---|---|---|---|---|---|---|
| Bursa (Waste management) | Bursa C10(a)(ii) Total waste directed to disposal | Tonnes | 457 | 521 | - | No assurance |
| Bursa (Emissions management) | Bursa C11(a) Scope 1 emissions in tonnes of CO2e | Tonnes | 825 | 655 | - | No assurance |
| Bursa (Emissions management) | Bursa C11(b) Scope 2 emissions in tonnes of CO2e | Tonnes | 8,323 | 6,924 | - | No assurance |

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Jaycorp Berhad ("Jaycorp" or "the Company") ("the Board") remains committed to fostering a responsible and sustainable organisation by upholding corporate conscience through excellence in corporate governance across the Group. The Board recognises that accountability, transparency, integrity and ethical conduct are fundamental to the effective governance and sustainable business success. These principles are embedded throughout the Group's operations and decision-making processes, serving as foundation for safeguarding stakeholders' interests, enhancing shareholder value and delivering long-term financial performance.

The Board believes that sound corporate governance is essential in creating sustainable long-term value for shareholders while balancing the interests of the Group's broader stakeholders. Accordingly, the Board continuously reviews and strengthens the Group's governance framework and practices to ensure their effectiveness, relevance and alignment with evolving regulatory requirements and market expectations.

In line with the principles and practices set out in the Malaysian Code on Corporate Governance ("MCCG"), the Board is pleased to present this Corporate Governance Overview Statement ("Statement"), which outlines how the Group has applied the three (3) key principles of the MCCG throughout the financial year ended 31 July 2026 ("FY26"), namely

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

This Statement also demonstrates the Group's compliance with the relevant requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR").

This Statement should be read together with the Company's Corporate Governance Report ("CG Report") for the FY26, which is available on the Company's website at www.jaycorp.com.my. The CG Report provides detailed disclosures on manner in which the Company has applied the practices set out in the MCCG.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I Board Responsibilities

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

1.1 The Board assumes overall responsibility for the stewardship, governance and performance of the Group, and provides leadership within a framework of prudent and effective controls to ensure that risks are appropriately assessed and managed. In discharging its fiduciary and leadership responsibilities, the Board sets the strategic direction of the Group, oversees the implementation of its business objectives, and ensures that the necessary resources, capabilities and governance structures are in place to support sustainable growth and long-term value creation for shareholders and other stakeholders.

In carrying out its duties and responsibilities, the Board has assumed, amongst others, the following principal functions:

(a) reviewing and approving the Group's strategic plans and objectives, with due consideration to the long-term sustainability of the Group's business and operations;
(b) overseeing the conduct and performance of the Group's businesses and evaluating whether the businesses are being managed effectively and sustainably;
(c) identifying the principal risks faced by the Group and ensuring that appropriate risk management frameworks, internal controls and mitigating measures are implemented to manage such risks effectively;
(d) ensuring that individuals appointed to senior management positions possess the requisite calibre, competence and experience, including overseeing the orderly succession planning of senior management personnel;
(e) reviewing the adequacy, effectiveness and integrity of the Group's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
(f) reviewing the Group's financial performance, operating results and significant capital commitments on a periodic basis; and
(g) reviewing and approving major corporate proposals, strategic investments, business ventures, joint ventures and other significant transactions undertaken by the Group.

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### I Board Responsibilities (Continued)

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

1.1 To assist in the discharge of its responsibilities and to enhance effectiveness of its oversight functions, the Board has delegated certain responsibilities to the following Board Committees, each of which operates within its respective terms of reference ("TOR") approved by the Board:

(a) Audit Committee ("AC");
(b) Nomination Committee ("NC");
(c) Remuneration Committee ("RC");
(d) Board Risk Management Committee ("BRMC"); and
(e) Investment Committee ("IC").

(collectively referred to as the "Board Committees")

The Board remains ultimately responsible for the decisions and recommendations made by the Board Committees.

1.2 All Board Committees operate under clearly defined TORs approved by the Board and are established to assist the Board in effective discharge of its duties and responsibilities. The Chairmen of the respective Board Committees report to the Board on matters deliberated and recommendations arising from their meetings for the Board's consideration and approval, where necessary. The proceedings of the Board Committees are properly documented in the minutes of the respective Board Committees' meetings and reported to the Board. Notwithstanding such delegation, the Board retains ultimate responsibility and accountability for the affairs, direction and performance of the Company and the Group.

1.3 The Executive Chairman provides leadership to the Board and is responsible for ensuring its effective functioning and governance. He promotes constructive engagement among Board members and ensures that all relevant matters, together with accurate, timely and sufficient information are included in the meeting agenda to facilitate informed decision-making and the effective oversight of the Group's business and affairs.

The roles of Executive Chairman and Managing Director are held by separate individuals, thereby ensuring an appropriate balance of authority, accountability and responsibility in the leadership of the Group. The Executive Chairman serves as an Executive Director and is responsible for leading the Board and providing strategic direction, whilst the Managing Director is responsible for day-to-day management and operations of the Group.

The respective roles and responsibilities of the Executive Chairman and Managing Director, as well as the TORs of the Board Committees, are set out in the Board Charter, which is available on the Company's website at www.jaycorp.com.my.

1.4 The Board has delegated to the Managing Director the authority and responsibility for implementing the policies, strategies and decisions adopted by the Board. The Managing Director has overall responsibility for the management of the Group's business operations and the execution of its strategic objectives, and is accountable to the Board for the Group's operational and financial performance. In discharging these responsibilities, the Managing Director is supported by the Executive Directors, Key Senior Management and heads of the respective business divisions in the day-to-day management of the Group's operations.

The Independent Non-Executive Directors ("INEDs") play an important role in promoting good corporate governance and strengthening the Board's decision-making process. Through their objective judgement, independent perspectives and constructive challenge, they provide balance and unbiased views on matters deliberated by the Board, thereby ensuring that the interests of the Group, shareholders, employees and other stakeholders are appropriately considered and safeguarded.

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### I Board Responsibilities (Continued)

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

1.5 The Board is supported by a qualified and experienced Company Secretary, who is a Company Secretary under Section 235(2) of the Companies Act 2016, holds a valid Practicing Certificate issued by the Companies Commission of Malaysia, and an Associate Member of the Chartered Governance Institute of Malaysia (formerly known as the Malaysian Institute of Chartered Secretaries and Administrators).

All Directors have unrestricted access to the advice and services of the Company Secretary, who supports the Board in matters relating to corporate governance, regulatory compliance, statutory obligations, and Board policies and procedures. The Company Secretary also keeps the Board informed of relevant legislative, regulatory and governance developments, and ensures that Board proceedings are conducted in accordance with applicable laws and established governance practices.

During FY26, the Company Secretary continued to provide regular updates on regulatory and governance developments and maintained her professional competence through continuous professional development programmes in company law, capital markets, corporate governance and regulatory matters.

The Board is satisfied with the performance and support rendered by the Company Secretary and acknowledges her contribution in facilitating sound governance practices across the Group.

The appointment and removal of the Company Secretary are matters of the Board as a whole.

1.6 The Board meets on a quarterly basis, with additional meetings convened as and when necessary to discharge its responsibilities effectively.

Directors are given notices of Board meetings at least seven (7) days in advance. Meeting agendas and Board papers are circulated at least three (3) days prior to each meeting to allow sufficient time for review and consideration of the matters to be deliberated, and allow Directors to seek clarification, where necessary, to facilitate effective decision-making.

The Board recognises that the decision-making process is highly dependent on the quality of information furnished. As such, all Directors have unrestricted access to information pertaining to the Company and the Group, and may seek additional information or clarification where necessary. All Directors are also provided with comprehensive reports and relevant information on the Group's financial performance, operations, corporate developments, regulatory matters, business activities and audit findings.

Management, including the Executive Directors and/or relevant senior management personnel, provides the Board with detailed explanations on pertinent matters and recommendations on matters requiring the Board's consideration. Such matters are thoroughly deliberated by the Board prior to any decision are made.

Where appropriate, external advisers and senior management personnel are invited to attend Board meetings to provide insights, professional advice and updates on matters within their respective areas of expertise and responsibility. In addition, the Directors may, whether collectively or individually, obtain independent professional advice at the Group's expense, where necessary, in the furtherance of their duties and responsibilities.

All proceedings of Board meetings are properly minuted and signed by the Chairmen of the respective meetings. The Board may also deliberate and approve matters through Directors' Circular Resolutions, where appropriate and permitted under the Company's Constitution, relevant laws and regulations.

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### I Board Responsibilities (Continued)

**2.0 There is demarcation of responsibilities between the Board, Board Committees and Management. There is clarity in the authority of the Board, its Committees and individual Directors.**

The Board is guided by a Board Charter which sets out the roles, responsibilities and governance framework of the Board, and incorporates the principles and best practices of corporate governance in line with the MCCG, as well as applicable laws, rules and regulations in Malaysia. The Board Charter also delineates the respective roles and responsibilities of the Board, Board Committees, individual Directors and Management, and includes a schedule of matters reserved for the Board's deliberation and approval.

The Board Charter is reviewed periodically and revised, where necessary, to ensure that it remains relevant and aligned with evolving regulatory requirements, corporate governance standards and best practices. The Board Charter is available on the Company's website at www.jaycorp.com.my.

**3.0 The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board, Management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the Company.**

3.1 The Board has formalised a Code of Ethics and Conduct ("Code") which sets out the core values, ethical standards and expected conduct of Directors and employees across the Group, including its subsidiaries and associate companies. The Directors are required to observe and comply with the Code of Ethics and Conduct for Directors, which serves as a guide in the discharge of their duties and responsibilities with integrity, professionalism and accountability.

The Board reviews the Code periodically to ensure that it remains relevant and aligned with prevailing regulatory requirements, corporate governance standards and best practices. The Code is available on the Company's website at www.jaycorp.com.my.

3.2 The Board has established a Whistleblowing Policy & Guidelines ("Policy") to provide employees and other stakeholders with a formal and confidential channel to report genuine concerns relating to misconduct, unethical behaviour, malpractices, breaches of laws and regulations, or the improper conduct without fear of reprisal. The Policy provide safeguards to ensure the confidentiality of whistleblowers and protection against retaliation for disclosures made in good faith. All reported concerns are subject to assessment and, where appropriate, investigation, with the necessary corrective, remedial or disciplinary actions taken based on the findings.

The Whistleblowing Policy & Guidelines are available on the Company's website at www.jaycorp.com.my.

3.3 The Board has adopted a Sustainability Policy which provides the framework for integrating sustainability considerations into the Group's business strategies, policies and operational practices. The Sustainability Policy aims to ensure active oversight by the Board and senior management in driving sustainability initiatives and monitoring the Group's sustainability performance. It also seeks to foster a sustainability-focused culture throughout the Group and the wider community by promoting the integration of environmental, social and governance ("ESG") considerations into decision-making processes and business operations, with a view to creating long-term value for stakeholders and supporting the sustainable growth of the Group.

The Sustainability Policy is available on the Company's website at www.jaycorp.com.my.

3.4 The Board has adopted an Anti-Bribery & Anti-Corruption Policy ("ABAC Policy") across the Group in line with the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act 2009, which came into force on 1 June 2020. The ABAC Policy establishes the Group's commitment to conducting its business with integrity, transparency and accountability, while promoting a zero-tolerance approach towards all forms of bribery and corruption.

The Board believes that the ABAC Policy provides a structured framework for preventing, detecting and addressing bribery and corruption risks, while ensuring compliance with applicable laws, regulations and ethical standards in the jurisdictions in which the Group operates. All Directors, employees and persons acting on behalf of the Group are expected to uphold the highest standards of integrity and professionalism, and to conduct business in an honest, ethical and responsible manner.

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

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### II Board Composition

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

4.1 The Board comprises of nine (9) members, consisting of one (1) Executive Chairman, one (1) Managing Director, three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. The current composition of the Board complies with Paragraph 15.02 of the MMLR, which requires at least two (2) directors or one-third (1/3) of the Board, whichever is higher, to be INEDs.

The Board's composition reflects an appropriate balance of executive, non-executive and independent representation, providing the necessary mix of skills, experience, expertise and independent judgement to enable effective oversight and decision-making. The profile of each Director is set out in this Annual Report.

The Directors collectively possess a broad range of skills, expertise and experience spanning various disciplines, including business, legal, manufacturing, marketing, finance, audit and banking. The Board recognises that a diverse and well-balanced composition enhances the quality of deliberations, promotes objective decision-making and contributes to the effective oversight of the Group's business and strategic direction.

The Group is led by an experienced Board whose members possess extensive knowledge of the Group's businesses and industry. To ensure an appropriate balance of power, authority and accountability, there is a clear division of responsibilities between the Executive Chairman and the Managing Director. The Executive Chairman provides leadership to the Board, sets strategic direction of the Group, ensures effective functioning of the Board and oversees the Group's performance against its approved objectives and targets. The Managing Director, supported by the Executive Directors, is responsible for the day-to-day management of the Group's operations and the implementation of the strategies, policies and decisions approved by the Board.

Tan Sri Datuk (Dr.) Abdul Majid Khan is the Executive Chairman of the Board, whilst Yeo Ayk Ke is the Group Managing Director.

The INEDs contributes significantly to the development of the Group's strategies and policies, oversight of performance, allocation of resources, and enhancement of corporate governance and internal control practices. Through the exercise of independent judgement and objective perspectives, they provide constructive challenge to Management and the Board's deliberations, thereby safeguarding the interests of the Company and its shareholders. Together with the Executive Directors, who possess in-depth knowledge of the Group's businesses and operations, the Board comprises individuals with the requisite skills, expertise and commitment to discharge their duties with integrity, professionalism and due care in promoting the long-term success and sustainability of the Group.

The Board seeks to ensure that decisions are made objectively through open discussions and constructive deliberations, with due consideration given to the views of the INEDs. The INEDs contribute independent judgement and objective perspectives, provide constructive challenge to Management's proposals and Board deliberations, and raise concerns where appropriate, thereby strengthening the decision-making process and safeguarding the interests of the Company and its shareholders.

The Board is of the view that its current size and composition are appropriate to facilitate effective deliberations, constructive discussion and informed decision-making. Following its annual review, the NC is satisfied that the Board and Board Committees comprise members with the appropriate mix of skills, experience, expertise and diversity to effectively discharge their respective duties and responsibilities, and that they have performed their functions effectively within the scope of their respective TORs.

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### II Board Composition (Continued)

**4.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Continued)**

4.2 The Board recognises the importance of maintaining independence and objectivity in its decision-making process, and is committed to ensuring that the INEDs are able to exercise independent judgement and act in the best interests of the Group. The INEDs fulfill the independence criteria prescribed under the MMLR and remain independent of Management and free from any business or other relationships that could materially impair or interfere with the exercise of their independent judgement.

Directors are required to disclose any actual or potential conflict of interest ("COI") in relation to matters under consideration by the Board and to abstain from relevant discussions, deliberations and decision-making processes where such conflicts arise.

The Board, through the NC and guided by the Corporate Governance Guide – Towards Boardroom Excellence, has established a formal process for assessing the independence of INEDs. The assessment includes a self-declaration by each INED, whereby they assess their independence against the criteria prescribed under the MMLR, is reviewed and evaluated by the NC, with the outcome subsequently reported to the Board. Each Independent Director abstains from deliberations on his or her own independence assessment.

Based on the assessment conducted, the NC and the Board are satisfied that the INEDs have continued to demonstrate independence, objectivity and sound judgement in the discharge of their duties and responsibilities.

4.3 The Board adopts a formal and transparent selection process for the appointment of Directors, in line with the MCCG. The NC is responsible for identifying, evaluating, shortlisting and recommending suitable candidates for the Board's consideration and approval. The Company Secretary facilitates the appointment process and ensures compliance with all applicable legal and regulatory requirements.

The process for appointment of a new director is summarised as follows:

(i) the NC identifies the need for additional Board member(s) or vacancies arising on the Board;
(ii) candidates undergo an assessment process in accordance with the Directors' Fit and Proper Policy;
(iii) suitable candidates are identified through Management's network and industry, taking into consideration the skills, experience and expertise required to complement the Board's composition and meet the Group's needs;
(iv) in assessing the suitability of candidates, the NC considers, among others, the candidates' skills, knowledge, expertise, experience, professionalism, integrity, time commitment and potential contribution to the Board;
(v) for candidates proposed for appointment as INEDs, the NC assesses their independence in accordance with Paragraph 1.01 and Practice Note 13 of the MMLR;
(vi) the NC recommends suitable candidates, including appointments to the Board Committees, where necessary, for the Board's consideration and approval;
(vii) the Board deliberates on and makes the final decision regarding the proposed appointments, including appointments to the Board committees; and
(viii) prior to appointment, proposed directors are required to disclose any business interests that may result in a COI, and to report any future business interests that may arise post-appointment. COI must be avoided to protect both personal integrity and the Group's reputation.

In identifying suitable candidates, the NC may consider recommendations from existing Board members, Management and major shareholders, as well as referrals from external sources such as industry and professional associations and independent search firms.

The appointment of Director is guided by the Group's commitment to diversity and the need to maintain an appropriate balance of skills, competencies, experience, commitment and integrity. All candidates are objectively based on merit and their suitability to meet the current and future needs of the Group.

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### II Board Composition (Continued)

**4.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Continued)**

4.4 The Board recognises the importance of boardroom diversity and supports the recommendations of the MCCG on gender diversity. While the Group has not adopted a formal gender diversity policy or specific gender diversity targets for the Board and senior management, the Board currently comprises three (3) female Directors, representing 33.33% of the Board's composition. Accordingly, the Company meets the recommendation under Practice 5.9 of the MCCG, which advocates that at least 30% of the Board should comprise women directors.

The selection and appointment of directors and senior management personnel are based on merit and objective criteria, taking into consideration the candidates' competencies, skills, qualifications, experience, integrity, time commitment and other attributes relevant to the needs of the Group, regardless of gender.

The Group is committed to promoting diversity and providing equal opportunities, and ensures that appointments are made based on the suitability of candidates, without discrimination on the grounds of gender, age, ethnicity, religion or cultural background.

4.5 The Constitution of the Company provides that all Directors are subject to retirement. At least one-third (1/3) of the Directors for the time being, or the number nearest to one-third (1/3), shall retire from office and shall be eligible for re-election. The Constitution further provides that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. This provides an opportunity for shareholders to renew their mandates. Newly appointed directors shall hold office only until the next annual general meeting ("AGM") and shall be eligible for re-election.

Prior to recommending a Director for re-election or re-appointment, the NC assesses the Director's performance, contribution and effectiveness, taking into consideration, among others, his or her skills, experience, competencies, character, integrity and ability to act in the best interests of the Company. The assessment is conduction through an evaluation process, including questionnaires completed by the NC members, and is guided by the Directors' Fit & Proper Policy, which is available on the Company's website at www.jaycorp.com.my.

Based on the outcome of the assessment, the NC makes its recommendation to the Board, which in turn recommends the relevant Director for re-election or re-appointment by shareholders at the AGM.

The re-election or re-appointment of each Director is subject to a separate resolution and voted on individually by shareholders. To facilitate informed decision-making, relevant information on each Director seeking re-election or re-appointment, including his or her profile, Board and Board Committee meeting attendance, and shareholdings in the Company is set out in the notice of AGM.

The NC assessed the fitness and propriety, contribution, performance, calibre and character of the retiring Directors in accordance with the Directors' Fit and Proper Policy. Having considered the results of the assessment, the NC was satisfied that the retiring Directors possess the requisite competence, experience, commitment, integrity and effectiveness to continue serving on the Board, and accordingly recommended their re-election pursuant to Clause 125 of the Company's Constitution at the forthcoming 28th AGM for shareholders' approval in respect of the following:

(i) Tan Sri Datuk (Dr.) Abdul Majid Khan;
(ii) Yeo Aik Tan; and
(iii) Bianca Daniella Lind.

The profiles of these retiring Directors are set out in this Annual Report.

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### II Board Composition (Continued)

**4.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Continued)**

4.6 The Board is satisfied that all Directors of the Company have complied with Paragraph 15.06 of the MMLR, which restricts a director from holding more than five (5) directorships in listed companies.

The Board meets at least four (4) times annually at quarterly intervals, with additional meetings convened as and when required to consider urgent or significant matters. The annual schedule of Board and Board Committee meetings, as well as AGM, is planned in advance and circulated to Directors to facilitate effective planning and attendance. In addition to matters deliberated at meetings, the Board may also exercise its authority through Directors' Circular Resolutions for matters requiring approval between scheduled meetings.

Where a Director has a material COI in a matter under consideration, the issue will be deliberated at a Board meeting rather than through a written resolution. Directors facing such conflicts are required to recuse themselves from discussions and abstain from voting on the relevant matters. The minutes of meetings are properly recorded, accurately reflecting deliberations, decisions, and instances where Directors abstained.

The dates of Board and Board Committee meetings and the AGM are scheduled in advance and circulated to the Directors to facilitate their time planning. Directors' Circular Resolutions are used to address matters requiring approval between scheduled meetings. In accordance with Clause 147 of the Company's Constitution, a signed resolution by a majority of the Directors present in Malaysia and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

The Company Secretary issues notices of Board meetings and circulates the relevant agenda, together with the relevant Board papers and supporting documents in a timely manner to facilitate effective deliberations and informed decision-making by the Board. Where appropriate, Management and external advisers may be invited to attend Board meetings to provide information, insights and professional advice on matters within their areas of expertise.

During FY26, the Board held six (6) meetings. Details of each Director's attendance are set out below:

| Name of Directors | Designation | Meetings attended | Percentage (%) |
|---|---|---|---|
| Tan Sri Datuk (Dr.) Abdul Majid Khan | Executive Chairman | 6/6 | 100 |
| Yeo Ayk Ke | Managing Director | 6/6 | 100 |
| Yeo Aik Tan | Executive Director | 6/6 | 100 |
| Lim Poh Teot | Executive Director | 6/6 | 100 |
| Muaz bin Jema Anton Khan | Executive Director | 6/6 | 100 |
| Nadja binti Jema Khan | Non-Independent Non-Executive Director | 5/6 | 83 |
| Bianca Daniella Lind | Independent Non-Executive Director | 5/6 | 83 |
| Ivan Oh Boon Wee | Independent Non-Executive Director | 6/6 | 100 |
| Patricia Ubing @ Magdalene Edward | Independent Non-Executive Director | 6/6 | 100 |

The attendance of all Directors at Board meetings held during FY26 surpassed the minimum attendance requirement prescribed under the MMLR.

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### II Board Composition (Continued)

**4.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Continued)**

4.7 The Board recognises that continuous learning and professional development are essential for Directors to effectively discharge their duties and responsibilities. The Board ensures that all Directors, including newly appointed Directors, complete the requisite Mandatory Accreditation Programme ("MAP") Part I and Part II prescribed under the MMLR within the stipulated timeframe.

In addition, Directors are encouraged to participate in external training programmes, seminars, conferences and briefings to keep abreast of developments in the business environment, regulatory landscape, corporate governance practices and industry trends relevant to the Group's operations. Directors are also encouraged to identify and attend programmes that would further enhance their knowledge, skills and effectiveness in the discharge of their responsibilities.

During FY26, the Directors attended various training and professional development programmes to enhance their competencies and keep abreast of developments in corporate governance, regulatory requirements and industry practices. Details of the training programmes attended by the Directors are set out below.

| Name of Directors | Date | Training attended |
|---|---|---|
| Tan Sri Datuk (Dr.) Abdul Majid Khan | 30 July 2026 | • Implications of Recent Amendments to Listing Requirements 2023 – 2025 |
| Yeo Ayk Ke | 30 July 2026 | • Implications of Recent Amendments to Listing Requirements 2023 – 2025 |
| Yeo Aik Tan | 30 July 2026 | • Implications of Recent Amendments to Listing Requirements 2023 – 2025 |
| Lim Poh Teot | 30 July 2026 | • Implications of Recent Amendments to Listing Requirements 2023 – 2025 |
| Muaz bin Jema Anton Khan | 30 July 2026 | • Implications of Recent Amendments to Listing Requirements 2023 – 2025 |
| Nadja binti Jema Khan | 30 July 2026 | • Implications of Recent Amendments to Listing Requirements 2023 – 2025 |
| Bianca Daniella Lind | 30 July 2026 | • Implications of Recent Amendments to Listing Requirements 2023 – 2025 |
| Ivan Oh Boon Wee | 22 October 2025 | • EY 2026 Budget and Tax Conference |
| | 30 July 2026 | • ISSB: Applying the IFRS Sustainability Disclosure Standards |
| Patricia Ubing @ Magdalene Edward | 30 July 2026 | • Implications of Recent Amendments to Listing Requirements 2023 – 2025 |

The Executive Directors posses extensive experience and knowledge of the Group's business and operations. Newly appointed Directors are provided with appropriate induction and orientation programmes by the Executive Directors and senior management to familiarise them with the Group's operations, strategic directions, and their roles and responsibilities as Directors.

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### II Board Composition (Continued)

#### 5.0 Nomination Committee

The NC currently comprises three (3) Directors, all of whom are INEDs. The members of the NC are as follows:

- Bianca Daniella Lind (Chairperson)
- Ivan Oh Boon Wee (Member)
- Patricia Ubing @ Magdalene Edward (Member)

The NC held one (1) meeting during FY26, and its TOR is available on the Company's website at www.jaycorp.com.my.

The NC oversees matters relating to the nomination of new Directors, and conducts an annual review of the Board's mix of skills, experience, and independence. The NC also evaluates succession plans, boardroom diversity, and the effectiveness of the Board, Board Committees, and individual Directors. In addition, the NC monitors training and development programs to ensure Directors maintain the requisite competencies to discharge their responsibilities effectively. To further strengthen governance, the Board adopted a Directors' Fit and Proper Policy, which serves as a guide to ensure all Directors possess the necessary character, integrity, competence, experience, and time commitment to maintaining high standards of leadership and accountability.

**Summary of activities of the NC**

During FY26, the NC carried out the following key activities:

(i) Recommended the re-election of retiring Directors at the forthcoming AGM.
(ii) Evaluated the effectiveness of the Board as a whole, its Board Committees, and the contribution and performance of each individual Director and key officers.
(iii) Reviewed the terms of office of AC members.
(iv) Assessed the overall composition of the Board to ensure an appropriate balance of skills and experience.
(v) Reviewed the independence of INEDs, assessing their ability against established criteria. In assessing independence, the Board has determined that the INEDs meet the following criteria:

- Fulfill the definition of an INED as set out under Paragraph 1.01 of the MMLR.
- Able to exercise objective judgement and act in the best interests of the Company.
- There must be no potential COI, and have not entered into any contract or transaction with the Company and/or its subsidiaries within the scope of Paragraph 5 of Practice Note 13 of the MMLR.
- Have not developed or maintained significant personal or social relationships, whether direct or indirect, with the Executive Chairman, the Managing Director, major shareholders or management (including their family members) other than professional engagements consistent with their duties.
- Do not derive any remuneration or benefits apart from Directors' fees and meeting allowances.

The Directors' Assessment Policy, which sets out the procedures and criteria for assessing the effectiveness of the Board, Board Committees, individual Directors and independence of INEDs, is available on the Company's website at www.jaycorp.com.my.

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### III Remuneration

**6.0 The level and composition of remuneration of Directors and Senior Management take into account the Company's desire to attract and retain the right talent in the Board and Senior Management to drive the Company's long-term objectives. The remuneration policies and decisions are made through a transparent and independent process.**

6.1 The Remuneration Committee ("RC") comprises both Executive and INEDs, with the majority of its members being INEDs, in line with the principles of good corporate governance. The composition of the RC is as follows:

- Ivan Oh Boon Wee (Chairman)
- Yeo Ayk Ke (Member)
- Bianca Daniella Lind (Member)

The RC held one (1) meeting during FY26 to discharge its duties and responsibilities in accordance with its TOR, which set out the RC's authority, functions and responsibilities. The TOR is available on the Company's website at www.jaycorp.com.my.

During FY26, the RC carried out the following key activities:

(i) Reviewed and recommended to the Board the remuneration of the Executive Directors and INEDs, taking into consideration their skills, responsibilities, experience, performance and contributions, with the Directors concerned abstaining from deliberations and decisions on their own remuneration; and
(ii) Reviewed and recommended to the Board the remuneration packages of key senior management personnel, taking into consideration the Group's remuneration framework and the scope of their respective responsibilities.

6.2 The remuneration packages of the Executive Chairman, Managing Director and key senior management are structured to align rewards with corporate and individual performance. The remuneration framework comprises both fixed and variable components and is designed to remain competitive with market practices, while reflecting the complexity of the Group's business and the responsibilities of their respective positions. In line with good governance practices, the Executive Chairman and the Managing Director abstain from deliberations and decisions relating to their own remuneration.

The remuneration of the INEDs comprise a fixed fee, meeting allowances, and other benefits that are not linked to the Group's financial performance. The remuneration structure takes into consideration the responsibilities undertaken, experience, expertise and time commitment required to the INEDs in discharging their duties effectively. The payment of directors' fees and benefits to the INEDs is subject to shareholders' approval at the Company's AGM, and Directors who are also shareholders abstain from voting on resolutions concerning their own remuneration.

The Board recommends the directors' fees and benefits payable to the INEDs for shareholders' approval at the AGM pursuant to Section 230(1) of the Companies Act 2016.

The Directors' Remuneration Policy, which aims to attract, develop and retain high-performing and motivated Directors through competitive remuneration package, is available on the Company's website at www.jaycorp.com.my.

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### III Remuneration (Continued)

**7.0 Stakeholders are able to assess whether the remuneration of Directors and Senior Management commensurate with their individual performance, taking into consideration the Company's performance.**

7.1 Details of the remuneration package for the Directors during FY26 are set out under Practice 8.1 of the CG Report, which is uploaded on the Company's website at www.jaycorp.com.my.

7.2 At present, the top five (5) Senior Management personnel also serve concurrently as members of the Board. Accordingly, their remuneration is disclosed under Practice 8.1 of the CG Report as part of the Directors' remuneration disclosure.

Apart from the remuneration of the Executive Directors, the remuneration package of the remaining Senior Management personnel is structured to remain competitive and consistent with industry standards, taking into consideration the individual's responsibilities, experience and performance. The remuneration framework is designed to align with the Group's strategic objectives while supporting the retention of experienced personnel.

The Board is of the view that the disclosure of Senior Management's remuneration on a named basis would not be in the best interest of the Group, as it may give rise to recruitment and talent retention issues, potentially resulting in the loss of high-calibre personnel who have contributed to the Group's performance.

The RC has reviewed the remuneration package of the remaining Senior Management personnel for FY26 and is satisfied that it is fair, reasonable and aligned with the Group's remuneration objectives.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I Audit Committee

**8.0 There is an effective and independent Audit Committee. The Board is able to objectively review the Audit Committee's findings and recommendations. The Company's financial statement is a reliable source of information.**

8.1 The Board strives to present a balanced, clear and meaningful assessment of the Group's financial performance, position and prospects through its annual financial statements and quarterly financial results announcements. In this regard, the Board is assisted by the AC, which oversees the integrity of the Group's financial reporting process and the quality of its financial disclosures.

The Chairman of the AC is not the Chairman of the Board.

None of the AC members is a former partner of the Company's External Auditors. The Board recognises the importance of safeguarding the independence of the AC and has no present intention of appointing any former partner of the External Auditors as a member of the AC.

All AC members possess diverse skills and professional experience in legal, banking, financial and auditing fields and are financially literate. The AC members have also undergone relevant training during FY26 to keep abreast of regulatory developments and contemporary issues that may affect the Group.

# Corporate Governance Overview Statement

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

### I Audit Committee (Continued)

**8.0 There is an effective and independent Audit Committee. The Board is able to objectively review the Audit Committee's findings and recommendations. The Company's financial statement is a reliable source of information. (Continued)**

8.2 The Board is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Group and the Company 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 ensured compliance with the applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the MMLR of Bursa Securities.

In preparing the financial statements, the Directors have selected and applied consistently appropriate accounting policies and made reasonable and prudent judgments and estimates where applicable.

The Directors also have a general responsibility to take reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Board is satisfied that it has fulfilled its responsibility to present a balanced and comprehensive assessment of the Group's financial position and prospects in the Directors' Report and the Financial Statements of this Annual Report.

The Board is assisted by the AC in overseeing the Group's financial reporting process and the quality of its financial reporting.

8.3 An internal compliance framework is in place to ensure that the Group complies with its obligations relating to related party transactions under the MMLR of Bursa Securities. The Board through the AC, reviews related party transactions (including recurrent related party transactions) and any COI or potential COI situations that may arise within the Company or the Group.

A Director who has an interest in a transaction must abstain from deliberation and voting on the relevant resolution in respect of such transaction at the Board and any general meeting convened to consider such matters.

Further details of these transactions are set out in the Recurrent Related Party Transactions Circular to Shareholders dated 18 November 2026.

8.4 The AC assesses the suitability and independence of the External Auditors on an annual basis. The assessment covers, amongst others, the External Auditors' objectivity and independence, audit fees, size and competency of the audit team, audit strategy, audit reporting and partner involvement. The inputs and opinions of the Company's personnel who have been in regular contact with the external audit team throughout the year are also taken into consideration in assessing their suitability.

To support their independence, the External Auditors provide the AC with written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The External Auditors provided such a declaration in their annual audit plan presented to the AC during FY26. This assurance was given in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

The AC and the Board were satisfied with the performance, competency and independence of the External Auditors based on the annual assessment conducted. However, as the incumbent External Auditors have expressed their intention not to seek re-appointment at the forthcoming 28th AGM, the Board has recommended the appointment of new External Auditors, subject to shareholders' approval at the forthcoming 28th AGM.

# Corporate Governance Overview Statement

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

### II Risk Management and Internal Control Framework

**9.0 The Group makes informed decisions on the risk appetite and implement necessary controls to pursue its objectives. The Board is provided with reasonable assurance that any adverse impacts arising from foreseeable future events are identified on a timely basis and managed/mitigated appropriately.**

9.1 The Board has ultimate responsibility for reviewing the Group's risk profiles, approving the risk management framework and policies, and overseeing the effectiveness of the Group's risk management and internal control systems to support the achievement of its objectives within an acceptable level of risk, while safeguarding the interests of stakeholders and shareholders and the Group's assets.

The Company has established a Board Risk Management Committee ("BRMC") to oversee the Group's risk management strategies, policies, initiatives, risk appetite and performance, as well as an Enterprise Risk Management Committee ("ERMC") to oversee the implementation and execution of the Group's risk management framework. The BRMC is chaired by an INED, while the ERMC is chaired by an Executive Director.

During FY26, the BRMC held two (2) meetings and discharged its responsibilities in accordance with its TOR, which are available on the Company's website at www.jaycorp.com.my.

The composition of the BRMC and the attendance of its members at the meetings held during FY26 are as follows:

| Members of Board Risk Management Committee | No. of meeting attended |
|---|---|
| Ivan Oh Boon Wee (Chairman) | 2/2 |
| Muaz bin Jema Anton Khan (Member) | 2/2 |
| Patricia Ubing @ Magdalene Edward (Member) | 2/2 |

The ERMC is guided by its TOR, which are available on the Company's website at www.jaycorp.com.my.

Representatives from key operating subsidiaries and joint venture companies may be invited to attend ERMC meetings, where appropriate.

The Board is ultimately responsible for establishing and maintaining a sound risk management and internal control framework. The ERMC is responsible for implementing the Group's risk management policies and strategies, and for monitoring and managing principal risk exposures by ensuring that Management takes the necessary measures to mitigate identified risks and, where appropriate, recommending further actions for consideration.

The Group's key risk profile is reviewed periodically by the BRMC and ERMC prior to being tabled to the Board or deliberation and oversight.

The Statement on Risk Management and Internal Control ("SORMIC") set out in this Annual Report provides an overview of the Group's risk management and internal control practices and activities during FY26.

9.2 The primary responsibility of the BRMC and ERMC is to assist the Board in fulfilling its oversight responsibilities by evaluating, reviewing and monitoring the effectiveness of the Group's risk management framework and activities on an ongoing basis. The BRMC reports to the Board on the Group's key risk exposures, including reviewing the risk assessment methodologies adopted to monitor such exposures and Management's assessment of the appropriate level of risk that the Group's Business Units may undertake in pursuit of their objectives.

The key features of the Group's Enterprise Risk Management Framework are set out in the SORMIC disclosed in this Annual Report.

# Corporate Governance Overview Statement

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

### II Risk Management and Internal Control Framework (Continued)

**10.0 The Group has an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.**

The internal audit function is outsourced to an independent professional firm, which reports directly to the AC.

The Internal Auditors conduct reviews and assessments of the Group's internal control system, governance and risk management processes, including operational audits of key business functions and processes. Through these reviews, the Internal Auditors evaluate the effectiveness of the established controls and the level of compliance at the operational level, and provide recommendations for improvement where necessary. Any control weaknesses identified are reported to the AC together with Management's responses and corrective action plans to address the findings in a timely manner.

The SORMIC set out in this Annual Report provides an overview of the adequacy and effectiveness of the Group's internal controls and risk management system.

The Board recognises the importance of maintaining robust corporate disclosure policies and procedures to ensure the timely, accurate and comprehensive disclosure of material information relating to the Company and the Group to regulators, shareholders and other stakeholders. Accordingly, the Board has formalised the relevant policies and procedures not only to ensure compliance with the disclosure requirements of the MMLR, but also to clearly define the persons authorised and responsible for approving and releasing material information to regulators, shareholders and stakeholders.

Material information is disseminated to the public through announcements made to Bursa Securities. The Company's financial results and other announcements are also accessible through Bursa Securities' website.

The Company's website at www.jaycorp.com.my is regularly updated and serves as an important channel for disseminating relevant information about the Company, enabling shareholders, investors and the investing public to make informed investment decisions.

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I Communication with Stakeholders

**11.0 There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.**

The Board believes that maintaining a constructive and effective relationship with investors is fundamental to enhancing shareholder value and recognises the importance of the timely, transparent and effective dissemination of information to shareholders and the investment community.

In addition to encouraging shareholders' participation at general meetings, the Board promotes ongoing engagement through various communication channels. Shareholders and other stakeholders may raise concerns relating to the Company with the Chairman of AC, Mr. Ivan Oh Boon Wee, using the contact details provided in the Corporate Information section of this Annual Report.

The Board and Management are committed to ensuring the timely dissemination of information on the Group's performance and other matters of interests to shareholders and investors through appropriate announcements, quarterly financial reports, circulars, press releases and the Annual Reports.

The Company recognises the importance of accountability to shareholders and maintaining effective communication with investors. In compliance with Paragraph 9.21 of the MMLR, the Company maintains a corporate website at www.jaycorp.com.my, which contains relevant information relating to the Group and is updated regularly. Shareholders and investors may also direct their enquiries to the Company through the corporate website.

As the Company is not classified as Large Company under the MCCG, it has not adopted integrated reporting based on a globally recognised framework.

# Corporate Governance Overview Statement

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)

### II Conduct of General Meetings

**12.0 Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at general meetings.**

12.1 The Board recognises general meetings as an important platform for communication and engagement with shareholders. General meetings provide shareholders with an opportunity to participate in the Company's decision-making process and to seek clarification from the Board and Management on matters relating to the Group's operations, performance and affairs.

The Company's 27th AGM was held on 12 December 2025 and was attended by the majority of the Directors, including the Chairmen of the AC, NC, RC and BRMC, as well as members of the Management and the External Auditors, to facilitate meaningful engagement with shareholders.

At the AGM, shareholders were encouraged to raise questions and seek clarification on the proposed resolutions, the Group's operations and other matters relating to the Company. Where responses could not be provided immediately during the meeting, the Chairman would arrange for the relevant information or written responses to be furnished to the shareholders subsequently.

The Company conducts its general meetings physically at venues that are accessible and convenient to shareholders. Shareholders who are unable to attend may appoint proxies or the Chairman of the meeting to attend and vote on their behalf in accordance with the Company's Constitution.

The Notice of AGM, together with the relevant accompanying documents, is made available on website of Bursa Securities and the Company to facilitate shareholders' review prior to the meeting. The Notice is also published in a widely circulated newspaper in Malaysia.

The Company provides shareholders with twenty-one (21) days' notice of its AGM in compliance with the Companies Act 2016 and the MMLR. The Board will continue to review the arrangements and timetable for future AGMs with a view to providing at least twenty-eight (28) days' notice, where practicable.

The Minutes of the 27th AGM were published on the Company's website within thirty (30) business days after the meeting.

12.2 Pursuant to Paragraph 8.29(A) of the MMLR, all resolutions set out in the notice of a general meeting must be voted on by poll.

The Board will continue to adopt poll voting for all resolutions set out in the Notice of the AGM to promote transparency, accountability and greater shareholder participation. The poll voting process is conducted electronically and the results are validated by an Independent Scrutineer.

Detailed poll results, including the number and percentage of votes cast for and against each resolution, are announced to Bursa Securities immediately after the conclusion of the general meeting, thereby ensuring transparency and enabling shareholders to be fully informed of the outcome of each resolution.

# Corporate Governance Overview Statement

## COMPLIANCE STATEMENT

Save as disclosed above, the Board is satisfied that throughout FY26, the Company has applied the principles and practices of the MCCG, where appropriate, and having regard to the circumstances of the Company.

The Board is responsible for ensuring that the financial statements of the Group and the Company are prepared in accordance with the applicable approved accounting standards and give a true and fair view of the financial position, financial performance and cash flows of the Group and of the Company for each financial year.

The Board is satisfied that, in preparing the financial statements of the Group and the Company for FY26, appropriate accounting policies have been adopted and applied consistently, supported by reasonable and prudent judgements and estimates, and that all applicable new and revised Malaysia Financial Reporting Standards have been duly considered and adopted where relevant. The Board is also satisfied that the financial statements have been prepared in compliance with the applicable approved accounting standards and the requirements of the Companies Act 2016.

The Board has also taken the necessary measures to ensure that an adequate system of internal controls is in place to safeguard the Group's assets and to detect and prevent fraud, errors and other irregularities.

This Statement is made in accordance with a resolution of the Board dated 6 November 2026.

# ADDITIONAL DISCLOSURE REQUIREMENTS
## PURSUANT TO THE LISTING REQUIREMENTS OF BURSA SECURITIES

### 1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE EXERCISE

During the financial year ended 31 July 2026 ("FY26"), there were no proceeds raised by the Company from any corporate exercise.

### 2. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There was no material contract entered into by the Company or its subsidiaries involving the interests of Directors or major shareholders, which was subsisting as at the end of FY26 other than those disclosed under the Notes to the financial statements.

### 3. AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS FOR THE FY26

During FY26, the audit fee and non-audit fee paid or payable to the External Auditors are as follows:

| | Group (RM'000) | Company (RM'000) |
|---|---|---|
| Audit Fees | 216 | 38 |
| Non-audit Fees | 5 | 5 |
| **Total** | **221** | **43** |

The non-audit fees were paid to the External Auditors for the review of Statement on Risk Management and Internal Control.

### 4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE ("RRPT")

The Group obtained shareholders' mandate for RRPT at the last Annual General Meeting held on 12 December 2025.

Details of the RRPT conducted pursuant to the shareholders' mandate during FY26 are set out below:

| Jaycorp Group | Name of Related Parties | Type of Transaction | Actual value of transaction for the FY26 (RM'000) | Interested Related Parties and the Relationship |
|---|---|---|---|---|
| i) Jaycorp Berhad ("Jaycorp") | Jawala Corporation Sdn Bhd ("Jawala") | i) Rental of Lot 17.03, 17th Floor, Menara KH, Jalan Sultan Ismail, 50250 Kuala Lumpur to Jaycorp | 90 | Jawala is a Major Shareholder of Jaycorp.<br><br>Tan Sri Datuk (Dr.) Abdul Majid Khan<br>- Executive Chairman and Major Shareholder of Jaycorp via interest in Jawala.<br>- Director and Major Shareholder of Jawala.<br><br>Muaz bin Jema Anton Khan<br>- Executive Director of Jaycorp.<br>- Grandson of Tan Sri Datuk (Dr.) Abdul Majid Khan and a shareholder of Jawala.<br><br>Nadja binti Jema Khan<br>- Non-Independent Non-Executive Director of Jaycorp.<br>- Granddaughter of Tan Sri Datuk (Dr.) Abdul Majid Khan and a shareholder of Jawala. |
| ii) Yeo Aik Hevea (M) Sdn Bhd ("YAHSB") | | ii) Receipt of commission income from YAHSB for assisting YAHSB to successfully tender of rubber wood | - | |

# Additional Disclosure Requirements
Pursuant to the Listing Requirements of Bursa Securities

## 4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE ("RRPT") (CONTINUED)

Details of the RRPT conducted pursuant to the shareholders' mandate during FY26 are set out below: (Continued)

| Jaycorp Group | Name of Related Parties | Type of Transaction | Actual value of transaction for the FY26 (RM'000) | Interested Related Parties and the Relationship |
|---|---|---|---|---|
| Joint Venture Company<br>Honsoar Jaycorp Cabinetry Sdn Bhd ("HJCSB") | i) Honsoar New Building Material Co. Ltd ("HNBMCL"), China | i) Sales of furniture parts, board material and hardware to HJCSB | 10,689 | Sun Guan Jun, China citizen<br>- Director and having an indirect interest in HJCSB, HNBMCL, HIL, HHUI and SHCCL. |
| | ii) Shandong Honsoar Cabinetry Co. Ltd. ("SHCCL"), China | ii) Sales of furniture parts, board material and hardware to HJCSB | - | |
| | iii) Honsoar International Limited ("HIL"), Hong Kong | iii) Purchase of kitchen cabinets and bathroom vanity cabinets from HJCSB | 44,752 | |
| | iv) Honsoar Home USA Inc. ("HHUI"), USA | iv) Purchase of kitchen cabinets and bathroom vanity cabinets from HJCSB | - | |
| i) Winshine Industries Sdn Bhd ("WISB") | HJCSB | i) Rental of three (3) units of factories located at No. 6, 6-1, Jalan Wawasan 14, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor from WISB | 1,279 | Yeo Ayk Ke<br>- Managing Director of Jaycorp.<br>- Director of HJCSB, JTSB, PPSB, WHSB and WISB. |
| | | ii) Rental of a single storey factory building cum three storey office building located at No. 2, Jalan Wawasan 12, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor from WISB | 652 | Lim Poh Teot<br>- Executive Director of Jaycorp<br>- Director of HJCSB, WHSB and WISB. |
| | | iii) Purchase and sub-contract work of furniture part from WISB | 288 | |
| ii) Winshine Holdings Sdn Bhd ("WHSB") | | v) Rental of a single storey detached factory building cum double storey office building located at No. 1, Jalan Wawasan 12, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor from WHSB | 559 | |

# Additional Disclosure Requirements
Pursuant to the Listing Requirements of Bursa Securities

## 4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE ("RRPT") (CONTINUED)

Details of the RRPT conducted pursuant to the shareholders' mandate during FY26 are set out below: (Continued)

| Jaycorp Group | Name of Related Parties | Type of Transaction | Actual value of transaction for the FY26 (RM'000) | Interested Related Parties and the Relationship |
|---|---|---|---|---|
| iii) Pine Packaging (M) Sdn Bhd ("PPSB")<br>iv) Jaycorp Trading Sdn Bhd ("JTSB") | HJCSB | vi) Purchase of carton boxes from PPSB<br>vii) Purchase of assembly instruction ("AI") from JTSB. AI is included in HJCSB's product to show visually and with words on how to assemble the HJCSB's product. | -<br>- | Yeo Ayk Ke<br>- Managing Director of Jaycorp.<br>- Director of HJCSB, JTSB, PPSB, WHSB and WISB.<br><br>Lim Poh Teot<br>- Executive Director of Jaycorp<br>- Director of HJCSB, WHSB and WISB. |
| Joint Venture Company<br>PT Tiga Mutiara Nusantara ("PTTMN") | Weston Wood Solutions Inc (Weston Wood), Canada | i) Purchase of finger jointed finished gesso coated primed moulding products and LVL moulding and millwork products from PTTMN. | 18,033 | Alan Stuart Lechem, Canada citizen<br>- Director and having an indirect interest in PTTMN.<br>- Director and shareholder of Weston Wood. |
| JTSB | PTTMN | i) Purchase of indirect material i.e. coating glue, calcium carbonate powder and machinery spare parts from JTSB. | - | Tan Sri Datuk (Dr.) Abdul Majid Khan<br>- Executive Chairman of Jaycorp<br>- Director of JTSB and PTTMN. |

## 5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A and Paragraph 9.41(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

### (A) Group Total Income and Total Assets

| | | Group | |
|---|---|---|---|
| | | 2026 | 2025 |
| **Total Income** | **Remarks** | **RM'000** | **RM'000** |
| Revenue | Other income and Interest income | 138,651 | 163,658 |
| Other income | | 5,363 | 5,889 |
| **Total Income** | | 144,014 | 169,547 |
| **Total Assets** | | 205,363 | 237,747 |

# Additional Disclosure Requirements
Pursuant to the Listing Requirements of Bursa Securities

## 5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONTINUED)

### (B) Business Activities

| Shariah Non-Compliant Activities | Remarks | Group 2026 RM'000 | Group 2025 RM'000 |
|---|---|---|---|
| Interest income | | 1,458 | 1,856 |

### (C) Component of Financial Position

*(i) Cash component*

| Islamic Account/Instruments | Remarks | Group 2026 RM'000 | Group 2025 RM'000 |
|---|---|---|---|
| Cash in hand | | 77 | 92 |
| Cash at bank (exclude cash in hand) | | 1,886 | 1,599 |
| Deposits with licensed bank | | 17,178 | 16,594 |
| Short-term investments | | 1,188 | 6,225 |
| **Total** | | 20,329 | 24,510 |
| | | | |
| **Conventional Account/Instruments** | | | |
| Cash at bank (exclude cash in hand) | | 17,540 | 20,801 |
| Deposits with licensed bank | | 14,565 | 15,212 |
| Short-term investments | | 5,184 | 10,878 |
| **Total** | | 37,289 | 46,891 |

*(ii) Debt component*

| Islamic Financing | Remarks | Group 2026 RM'000 | Group 2025 RM'000 |
|---|---|---|---|
| **Current** | | | |
| Bank overdraft | | 762 | 828 |
| Bankers' acceptances | | 1,323 | 210 |
| Hire purchase payable | | 91 | 206 |
| Term loan | | 725 | 807 |
| Other borrowing | | 6,563 | 5,264 |
| | | | |
| **Non-Current** | | | |
| Hire purchase payable | | 18 | 110 |
| Term loan | | 11,332 | 2,969 |
| **Total** | | 20,814 | 10,394 |

# Additional Disclosure Requirements
Pursuant to the Listing Requirements of Bursa Securities

## 5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONTINUED)

### (C) Component of Financial Position (Continued)

*(ii) Debt component (Continued)*

| Conventional Borrowing | Remarks | Group | |
|---|---|---|---|
| | | 2026 RM'000 | 2025 RM'000 |
| **Current** | | | |
| Bankers' acceptances | | 347 | 871 |
| Hire purchase payable | | 116 | 118 |
| Term loan | | 257 | 324 |
| **Non-Current** | | | |
| Hire purchase payable | | 313 | 429 |
| Term loan | | - | 1,406 |
| **Total** | | 1,033 | 3,148 |

# AUDIT COMMITTEE REPORT

## MEMBERSHIP

As at the financial year ended 31 July 2026 ("FY26"), the Audit Committee ("AC") comprised three (3) members, all of whom were Independent Non-Executive Directors appointed by the Board of Directors of the Company ("Board"). Accordingly, the AC was composed entirely of Independent Non-Executive Directors.

| | |
|---|---|
| **Chairman** | Ivan Oh Boon Wee |
| **Members** | Bianca Daniella Lind |
| | Patricia Ubing @ Magdalene Edward |

## MEETINGS

During FY26, four (4) AC meetings were held. All meetings were conducted in accordance with a structured agenda, which was circulated to the AC members in a timely manner prior to each meeting to facilitate informed deliberations. The attendance record of the AC members at these meetings is set out below:

| Members | Attendance |
|---|---|
| Ivan Oh Boon Wee | 4/4 |
| Bianca Daniella Lind | 3/4 |
| Patricia Ubing @ Magdalene Edward | 4/4 |

In addition to the AC members and the Company Secretary, the Group Financial Controller, Risk & Compliance Manager and the Internal Auditors attended the meetings by invitation, where appropriate. Representatives of the External Auditors were also invited to attend relevant meetings to present the Audit Planning Memorandum and Audit Review Memorandum, and to deliberate on matters relating to the audit of the Group's statutory financial statements. The Executive Directors, representatives of the Group's subsidiaries and joint venture companies, as well as other members of Management, attended meetings upon the invitation of the AC Chairman whenever their presence was required to facilitate the AC's deliberations.

During FY26, the AC also met with the External Auditors in a private session without the presence of the Executive Directors and Management to facilitate an open and independent exchange of views on matters relating to the audit and the Group's financial reporting processes.

The Company Secretary serves as the secretary to the AC and ensures that AC meetings are properly convened and that accurate records of the proceedings are maintained. Notices of meetings together with the relevant meeting materials are circulated to the AC members at least seven (7) days prior to each meeting to facilitate timely review, informed deliberations and effective decision-making. The Chairman of the AC reports to the Board on key matters deliberated and recommendations arising from the AC meetings for the Board's consideration and decision, where appropriate.

During FY26, the AC members participated in relevant training programmes to keep abreast of regulatory developments and emerging issues that may impact the Group's business and operations. Details of the training programmes attended by the AC members are set out in the Corporate Governance Overview Statement of this Annual Report.

## AUTHORITY

The role of the AC is to assist and support the Board primarily in the area of governance structure, financial reporting process by liaising with the external auditors, reviewing and monitoring the Group's system of risk management and internal control by liaising with the Internal Auditors.

The AC is governed by its Terms of Reference ("TOR"), which is available on the Company's website at www.jaycorp.com.my.

# Audit Committee Report

## SUMMARY OF ACTIVITIES

In line with its responsibilities as set out in its TOR, the AC undertook the following activities during FY26 in discharging its functions and duties:

### Financial Performance & Reporting

- Reviewed the unaudited quarterly financial reports and audited financial statements prior to recommending them to the Board for approval.
- Reviewed significant matters arising from the audit of the financial statements, including discussions with Management and the external auditors on the application of financial reporting standards and key judgements exercised in the application of those standards.
- Reviewed the AC Report and the Statement on Risk Management and Internal Control ("SORMIC"), and recommended their inclusion in the Annual Report of the Company, for the Board's approval.

### External Auditors

- Reviewed and deliberated on the External Auditors' Audit Planning Memorandum for FY26, encompassing the audit risk assessment, audit approach and scope of work.
- Reviewed the External Auditors' audit reports in relation to the interim and final audits, which covered significant audit findings, potential key audit matters, areas for control improvements, and financial reporting matters.
- Noted that, in response to enquiries raised by the External Auditors, the Management, Internal Auditors, and the AC members had verbally confirmed that they were not aware of any actual, suspected or alleged fraud, or any non-compliance or suspected non-compliance with laws and regulations that may have affected the Group.
- Met with the External Auditors on one (1) occasion, namely on 30 September 2025, without the presence of the Executive Directors and management, to provide an avenue for the External Auditors to raise any concerns they may have.
- Obtained written assurance from the External Auditors regarding their professional independence.
- Evaluated the suitability, objectivity and independence of the External Auditors, taking into consideration their technical competency, audit quality and adequacy of resources in carrying out the audit of the Group. Based on the evaluation, recommended their re-appointment to the Board for shareholders' approval at the forthcoming Annual General Meeting ("AGM") of the Company.
- Reviewed and approved the engagement of the External Auditors for the provision of non-audit services, where applicable, to ensure that such engagements did not impair their independence and objectivity and to minimise any potential conflict of interest ("COI") arising therefrom.
- Reviewed the reasonableness of the audit fees charged by the External Auditors, taking into consideration the size, complexity and operational requirements of the Group.

### Internal Audit

- Reviewed the Internal Audit Reports presented by the Internal Auditors and provided guidance and recommendations to enhance the adequacy and effectiveness of the Group's governance, risk management and internal control systems.
- Monitored the results of follow-up audits to assess the status of implementation of agreed corrective actions by Management and to ensure that identified issues were addressed in a timely manner.
- Reviewed and approved the Internal Audit Plan for FY26, ensuring that the audit coverage was aligned with the Group's key risk areas and operational priorities.
- Assessed the adequacy, effectiveness and performance of the internal audit function, including the comprehensiveness of its audit coverage across the Group's operations and activities.
- Evaluated the performance of the Internal Auditors during FY26, taking into consideration the quality of audit work performed, as well as the adequacy, competency and effectiveness of the resources deployed for the internal audit function. Based on the evaluation, the AC was satisfied that the Internal Auditors had performed their responsibilities effectively and met the AC's expectations.

# Audit Committee Report

## SUMMARY OF ACTIVITIES (CONTINUED)

### Risk Management

- Ensure the effectiveness of the process for identifying, assessing, managing and monitoring risks are in place, oversee execution of the process and continuous improvement of the process as the business environment changes.
- Reviewed the SORMIC and recommended its approval by the Board for inclusion in the Annual Report 2026.

### Recurrent Related Party Transactions and Related Party Transactions

- Reviewed the existing recurrent related party transactions ("RRPTs") reported on a quarterly basis to ensure that such transactions were undertaken in the ordinary course of business, on normal commercial terms, and on terms not more favourable to the related parties than those generally available to the public, and were not detrimental to the interests of the minority shareholders.
- Reviewed the Circular to Shareholders in relation to the proposed renewal of the existing shareholders' mandate for RRPTs and, having satisfied itself that the disclosures were appropriate and in compliance with the relevant regulatory requirements, recommended the same to the Board for approval and inclusion in the notice of the forthcoming AGM for shareholders' consideration and approval.

### Conflict of Interest or Potential Conflict of interest

- At each quarterly meeting, the AC received formal declarations/confirmations made by the Directors in respect of any actual, potential or perceived COI. The AC also considered any transaction, arrangement, procedure or course of conduct that may give rise to COI concerns or questions regarding Management's integrity, and where appropriate, ensured that adequate mitigating measures were implemented.

## INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to Axcelasia Sdn Bhd during FY26. The professional fees and related expenses incurred in respect of the internal audit function for FY26 amounted to RM140,000.

During FY26, the Internal Auditors carried out reviews in accordance with the internal audit plan approved by the AC, to assess the adequacy and effectiveness of the system of internal controls within the Group's principal operating subsidiaries and joint venture company. The Internal Auditors reported their findings and recommendations to the AC for deliberation together with Management. Areas requiring improvements were highlighted to Management, and appropriate corrective actions were undertaken to address the identified control weaknesses. The AC monitored the implementation and progress of these corrective measures to ensure timely resolution of the issues raised.

Details of the internal audit function and activities undertaken during FY26 are set out in the SORMIC contained in this Annual Report.

In discharging its responsibilities during FY26, the Internal Auditors carried out internal audit reviews covering the following areas:

a. Safety and Health Management at Honsoar Jaycorp Cabinetry Sdn Bhd ("HJCSB") and Jaycorp Green Energy Sdn Bhd;
b. Production, Quality Control and Quality Assurance at Yeo Aik Wood Sdn Bhd ("YAWSB") and Yeo Aik Hevea (M) Sdn Bhd ("YAHSB");
c. Inventory Management function at HJCSB and Procurement-to-Payment function at YAWSB, and Procurement-to-Payment and Inventory Management functions at YAHSB; and
d. Sales and Marketing functions at YAWSB, Pine Packaging (M) Sdn Bhd and Instyle Sofa Sdn Bhd.

This report is made in accordance with a resolution of the Board dated 6 November 2026.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Malaysian Code on Corporate Governance ("the Code") requires public listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investment and the Group's assets. The Board is pleased to present the Statement on Risk Management and Internal Control ("the Statement") which is in compliance with paragraph 15.26(b) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

## RESPONSIBILITIES OF THE BOARD

The Board of Directors acknowledges its responsibility for maintaining a sound system of internal control and risk management as well as the adequacy and integrity of those systems to safeguard shareholders' investments and the Group's assets. The Board has in place a conducive control environment and processes to assist the Board in maintaining a proper internal control system within the Group. The system of risk management and internal control, while designed to safeguard shareholders' investments and the Group's assets, by its nature can only manage rather than eliminate risk of failure to achieve business objectives. Accordingly, it can only provide reasonable and not absolute assurance against material misstatement or loss, fraud or breaches of laws of regulations.

The Board confirms that there is continuous effort to enhance the overall risk management process of identifying, evaluating and managing significant risks by pursuing various initiatives and to enhance the tools and processes for effective management of risks faced by the Group in its achievement of objectives and strategies. This is in accordance with the guidance as contained in the "Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Companies (SORMIC Guide 2025)".

The Board has received assurances from the Executive Chairman and the Managing Director that the Group's risk management and internal control systems are operating adequately, in all material aspects, based on the risk management and internal control systems of the Group.

## ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Board through the Board Risk Management Committee ("BRMC") and Enterprise Risk Management Committee ("ERMC"), continually reviews risk management and ensures that necessary actions have been taken to remedy any significant weaknesses identified from that review. The risk assessment process involves identification of risks, prioritisation and formulation of action plans to mitigate these risks and enhance the control systems, which operates independently of the activities in the Group. Please refer to the "Anticipated or Known Risks" of the Management Discussion and Analysis for the significant risks faced by the Group and the mitigation plans implemented.

The BRMC consists of two (2) Independent Non-Executive Directors and one (1) Executive Director. The BRMC, which is chaired by an Independent Director, reports directly to the Board. There were two (2) BRMC meeting held during the financial year.

The ERMC consists of three (3) Executive Directors and the appointed representatives of subsidiaries and joint venture companies within the Group. The ERMC, which is chaired by an Executive Director, reports directly to the BRMC. There was one (1) ERMC meeting held during the financial year.

The Board believes that maintaining a sound system of risk management is founded on a clear understanding and appreciation of the following key elements of the Group's risk management framework:

- a risk management structure which outlines the lines of reporting and establishes the responsibilities of personnel at different levels, i.e. the Board, BRMC, ERMC and Management; and
- on-going identification of principal business risks (present and potential) faced by the Group and formalisation of Management's action plans to mitigate these risks to acceptable levels, considering the established risk appetite and parameters (qualitative and quantitative) of the Group.

The monitoring of risk management by the Group is enhanced by the internal audits carried out by the outsourced internal audit function with specific audit objectives and business risks identified for each internal audit cycle based on an internal audit plan approved by the Audit Committee.

The above process has been practiced by the Group for the financial year under review.

# Statement on Risk Management and Internal Control

## INTERNAL CONTROL

Key elements of the Group's system of internal control include:

a. an annual Group budget is prepared and tabled to the Board for approval as a performance measurement tool for the Group. Continuous monitoring is carried out to measure actual performance against budget to identify significant variances and devise appropriate plans;
b. management review of subsidiaries and joint venture companies results and performances via management meetings are on a monthly basis;
c. regular visits to subsidiaries and joint venture companies by Senior Management;
d. clearly defined Standard Operating Procedures and a Group Human Resource Manual as the key framework for good internal control practices; and
e. clearly defined authority limits at appropriate levels to ensure accountability and responsibility.

## CONTROL AND MONITORING PROCESS

The Board is responsible for setting the Group's long-term business objectives and monitors the conduct of the Group's operations through various board committees. The process adopted by the Board to monitor the effectiveness of the Group's risk management and internal control system are as follows:

a. the Board, Audit Committee, BRMC and the ERMC meet to discuss matters raised by Management, the internal audit function and External Auditors on business and operational matters;
b. the Board has delegated the responsibilities to Management to implement and monitor the Board's policies on control;
c. internal control procedures and policies are documented and reviewed from time to time; and
d. meetings are held during the financial year in order to assess the Group's performance.

## INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to a professional services firm which provides internal audit services ("Internal Auditors"). This is part of its effort to provide the Audit Committee and the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control. The role of the Internal Auditors is to review the adequacy, integrity and effectiveness of the Group's system of internal controls to mitigate the risks of the Group including financial, operational and compliance risks.

The internal audit function for the financial year ended 31 July 2026 was outsourced to Axcelasia Sdn Bhd ("Axcelasia"). The internal audit staff on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The internal audit reviews were conducted using a risk-based approach and was guided by Global Internal Audit Standards (GIAS). The number of staff deployed for the internal audit reviews ranged from three (3) to four (4) staff per visit including the Engagement Director, who has over 19 years of experience in internal and external audit, Enterprise Risk Management (ERM), compliance framework and business process advisory services. He holds the credentials of the following:

- Certified Internal Auditor;
- Certified Lead Assessor of Anti-Bribery Management System;
- Fellow member of the Association of Chartered Certified Accountants;
- Chartered Accountant of the Malaysian Institute of Accountants; and
- Member of the Association of Certified Fraud Examiners.

Axcelasia is also a corporate member of the Institute of Internal Auditors Malaysia. The staffs involved in the internal audit reviews hold professional qualifications and/or a university degree.

# Statement on Risk Management and Internal Control

## INTERNAL AUDIT FUNCTION (CONTINUED)

The Audit Plan sets out the areas of coverage and the rationale for their selection and is presented to the Audit Committee for comments and subsequent approval before actual internal audit work is carried out. The internal audit reports, which comprise of observations raised, potential impact, recommendations by Internal Auditors and management actions, are issued and reported directly to the Audit Committee. Representatives from Axcelasia are invited to attend Audit Committee meetings to table the Internal Audit report. The Internal Auditors, Group Financial Controller, Risk & Compliance Manager and Management provide clarification to the Audit Committee on the matters highlighted, including the action plans to address the issues highlighted. The Internal Auditor also conducted follow up audits on the status of the Management action plans to address issues highlighted in the preceding cycles of internal audit before reporting to the Audit Committee.

The professional fee and other costs incurred in respect of the internal audit function for the financial year ended 31 July 2026 was RM140,000.00.

## REVIEW BY EXTERNAL AUDITOR

As required by Paragraph 15.23 of the Main Market Listing Requirement of the Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement. Their review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3") (Revised March 2026): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's internal control system. AAPG 3 (Revised March 2026) does not require the External Auditors to, and they did not, consider whether this Statement covers all risk and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

## CONCLUSION

The system of internal control provides reasonable, rather than absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal control can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The Board and Management are committed to operating a sound system of internal control and the internal control system will continue to be reviewed, updated and improved upon in line with changes in the operating environment.

For the financial year under review and up to the date of issuance of the financial statements, the Board is satisfied with the adequacy, integrity and effectiveness of the Group's system of risk management and internal control. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure of the Group's system of internal control that would require separate disclosure in the Group's Annual Report.

The Board believes that, in the absence of any evidence to the contrary, the system of internal controls, including financial, operational and compliance controls and risk management systems, maintained by the Group's management and that were in place throughout the financial year and up to and as of the date of this report, are adequate to meet the needs of the Group in its current business environment.

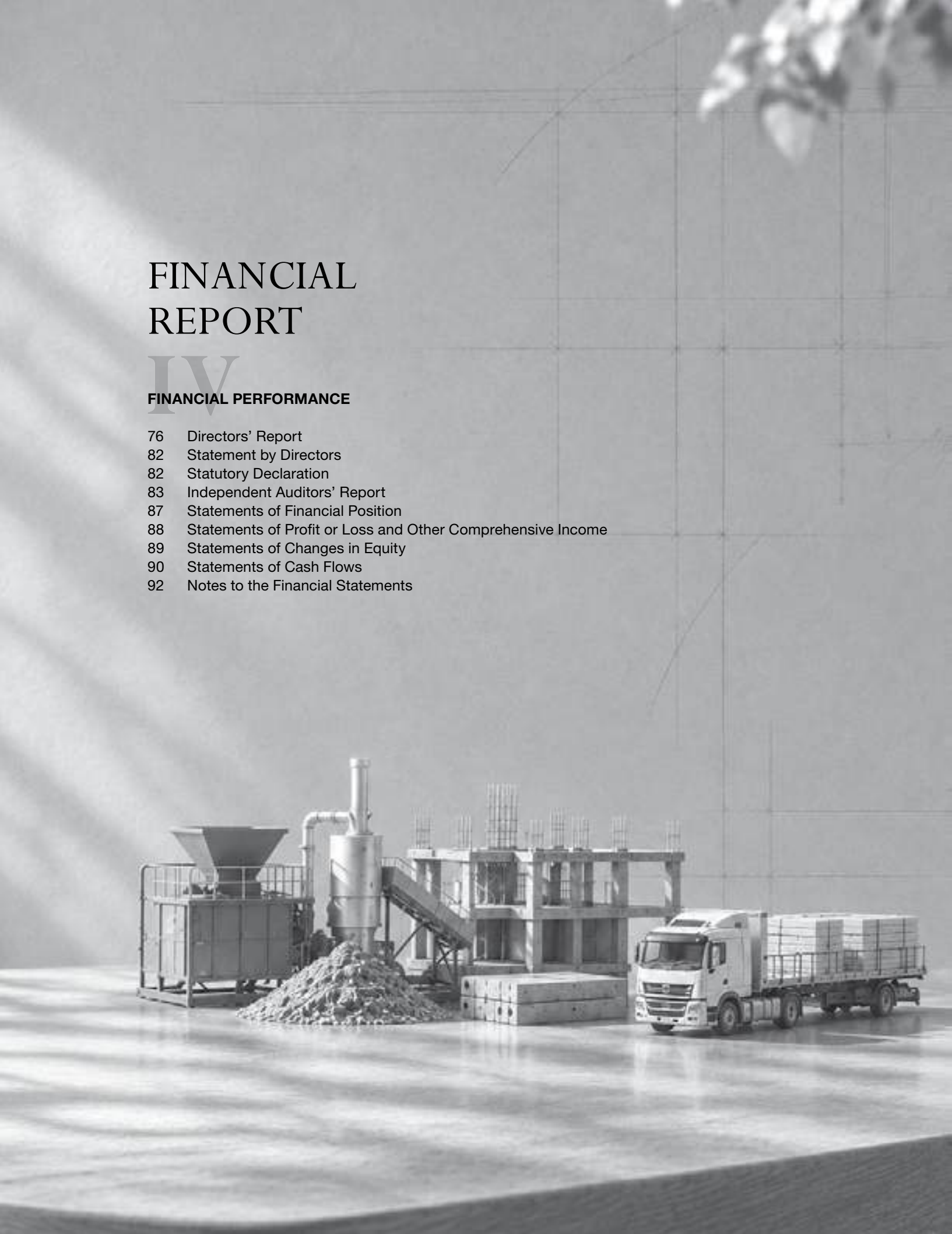
This statement is made in accordance with a resolution of the Board dated 6 November 2026.

# FINANCIAL REPORT

IV

**FINANCIAL PERFORMANCE**


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# DIRECTORS' REPORT
## FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 July 2026.

**PRINCIPAL ACTIVITIES**

The Company is principally engaged in the business of investment holding and the provision of management services.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company are set out in the "Subsidiaries" section of this report.

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

**RESULTS**

| | Group RM'000 | Company RM'000 |
|---|---|---|
| (Loss)/Profit after taxation for the financial year | (18,915) | 2,331 |
| Attributable to: | | |
| Owners of the Company | (16,015) | 2,331 |
| Non-controlling interests | (2,900) | - |
| | (18,915) | 2,331 |

**DIVIDENDS**

No dividend has been paid or declared by the Company since the end of previous financial year.

The directors do not recommend the payment of any further dividends in respect of the financial year ended 31 July 2026.

**RESERVES AND PROVISIONS**

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

**ISSUES OF SHARES AND DEBENTURES**

During the financial year:

(a) there were no changes in the issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

**TREASURY SHARES**

During the financial year, the Company purchased 2,236,700 of its issued ordinary shares from the open market at an average price of approximately RM 0.34 per share. The total consideration paid for the purchase was approximately RM 776,000 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

As at 31 July 2026, the Company held as treasury shares a total of 8,003,300 of its 274,500,000 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM 3,575,000.

# Directors' Report
for the financial year ended 31 July 2026

**OPTIONS GRANTED OVER UNISSUED SHARES**

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

**BAD AND DOUBTFUL DEBTS**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

**CURRENT ASSETS**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

**VALUATION METHODS**

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

**CONTINGENT AND OTHER LIABILITIES**

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

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent 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 when they fall due.

**CHANGE OF CIRCUMSTANCES**

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

**ITEMS OF AN UNUSUAL NATURE**

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

# Directors' Report
for the financial year ended 31 July 2026

## DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:

Tan Sri Datuk (Dr.) Abdul Majid Khan
Yeo Ayk Ke
Lim Poh Teot
Muaz bin Jema Anton Khan
Nadja binti Jema Khan
Yeo Aik Tan
Bianca Daniella Lind
Ivan Oh Boon Wee
Patricia Ubing @ Magdalene Edward

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:

Yeo Yek Meng
Jocelin Sitorus
Ang Kok Min
Chee Ah What
Asgari bin Mohd Fuad Stephens (Resigned on 30 July 2026)
Megat A'rmand Yazid bin Jeffrey Adzman (Resigned on 30 July 2026)
Yeo Siw Nee
Ng Key Huat
Lau Cheng Hiong
Abdul Rahman Khan bin Hakim Khan
Eng Keng Huat (Resigned on 9 December 2025)
Tan Chun Koon

## DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:

| | Number of Ordinary Shares | | | |
|---|---|---|---|---|
| | At 01.08.2025 | Bought | Sold | At 31.07.2026 |
| **Interest in the Company:** | | | | |
| Tan Sri Datuk (Dr.) Abdul Majid Khan: | | | | |
| - deemed interest[(i)] | 62,000,000 | - | - | 62,000,000 |
| Yeo Ayk Ke: | | | | |
| - direct interest | 3,195,600 | - | - | 3,195,600 |
| - others[(ii)] | 95,500 | - | - | 95,500 |
| Lim Poh Teot: | | | | |
| - direct interest | 6,568,450 | - | - | 6,568,450 |
| Yeo Aik Tan: | | | | |
| - direct interest | 1,479,186 | - | - | 1,479,186 |
| - deemed interest[(iii)] | 9,739,200 | - | - | 9,739,200 |

(i) Deemed interested by virtue of his direct shareholdings in Jawala Corporation Sdn Bhd pursuant to Section 8(4)(c) of the Companies Act 2016 ("the Act").
(ii) Deemed interested in shares held by spouse.
(iii) Deemed interested by virtue of his direct shareholdings in NCCT Resources Sdn Bhd pursuant to Section 8(4)(c) of the Act.

By virtue of his shareholdings in the Company, Tan Sri Datuk (Dr.) Abdul Majid Khan is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

# Directors' Report
for the financial year ended 31 July 2026

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from the following transactions:

| | RM'000 |
|---|---|
| **Group** | |
| **A company in which certain directors have significant financial interests** | |
| Rental paid/payable | 90 |

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable 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

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:

| | From the Company RM'000 | From the Subsidiaries RM'000 | Total RM'000 |
|---|---|---|---|
| Fees | 588 | 160 | 748 |
| Salaries, allowances and bonuses | 347 | 2,388 | 2,735 |
| Contribution to defined contribution plans | 26 | 204 | 230 |
| | 961 | 2,752 | 3,713 |
| Estimated money value of benefits-in-kind | - | 18 | 18 |

## INDEMNITY AND INSURANCE COSTS

During the financial year, the amount of insurance effected for the directors and officers of the Company was RM10,000,000. No indemnity was given to or insurance effected for the auditors of the Company.

## SUBSIDIARIES

(a) The details of the Company's subsidiaries are as follows:

| Name of subsidiaries | Name of directors | Principal place of business/ Country of incorporation | Percentage of issued share capital held by parent % | Principal activities |
|---|---|---|---|---|
| Yeo Aik Wood Sdn Bhd ("YAWSB") | Yeo Ayk Ke<br>Yeo Yek Meng<br>Muaz bin Jema Anton Khan | Malaysia | 100 | Manufacturing and selling of furniture |
| Winshine Holdings Sdn Bhd ("WHSB")+ | Yeo Ayk Ke<br>Lim Poh Teot<br>Yeo Aik Tan | Malaysia | 100 | Investment holding, provision of management services and property renting |

# Directors' Report
for the financial year ended 31 July 2026

**SUBSIDIARIES (CONTINUED)**

(a) The details of the Company's subsidiaries are as follows: (Continued)

| Name of subsidiaries | Name of directors | Principal place of business/ Country of incorporation | Percentage of issued share capital held by parent | Principal activities |
|---|---|---|---|---|
| | | | % | |
| Winshine Industries Sdn Bhd ("WISB")++ | Yeo Yek Meng<br>Yeo Ayk Ke<br>Lim Poh Teot | Malaysia | 100 | Manufacturing and selling of furniture |
| Yeo Aik Hevea (M) Sdn Bhd ("YAHSB") | Yeo Yek Meng<br>Yeo Aik Tan<br>Yeo Ayk Ke | Malaysia | 100 | Pressure treatment, processing and kiln-drying of rubberwood and manufacturing of furniture parts |
| Pine Packaging (M) Sdn Bhd ("PPSB") | Yeo Yek Meng<br>Yeo Aik Tan<br>Yeo Ayk Ke | Malaysia | 100 | Conversion of corrugated boards into carton boxes |
| Jaycorp Trading Sdn Bhd ("JTSB") | Tan Sri Datuk (Dr.) Abdul Majid Khan<br>Yeo Yek Meng<br>Yeo Aik Tan<br>Yeo Ayk Ke | Malaysia | 100 | General trading, transportation, property letting and printing |
| Jaycorp Properties Sdn Bhd ("JPSB") | Tan Sri Datuk (Dr.) Abdul Majid Khan<br>Yeo Ayk Ke | Malaysia | 100 | Investment holding |
| Bongawan Solo Sdn Bhd ("BSSB")+++ | Tan Sri Datuk (Dr.) Abdul Majid Khan<br>Yeo Ayk Ke<br>Muaz bin Jema Anton Khan<br>Jocelin Sitorus<br>Ang Kok Min | Malaysia | 60 | Investment holding |
| Jaycorp Limited ("JL")^ | Tan Sri Datuk (Dr.) Abdul Majid Khan<br>Chee Ah What<br>Yeo Aik Tan | Malaysia | 70 | Dormant |
| Jaycorp Green Energy Sdn Bhd ("JGESB") | Yeo Yek Meng<br>Muaz bin Jema Anton Khan<br>Asgari bin Mohd Fuad Stephens (Resigned on 30 July 2026)<br>Megat A'rmand Yazid bin Jeffrey Adzman (Resigned on 30 July 2026)<br>Yeo Aik Tan | Malaysia | 100 | Renewable energy, biomass and environmentally friendly waste treatment |
| Instyle Sofa Sdn Bhd ("ISSB") | Yeo Ayk Ke<br>Muaz bin Jema Anton Khan<br>Yeo Siw Nee<br>Ng Key Huat | Malaysia | 87 | Manufacturing of sofa sets and upholstery work |

# Directors' Report
for the financial year ended 31 July 2026

**SUBSIDIARIES (CONTINUED)**

(a) The details of the company's subsidiary are as follows: (Continued)

| Name of subsidiaries | Name of directors | Principal place of business/ Country of incorporation | Percentage of issued share capital held by parent | Principal activities |
|---|---|---|---|---|
| | | | % | |
| Jaycorp Engineering & Construction Sdn Bhd ("JECSB") | Tan Sri Datuk (Dr.) Abdul Majid Khan<br>Yeo Aik Tan<br>Lau Cheng Hiong<br>Abdul Rahman Khan bin Hakim Khan | Malaysia | 60 | General construction and civil engineering works |
| Jaycorp LVL Sdn Bhd ("JLVL") | Eng Keng Huat (Resigned on 9 December 2025)<br>Muaz bin Jema Anton Khan<br>Tan Chun Koon | Malaysia | 80 | Processing of veneer sheet and manufacturing bent laminated veneer lumber pieces for furniture from veneer sheets. |

\+ Held through YAWSB
++ Held through WHSB
+++ Held through JPSB
^ Audited by a firm of chartered accountants other than Crowe Malaysia PLT

(b) The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

**AUDITORS**

The auditors, Crowe Malaysia PLT, retire and are not seeking reappointment.

The details of the auditors' remuneration for the financial year are as follows:

| | Group RM'000 | Company RM'000 |
|---|---|---|
| Audit fees | 216 | 38 |
| Non-audit fees | 5 | 5 |
| | 221 | 43 |

Signed in accordance with a resolution of the directors dated 6 November 2026.

**Tan Sri Datuk (Dr.) Abdul Majid Khan** **Yeo Ayk Ke**

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

We, Tan Sri Datuk (Dr.) Abdul Majid Khan and Yeo Ayk Ke, being two of the directors of Jaycorp Berhad, state that, in the opinion of the directors, the financial statements set out on pages 87 to 143 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 of 31 July 2026 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 6 November 2026

**Tan Sri Datuk (Dr.) Abdul Majid Khan** **Yeo Ayk Ke**

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

I, Tan Chun Koon, MIA Membership Number: 25407, being the officer primarily responsible for the financial management of Jaycorp Berhad, do solemnly and sincerely declare that the financial statements set out on pages 87 to 143 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Tan Chun Koon at Muar in the State of Johor Darul Takzim
on this 6 November 2026

**Tan Chun Koon**

Before me
**Lim Pei Ling (J238)**
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT
## TO THE MEMBERS OF JAYCORP BERHAD (INCORPORATED IN MALAYSIA) REGISTRATION NO.: 199801003663 (459789 - X)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the financial statements of Jaycorp Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 July 2026, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 87 to 143.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 July 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence and Other Ethical Responsibilities*

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

**Key Audit Matters**

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

We have determined the matters described below to be the key audit matter to be communicated in our report.

| **Group**<br>**Carrying values of inventories**<br>Refer to Note 13 in the financial statements | |
|---|---|
| **Key audit matter** | **How our audit addressed the key audit matter** |
| The Group held inventories with carrying amount of approximately RM19 million as at 31 July 2026.<br><br>The carrying values of inventories is stated at the lower of cost and net realisable value.<br><br>We have considered carrying values of inventories as a key area for our audit as management periodically reviews the inventories for potential write-downs by considering their aging profile, estimation of market price fluctuation and net reliasable value.<br><br>These reviews involve judgements and estimation uncertainty in forming expectations about future consumption, sales and demands. | Our procedures included, amongst others:<br><br>• Comparing the net realisable value to the cost of inventories at the end of the reporting period to assess the reasonableness of inventories write-down.<br>• Performing ageing test on the inventories and reviewing the impairment for slow-moving inventories, where applicable.<br>• Obtaining third parties' confirmation and performing inventory observation to assess the existence of inventories. |

# Independent Auditors' Report
to the members of Jaycorp Berhad
Registration No.: 199801003663 (459789 - X)
(Incorporated in Malaysia)

**Key Audit Matters (Continued)**

| **Group**<br>**Impairment assessment on property, plant and equipment**<br>Refer to Note 7 in the financial statements | |
|---|---|
| **Key audit matter** | **How our audit addressed the key audit matter** |
| The Group has property, plant and equipment with carrying amount of approximately RM63 million as at 31 July 2026.<br><br>The assessment of impairment is considered a key audit matter because the determination of recoverable amounts involves significant management judgement and estimation. The assumptions applied include future financial performance, projected cash flows, growth rates and discount rates.<br><br>Changes in these assumptions may have a material impact on the assessment of impairment and the amount of impairment losses recognised. | Our procedures included, amongst others:<br>• Assessing the appropriateness of determining the recoverable amount based on value-in-use approach by management in the impairment assessment.<br>• Evaluating the value-in-use by assessing the reliability of management's forecast by comparing past trends of actual financial performance against forecast results.<br>• Benchmarking key assumptions used in the discounted cash flows, such as revenue growth rate, operating profit margin and discount rate, against the historical performances.<br>• Performing sensitivity analysis on revenue growth rates, operating profit margins and discount rate to evaluate impact on the impairment assessment. |
| **Company**<br>**Impairment assessment on investment in subsidiaries and joint ventures**<br>Refer to Note 5 and Note 6 in the financial statements | |
| **Key audit matter** | **How our audit addressed the key audit matter** |
| The Company has investments in subsidiaries and joint ventures with carrying amount of approximately RM93 million and RM6 million respectively as at 31 July 2026.<br><br>The assessment of impairment is considered a key audit matter because the determination of recoverable amounts involves significant management judgement and estimation. The assumptions applied include future financial performance, projected cash flows, growth rates and discount rates.<br><br>Changes in these assumptions may have a material impact on the assessment of impairment and the amount of impairment losses recognised. | Our procedures included, amongst others:<br>• Assessing the appropriateness of determining the recoverable amount based on value-in-use approach by management in the impairment assessment.<br>• Evaluating the value-in-use by assessing the reliability of management's forecast by comparing past trends of actual financial performance against forecast results.<br>• Benchmarking key assumptions used in the discounted cash flows, such as revenue growth rate, operating profit margin and discount rate, against the historical performances.<br>• Performing sensitivity analysis on revenue growth rates, operating profit margins and discount rate to evaluate impact on the impairment assessment. |

**Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

**Responsibilities of the Directors for the Financial Statements**

The directors of the Company are responsible for the preparation of the 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 is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

# Independent Auditors' Report
to the members of Jaycorp Berhad
Registration No.: 199801003663 (459789 - X)
(Incorporated in Malaysia)

**Auditors' Responsibilities for the Audit of the Financial Statements (Continued)**

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

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

## OTHER MATTERS

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

**Crowe Malaysia PLT**
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
Muar, Johor Darul Takzim

**Low Chong Lian**
03623/12/2027 J
Chartered Accountant

Date: 6 November 2026

# STATEMENTS OF FINANCIAL POSITION
## AS AT 31 JULY 2026

| | Note | Group 2026 RM'000 | Group 2025 RM'000 | Company 2026 RM'000 | Company 2025 RM'000 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **NON-CURRENT ASSETS** | | | | | |
| Investment in subsidiaries | 5 | - | - | 93,111 | 79,561 |
| Investment in joint ventures | 6 | 589 | 7,922 | 6,151 | 16,245 |
| Property, plant and equipment | 7 | 62,790 | 57,924 | 61 | 46 |
| Investment properties | 8 | 27,420 | 28,080 | - | - |
| Right-of-use assets | 9 | 3,636 | 3,791 | - | - |
| Receivables | 10 | 1,000 | 4,200 | - | - |
| Other investments | | 1 | 1 | - | - |
| Prepaid leases | 11 | 5,981 | 5,981 | - | - |
| Deferred tax assets | 12 | 1,178 | 890 | - | - |
| | | 102,595 | 108,789 | 99,323 | 95,852 |
| **CURRENT ASSETS** | | | | | |
| Inventories | 13 | 19,128 | 23,237 | - | - |
| Contract assets | 14 | 3,544 | 5,779 | - | - |
| Receivables, deposits and prepayments | 10 | 21,367 | 26,607 | 14,607 | 14,492 |
| Short-term investments | 15 | 6,372 | 17,103 | 168 | 1,854 |
| Current tax assets | | 1,110 | 1,934 | - | 48 |
| Derivative assets | 16 | 1 | - | - | - |
| Deposits, bank and cash balances | 17 | 51,246 | 54,298 | 253 | 497 |
| | | 102,768 | 128,958 | 15,028 | 16,891 |
| **TOTAL ASSETS** | | 205,363 | 237,747 | 114,351 | 112,743 |
| **EQUITY AND LIABILITIES** | | | | | |
| **EQUITY** | | | | | |
| Share capital | 18 | 69,926 | 69,926 | 69,926 | 69,926 |
| Reserves | 18 | 84,738 | 112,466 | 44,066 | 42,511 |
| **Equity attributable to shareholders of the Company** | | 154,664 | 182,392 | 113,992 | 112,437 |
| **Non-controlling interests** | | (686) | 6,410 | - | - |
| **TOTAL EQUITY** | | 153,978 | 188,802 | 113,992 | 112,437 |
| **NON-CURRENT LIABILITIES** | | | | | |
| Loans and borrowings | 19 | 11,663 | 4,914 | - | - |
| Lease liabilities | 20 | 1,027 | 1,160 | - | - |
| Deferred tax liabilities | 12 | 1,647 | 1,466 | - | - |
| | | 14,337 | 7,540 | - | - |
| **CURRENT LIABILITIES** | | | | | |
| Derivative liabilities | 16 | 8 | 23 | - | - |
| Current tax liabilities | | 149 | 518 | 32 | - |
| Loans and borrowings | 19 | 10,184 | 8,628 | - | - |
| Lease liabilities | 20 | 452 | 405 | - | - |
| Payables and accruals | 21 | 26,255 | 31,831 | 327 | 306 |
| | | 37,048 | 41,405 | 359 | 306 |
| **TOTAL LIABILITIES** | | 51,385 | 48,945 | 359 | 306 |
| **TOTAL EQUITY AND LIABILITIES** | | 205,363 | 237,747 | 114,351 | 112,743 |

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
## FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| **Revenue** | 22 | 138,651 | 163,658 | 17,633 | 10,131 |
| **Operating (loss)/profit** | 22 | (10,447) | 3,890 | 2,564 | 6,156 |
| Net impairment (losses)/gains on financial assets | 22 | (3,038) | 367 | (15) | (22) |
| Share of post-acquisition loss of joint ventures | | (5,307) | (1,997) | - | - |
| | | (18,792) | 2,260 | 2,549 | 6,134 |
| Interest income | | 2,232 | 2,293 | 25 | 147 |
| Finance cost | 23 | (897) | (679) | - | (16) |
| **(Loss)/Profit before taxation** | | (17,457) | 3,874 | 2,574 | 6,265 |
| Income tax expense | 25 | (1,458) | (3,944) | (243) | (181) |
| **(Loss)/Profit after taxation** | | (18,915) | (70) | 2,331 | 6,084 |
| **Other comprehensive expenses, net of tax** | | (133) | (192) | - | - |
| **Total comprehensive (expenses)/ income for the financial year** | | (19,048) | (262) | 2,331 | 6,084 |
| **(Loss)/Profit attributable to:** | | | | | |
| Owners of the Company | | (16,015) | 1,356 | 2,331 | 6,084 |
| Non-controlling interests | | (2,900) | (1,426) | - | - |
| | | (18,915) | (70) | 2,331 | 6,084 |
| **Total comprehensive (expenses)/income attributable to:** | | | | | |
| Owners of the Company | | (16,148) | 1,164 | 2,331 | 6,084 |
| Non-controlling interests | | (2,900) | (1,426) | - | - |
| | | (19,048) | (262) | 2,331 | 6,084 |
| **(Loss)/Earnings per share (sen)** | | | | | |
| - Basic/Diluted | 26 | (5.99) | 0.50 | | |

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

# STATEMENTS OF CHANGES IN EQUITY
## FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

| Group | Note | Non-distributable | | | Distributable | | | |
|---|---|---|---|---|---|---|---|---|
| | | Share capital RM'000 | Treasury shares RM'000 | Translation reserves RM'000 | Retained profits RM'000 | Subtotal RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
| **At 1 August 2024** | | 69,926 | (2,799) | 1 | 123,506 | 190,634 | 7,536 | 198,170 |
| Profit/(Loss) after taxation for the financial year | | - | - | - | 1,356 | 1,356 | (1,426) | (70) |
| Other comprehensive expenses for the financial year: | | | | | | | | |
| - Share of actuarial loss on defined benefit plan from joint venture | | - | - | - | (192) | (192) | - | (192) |
| Total comprehensive income/(expenses) for the financial year | | - | - | - | 1,164 | 1,164 | (1,426) | (262) |
| Acquisition of a subsidiary | | - | - | - | - | - | 300 | 300 |
| Dividends to shareholders | 28 | - | - | - | (9,406) | (9,406) | - | (9,406) |
| **At 31 July 2025/At 1 August 2025** | | 69,926 | (2,799) | 1 | 115,264 | 182,392 | 6,410 | 188,802 |
| Loss after taxation for the financial year | | - | - | - | (16,015) | (16,015) | (2,900) | (18,915) |
| Other comprehensive expenses for the financial year: | | | | | | | | |
| - Share of actuarial loss on defined benefit plan from joint venture | | - | - | - | (132) | (132) | - | (132) |
| - Foreign currency translation differences | | - | - | (1) | - | (1) | - | (1) |
| Total comprehensive expenses for the financial year | | - | - | (1) | (16,147) | (16,148) | (2,900) | (19,048) |
| Purchase of treasury shares | | - | (776) | - | - | (776) | - | (776) |
| Acquisition of non-controlling interests | 27 | - | - | - | (10,804) | (10,804) | (4,196) | (15,000) |
| **At 31 July 2026** | | 69,926 | (3,575) | - | 88,313 | 154,664 | (686) | 153,978 |

| Company | Note | Non-distributable | Distributable | |
|---|---|---|---|---|
| | | Share capital RM'000 | Treasury shares RM'000 | Retained profits RM'000 | Total equity RM'000 |
| **At 1 August 2024** | | 69,926 | (2,799) | 48,632 | 115,759 |
| Total comprehensive income for the financial year | | - | - | 6,084 | 6,084 |
| Dividends to shareholders | 28 | - | - | (9,406) | (9,406) |
| **At 31 July 2025/1 August 2025** | | 69,926 | (2,799) | 45,310 | 112,437 |
| Total comprehensive income for the financial year | | - | - | 2,331 | 2,331 |
| Purchase of treasury shares | | - | (776) | - | (776) |
| **At 31 July 2026** | | 69,926 | (3,575) | 47,641 | 113,992 |

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

# STATEMENTS OF CASH FLOWS
## FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

| | Note | Group 2026 RM'000 | Group 2025 RM'000 | Company 2026 RM'000 | Company 2025 RM'000 |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| (Loss)/Profit before taxation | | (17,457) | 3,874 | 2,574 | 6,265 |
| *Adjustments for:* | | | | | |
| Bad debts written off/(recovered) | | 4 | (26) | - | - |
| Depreciation of property, plant and equipment | 7 | 6,557 | 6,821 | 20 | 15 |
| Depreciation of investment properties | 8 | 661 | 660 | - | - |
| Depreciation of right-of-use assets | 9 | 509 | 443 | - | - |
| Fair value (gain)/loss on derivatives | | (16) | 161 | - | - |
| Fair value loss on other investments | | - | 1 | - | - |
| Gain on disposal of property, plant and equipment | | (334) | (4) | (114) | - |
| Impairment loss of investment in subsidiaries | | - | - | 1,200 | - |
| Impairment loss of investment in joint ventures | | 1,894 | - | 10,094 | - |
| Impairment loss of property, plant and equipment | | 921 | 217 | - | - |
| Impairment loss on receivables | | 3,164 | 54 | 15 | 22 |
| Inventories written down | | 402 | 1,036 | - | - |
| Property, plant and equipment written off | | 25 | 132 | - | 2 |
| Reversal of impairment loss on receivables | | (126) | (421) | - | - |
| Share of losses of joint ventures | | 5,307 | 1,997 | - | - |
| Unrealised loss/(gain) on foreign exchange | | 230 | (85) | - | - |
| Interest expenses | 23 | 844 | 623 | - | 16 |
| Interest expense on lease liabilities | 23 | 53 | 56 | - | - |
| Interest income | | (2,232) | (2,293) | (25) | (147) |
| **OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL** | | 406 | 13,246 | 13,764 | 6,173 |
| Inventories | | 3,707 | (707) | - | - |
| Receivables, deposits and prepayments | | 5,631 | 6,798 | (2) | 3 |
| Payables and accruals | | (1,274) | (8,609) | 21 | (16) |
| **CASH FROM OPERATIONS** | | 8,470 | 10,728 | 13,783 | 6,160 |
| Tax paid | | (2,296) | (5,657) | (163) | (250) |
| Tax refunded | | 1,186 | 17 | - | - |
| **NET CASH FROM OPERATING ACTIVITIES** | | 7,360 | 5,088 | 13,620 | 5,910 |

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

# Statements of Cash Flows
## for the financial year ended 31 July 2026

| | Note | Group 2026 RM'000 | Group 2025 RM'000 | Company 2026 RM'000 | Company 2025 RM'000 |
|---|---|---|---|---|---|
| **CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES** | | | | | |
| Acquisition of a subsidiary | | - | - | - | (1,200) |
| Additional investment in an existing subsidiary | | - | - | (15,000) | - |
| Interest received | | 2,232 | 2,293 | 25 | 147 |
| Decrease/(Increase) in short-term investments | | 10,731 | (2,515) | 1,686 | 2,376 |
| Proceeds from disposal of property, plant and equipment | | 439 | 7 | 114 | - |
| Purchase of property, plant and equipment | 29(a) | (16,896) | (7,578) | (35) | (31) |
| Purchase of investment property | | (1) | (10) | - | - |
| Net receipts from/(advance to) joint ventures | | 2,045 | (6,707) | 1 | (1) |
| Net advances to subsidiaries | | - | - | (129) | (275) |
| Additions of deposits with tenure more than 3 months | | (546) | (14,499) | - | - |
| (Placement)/Withdrawal of pledged deposits with licensed banks | | (85) | 844 | - | - |
| Repayment of quasi loans from a subsidiary | | - | - | 250 | 500 |
| **NET CASH (FOR)/FROM INVESTING ACTIVITIES** | | (2,081) | (28,165) | (13,088) | 1,516 |
| **CASH FLOWS FOR FINANCING ACTIVITIES** | | | | | |
| Acquisition of non-controlling interests | | (15,000) | - | - | - |
| Dividends paid to shareholders of the Company | 28 | - | (9,406) | - | (9,406) |
| Interest paid | | (844) | (623) | - | (16) |
| Interest paid on lease liabilities | 29(b) | (53) | (56) | - | - |
| Net (repayment to)/receipts from director | 29(b) | (100) | 100 | - | - |
| Proceeds from issuance of ordinary shares to minority shareholders | | - | 300 | - | - |
| Purchase of treasury shares | | (776) | - | (776) | - |
| Drawdown of term loans | 29(b) | 8,052 | 238 | - | - |
| Drawdown of other borrowings | 29(b) | 1,299 | 2,595 | - | - |
| Net movements of bankers' acceptances | 29(b) | 576 | 567 | - | - |
| Repayment of lease liabilities | 29(b) | (440) | (377) | - | - |
| Repayment of hire purchase liabilities | 29(b) | (325) | (408) | - | - |
| Repayment of term loans | 29(b) | (1,244) | (2,754) | - | (810) |
| Repayment of other borrowings | 29(b) | - | (631) | - | - |
| **NET CASH FOR FINANCING ACTIVITIES** | | (8,855) | (10,455) | (776) | (10,232) |
| **NET DECREASE IN CASH AND CASH EQUIVALENTS** | | (3,576) | (33,532) | (244) | (2,806) |
| **EFFECT OF FOREIGN EXCHANGE TRANSLATION** | | (41) | (25) | - | - |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR** | | 34,309 | 67,866 | 497 | 3,303 |
| **CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR** | 29(d) | 30,692 | 34,309 | 253 | 497 |

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

# NOTES TO THE FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Jaycorp Berhad is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows:

| | | |
|---|---|---|
| Registered office and principal place of business | : | JA 1880, Batu 22½<br>Parit Perawas<br>Sungai Rambai<br>77400 Melaka |

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 6 November 2026.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5. There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

**MFRSs and/or IC Interpretations (including the Consequential Amendments)**
Amendments to MFRS 121: Lack of Exchangeability

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

| MFRSs and/or IC Interpretations (including the Consequential Amendments) | Effective Date |
|---|---|
| MFRS 18 Presentation and Disclosure in Financial Statements | 1 January 2027 |
| MFRS 19 Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| MFRS 20 Regulatory Assets and Regulatory Liabilities | 1 January 2029 |
| Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |

## 3. BASIS OF PREPARATION (CONTINUED)

3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year: (Continued)

| MFRSs and/or IC Interpretations (including the Consequential Amendments) | Effective Date |
|---|---|
| Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |
| Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency | 1 January 2027 |
| Amendments to MFRS 128: Amendments to the Fair Value Option for Investments in Associates and Joint Ventures | 1 January 2027 |
| Annual Improvements to MFRS Accounting Standards – Volume 11 | 1 January 2026 |

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 Group and of the Company upon their initial application except as follows:

MFRS 18 Presentation and Disclosure in Financial Statements

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 their accompanying notes. The statements of financial position and the statements of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

### 4.1 Critical accounting estimates and judgements

***Key sources of estimation uncertainty***

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

**(a) Depreciation of property, plant and equipment**

The estimates for the residual values, useful lives and related depreciation charges for property, plant and equipment are based on commercial factors that could change significantly due to technical innovations and competitors' actions in response to 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 expected usage level and technological development could affect the economic useful lives and residual values of these assets; therefore, future depreciation charges may be revised.

# Notes to the Financial Statements

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.1 Critical accounting estimates and judgements (Continued)

***Key sources of estimation uncertainty (Continued)***

**(b) Impairment of property, plant and equipment**

The Group determines whether an item of its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates.

**(c) Impairment of investment properties**

The Group determines whether an item of its investment properties is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates.

**(d) Impairment of trade receivables**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative, reasonable and supportable, forward-looking information. If the expectation is different from the estimation, such a difference will impact the carrying value of trade receivables.

**(e) Write-down of inventories**

Management periodically reviews damaged, obsolete, and slow-moving inventory. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

**(f) 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 their 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 expense and deferred tax balances in the period in which such determination is made.

**(g) Discount rates used in leases**

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.1 Critical accounting estimates and judgements (Continued)

***Critical judgements made in applying accounting policies***

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:

**(a) Classification between investment properties and owner-occupied properties**

Some properties comprise a portion held to earn rentals or for capital appreciation and another portion 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 would account for the portions separately. If the portions could not be sold separately, the property is 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 the property does not qualify as an investment property.

**(b) Lease terms**

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances, including past practice and any costs that will be incurred to change the asset if an option to extend is not exercised. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

### 4.2 Financial instruments

**(a) Financial assets**

Financial assets through profit or loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair value at the reporting date with any fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial assets at amortised cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without a significant financing component which are measured at the transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

**(b) Financial liabilities**

Financial liabilities through profit or loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

Financial liabilities at amortised cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

# Notes to the Financial Statements

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.2 Financial instruments (Continued)

#### (c) Equity

Ordinary shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Treasury shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

#### (d) Derivatives

Derivatives are initially measured at fair value. Subsequent to initial recognition, the derivatives are remeasured to their fair values at the reporting date with any fair value changes recognised in profit or loss.

#### (e) Financial guarantee contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

### 4.3 Investment in subsidiaries

Investments in subsidiaries which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

### 4.4 Investment in joint ventures

Investments in joint ventures are stated in the financial statements of the Company at cost less impairment losses, if any. The Group recognises its interest in the joint ventures using the equity method.

### 4.5 Property, plant and equipment

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.5 Property, plant and equipment (Continued)

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:

| | |
|---|---|
| Buildings | 10, 20 and 50 years |
| Plant and equipment | 5 - 10 years |
| Motor vehicles | 5 - 10 years |
| Office equipment, furniture and fittings | 4 - 10 years |
| Tools and equipment | 5 - 10 years |
| Renovation | 5 - 10 years |

Asset in progress represents factory and office building under construction and machineries under installation. They are not depreciated until such time when the asset is available for use.

### 4.6 Investment properties

Investment properties are initially measured at cost. Subsequent to initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation periods and rates are within 50 to 66 years.

### 4.7 Right-of-use assets and lease liabilities

#### (a) Short-term leases and leases of low-value assets

The Group applies the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

#### (b) Right-of-use assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets, are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

#### (c) Lease liabilities

Lease liabilities are initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the entity’s incremental borrowing rate. Subsequent to the initial recognition, lease liabilities are measured at amortised cost and are adjusted for any lease reassessments or modifications.

#### (d) Prepaid leases

Prepayment for the acquisition of leasehold land prior to the issuance of title i.e. the commencement of lease are capitalised as prepaid lease upon payments. Such amount shall be reclassified as right-of-use assets upon the commencement of lease.

# Notes to the Financial Statements

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.8 Inventories

**(a) Furniture, wood processing, general trading**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on the normal capacity of the production facilities.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

**(b) Packaging**

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials is determined on specific identification while the cost of consumables is determined on the weighted average cost method and both costs comprise the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on the normal capacity of the production facilities.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

## 5. INVESTMENT IN SUBSIDIARIES

| | Company | |
|---|---|---|
| | 2026 | 2025 |
| | RM'000 | RM'000 |
| At cost: | | |
| Unquoted shares | 87,438 | 72,438 |
| Quasi loans | 6,873 | 7,123 |
| | 94,311 | 79,561 |
| Accumulated impairment losses | (1,200) | - |
| | 93,111 | 79,561 |

Quasi loans represent payments made on behalf of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's investment in the subsidiaries.

Details of the subsidiaries are as follows:

| Name of subsidiaries | Name of directors | Principal place of business/ Country of incorporation | Percentage of issued share capital held by parent | | Principal activities |
|---|---|---|---|---|---|
| | | | 2026 | 2025 | |
| | | | % | % | |
| Yeo Aik Wood Sdn Bhd ("YAWSB") | Yeo Ayk Ke<br>Yeo Yek Meng<br>Muaz bin Jema Anton Khan | Malaysia | 100 | 100 | Manufacturing and selling of furniture |
| Winshine Holdings Sdn Bhd ("WHSB")+ | Yeo Ayk Ke<br>Lim Poh Teot<br>Yeo Aik Tan | Malaysia | 100 | 100 | Investment holding, provision of management services and property renting |

**5. INVESTMENT IN SUBSIDIARIES (CONTINUED)**

| Name of subsidiaries | Name of directors | Principal place of business/ Country of incorporation | Percentage of issued share capital held by parent 2026 % | 2025 % | Principal activities |
|---|---|---|---|---|---|
| Winshine Industries Sdn Bhd ("WISB")++ | Yeo Yek Meng<br>Yeo Ayk Ke<br>Lim Poh Teot | Malaysia | 100 | 100 | Manufacturing and selling of furniture |
| Yeo Aik Hevea (M) Sdn Bhd ("YAHSB") | Yeo Yek Meng<br>Yeo Aik Tan<br>Yeo Ayk Ke | Malaysia | 100 | 100 | Pressure treatment, processing and kiln-drying of rubberwood and manufacturing of furniture parts |
| Pine Packaging (M) Sdn Bhd ("PPSB") | Yeo Yek Meng<br>Yeo Aik Tan<br>Yeo Ayk Ke | Malaysia | 100 | 100 | Conversion of corrugated boards into carton boxes |
| Jaycorp Trading Sdn Bhd ("JTSB") | Tan Sri Datuk (Dr.) Abdul Majid Khan<br>Yeo Yek Meng<br>Yeo Aik Tan<br>Yeo Ayk Ke | Malaysia | 100 | 100 | General trading, transportation, property letting and printing |
| Jaycorp Properties Sdn Bhd ("JPSB") | Tan Sri Datuk (Dr.) Abdul Majid Khan<br>Yeo Ayk Ke | Malaysia | 100 | 100 | Investment holding |
| Bongawan Solo Sdn Bhd ("BSSB")+++ | Tan Sri Datuk (Dr.) Abdul Majid Khan<br>Yeo Ayk Ke<br>Muaz bin Jema Anton Khan<br>Jocelin Sitorus<br>Ang Kok Min | Malaysia | 60 | 60 | Investment holding |
| Jaycorp Limited ("JL")^ | Tan Sri Datuk (Dr.) Abdul Majid Khan<br>Chee Ah What<br>Yeo Aik Tan | Malaysia | 70 | 70 | Dormant |
| Jaycorp Green Energy Sdn Bhd ("JGESB") | Yeo Yek Meng<br>Muaz bin Jema Anton Khan<br>Asgari bin Mohd Fuad Stephens (Resigned on 30 July 2026)<br>Megat A'rmand Yazid bin Jeffrey Adzman (Resigned on 30 July 2026)<br>Yeo Aik Tan | Malaysia | 100 | 60 | Renewable energy, biomass and environmentally friendly waste treatment |
| Instyle Sofa Sdn Bhd ("ISSB") | Yeo Ayk Ke<br>Muaz bin Jema Anton Khan<br>Yeo Siw Nee<br>Ng Key Huat | Malaysia | 87 | 87 | Manufacturing of sofa sets and upholstery work |
| Jaycorp Engineering & Construction Sdn Bhd ("JECSB") | Tan Sri Datuk (Dr.) Abdul Majid Khan<br>Yeo Aik Tan<br>Lau Cheng Hiong<br>Abdul Rahman Khan bin Hakim Khan | Malaysia | 60 | 60 | General construction and civil engineering works |
| Jaycorp LVL Sdn Bhd ("JLVL") | Eng Keng Huat (Resigned on 9 December 2025)<br>Muaz bin Jema Anton Khan<br>Tan Chun Koon | Malaysia | 80 | 80 | Processing of veneer sheet and manufacturing bent laminated veneer lumber pieces for furniture from veneer sheets. |

# Notes to the Financial Statements

## 5. INVESTMENT IN SUBSIDIARIES (CONTINUED)

\+ Held through YAWSB
++ Held through WHSB
+++ Held through JPSB
^ Audited by a firm of chartered accountants other than Crowe Malaysia PLT

(a) During the financial year, the Company acquired an additional 40% equity interest in JGESB from its non-controlling interests. Following the completion of the acquisition, JGESB became a wholly-owned subsidiary of the Company (Note 27).

(b) During the financial year, the Company has reviewed the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. Following the assessment, the Company recognised a full impairment loss of RM1,200,000 (2025 – RM Nil), representing the write-down of the investment in a subsidiary to its recoverable amount of RM Nil. The impairment loss was recognised in other expenses in profit or loss and is disclosed in Note 22.

The recoverable amount of the investment was assessed by considering the subsidiary's current operating status, historical financial performance, and the absence of sufficient evidence supporting future economic benefits expected to be generated from the investment. Based on the assessment, the recoverable amount was determined to be negligible and, accordingly, the carrying amount of the investment was fully impaired.

The investment in the subsidiary belongs to the construction segments.

(c) On 30 August 2024, the Company subscribed 8 new ordinary shares of RM1 each, representing 80% of the issued and paid-up share capital of JLVL. Subsequently on 3 October 2024, the Company subscribed for an additional 1,199,992 ordinary shares in JLVL for a total cash consideration of RM1,199,992, thereby maintaining its 80% equity interest in the subscribed ordinary shares of JLVL.

(d) The non-controlling interests at the end of the reporting period comprise the following:

| | Effective equity interest | | Group | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | % | % | RM'000 | RM'000 |
| ISSB | 13 | 13 | 1,676 | 1,982 |
| JECSB | 40 | 40 | (530) | 1,991 |
| JGESB | - | 40 | - | 3,863 |
| BSSB | 40 | 40 | (1,731) | (1,585) |
| JLVL | 20 | 20 | (101) | 159 |
| | | | (686) | 6,410 |

(e) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group are as follows:

| | ISSB | |
|---|---|---|
| | 2026 | 2025 |
| | RM'000 | RM'000 |
| At 31 July | | |
| Non-current assets | 9,426 | 9,728 |
| Current assets | 4,421 | 4,452 |
| Current liabilities | (4,422) | (2,408) |
| | 9,425 | 11,772 |

**5. INVESTMENT IN SUBSIDIARIES (CONTINUED)**

(e) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group are as follows: (Continued)

| | ISSB | |
|---|---|---|
| | **2026 RM'000** | **2025 RM'000** |
| Financial year ended 31 July | | |
| Revenue | 9,310 | 9,520 |
| Loss for the financial year/Total comprehensive expenses | (2,347) | (2,102) |
| Total comprehensive expenses attributable to non-controlling interests | (306) | (273) |
| Net cash flows for operating activities | (907) | (1,791) |
| Net cash flows for investing activities | (51) | (17) |
| Net cash flows from financing activities | 937 | 61 |

| | JECSB | |
|---|---|---|
| | **2026 RM'000** | **2025 RM'000** |
| At 31 July | | |
| Non-current assets | 136 | 1,721 |
| Current assets | 9,028 | 13,678 |
| Non-current liabilities | (331) | (587) |
| Current liabilities | (10,159) | (9,835) |
| | (1,326) | 4,977 |
| Financial year ended 31 July | | |
| Revenue | 4,534 | 9,838 |
| Loss for the financial year/Total comprehensive expenses | (6,303) | (3,763) |
| Total comprehensive expenses attributable to non-controlling interests | (2,521) | (1,505) |
| Net cash flows for operating activities | (955) | (1,664) |
| Net cash flows from investing activities | 263 | 932 |
| Net cash flows from financing activities | 451 | 1,365 |

| | JGESB |
|---|---|
| | **2025 RM'000** |
| At 31 July | |
| Non-current assets | 11,531 |
| Current assets | 3,974 |
| Non-current liabilities | (1,963) |
| Current liabilities | (3,884) |
| | 9,658 |
| Financial year ended 31 July | |
| Revenue | 15,466 |
| Profit for the financial year/Total comprehensive income | 1,608 |
| Total comprehensive income attributable to non-controlling interests | 643 |
| Net cash flows from operating activities | 2,669 |
| Net cash flows for investing activities | (1,256) |
| Net cash flows for financing activities | (30) |

# Notes to the Financial Statements

## 5. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(e) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group are as follows: (Continued)

| | BSSB | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| At 31 July | | |
| Non-current assets | 18,952 | 19,300 |
| Current assets | - | 1 |
| Current liabilities | (23,280) | (23,262) |
| | (4,328) | (3,961) |
| Financial year ended 31 July | | |
| Loss for the financial year/Total comprehensive expenses | (367) | (373) |
| Total comprehensive expenses attributable to non-controlling interests | (146) | (149) |
| Net cash flows for operating activities | (19) | (25) |
| Net cash flows for investing activities | - | (10) |
| Net cash flows from financing activities | 18 | 35 |

| | JLVL | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| At 31 July | | |
| Non-current assets | 2,545 | 2,010 |
| Current assets | 1,012 | 859 |
| Non-current liabilities | (1,421) | (341) |
| Current liabilities | (2,642) | (1,736) |
| | (506) | 792 |
| Financial year ended 31 July | | |
| Revenue | 1,937 | 619 |
| Loss for the financial year/Total comprehensive expenses | (1,298) | (708) |
| Total comprehensive expenses attributable to non-controlling interests | (260) | (142) |
| Net cash flows for operating activities | (751) | (845) |
| Net cash flows for investing activities | (302) | (1,416) |
| Net cash flows from financing activities | 1,089 | 2,321 |

## 6. INVESTMENT IN JOINT VENTURES

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| At cost: | | | | |
| Unquoted shares, at cost | 9,118 | 9,118 | 11,250 | 11,250 |
| Quasi loans | 4,995 | 4,995 | 4,995 | 4,995 |
| Share of post acquisition loss | (11,630) | (6,191) | - | - |
| | 2,483 | 7,922 | 16,245 | 16,245 |
| Accumulated impairment losses | (1,894) | - | (10,094) | - |
| | 589 | 7,922 | 6,151 | 16,245 |

Quasi loans represent loans of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's investment in the joint ventures.

Details of the joint ventures are as follows:

| Name of joint ventures | Name of directors | Principal place of business/ Country of incorporation | Percentage of issued share capital held by parent 2026 % | 2025 % | Principal activities |
|---|---|---|---|---|---|
| Honsoar Jaycorp Cabinetry Sdn Bhd ("HJCSB") | Lim Poh Teot<br>Yeo Yek Meng<br>Yeo Ayk Ke<br>Sun, Guanjun<br>Cui, Xuecheng | Malaysia | 60.0 | 60.0 | Manufacturing, trading, import and export all kind of furniture and related products |
| PT Tiga Mutiara Nusantara ("PTTMN")* | Tan Sri Datuk (Dr.) Abdul Majid Khan<br>Lim Poh Teot<br>Fahri Hidayat SH. SpN<br>Alan Stuart Lechem<br>Pan, Shifeng | Indonesia | 62.3 | 62.3 | Manufacturing and selling of finger jointed finished gesso coated and primed moulding products |

* This joint venture was audited by other firm of chartered accountants

(a) Although the Group holds more than 50% of the voting power in HJCSB and PTTMN, the Group has determined that it does not have sole control over the investees considering that strategic and financial decisions of the relevant activities of the investees require unanimous consent by all shareholders.

(b) The summarised financial information for joint ventures that are material to the Group are as follows:

| | HJCSB | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| At 31 July | | |
| Non-current assets | 13,007 | 17,626 |
| Current assets | 25,474 | 38,011 |
| Non-current liabilities | (19,286) | (21,875) |
| Current liabilities | (24,363) | (31,890) |
| | (5,168) | 1,872 |

# Notes to the Financial Statements

## 6. INVESTMENT IN JOINT VENTURES (CONTINUED)

(b) The summarised financial information for joint ventures that are material to the Group are as follows: (Continued)

| | HJCSB | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| Financial year ended 31 July | | |
| Revenue | 44,907 | 56,981 |
| Depreciation and amortisation | (4,679) | (4,665) |
| Interest expense | (748) | (863) |
| Loss for the financial year/Total comprehensive expenses | (7,037) | (3,841) |
| Group's share of loss for the financial year | (4,223) | (2,305) |
| Reconciliation of net assets to carrying amount | | |
| Group's share of net assets above | (3,101) | 1,123 |
| Quasi loan | 4,995 | 4,995 |
| | 1,894 | 6,118 |
| Accumulated impairment losses | (1,894) | - |
| Carrying amount of the Group's interests in this joint venture | - | 6,118 |

| | PTTMN | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| At 31 July | | |
| Non-current assets | 7,583 | 8,969 |
| Current assets | 5,863 | 9,427 |
| Non-current liabilities | (3,606) | (6,568) |
| Current liabilities | (8,059) | (7,677) |
| | 1,781 | 4,151 |
| Financial year ended 31 July | | |
| Revenue | 18,174 | 27,225 |
| Depreciation and amortisation | (622) | (664) |
| Interest expense | (597) | (783) |
| (Loss)/Profit for the financial year | (1,741) | 494 |
| Other comprehensive expense | (212) | (308) |
| Total comprehensive (expense)/income | (1,953) | 186 |
| Group's share of (loss)/profit for the financial year | (1,217) | 116 |
| Reconciliation of net assets to carrying amount | | |
| Group's share of net assets above | 1,110 | 2,586 |
| Bargain purchase gain arising from acquisition | (1,210) | (1,210) |
| Others | 689 | 428 |
| Carrying amount of the Group's interests in this joint venture | 589 | 1,804 |

## 7. PROPERTY, PLANT AND EQUIPMENT

| Group | Freehold land RM'000 | Buildings RM'000 | Plant and equipment RM'000 | Motor vehicles RM'000 | Office equipment, furniture and fittings RM'000 | Tools and equipment RM'000 | Renovation RM'000 | Assets in progress RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | |
| At 1 August 2024 | 12,379 | 34,359 | 93,219 | 11,287 | 5,316 | 1,745 | 2,870 | 729 | 161,904 |
| Additions | - | - | 1,762 | 518 | 178 | 117 | 141 | 9,356 | 12,072 |
| Disposals | - | - | (49) | - | (2) | (1) | - | - | (52) |
| Written off | - | (200) | - | - | (165) | - | - | - | (365) |
| At 31 July 2025/ 1 August 2025 | 12,379 | 34,159 | 94,932 | 11,805 | 5,327 | 1,861 | 3,011 | 10,085 | 173,559 |
| Additions | 262 | 372 | 1,171 | 1,432 | 213 | 102 | 129 | 8,793 | 12,474 |
| Disposals | - | - | (185) | (1,098) | (48) | - | - | - | (1,331) |
| Written off | - | - | (27) | (37) | (2) | (6) | (108) | - | (180) |
| Reclassification | - | - | 20 | - | - | 21 | 4 | (45) | - |
| At 31 July 2026 | 12,641 | 34,531 | 95,911 | 12,102 | 5,490 | 1,978 | 3,036 | 18,833 | 184,522 |
| **Accumulated depreciation** | | | | | | | | | |
| At 1 August 2024 | - | 16,516 | 73,572 | 9,126 | 4,723 | 1,471 | 2,697 | - | 108,105 |
| Depreciation for the year | - | 865 | 4,717 | 767 | 286 | 56 | 130 | - | 6,821 |
| Disposals | - | - | (47) | - | (2) | - | - | - | (49) |
| Written off | - | (70) | - | - | (163) | - | - | - | (233) |
| At 31 July 2025/ 1 August 2025 | - | 17,311 | 78,242 | 9,893 | 4,844 | 1,527 | 2,827 | - | 114,644 |
| Depreciation for the year | - | 786 | 4,509 | 792 | 249 | 75 | 146 | - | 6,557 |
| Disposals | - | - | (81) | (1,097) | (48) | - | - | - | (1,226) |
| Written off | - | - | (21) | (35) | (2) | (4) | (93) | - | (155) |
| At 31 July 2026 | - | 18,097 | 82,649 | 9,553 | 5,043 | 1,598 | 2,880 | - | 119,820 |
| **Accumulated impairment loss** | | | | | | | | | |
| At 1 August 2024 | - | - | 774 | - | - | - | - | - | 774 |
| Impairment for the year | - | - | 217 | - | - | - | - | - | 217 |
| At 31 July 2025/ 1 August 2025 | - | - | 991 | - | - | - | - | - | 991 |
| Impairment for the year | - | - | 487 | 405 | 15 | 5 | 9 | - | 921 |
| At 31 July 2026 | - | - | 1,478 | 405 | 15 | 5 | 9 | - | 1,912 |
| **Carrying amount** | | | | | | | | | |
| At 31 July 2025/ 1 August 2025 | 12,379 | 16,848 | 15,699 | 1,912 | 483 | 334 | 184 | 10,085 | 57,924 |
| At 31 July 2026 | 12,641 | 16,434 | 11,784 | 2,144 | 432 | 375 | 147 | 18,833 | 62,790 |

# Notes to the Financial Statements

## 7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| Company | Motor vehicles RM'000 | Office equipment, furniture and fittings RM'000 | Renovation RM'000 | Total RM'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 August 2024 | 719 | 97 | 51 | 867 |
| Additions | - | 31 | - | 31 |
| Written off | - | (10) | - | (10) |
| At 31 July 2025/1 August 2025 | 719 | 118 | 51 | 888 |
| Additions | - | 35 | - | 35 |
| Disposal | (351) | - | - | (351) |
| At 31 July 2026 | 368 | 153 | 51 | 572 |
| **Accumulated depreciation** | | | | |
| At 1 August 2024 | 719 | 65 | 51 | 835 |
| Depreciation for the year | - | 15 | - | 15 |
| Written off | - | (8) | - | (8) |
| At 31 July 2025/1 August 2025 | 719 | 72 | 51 | 842 |
| Depreciation for the year | - | 20 | - | 20 |
| Disposal | (351) | - | - | (351) |
| At 31 July 2026 | 368 | 92 | 51 | 511 |
| **Carrying amount** | | | | |
| At 31 July 2025/1 August 2025 | - | 46 | - | 46 |
| At 31 July 2026 | - | 61 | - | 61 |

(a) Security

The carrying amount of property, plant and equipment of the Group that are charged to licensed banks amounted to RM15,187,000 (2025 – RM16,586,000) to secure credit facilities granted to the Group (Note 19).

(b) Assets under hire purchase

Included in the property, plant and equipment of the Group are plant and equipment and motor vehicles with total carrying amounts of RM89,000 (2025 – RM806,000) held under hire purchase arrangements. These assets have been pledged as security for the hire purchase payables of the Group (Note 19).

(c) During the financial year, the Group has carried out a review of the recoverable amount of its plant and machinery for certain subsidiaries because the subsidiaries had been persistently making loss. An impairment loss of RM921,000 (2025 – RM217,000), representing the write-down of the plant and equipment to the recoverable amount, was recognised as other expenses in profit or loss (Note 22).

## 8. INVESTMENT PROPERTIES

| Group | Leasehold land RM'000 | Factory building RM'000 | Total RM'000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 August 2024 | 25,819 | 13,343 | 39,162 |
| Addition | 10 | - | 10 |
| At 31 July 2025/1 August 2025 | 25,829 | 13,343 | 39,172 |
| Addition | - | 1 | 1 |
| At 31 July 2026 | 25,829 | 13,344 | 39,173 |
| **Accumulated depreciation** | | | |
| At 1 August 2024 | 4,692 | 5,740 | 10,432 |
| Depreciation for the year | 394 | 266 | 660 |
| At 31 July 2025/1 August 2025 | 5,086 | 6,006 | 11,092 |
| Depreciation for the year | 395 | 266 | 661 |
| At 31 July 2026 | 5,481 | 6,272 | 11,753 |
| **Carrying amount** | | | |
| At 31 July 2025/1 August 2025 | 20,743 | 7,337 | 28,080 |
| At 31 July 2026 | 20,348 | 7,072 | 27,420 |

(a) The fair value of the leasehold land and building is RM64,555,000 (2025 – RM64,555,000). The fair value of the investment properties above were estimated based on either valuations by independent qualified valuers or management's estimates.

(b) The fair values of the investment properties are within level 3 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.

(c) The leasehold land and building amounting to RM3,771,000 (2025 – RM3,873,000) have been pledged to a licensed bank as security for banking facilities granted to the Group (Note 19).

(d) The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods for 3 years (2025 – 3 years) and an option that is exercisable by the customers to extend their leases ranging from 3 to 6 years (2025 – 3 to 6 years).

The Group requires 1 month (2025 – 1 month) of advanced rental payments from the customers. The leases do not include residual value guarantee and variable lease payments that depend on an index or rate.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:

| | Group | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| Within 1 year | 2,574 | 1,215 |
| Between 1 and 2 years | 2,574 | - |
| Between 2 and 3 years | 2,309 | - |
| | 7,457 | 1,215 |

# Notes to the Financial Statements

## 9. RIGHT-OF-USE ASSETS

| Group | At 1 August 2025 RM'000 | Reassessment of lease liabilities RM'000 | Depreciation charges RM'000 | At 31 July 2026 RM'000 |
|---|---|---|---|---|
| **2026** | | | | |
| **Carrying amount** | | | | |
| Leasehold land | 2,336 | - | (49) | 2,287 |
| Operating lease | | | | |
| - Factory buildings | 1,378 | 354 | (438) | 1,294 |
| - Hostels | 77 | - | (22) | 55 |
| | 3,791 | 354 | (509) | 3,636 |

| Group | At 1 August 2024 RM'000 | Reassessment of lease liabilities RM'000 | Addition (Note 29(a)) RM'000 | Depreciation charges RM'000 | At 31 July 2025 RM'000 |
|---|---|---|---|---|---|
| **2025** | | | | | |
| **Carrying amount** | | | | | |
| Leasehold land | 2,386 | - | - | (50) | 2,336 |
| Operating lease: | | | | | |
| - Factory buildings | 1,642 | - | 112 | (376) | 1,378 |
| - Hostels | 27 | 50 | 17 | (17) | 77 |
| | 4,055 | 50 | 129 | (443) | 3,791 |

(a) The Group leases leasehold land and various buildings of which the leasing activities are summarised below:

(i) Leasehold land — The Group has entered into a number of non-cancellable operating lease agreements for the use of land. The leases are ranges between 54 to 94 years (2025 - 54 to 94 years) with no renewal or purchase option included in the agreements.

(ii) Factory buildings — The Group has leased a number of factory buildings that run between 1 to 20 years (2025 – 1 to 20 years), with an option to renew the leases after the date.

(iii) Hostels — The Group has leased a number of hostels that run between 2 to 4 years (2025 – 2 to 4 years), with an option to renew the leases after the date.

(b) The Group also has leases with lease terms of 12 months or less and leases for office equipment of low value. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(c) The leasehold land of the Group amounting to RM2,287,000 (2025 – RM2,336,000) has been pledged to licensed banks as security for banking facilities granted to the Group (Note 19).

## 10. RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| **Non-current** | | | | | |
| **Non-trade** | | | | | |
| Amount owing by joint ventures | c | 2,200 | 4,200 | - | - |
| Less: Impairment loss | | (1,200) | - | - | - |
| | | 1,000 | 4,200 | - | - |
| **Current** | | | | | |
| **Trade** | | | | | |
| Trade receivables | a | 16,775 | 18,675 | - | - |
| Less: Impairment loss | | (604) | (689) | - | - |
| | | 16,171 | 17,986 | - | - |
| Amount owing by joint venture | a | 485 | 1,911 | - | - |
| Less: Impairment loss | | (312) | - | - | - |
| | | 16,344 | 19,897 | - | - |
| **Non-trade** | | | | | |
| Amount owing by subsidiaries | | | | | |
| - management fees | b | - | - | 102 | 102 |
| - advances | b | - | - | 14,687 | 14,558 |
| Less: Impairment loss | | - | - | (204) | (189) |
| | | - | - | 14,585 | 14,471 |
| Amount owing by joint ventures | c | 3,995 | 4,040 | 665 | 666 |
| Less: Impairment loss | | (1,975) | (665) | (665) | (665) |
| | | 2,020 | 3,375 | - | 1 |
| Other receivables | | 1,585 | 2,190 | - | - |
| Less: Impairment loss | | (1,525) | (1,525) | - | - |
| | | 60 | 665 | - | - |
| Advances to suppliers | | 79 | - | - | - |
| Deposits | | 1,302 | 1,003 | 20 | 18 |
| Prepayments | e | 1,562 | 1,667 | 2 | 2 |
| | | 5,023 | 6,710 | 14,607 | 14,492 |
| | | 21,367 | 26,607 | 14,607 | 14,492 |

# Notes to the Financial Statements

## 10. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Allowance for impairment losses: | | | | |
| **Amount owing by joint venture** | | | | |
| **Non-current** | | | | |
| **Non-trade** | | | | |
| At 1 August | - | - | - | - |
| Addition | 1,200 | - | - | - |
| At 31 July | 1,200 | - | - | - |
| **Current** | | | | |
| **Trade** | | | | |
| At 1 August | - | - | - | - |
| Addition | 312 | - | - | - |
| At 31 July | 312 | - | - | - |
| **Non-trade** | | | | |
| At 1 August | 665 | 665 | 665 | 665 |
| Addition | 1,310 | - | - | - |
| At 31 July | 1,975 | 665 | 665 | 665 |
| | 2,287 | 665 | 665 | 665 |

| | Group | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| Allowance for impairment losses: | | |
| **Trade receivables** | | |
| At 1 August | 689 | 1,054 |
| Addition | 342 | 54 |
| Reversal | (126) | (419) |
| Written-off | (301) | - |
| At 31 July | 604 | 689 |

| | Company | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| Allowance for impairment losses: | | |
| **Amount owing by subsidiaries** | | |
| At 1 August | 189 | 167 |
| Addition | 15 | 22 |
| At 31 July | 204 | 189 |

| | Group | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| Allowance for impairment losses: | | |
| **Other receivables** | | |
| At 1 August | 1,525 | 1,527 |
| Reversal | - | (2) |
| At 31 July | 1,525 | 1,525 |

## 10. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

(a) Trade receivables' normal trade credit terms range from 14 days to 60 days (2025 – 30 days to 60 days). Other trade terms are assessed and approved on a case-by-case basis.

(b) The non-trade amount owing by subsidiaries are unsecured, interest free and repayable on demand.

(c) The non-trade amount owing by joint ventures are unsecured, interest free and repayable on demand other than loan advancement of RM4,200,000 (2025 – RM5,231,000) which bear interest ranging from 4% to 8% (2025 – 4% to 8%) per annum.

(d) Included in prepayments is an amount of RM243,000 (2025 – RM Nil) paid for future purchase of property, plant and equipment (Note 29(a)).

## 11. PREPAID LEASES

This represents progress claims paid for 2 pieces of leasehold land acquired in financial year 2019.

## 12. DEFERRED TAX ASSETS/(LIABILITIES)

**Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are presented after appropriate offsetting as follows:

| | Group | |
|---|---|---|
| | **2026 RM'000** | **2025 RM'000** |
| Deferred tax assets | 1,178 | 890 |
| Deferred tax liabilities | (1,647) | (1,466) |
| | (469) | (576) |

**Movement in temporary differences during the financial year**

| **Group** | **At 1 August 2025 RM'000** | **Recognised in profit or loss RM'000** | **At 31 July 2026 RM'000** |
|---|---|---|---|
| **2026** | | | |
| *Deferred tax liabilities* | | | |
| Property, plant and equipment | (1,870) | 246 | (1,624) |
| Right-of-use assets | (969) | (714) | (1,683) |
| | (2,839) | (468) | (3,307) |
| *Deferred tax assets* | | | |
| Derivatives | 6 | (4) | 2 |
| Provisions | 1,261 | 66 | 1,327 |
| Lease liabilities | 991 | 523 | 1,514 |
| Unabsorbed capital allowances | 5 | (10) | (5) |
| | 2,263 | 575 | 2,838 |
| | (576) | 107 | (469) |

# Notes to the Financial Statements

## 12. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

**Movement in temporary differences during the financial year (Continued)**

| Group | At 1 August 2024 RM'000 | Recognised in profit or loss RM'000 | At 31 July 2025 RM'000 |
|---|---|---|---|
| **2025** | | | |
| *Deferred tax liabilities* | | | |
| Property, plant and equipment | (3,449) | 1,579 | (1,870) |
| Right-of-use assets | (796) | (173) | (969) |
| | (4,245) | 1,406 | (2,839) |
| *Deferred tax assets* | | | |
| Derivatives | (33) | 39 | 6 |
| Provisions | 1,823 | (562) | 1,261 |
| Lease liabilities | 819 | 172 | 991 |
| Hire purchase liabilities | 47 | (47) | - |
| Unabsorbed capital allowances | 309 | (304) | 5 |
| Unutilised business loss | 783 | (783) | - |
| | 3,748 | (1,485) | 2,263 |
| | (497) | (79) | (576) |

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:

| | Group | |
|---|---|---|
| | 2026 RM'000 | 2025* RM'000 |
| Unused tax losses | | |
| - expires year of assessment 2028 | 6,591 | 6,028 |
| - expires year of assessment 2029 | 946 | 946 |
| - expires year of assessment 2030 | 237 | 237 |
| - expires year of assessment 2033 | 55 | 55 |
| - expires year of assessment 2034 | 2,311 | 1,826 |
| - expires year of assessment 2035 | 4,691 | 4,691 |
| - expires year of assessment 2036 | 7,721 | - |
| Unabsorbed reinvestment allowances | 220 | 220 |
| Unabsorbed capital allowances | 2,318 | 998 |
| Other temporary differences | 3,944 | 2,695 |
| | 29,034 | 17,696 |

* Certain comparative figure have been restated to reflect the revised tax losses carry-forward and other temporary differences available to the Group.

## 13. INVENTORIES

| | Group | |
|---|---|---|
| | 2026 | 2025 |
| | RM'000 | RM'000 |
| Raw materials | 4,171 | 2,657 |
| Work-in-progress | 3,212 | 6,501 |
| Finished goods | 11,745 | 14,079 |
| | 19,128 | 23,237 |
| Recognised in profit or loss | | |
| Inventories recognised as cost of sales | 116,834 | 122,513 |
| Inventories written down | 402 | 1,036 |

## 14. CONTRACT ASSETS

| | Group | |
|---|---|---|
| | 2026 | 2025 |
| | RM'000 | RM'000 |
| At 1 August | 5,779 | 11,405 |
| Revenue recognised in profit or loss during the financial year | 4,534 | 9,838 |
| Billings to customers during the financial year | (6,769) | (15,464) |
| At 31 July | 3,544 | 5,779 |

(a) The contract assets represent the Group's right to consideration for construction work completed on construction contracts but not yet billed as at the reporting date. The balance will be invoiced progressively upon the acceptance of completed construction works by customers.

(b) Contract value yet to be recognised as revenue

Revenue expected to be recognised in future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date, are as follows:

| | Group | |
|---|---|---|
| | 2026 | 2025 |
| | RM'000 | RM'000 |
| Within 1 year | 2,337 | 6,385 |

## 15. SHORT-TERM INVESTMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Money market fund, at fair value | 6,372 | 17,103 | 168 | 1,854 |

The funds invest mainly into debenture, deposits and money market instruments and thus have minimum exposure to changes in market value.

The money market funds of the Group and of the Company are carried at fair value. The fair value hierarchy for money market funds are classified as Level 2.

# Notes to the Financial Statements

## 16. DERIVATIVE ASSETS/(LIABILITIES)

| | Contract/ Notional amount | | Group | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| **Derivative assets** | | | | |
| Forward currency contracts | 735 | - | 1 | - |
| **Derivative liabilities** | | | | |
| Forward currency contracts | 2,032 | 3,943 | (8) | (23) |

The Group does not apply hedge accounting.

Forward currency contracts are used to hedge the Group's sales denominated in United States Dollar (USD) for which firm commitments existed at the end of the reporting period. The settlement dates on forward currency contracts range between 1 to 2 months (2025 – 1 to 3 months) after the end of the reporting period.

## 17. DEPOSITS, BANK AND CASH BALANCES

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Cash and bank balances | 19,503 | 22,492 | 253 | 497 |
| Deposits placed with licensed banks | 31,743 | 31,806 | - | - |
| | 51,246 | 54,298 | 253 | 497 |

(a) The weighted average effective interest rates per annum of deposits placed with licensed banks at the end of the reporting period are as follows:

| | Group | |
|---|---|---|
| | 2026 % | 2025 % |
| Deposits placed with licensed banks | 1.75 - 3.55 | 1.70 - 3.88 |

The average maturities of deposits placed with licensed banks at the end of the reporting period of the Group range from 31 days to 153 days (2025 – 31 days to 144 days).

(b) Included in fixed deposits placed with licensed banks is RM4,747,000 (2025 – RM4,662,000) pledged for loan facilities granted to the Group (Note 19).

## 18. CAPITAL AND RESERVES

### Share capital

| | Group/Company | | | |
|---|---|---|---|---|
| | Amount 2026 RM'000 | Amount 2025 RM'000 | Number of shares 2026 '000 | Number of shares 2025 '000 |
| Issued and fully paid-up: | | | | |
| At 1 August/31 July | 69,926 | 69,926 | 274,500 | 274,500 |

The holders of ordinary 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. In respect of the Company's treasury shares that are held by the Company (see below), all rights are suspended until those shares are reissued.

### Treasury shares

During the financial year, the Company has purchased 2,236,700 (2025 – Nil) of its issued ordinary shares from the open market at an average price of approximately RM0.34 (2025 – RM Nil) per share. The total consideration paid for the purchase was RM776,000 (2025 – RM Nil) including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

Of the total 274,500,000 (2025 – 274,500,000) issued and fully paid-up ordinary shares at the end of the reporting period, 8,003,300 (2025 – 5,766,600) are held as treasury shares by the Company. None (2025 – None) of the treasury shares were resold or cancelled during the financial year.

### Foreign exchange translation reserve

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary and the Group's share of a joint venture's foreign currency translation differences whose functional currencies are different from the Group's presentation currency.

## 19. LOANS AND BORROWINGS

| | Group | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| **Non-current** | | |
| Secured term loans | 11,332 | 4,375 |
| Hire purchase liabilities | 331 | 539 |
| | 11,663 | 4,914 |
| **Current** | | |
| Secured term loans | 982 | 1,131 |
| Secured bankers' acceptances | 1,670 | 1,081 |
| Secured bank overdrafts | 762 | 828 |
| Hire purchase liabilities | 207 | 324 |
| Other borrowing | 6,563 | 5,264 |
| | 10,184 | 8,628 |

# Notes to the Financial Statements

## 19. LOANS AND BORROWINGS (CONTINUED)

(a) The bank overdrafts, bankers' acceptances, term loans and other borrowing of the Group are secured by way of:

(i) legal charge over freehold land, certain buildings, and plant and equipment as disclosed under property, plant and equipment of the Group (Note 7);

(ii) legal charge over leasehold land and building as disclosed under investment properties of the Group (Note 8);

(iii) legal charge over leasehold land as disclosed under right-of-use assets of the Group (Note 9);

(iv) fixed deposits of the Group (Note 17);

(v) corporate guarantee by the Company; and

(vi) guarantee by certain directors of a subsidiary.

(b) The major covenants of the bank overdrafts, bankers' acceptances, term loans and other borrowings are as follows:

(i) gearing ratio (including private debt securities) of certain subsidiaries shall not exceed 2.0 or 3.5 times, as applicable;

(ii) debt service cover ratio of a subsidiary shall not be less than 2.0 times; or

(iii) any dividend declared shall either be prohibited or limited to a maximum of 50% of the respective year's profit after tax, depending on the subsidiary concerned.

The covenants are tested either yearly or half-yearly. The Group has complied with the covenants throughout the reporting periods.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

(c) The loans and borrowings at the end of the reporting period bear weighted average effective interest rates per annum as follows:

| | Group | |
|---|---|---|
| | **2026** | **2025** |
| | **%** | **%** |
| Bankers' acceptances | 3.73 - 4.69 | 3.47 - 4.97 |
| Bank overdrafts | 6.95 | 6.43 - 7.40 |
| Hire purchase liabilities | 3.97 - 5.93 | 3.97 - 5.93 |
| Term loans | 4.25 - 5.70 | 4.20 - 4.45 |
| Other borrowings | 4.70 - 5.45 | 5.45 |

(d) The maturity dates of the loans and borrowings at the end of the reporting period are as follows:

| | Group | |
|---|---|---|
| | **2026** | **2025** |
| Bankers' acceptances | 2027 | 2026 |
| Bank overdrafts | 2027 | 2026 |
| Hire purchase liabilities | 2027 - 2031 | 2026 - 2031 |
| Term loans | 2027 - 2034 | 2026 - 2034 |
| Other borrowings | 2027 | 2026 |

# Notes to the Financial Statements

## 20. LEASE LIABILITIES

| | Group | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| At 1 August | 1,565 | 1,763 |
| Additions | - | 129 |
| Interest expense recognised in profit or loss | 53 | 56 |
| Changes due to reasssesment of lease term | 354 | 50 |
| Repayment of principal | (440) | (377) |
| Repayment of interest expense | (53) | (56) |
| At 31 July | 1,479 | 1,565 |
| Analysed by | | |
| Current liabilities | 452 | 405 |
| Non-current liabilities | 1,027 | 1,160 |
| | 1,479 | 1,565 |

## 21. PAYABLES AND ACCRUALS

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| **Current** | | | | | |
| **Trade** | | | | | |
| Trade payables | a | 9,087 | 9,699 | - | - |
| **Current** | | | | | |
| **Non-trade** | | | | | |
| Other payables | | 11,689 | 11,386 | 35 | 14 |
| Amount owing to a director | b | - | 100 | - | - |
| Amount payable for property, plant and equipment | | 315 | 4,494 | - | - |
| Accrued expenses | | 4,273 | 5,449 | 292 | 292 |
| Sales and service tax payable | | 127 | 79 | - | - |
| Provision for foreseeable losses and damages | | 501 | 435 | - | - |
| Provision for liquidated ascertained damages | | 263 | 189 | - | - |
| | | 17,168 | 22,132 | 327 | 306 |
| | | 26,255 | 31,831 | 327 | 306 |

(a) The normal trade credit terms granted to the Group range from 15 days to 90 days (2025 – 7 days to 90 days). Other trade terms are assessed and approved on a case-by-case basis.

(b) The non-trade amount owing to a director is unsecured, interest free and repayable on demand.

# Notes to the Financial Statements

## 22. OPERATING (LOSS)/PROFIT

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| **Revenue from contract with customers** | | | | |
| Recognised at a point in time | | | | |
| Sales of goods | 133,558 | 153,268 | - | - |
| Recognised over time | | | | |
| Construction contracts | 4,534 | 9,838 | - | - |
| | 138,092 | 163,106 | - | - |
| **Revenue from other sources** | | | | |
| Rental income | 559 | 552 | - | - |
| Dividend income from subsidiaries | - | - | 16,409 | 8,907 |
| Management fees | - | - | 1,224 | 1,224 |
| | 559 | 552 | 17,633 | 10,131 |
| | 138,651 | 163,658 | 17,633 | 10,131 |
| **Cost of sales** | | | | |
| Cost of sales | (117,236) | (123,549) | - | - |
| Construction contract costs | (8,861) | (12,697) | - | - |
| | (126,097) | (136,246) | - | - |
| Gross profit | 12,554 | 27,412 | 17,633 | 10,131 |
| Distribution costs | (3,490) | (4,316) | - | - |
| Administration expenses | (19,101) | (21,035) | (3,908) | (3,974) |
| Other operating expenses | (3,541) | (1,400) | (11,294) | (2) |
| Other operating income | 3,131 | 3,229 | 133 | 1 |
| Operating (loss)/profit | (10,447) | 3,890 | 2,564 | 6,156 |

(a) The information on the disaggregation of revenue by geographical market is disclosed in Note 31.

(b) The information about the performance obligations in contracts with customers is summarised below:

| Nature of goods or services | Timing and method of revenue recognition | Significant payment terms | Variable considerations | Warranty and obligation for returns or refunds |
|---|---|---|---|---|
| Sale of goods | When the goods are delivered and accepted by customers. | Credit period ranging from 14 - 60 days from the invoice date. | Not applicable. | Not applicable. |
| Construction contracts | When services are rendered using the cost incurred method. | Based on agreed milestones, certified by architects. The credit period is 30 days to 60 days from the invoice date. | A late penalty charge at rates ranging from RM324 to RM2,789 per day. | Defect liability period of 12 months to 24 months is given to customers. |

## 22. OPERATING (LOSS)/PROFIT (CONTINUED)

(c) The information on the revenue from other sources is summarised below:

Rental income
Rental income is recognised on a straight-line basis over the lease term.

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

Management fees
Management fees are recognised in the period in which the services are rendered.

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| **Operating (loss)/profit is arrived at after charging/(crediting):** | | | | | |
| Auditors' remuneration | | | | | |
| - audit fees | | 216 | 205 | 38 | 35 |
| - non-audit fees | | 5 | 5 | 5 | 5 |
| Bad debts written off/(recovered) | | 4 | (26) | - | - |
| Depreciation | | | | | |
| - property, plant and equipment | 7 | 6,557 | 6,821 | 20 | 15 |
| - investment properties | 8 | 661 | 660 | - | - |
| - right-of-use assets | 9 | 509 | 443 | - | - |
| Fair value loss on other investments | | - | 1 | - | - |
| Impairment loss | | | | | |
| - investment in subsidiaries | 5 | - | - | 1,200 | - |
| - investment in joint venture | 6 | 1,894 | - | 10,094 | - |
| - property, plant and equipment | 7 | 921 | 217 | - | - |
| - trade receivables | 10 | 342 | 54 | - | - |
| - amount owing by a subsidiary | 10 | - | - | 15 | 22 |
| - amount owing by a joint venture | 10 | 2,822 | - | - | - |
| Inventories written down | 13 | 402 | 1,036 | - | - |
| Lease expenses | | | | | |
| - short term lease | | 264 | 159 | 90 | 90 |
| Property, plant and equipment written off | 7 | 25 | 132 | - | 2 |
| Personnel expenses (including key management personnel) | | | | | |
| - contribution to defined contribution plans | | 2,140 | 2,165 | 192 | 199 |
| - wages, salaries and others | | 30,095 | 31,808 | 2,410 | 2,672 |
| Realised loss on foreign exchange | | 456 | 828 | - | - |
| Unrealised loss/(gain) on foreign exchange | | 230 | (85) | - | - |
| Fair value (gain)/loss on derivatives | | (16) | 161 | - | - |
| Gain on disposal of property, plant and equipment | | (334) | (4) | (114) | - |
| Rental income | | | | | |
| - property, plant and equipment | | (449) | - | - | - |
| - investment properties | | (1,931) | (1,920) | - | - |
| Reversal of impairment loss | | | | | |
| - trade receivables | 10 | (126) | (419) | - | - |
| - other receivables | 10 | - | (2) | - | - |
| Total interest income on financial assets measured at amortised cost | | (2,232) | (2,293) | (25) | (147) |

# Notes to the Financial Statements

## 23. FINANCE COSTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Interest expenses on financial liabilities that are not at fair value through profit or loss: | | | | |
| - bank overdrafts | 37 | 16 | - | - |
| - bankers' acceptances | 57 | 41 | - | - |
| - hire purchase liabilities | 34 | 53 | - | - |
| - term loans | 258 | 310 | - | 16 |
| - others | 458 | 203 | - | - |
| Interest expense on lease liabilities (Note 20) | 53 | 56 | - | - |
| | 897 | 679 | - | 16 |

## 24. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| **(a) Directors** | | | | |
| Directors of the Company | | | | |
| ***Executive Directors*** | | | | |
| Short-term employee benefits: | | | | |
| - fees | 460 | 460 | 300 | 300 |
| - salaries, allowances and bonuses | 2,679 | 3,190 | 291 | 377 |
| | 3,139 | 3,650 | 591 | 677 |
| Contribution to defined contribution plans | 230 | 299 | 26 | 24 |
| | 3,369 | 3,949 | 617 | 701 |
| ***Non-executive Directors*** | | | | |
| Short-term employee benefits: | | | | |
| - fees | 288 | 288 | 288 | 288 |
| - allowances | 56 | 55 | 56 | 55 |
| | 344 | 343 | 344 | 343 |
| | 3,713 | 4,292 | 961 | 1,044 |

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was RM18,000 (2025 – RM5,000).

## 24. KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

The key management personnel compensations during the financial year are as follows: (Continued)

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| **(a) Directors (Continued)** | | | | |
| Directors of the Subsidiaries | | | | |
| ***Executive Directors*** | | | | |
| Short-term employee benefits | | | | |
| - fees | - | 3 | - | - |
| - salaries, allowances and bonuses | 640 | 923 | - | - |
| | 640 | 926 | - | - |
| Contribution to defined contribution plans | 51 | 66 | - | - |
| | 691 | 992 | - | - |
| Total directors' remuneration | 4,404 | 5,284 | 961 | 1,044 |

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the subsidiaries was RM17,000 (2025 – RM17,000).

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| **(b) Other key management personnel** | | | | |
| Short-term employee benefits | 267 | 288 | 267 | 288 |
| Contribution to defined contribution plans | 32 | 34 | 32 | 34 |
| | 299 | 322 | 299 | 322 |

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

## 25. INCOME TAX EXPENSE

**Recognised in profit or loss**

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| **Current tax expense** | | | | |
| Malaysian tax | | | | |
| - current year | 1,615 | 3,944 | 243 | 185 |
| - over provision in previous financial years | (50) | (79) | - | (4) |
| | 1,565 | 3,865 | 243 | 181 |
| **Deferred tax expense (Note 12)** | | | | |
| Origination and reversal of temporary differences | (283) | 379 | - | - |
| Under/(Over) provison in previous financial years | 176 | (300) | - | - |
| | (107) | 79 | - | - |
| Total taxation | 1,458 | 3,944 | 243 | 181 |

# Notes to the Financial Statements

## 25. INCOME TAX EXPENSE (CONTINUED)

**Reconciliation of effective income tax expense**

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| (Loss)/Profit after taxation | (18,915) | (70) | 2,331 | 6,084 |
| Total taxation | 1,458 | 3,944 | 243 | 181 |
| (Loss)/Profit before taxation | (17,457) | 3,874 | 2,574 | 6,265 |
| Tax calculated using Malaysian tax rate of 24% (2025 - 24%) | (4,190) | 930 | 618 | 1,504 |
| Double deduction of expenses | (190) | (155) | - | - |
| Deferred tax assets not recognised during the year | 2,723 | 1,820 | - | - |
| Non-deductible expenses | 1,827 | 1,372 | 2,875 | 45 |
| Non-taxable income | (109) | (69) | (24) | - |
| Share of results in joint ventures | 1,274 | 479 | - | - |
| Tax exempt income | - | - | (3,223) | (1,364) |
| Tax incentives | - | (47) | - | - |
| Utilisation of deferred tax assets not recognised in previous financial years | (3) | (7) | (3) | - |
| | 1,332 | 4,323 | 243 | 185 |
| Under/(Over) provision in previous financial years | 126 | (379) | - | (4) |
| | 1,458 | 3,944 | 243 | 181 |

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2025 – 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

## 26. (LOSS)/EARNINGS PER SHARE

### (a) Basic (loss)/earnings per share

The basic (loss)/earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year after deducting for treasury shares.

| | Group | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| (Loss)/Profit for the year attributable to the ordinary shareholders | (16,015) | 1,356 |

| | Group | |
|---|---|---|
| | 2026 '000 | 2025 '000 |
| Weighted average number of ordinary shares in issue | 267,354 | 268,734 |

| | Group | |
|---|---|---|
| | 2026 sen | 2025 sen |
| Basic (loss)/earnings per ordinary share | (5.99) | 0.50 |

### (b) Diluted (loss)/earnings per share

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share because there were no potential ordinary shares during the financial year.

## 27. ACQUISITION OF NON-CONTROLLING INTERESTS

On 1 July 2026, the Company acquired an additional 40% equity interests in Jaycorp Green Energy Sdn Bhd ("JGESB") for RM15,000,000 in cash, increasing its ownership from 60% to 100%. The carrying amount of JGESB's net assets in the Group's financial statements on that date was RM10,489,000. The Group recognised a decrease in non-controlling interests of RM4,196,000 and a decrease in retained profits of RM10,804,000.

The following summarises the effect of changes in the equity interests in JGESB that is attributable to the owners of the Company:

| | Group 2026 RM'000 |
|---|---|
| Equity interest at 1 August 2025 | 3,863 |
| Effect of increase in the Company's ownership interest | (4,196) |
| Share of post acquisition profit | 333 |
| Equity interest at 31 July 2026 | - |

## 28. DIVIDENDS

| | Group/Company | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| **In respect of the financial year ended 31 July 2024** | | |
| Final single tier dividend of 2.00 sen per ordinary share | - | 5,375 |
| **In respect of the financial year ended 31 July 2025** | | |
| First interim single tier dividend of 1.50 sen per ordinary share | - | 4,031 |
| | - | 9,406 |

## 29. CASH FLOWS INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets are as follows:

| | Group | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| Property, plant and equipment | | |
| Cost of property, plant and equipment purchased (Note 7) | 12,474 | 12,072 |
| Add: Payment in respect of previous financial year's purchases | 4,494 | - |
| Add: Prepayments made for future purchases (Note 10(d)) | 243 | - |
| Less: Other payables – balances remained unpaid at financial year end (Note 21) | (315) | (4,494) |
| | 16,896 | 7,578 |
| Right-of-use assets | | |
| Cost of right-of-use assets acquired (Note 9) | - | 129 |
| Less: Addition of new lease liabilities (Note 29(b)) | - | (129) |
| | - | - |

# Notes to the Financial Statements

## 29. CASH FLOWS INFORMATION (CONTINUED)

(a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets are as follows: (Continued)

| | Company | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| Property, plant and equipment | | |
| Cost of property, plant and equipment purchased (Note 7) | 35 | 31 |

(b) The reconciliations of liabilities arising from financing activities are as follows:

| Group | Amount owing to a director RM'000 | Bankers' acceptances RM'000 | Lease liabilities RM'000 | Hire purchase liabilities RM'000 | Term loans RM'000 | Others borrowings RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|
| **2026** | | | | | | | |
| At 1 August 2025 | 100 | 1,081 | 1,565 | 863 | 5,506 | 5,264 | 14,379 |
| Changes in financing cash flows | | | | | | | |
| Net repayments to director | (100) | - | - | - | - | - | (100) |
| Net drawdown of bankers' acceptances | - | 1,447 | - | - | - | - | 1,447 |
| Repayment of bankers' acceptances | - | (871) | - | - | - | - | (871) |
| Repayment of lease liabilities | - | - | (440) | - | - | - | (440) |
| Repayment of hire purchase liabilities | - | - | - | (325) | - | - | (325) |
| Repayment of term loans | - | - | - | - | (1,244) | - | (1,244) |
| Repayment of interests | - | (57) | (53) | (34) | (258) | (458) | (860) |
| Proceeds from drawdown of term loans | - | - | - | - | 8,052 | - | 8,052 |
| Proceeds from drawdown of other borrowings | - | - | - | - | - | 1,299 | 1,299 |
| | (100) | 519 | (493) | (359) | 6,550 | 841 | 6,958 |
| Other changes | | | | | | | |
| Changes due to reassessment of lease terms | - | - | 354 | - | - | - | 354 |
| Finance charges recognised in profit or loss (Note 23) | - | 57 | 53 | 34 | 258 | 458 | 860 |
| Unrealised loss on foreign exchange | - | 13 | - | - | - | - | 13 |
| | - | 70 | 407 | 34 | 258 | 458 | 1,227 |
| At 31 July 2026 | - | 1,670 | 1,479 | 538 | 12,314 | 6,563 | 22,564 |

## 29. CASH FLOWS INFORMATION (CONTINUED)

(b) The reconciliations of liabilities arising from financing activities are as follows: (Continued)

| Group | Amount owing to a director RM'000 | Bankers' acceptances RM'000 | Lease liabilities RM'000 | Hire purchase liabilities RM'000 | Term loans RM'000 | Others borrowings RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|
| **2025** | | | | | | | |
| At 1 August 2024 | - | 511 | 1,763 | 1,271 | 8,022 | 3,300 | 14,867 |
| Changes in financing cash flows | | | | | | | |
| Net receipts from director | 100 | - | - | - | - | - | 100 |
| Net drawdown of bankers' acceptances | - | 567 | - | - | - | - | 567 |
| Repayment of lease liabilities | - | - | (377) | - | - | - | (377) |
| Repayment of hire purchase liabilities | - | - | - | (408) | - | - | (408) |
| Repayment of term loans | - | - | - | - | (2,754) | - | (2,754) |
| Repayment of other borrowings | - | - | - | - | - | (631) | (631) |
| Repayment of interests | - | (41) | (56) | (53) | (310) | (203) | (663) |
| Proceeds from drawdown of term loans | - | - | - | - | 238 | - | 238 |
| Proceeds from drawdown of other borrowings | - | - | - | - | - | 2,595 | 2,595 |
| | 100 | 526 | (433) | (461) | (2,826) | 1,761 | (1,333) |
| Other changes | | | | | | | |
| Acquisition of new lease liabilities (Note 29(a)) | - | - | 129 | - | - | - | 129 |
| Changes due to reassessment of lease terms | - | - | 50 | - | - | - | 50 |
| Finance charges recognised in profit or loss (Note 23) | - | 41 | 56 | 53 | 310 | 203 | 663 |
| Unrealised loss on foreign exchange | - | 3 | - | - | - | - | 3 |
| | - | 44 | 235 | 53 | 310 | 203 | 845 |
| At 31 July 2025 | 100 | 1,081 | 1,565 | 863 | 5,506 | 5,264 | 14,379 |

| Company | Term loans RM'000 |
|---|---|
| **2025** | |
| At 1 August 2024 | 810 |
| Changes in financing cash flows | |
| Repayment of term loan | (810) |
| Repayment of borrowings interests | (16) |
| Other changes | |
| Finance charges recognised in profit or loss (Note 23) | 16 |
| At 31 July 2025/1 August 2025/31 July 2026 | - |

# Notes to the Financial Statements

## 29. CASH FLOWS INFORMATION (CONTINUED)

(c) The total cash outflows for leases as a lessee are as follows:

| | Group | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| Payment of short-term lease | 264 | 159 |
| Interest paid on lease liabilities | 53 | 56 |
| Payment of lease liabilities | 440 | 377 |
| | 757 | 592 |

| | Company | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| Payment of short-term lease | 90 | 90 |

(d) The cash and cash equivalents comprise the following:

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Cash and bank balances (Note 17) | 19,503 | 22,492 | 253 | 497 |
| Fixed deposits placed with licensed banks (Note 17) | 31,743 | 31,806 | - | - |
| Bank overdrafts (Note 19) | (762) | (828) | - | - |
| | 50,484 | 53,470 | 253 | 497 |
| Fixed deposits pledged to licensed banks (Note 17(b)) | (4,747) | (4,662) | - | - |
| Fixed deposits with tenure of more than 3 months | (15,045) | (14,499) | - | - |
| Cash and cash equivalents | 30,692 | 34,309 | 253 | 497 |

## 30. RELATED PARTY DISCLOSURES

### (a) Subsidiaries

The subsidiaries are disclosed in Note 5.

### (b) Significant related party transactions and balances

The Group and the Company carried out the following significant transactions with the related parties during the financial year:

| | 2026 RM'000 | 2025 RM'000 |
|---|---|---|
| **Group** | | |
| **Joint ventures** | | |
| Interest income | (348) | (184) |
| Rental income | (2,490) | (2,472) |
| Sales of goods | - | (2,286) |
| Subcontract work received | (322) | (250) |

## 30. RELATED PARTY DISCLOSURES (CONTINUED)

### (b) Significant related party transactions and balances (Continued)

| | 2026 RM'000 | 2025 RM'000 |
|---|---|---|
| **Group** | | |
| **A company in which certain directors have significant financial interests** | | |
| Rental paid/payable | 90 | 90 |
| **Shareholders of joint venture company** | | |
| Sales of goods | (62,972) | (82,398) |
| Purchase of materials | 10,689 | 15,364 |
| Purchase of property, plant and equipment | 27 | - |
| **Company** | | |
| **Subsidiaries** | | |
| Dividend income receivable | (16,409) | (8,907) |
| Management fees receivable | (1,224) | (1,224) |

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in Notes 10 and 21.

## 31. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the Group's management and internal reporting structure in order to allocate resources to segments and to assess their performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly loans and borrowings, head office expenses and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

Inter-segment pricing is determined on negotiated basis.

The Group comprised the following main business segments:

| | |
|---|---|
| Furniture | Manufacture and sale of furniture |
| Packaging | Conversion of corrugated boards into carton boxes |
| Wood processing | Pressure treatment and kiln-drying of wood and manufacturing of furniture parts |
| Renewable energy | Renewable energy, biomass and environmentally friendly waste treatment |
| Construction | General construction and civil engineering works |
| Others | General trading, transportation, property letting and printing |

# Notes to the Financial Statements

## 31. OPERATING SEGMENTS (CONTINUED)

The Group operates principally within Malaysia.

| 2026 | Furniture RM'000 | Packaging RM'000 | Wood processing RM'000 | Renewable energy RM'000 | Construction RM'000 | Others RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|---|---|---|---|---|---|---|---|---|
| **Business segments** | | | | | | | | |
| Total external revenue | 84,632 | 29,911 | 7,150 | 11,857 | 4,534 | 567 | - | 138,651 |
| Inter-segment revenue | 88 | 4,164 | 12,065 | - | - | 2,260 | (18,577) | - |
| **Total segment revenue** | 84,720 | 34,075 | 19,215 | 11,857 | 4,534 | 2,827 | (18,577) | 138,651 |
| **Segment result** | (3,118) | 714 | (1,826) | 1,415 | (5,860) | (385) | 1,270 | (7,790) |
| Unallocated expenses | | | | | | | | (11,002) |
| Results from operating activities | | | | | | | | (18,792) |
| Interest income | | | | | | | | 2,232 |
| Interest expense | | | | | | | | (897) |
| Tax expense | | | | | | | | (1,458) |
| **Loss for the year** | | | | | | | | (18,915) |
| Segment profit before interest and taxation includes the followings: | | | | | | | | |
| Bad debts written off | - | 4 | - | - | - | - | - | 4 |
| Depreciation of property, plant and equipment | 2,403 | 1,642 | 753 | 1,061 | 527 | 171 | - | 6,557 |
| Depreciation of investment properties | 231 | - | - | - | - | 430 | - | 661 |
| Depreciation of right-of-use assets | 1,082 | 356 | 170 | 56 | 56 | - | (1,211) | 509 |
| Impairment loss of property, plant and equipment | 48 | - | - | - | 873 | - | - | 921 |
| Impairment/(Reversal of impairment) loss on | | | | | | | | |
| - trade receivables | 37 | 120 | 40 | - | 65 | - | (46) | 216 |
| - amount owing by a subsidiary | 15 | - | - | - | - | - | (15) | - |
| - amount owing by a joint venture | 2,523 | - | - | - | - | 299 | - | 2,822 |
| Impairment loss on investment in subsidiaries | 1,200 | - | - | - | - | - | (1,200) | - |
| Impairment loss on investment in joint ventures | 10,094 | - | - | - | - | - | (8,200) | 1,894 |
| Interest expense | 222 | 176 | 95 | 97 | 498 | - | (191) | 897 |
| Loss on lease modification | 8 | - | - | - | - | - | (8) | - |
| Property, plant and equipment written off | - | - | - | - | 25 | - | - | 25 |
| Realised loss on foreign exchange | 454 | - | 2 | - | - | - | - | 456 |
| Gain on disposal of property, plant and equipment | (124) | (6) | - | - | (159) | (45) | - | (334) |
| Interest income | (1,697) | (391) | (22) | (13) | (77) | (32) | - | (2,232) |
| Inventories written down | 288 | - | 114 | - | - | - | - | 402 |
| Unrealised loss on foreign exchange | 230 | - | - | - | - | - | - | 230 |
| Fair value gain on derivatives | (16) | - | - | - | - | - | - | (16) |

## 31. OPERATING SEGMENTS (CONTINUED)

| 2026 | Furniture RM'000 | Packaging RM'000 | Wood processing RM'000 | Renewable energy RM'000 | Construction RM'000 | Others RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|---|---|---|---|---|---|---|---|---|
| **Segment assets** | 107,038 | 31,058 | 24,150 | 21,391 | 8,965 | 27,543 | (17,070) | 203,075 |
| Unallocated assets | | | | | | | | |
| - Current tax assets | | | | | | | | 1,110 |
| - Deferred tax assets | | | | | | | | 1,178 |
| **Total assets** | | | | | | | | 205,363 |
| **Segment liabilities** | 11,150 | 2,757 | 10,159 | 1,508 | 9,904 | 24,454 | (24,674) | 35,258 |
| Unallocated liabilities | | | | | | | | |
| - Current tax liabilities | | | | | | | | 149 |
| - Deferred tax liabilities | | | | | | | | 1,647 |
| - Lease liabilities | | | | | | | | 1,479 |
| - Hire purchase liabilities | | | | | | | | 538 |
| - Term loans | | | | | | | | 12,314 |
| **Total liabilities** | | | | | | | | 51,385 |
| Additions to non-current assets other than financial instruments are: | | | | | | | | |
| - Property, plant and equipment | 4,068 | 60 | 315 | 7,658 | - | 373 | - | 12,474 |
| - Investment properties | 1 | - | - | - | - | - | - | 1 |
| **2025** | | | | | | | | |
| **Business segments** | | | | | | | | |
| Total external revenue | 99,541 | 32,217 | 6,037 | 15,466 | 9,838 | 559 | - | 163,658 |
| Inter-segment revenue | 94 | 4,524 | 13,609 | - | - | 2,263 | (20,490) | - |
| **Total segment revenue** | 99,635 | 36,741 | 19,646 | 15,466 | 9,838 | 2,822 | (20,490) | 163,658 |
| **Segment result** | 8,127 | 2,332 | (1,804) | 2,473 | (3,761) | (211) | 1,021 | 8,177 |
| Unallocated expenses | | | | | | | | (5,917) |
| Results from operating activities | | | | | | | | 2,260 |
| Interest income | | | | | | | | 2,293 |
| Interest expense | | | | | | | | (679) |
| Tax expense | | | | | | | | (3,944) |
| **Loss for the year** | | | | | | | | (70) |

# Notes to the Financial Statements

## 31. OPERATING SEGMENTS (CONTINUED)

| 2025 | Furniture RM'000 | Packaging RM'000 | Wood processing RM'000 | Renewable energy RM'000 | Construction RM'000 | Others RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|---|---|---|---|---|---|---|---|---|
| Segment profit before interest and taxation includes the followings: | | | | | | | | |
| Bad debts recovered | (26) | - | - | - | - | - | - | (26) |
| Depreciation of property, plant and equipment | 2,543 | 1,841 | 627 | 993 | 669 | 148 | - | 6,821 |
| Depreciation of investment properties | 230 | - | - | - | - | 430 | - | 660 |
| Depreciation of right-of-use assets | 1,025 | 350 | 94 | 55 | 9 | - | (1,090) | 443 |
| Impairment loss of property, plant and equipment | 217 | - | - | - | - | - | - | 217 |
| Impairment/(Reversal of impairment) loss on | | | | | | | | |
| - trade receivables | - | 5 | - | - | (167) | - | (203) | (365) |
| - amount owing by a subsidiary | 22 | - | - | - | - | - | (22) | - |
| Interest expense | 150 | 194 | 64 | 137 | 318 | - | (184) | 679 |
| Property, plant and equipment written off | 2 | - | - | - | - | 130 | - | 132 |
| Realised loss on foreign exchange | 809 | - | 19 | - | - | - | - | 828 |
| Gain on disposal of property, plant and equipment | (2) | - | - | - | (2) | - | - | (4) |
| Interest income | (1,873) | (300) | (37) | (30) | (77) | (40) | 64 | (2,293) |
| Inventories written down | 204 | - | 832 | - | - | - | - | 1,036 |
| Reversal of impairment loss on other receivables | - | - | - | - | (2) | - | - | (2) |
| Unrealised gain on foreign exchange | (85) | - | - | - | - | - | - | (85) |
| Fair value loss on derivatives | 161 | - | - | - | - | - | - | 161 |
| Fair value loss on other investment | - | 1 | - | - | - | - | - | 1 |
| **Segment assets** | 132,591 | 34,586 | 25,146 | 15,505 | 14,955 | 28,989 | (16,849) | 234,923 |
| Unallocated assets | | | | | | | | |
| - Current tax assets | | | | | | | | 1,934 |
| - Deferred tax assets | | | | | | | | 890 |
| **Total assets** | | | | | | | | 237,747 |
| **Segment liabilities** | 13,210 | 2,628 | 3,072 | 3,501 | 9,548 | 23,917 | (16,849) | 39,027 |
| Unallocated liabilities | | | | | | | | |
| - Current tax liabilities | | | | | | | | 518 |
| - Deferred tax liabilities | | | | | | | | 1,466 |
| - Lease liabilities | | | | | | | | 1,565 |
| - Hire purchase liabilities | | | | | | | | 863 |
| - Term loans | | | | | | | | 5,506 |
| **Total liabilities** | | | | | | | | 48,945 |
| Additions to non-current assets other than financial instruments are: | | | | | | | | |
| - Property, plant and equipment | 7,183 | 40 | 1,821 | 2,973 | 23 | 32 | - | 12,072 |
| - Investment properties | - | - | - | - | - | 10 | - | 10 |

## 31. OPERATING SEGMENTS (CONTINUED)

| 2026<br>*Geographical segments* | Malaysia RM'000 | Rest of Asia RM'000 | North America RM'000 | Europe RM'000 | Others RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|
| Revenue from external customers by location of customers | 57,581 | 49,046 | 23,963 | 1,395 | 6,666 | 138,651 |
| Segment assets by location of assets | 205,363 | - | - | - | - | 205,363 |
| **2025**<br>***Geographical segments*** | | | | | | |
| Revenue from external customers by location of customers | 68,126 | 60,080 | 26,534 | 2,323 | 6,595 | 163,658 |
| Segment assets by location of assets | 237,747 | - | - | - | - | 237,747 |

The following are major customer with revenue equal to more than 10% of the Group's total revenue.

| | Revenue | | Segment |
|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | |
| Customer 1 | 30,794 | 34,338 | Furniture |
| Customer 2 | 14,728 | - | Furniture |

## 32. CAPITAL COMMITMENTS

| | Group | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| Purchase of property, plant and equipment | 33,511 | 41,629 |

## 33. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk, equity price risk and other price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

### 33.1 Financial risk management policies

The policies in respect of the major areas of treasury activity are as follows:

#### (a) Market risk

##### (i) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currency giving rise to this risk is primarily United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

# Notes to the Financial Statements

## 33. FINANCIAL INSTRUMENTS (CONTINUED)

### 33.1 Financial risk management policies (Continued)

#### (a) Market risk (Continued)

##### (i) Foreign currency risk (Continued)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:

Foreign currency exposure

| Group | 2026 United States Dollar RM'000 | 2025 United States Dollar RM'000 |
|---|---|---|
| **Financial assets** | | |
| Trade receivables | 4,981 | 5,443 |
| Other receivables | - | 85 |
| Derivative assets | 1 | - |
| Cash and bank balances | 816 | 586 |
| Deposits placed with licensed banks | 2,043 | 2,136 |
| | 7,841 | 8,250 |
| **Financial liabilities** | | |
| Derivative liabilities | (8) | (23) |
| Trade payables | (515) | (447) |
| Other payables and accrued expenses | (541) | (790) |
| Loans and borrowings | (761) | (119) |
| | (1,825) | (1,379) |
| Net financial assets | 6,016 | 6,871 |
| Less: Forward currency contracts (contracted notional principal) | (2,767) | (3,943) |
| **Currency exposure** | 3,249 | 2,928 |

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:

| | Group | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| **Effects on (loss)/profit after taxation** | | |
| **USD/RM:** | | |
| - strengthened by 4% (2025 - 7%) | 99 | 156 |
| - weakened by 4% (2025 - 7%) | (99) | (156) |

There is no impact on the Group's equity.

## 33. FINANCIAL INSTRUMENTS (CONTINUED)

### 33.1 Financial risk management policies (Continued)

#### (a) Market risk (Continued)

##### (ii) 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 exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 19.

The Company does not have any interest-bearing borrowings and hence, is not exposed to interest rate risk.

Interest rate risk sensitivity analysis

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the (loss)/profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

##### (iii) Equity price risk

The exposure to equity price risk arises mainly from changes in quoted investment prices of the Group. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

The Company does not have any quoted investments and hence, is not exposed to equity price risk.

Equity price risk sensitivity analysis

Any reasonably possible change in the prices of quoted investments classified as fair value through profit or loss at the end of the reporting period does not have a material impact on the (loss)/profit after taxation of the Group and hence, no sensitivity analysis is presented. There is no impact on the equity of the Group.

##### (iv) Other price risk

The Group's and the Company's principal exposure to other price risk arises mainly from changes in prices of money market fund.

Other price risk sensitivity analysis

Any reasonably possible change in the prices of the money market fund at the end of the reporting period does not have a material impact on the (loss)/profit after taxation of the Group and of the Company and hence, no sensitivity analysis is presented.

#### (b) Credit risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other 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 quoted investments, deposits, bank and cash balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to joint ventures and subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain joint ventures and subsidiaries. The Company monitors the ability of the joint ventures and subsidiaries to serve their loans on an individual basis.

# Notes to the Financial Statements

## 33. FINANCIAL INSTRUMENTS (CONTINUED)

### 33.1 Financial risk management policies (Continued)

#### (b) Credit risk (Continued)

Credit risk concentration profile

The Group determines the concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables and contract assets (including related parties), net of loss allowance at the end of the reporting period is as follows:

| | Group | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| Malaysia | 14,978 | 20,233 |
| Rest of Asia | 1,158 | 2,238 |
| North America | 3,323 | 2,447 |
| Europe | - | 497 |
| Others | 429 | 261 |
| | 19,888 | 25,676 |

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 1 (2025 – Nil) customer which constituted approximately 15% (2025 – Nil) of its trade receivables and contract assets (including related parties), net of loss allowance.

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 allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its joint ventures and subsidiaries of RM22,550,000 (2025 – RM21,330,000) representing the outstanding banking facilities of the joint ventures and subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

Assessment of impairment losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going 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.

A financial asset is credit impaired when any of the following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 180 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

## 33. FINANCIAL INSTRUMENTS (CONTINUED)

### 33.1 Financial risk management policies (Continued)

#### (b) Credit risk (Continued)

Assessment of impairment losses (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.

*(i) Inputs, assumptions and techniques used for estimating impairment losses*

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

The expected loss rates are based on the payment profiles of sales over 24 months (2025 – 24 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the inflation rate as the key macroeconomic factor of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

*(ii) Allowance for impairment losses*

The reconciliation of allowance for impairment losses on trade receivables is disclosed in Note 10.

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:

| Group | Gross amount RM'000 | Lifetime individual allowance RM'000 | Lifetime collective allowance RM'000 | Carrying amount RM'000 |
|---|---|---|---|---|
| **2026** | | | | |
| Current (not past due) | 9,049 | - | (29) | 9,020 |
| 1 to 30 days past due | 6,238 | - | (67) | 6,171 |
| 31 to 60 days past due | 696 | - | (66) | 630 |
| 61 to 90 days past due | 453 | - | (66) | 387 |
| More than 90 days past due | 627 | - | (491) | 136 |
| | 17,063 | - | (719) | 16,344 |
| Credit impaired | 197 | (197) | - | - |
| Trade receivables | 17,260 | (197) | (719) | 16,344 |
| Contract assets | 3,544 | - | - | 3,544 |
| | 20,804 | (197) | (719) | 19,888 |

# Notes to the Financial Statements

## 33. FINANCIAL INSTRUMENTS (CONTINUED)

### 33.1 Financial risk management policies (Continued)

#### (b) Credit risk (Continued)

Assessment of impairment losses (Continued)

*Trade receivables and contract assets (Continued)*

*(ii) Allowance for impairment losses (Continued)*

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows: (Continued)

| Group | Gross amount RM'000 | Lifetime individual allowance RM'000 | Lifetime collective allowance RM'000 | Carrying amount RM'000 |
|---|---|---|---|---|
| **2025** | | | | |
| Current (not past due) | 11,679 | - | (14) | 11,665 |
| 1 to 30 days past due | 3,509 | - | (13) | 3,496 |
| 31 to 60 days past due | 1,390 | - | (14) | 1,376 |
| 61 to 90 days past due | 569 | - | (65) | 504 |
| More than 90 days past due | 2,902 | - | (46) | 2,856 |
| | 20,049 | - | (152) | 19,897 |
| Credit impaired | 537 | (537) | - | - |
| Trade receivables | 20,586 | (537) | (152) | 19,897 |
| Contract assets | 5,779 | - | - | 5,779 |
| | 26,365 | (537) | (152) | 25,676 |

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

Trade receivables and contract assets that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has been no significant change in the gross amounts of trade receivables and contract assets that has impacted the allowance for impairment losses.

*Other receivables*

The Group applies the 3-stage general approach to measure expected credit losses for its other receivables.

Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing the risk of a default as at the reporting date with that as at the date of initial recognition. The Group considers that there has been a significant increase in credit risk when contractual terms change or payments are delayed. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 180 days past due in making a contractual payment.

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on collective basis.

Based on the assessment performed, long outstanding receivables has been fully impaired.

## 33. FINANCIAL INSTRUMENTS (CONTINUED)

### 33.1 Financial risk management policies (Continued)

#### (b) Credit risk (Continued)

Assessment of impairment losses (Continued)

*Fixed deposits with licensed banks, cash and bank balances*

The Group and the Company consider the licensed banks to be of low credit risk. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and is therefore not provided for.

*Amount owing by joint ventures and subsidiaries (non-trade balances)*

The Group and the Company apply the 3-stage general approach to measure expected credit losses for all inter-company balances.

*(i) Inputs, assumptions and techniques used for estimating impairment losses*

The Group and the Company measure the expected credit losses on an individual basis, which aligns with its credit risk management practices on the inter-company balances.

The Group and the Company consider loans and advances to joint ventures or subsidiaries to be of low credit risks. The Group and the Company assume that there is a significant increase in credit risk when a joint venture's or subsidiary's financial position deteriorates significantly. This is because the Group and the Company are able to determine the timing of payments and the loans and advances are to be in default when the joint ventures or subsidiaries are unable to pay when demanded.

For loans and advances that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the joint venture or subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Group and the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the joint venture or subsidiary.

For loans and advances that are not repayable on demand, impairment losses are measured using techniques that are similar for estimating the impairment losses of other receivables, as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

*(ii) Allowance for impairment losses*

The reconciliation of allowance for impairment losses on amount owing by joint ventures and subsidiaries is disclosed in Note 10.

| Group | Gross amount RM'000 | Lifetime loss allowance RM'000 | Carrying amount RM'000 |
|---|---|---|---|
| **2026** | | | |
| Low credit risk | 3,020 | - | 3,020 |
| Credit impaired | 3,175 | (3,175) | - |
| | 6,195 | (3,175) | 3,020 |

# Notes to the Financial Statements

## 33. FINANCIAL INSTRUMENTS (CONTINUED)

### 33.1 Financial risk management policies (Continued)

#### (b) Credit risk (Continued)

Assessment of impairment losses (Continued)

*Amount owing by joint ventures and subsidiaries (non-trade balances) (Continued)*

*(ii) Allowance for impairment losses (Continued)*

| Group | Gross amount RM'000 | Lifetime loss allowance RM'000 | Carrying amount RM'000 |
|---|---|---|---|
| **2025** | | | |
| Low credit risk | 7,575 | - | 7,575 |
| Credit impaired | 665 | (665) | - |
| | 8,240 | (665) | 7,575 |
| **Company** | | | |
| **2026** | | | |
| Low credit risk | 14,585 | - | 14,585 |
| Credit impaired | 869 | (869) | - |
| | 15,454 | (869) | 14,585 |
| **2025** | | | |
| Low credit risk | 14,472 | - | 14,472 |
| Credit impaired | 854 | (854) | - |
| | 15,326 | (854) | 14,472 |

*Financial guarantee contracts*

Corporate guarantees for borrowing facilities granted to joint ventures and subsidiaries are a financial guarantee contract.

*(i) Inputs, assumptions and techniques used for estimating impairment losses*

The Company closely monitors the joint venture's and subsidiaries' financial strength to reduce the risk of loss.

The Company considers that there is a significant increase in credit risk when a joint venture's or subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The joint venture or subsidiary is unlikely to repay its obligation to the bank in full; or
- The joint venture or subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

*(ii) Allowance for impairment losses*

*All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties to which the financial guarantee contracts were issued. Accordingly, no loss allowances were identified based on 12-month expected credit losses.*

## 33. FINANCIAL INSTRUMENTS (CONTINUED)

### 33.1 Financial risk management policies (Continued)

#### (c) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

*Maturity analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

| Group<br>2026 | Contractual interest rate<br>% | Carrying amount<br>RM'000 | Contractual undiscounted cash flows<br>RM'000 | Within 1 year<br>RM'000 | 1 – 2 years<br>RM'000 | 2 – 5 years<br>RM'000 | Over 5 years<br>RM'000 |
|---|---|---|---|---|---|---|---|
| Non-derivative financial liabilities | | | | | | | |
| Payables and accruals (N1) | - | 25,364 | 25,364 | 25,364 | - | - | - |
| Loans and borrowings: | | | | | | | |
| - bankers' acceptances | 3.73 - 4.69 | 1,670 | 1,670 | 1,670 | - | - | - |
| - bank overdrafts | 6.95 | 762 | 762 | 762 | - | - | - |
| - hire purchase liabilities | 3.97 - 5.93 | 538 | 585 | 228 | 136 | 221 | - |
| - term loans | 4.25 - 5.70 | 12,314 | 13,261 | 1,202 | 982 | 10,457 | 620 |
| - other borrowings | 4.70 - 5.45 | 6,563 | 6,563 | 6,563 | - | - | - |
| Lease liabilities | 3.03 - 5.86 | 1,479 | 1,625 | 495 | 420 | 408 | 302 |
| | | 48,690 | 49,830 | 36,284 | 1,538 | 11,086 | 922 |
| **2025** | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Payables and accruals (N1) | - | 31,128 | 31,128 | 31,128 | - | - | - |
| Loans and borrowings: | | | | | | | |
| - bankers' acceptances | 3.47 - 4.97 | 1,081 | 1,081 | 1,081 | - | - | - |
| - bank overdrafts | 6.43 - 7.40 | 828 | 828 | 828 | - | - | - |
| - hire purchase liabilities | 3.97 - 5.93 | 863 | 943 | 359 | 228 | 300 | 56 |
| - term loans | 4.20 - 4.45 | 5,506 | 6,916 | 1,367 | 1,013 | 2,379 | 2,157 |
| - other borrowings | 5.45 | 5,264 | 5,264 | 5,264 | - | - | - |
| Lease liabilities | 3.01 - 5.86 | 1,565 | 1,738 | 485 | 397 | 524 | 332 |
| | | 46,235 | 47,898 | 40,512 | 1,638 | 3,203 | 2,545 |

# Notes to the Financial Statements

## 33. FINANCIAL INSTRUMENTS (CONTINUED)

### 33.1 Financial risk management policies (Continued)

#### (c) Liquidity risk (Continued)

*Maturity analysis (Continued)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period): (Continued)

| Company<br>2026 | Carrying amount<br>RM'000 | Contractual undiscounted cash flows<br>RM'000 | Within 1 year<br>RM'000 |
|---|---|---|---|
| Non-derivative financial liabilities | | | |
| Payables and accruals | 327 | 327 | 327 |
| Financial guarantee contracts in relation to corporate guarantee given to certain joint ventures and subsidiaries | - | 22,550* | 22,550 |
| | 327 | 22,877 | 22,877 |
| **2025** | | | |
| Non-derivative financial liabilities | | | |
| Payables and accruals | 306 | 306 | 306 |
| Financial guarantee contracts in relation to corporate guarantee given to certain joint ventures and subsidiaries | - | 21,330* | 21,330 |
| | 306 | 21,636 | 21,636 |

N1- Excluding sales and services tax payables, provision for foreseeable losses and damages, and provision for liquidated ascertained damages

* The potential exposure of the financial guarantee contracts is equivalent to the outstanding amount of the credit facilities of the joint ventures and subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

### 33.2 Capital risk management

Capital structure is a combination of equity and debt used by an entity to finance its overall operations and growth. The objective of the capital management of the Group and of the Company is to maintain an optimal capital structure and ensuring availability of funds in order to support its businesses and related shareholders' value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company monitor and maintain a prudent level of total debt to total equity ratio to optimise shareholders value and to ensure compliance with debt covenants and regulatory, if any.

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group and of the Company at the end of the reporting period is not presented as their cash and cash equivalents exceeded the total external borrowings.

There was no change in the approach to capital management during the financial year.

## 33. FINANCIAL INSTRUMENTS (CONTINUED)

### 33.3 Classification of financial instruments

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| **Financial assets** | | | | |
| Amortised cost | | | | |
| Receivables, deposits and prepayments (N1) | 19,424 | 28,137 | 14,585 | 14,472 |
| Deposits, bank and cash balances | 51,246 | 54,298 | 253 | 497 |
| | 70,670 | 82,435 | 14,838 | 14,969 |
| Fair value through profit or loss | | | | |
| Other investments | 1 | 1 | - | - |
| Short-term investment | 6,372 | 17,103 | 168 | 1,854 |
| Derivative assets | 1 | - | - | - |
| | 6,374 | 17,104 | 168 | 1,854 |
| **Financial liabilities** | | | | |
| Amortised cost | | | | |
| Loans and borrowings | 21,847 | 13,542 | - | - |
| Payables and accruals (N2) | 25,364 | 31,128 | 327 | 306 |
| | 47,211 | 44,670 | 327 | 306 |
| Fair value through profit or loss | | | | |
| Derivative liabilities | 8 | 23 | - | - |

N1- Excluding advance to suppliers, deposits and prepayments
N2- Excluding sales and service tax payables, provision for foreseeable losses and damages, and provision for liquidated ascertained damages

### 33.4 Gains or losses arising from financial instruments

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| **Financial assets** | | | | |
| Amortised cost | | | | |
| Net (losses)/gains recognised in profit or loss | (837) | 2,459 | 10 | 125 |
| Fair value through profit or loss | | | | |
| Net losses recognised in profit or loss by mandatorily required by MFRS 9 | - | (1) | - | - |
| **Financial liabilities** | | | | |
| Amortised cost | | | | |
| Net losses recognised in profit or loss | (834) | (587) | - | (16) |
| Fair value through profit or loss | | | | |
| Net gains/(losses) recognised in profit or loss by mandatorily required by MFRS 9 | 16 | (161) | - | - |

# Notes to the Financial Statements

## 33. FINANCIAL INSTRUMENTS (CONTINUED)

### 33.5 Fair value information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:

| | Fair value of financial instruments carried at fair value | | | Fair value of financial instruments not carried at fair value | | | | |
|---|---|---|---|---|---|---|---|---|
| **Group** | **Level 1 RM'000** | **Level 2 RM'000** | **Level 3 RM'000** | **Level 1 RM'000** | **Level 2 RM'000** | **Level 3 RM'000** | **Total fair value RM'000** | **Carrying amount RM'000** |
| **2026** | | | | | | | | |
| Financial assets | | | | | | | | |
| Other investments: | | | | | | | | |
| - quoted shares in Malaysia | 1 | - | - | - | - | - | 1 | 1 |
| Short-term investments | - | 6,372 | - | - | - | - | 6,372 | 6,372 |
| Derivative assets: | | | | | | | | |
| - forward currency contracts | - | 1 | - | - | - | - | 1 | 1 |
| | 1 | 6,373 | - | - | - | - | 6,374 | 6,374 |
| Financial liabilities | | | | | | | | |
| Term loans | - | - | - | - | 12,314 | - | 12,314 | 12,314 |
| Hire purchase liabilities | - | - | - | - | 539 | - | 539 | 538 |
| Derivative liabilities: | | | | | | | | |
| - forward currency contracts | - | 8 | - | - | - | - | 8 | 8 |
| | - | 8 | - | - | 12,853 | - | 12,861 | 12,860 |
| **2025** | | | | | | | | |
| Financial assets | | | | | | | | |
| Other investments: | | | | | | | | |
| - quoted shares in Malaysia | 1 | - | - | - | - | - | 1 | 1 |
| Short-term investments | - | 17,103 | - | - | - | - | 17,103 | 17,103 |
| | 1 | 17,103 | - | - | - | - | 17,104 | 17,104 |
| Financial liabilities | | | | | | | | |
| Term loans | - | - | - | - | 5,506 | - | 5,506 | 5,506 |
| Hire purchase liabilities | - | - | - | - | 861 | - | 861 | 863 |
| Derivative liabilities: | | | | | | | | |
| - forward currency contracts | - | 23 | - | - | - | - | 23 | 23 |
| | - | 23 | - | - | 6,367 | - | 6,390 | 6,392 |

## 33. FINANCIAL INSTRUMENTS (CONTINUED)

### 33.5 Fair value information (Continued)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period: (Continued)

| | Fair value of financial instruments carried at fair value | | | Fair value of financial instruments not carried at fair value | | | Total fair value | Carrying amount |
|---|---|---|---|---|---|---|---|---|
| **Company** | **Level 1 RM'000** | **Level 2 RM'000** | **Level 3 RM'000** | **Level 1 RM'000** | **Level 2 RM'000** | **Level 3 RM'000** | **RM'000** | **RM'000** |
| **2026** | | | | | | | | |
| Financial assets | | | | | | | | |
| Short-term investments | - | 168 | - | - | - | - | 168 | 168 |
| **2025** | | | | | | | | |
| Financial assets | | | | | | | | |
| Short-term investments | - | 1,854 | - | - | - | - | 1,854 | 1,854 |

**(a) Fair value of financial instruments carried at fair value**

(i) The fair value above have been determined using the following basis:

(aa) The fair value of other investments is determined at their quoted closing bid prices at the end of the reporting period.

(bb) The fair value of money market funds is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

(cc) The fair values of forward currency contracts are determined by discounting the difference between the contractual forward prices and the current forward prices for the residual maturity of the contracts using a risk-free interest rate (government bonds).

(ii) There were no transfers between level 1 and level 2 during the financial year.

**(b) Fair value of financial instruments not carried at fair value**

The fair value, which are for disclosure purposes, have been determined using the following basis:

(aa) The fair value of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

(bb) The fair values of hire purchase liabilities are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:

| | Group | |
|---|---|---|
| | **2026** | **2025** |
| | % | % |
| Hire purchase liabilities | 5.07 | 5.64 |

# LIST OF LANDED PROPERTIES

| Registered/ Beneficial Owner | Property | Tenure | Description / Existing Use | Age of Building (years) | Land Area (sq. meter) | Built-up Area (sq. meter) | Net Book Value as at 31 July 2026 RM'000 |
|---|---|---|---|---|---|---|---|
| Jaycorp Trading Sdn Bhd | GM467 Lot No. 3948, | Freehold | Factory & Office Building | 35 | 1,870 | 3,951 | 24 |
| | GM241 Lot No. 4027, | Freehold | Factory Building | 35 | 2,920 | | 357 |
| | GM240 Lot No. 4026, | Freehold | Warehouse (Packaging) | 30 | 4,653 | 3,986 | 324 |
| | GM242 Lot No. 4028 and | Freehold | Factory Building | 29 | 6,238 | 5,279 | 514 |
| | GM243 Lot No. 4029, Mukim of Sungai Rambai, Melaka. | Freehold | Warehouse* (Furniture) | 23 | 2,077 | 1,431 | 117 |
| | GM81 Lot 2611, Mukim of Sungai Rambai, Melaka. | Freehold | Car Park, Warehouse & Factory Building | 17 | 21,626 | 7,664 | 2,766 |
| Yeo Aik Wood Sdn Bhd | H.S.D. 25808 P.T.D. No. 11656 and H.S.D. 25809 P.T.D. No. 11657, Mukim of Grisek, District of Ledang, Johor Darul Takzim. | Freehold | Industrial Land<br>Factory Building** (Owned by YAHSB) | -<br>25 | 11,841<br>- | -<br>6,711 | 800<br>1,443 |
| | GM475 Lot No. 5376 and | Freehold | Factory Building | 29 | 4,252 | 2,992 | 407 |
| | GM714 Lot No. 5803, Mukim of Merlimau, Melaka. | Freehold | Factory Building | 29 | 14,506 | 7,024 | 317 |
| | H.S.D. 25805 P.T.D. No. 11653 Mukim of Grisek, District of Ledang, Johor Darul Takzim. | Freehold | Factory Building | 24 | 4,428 | 2,081 | 320 |
| | GM156, Lot No. 133, Mukim of Sebatu, Melaka. | Freehold | Agriculture Land | - | 8,434 | - | 97 |
| | H.S.D. 6205 & 6206 P.T. 320 & 321 Mukim Semujuk, Daerah Jasin, Melaka. | 99 years leasehold (Expiring on 23.02.2100) | Vacant Industrial Land | - | 14,525 | - | 638 |
| | Lot 11288 H.S.D. 395675 Mukim of Grisek, District of Ledang, Johor Darul Takzim. | Freehold | Factory Building | 12 | 20,209 | 1,394 | 1,296 |
| | MCL 2782, Lot 2269, Mukim Merlimau, Jasin Melaka | Freehold | Hostel *** | 4 | 15,479 | 5,984 | 865 |

# List of Landed Properties

| Registered/ Beneficial Owner | Property | Tenure | Description / Existing Use | Age of Building (years) | Land Area (sq. meter) | Built-up Area (sq. meter) | Net Book Value as at 31 July 2026 RM'000 |
|---|---|---|---|---|---|---|---|
| Yeo Aik Hevea (M) Sdn Bhd | Lot PTD No.15024, HSD 25806 | Freehold | Factory Building | 14 | 4,463 | 6,142 | 2,756 |
| | Lot PTD No.15025, HSD 25807 | Freehold | Factory Building | 14 | 5,056 | | |
| | Lot PTD No.15018, HSD 25810 Mukim of Grisek, District of Ledang, Johor Darul Takzim. | Freehold | Industrial Land | - | 4,290 | - | 716 |
| Winshine Holdings Sdn Bhd | Plot 331, Lot No. PTD 35104 Title No HSD 38295 Mukim of Simpang Kanan, District of Batu Pahat, Johor Darul Takzim. | 60 years leasehold (expiring on 05.10.2057) | Factory Building | 30 | 8,094 | 5,514 | 1,719 |
| Winshine Industries Sdn Bhd | Plot 337, Lot No. PTD 37809 Title No HSD 39280 | 60 years leasehold (expiring on 06.07.2059) | Factory Building | 28 | 9,777 | 6,919 | 2,979 |
| | Plot 360, Lot No. PTD 47268, Title No. HSD 55701 Mukim of Simpang Kanan, District of Batu Pahat, Johor Darul Takzim. | 60 years leasehold (expiring on 08.10.2066) | Factory and Office Building | 28 | 20,235 | 14,853 | 3,770 |
| | Lot No. PTD 31719 Title No Geran 61861 Mukim of Simpang Kanan, District of Batu Pahat, Johor Darul Takzim. | Freehold | Single-Storey Terrace House | 30 | 313 | 101 | 53 |
| Jaycorp Green Energy Sdn Bhd | PTD 192374 Title No HSD 442263, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim. | 60 years leasehold (expiring on 19.03.2067) | Factory Building | 19 | 15,700 | 12,664 | 4,907 |
| Bongawan Solo Sdn Bhd | Countries lease 025341226, 025341235 & 025341271 located at Kampung Bongawan, District of Papar, Sabah. | Leasehold (expiring on 31.12.2080) | Agriculture land | - | 1,600,200 | - | 18,952 |

# List of Landed Properties

| Registered/ Beneficial Owner | Property | Tenure | Description / Existing Use | Age of Building (years) | Land Area (sq. meter) | Built-up Area (sq. meter) | Net Book Value as at 31 July 2026 RM'000 |
|---|---|---|---|---|---|---|---|
| Instyle Sofa Sdn Bhd | Lot PTD No.11668, HS(D) 25820 | Freehold | Industrial Land | - | 8,488 | - | 1,037 |
| | | | Factory Building | 22 | - | 6,041 | 1,930 |
| | Lot PTD No.11660, HS(D) 25812 | Freehold | Industrial Land | - | 4,843 | - | 484 |
| | | | Factory Building | 17 | - | 2,185 | 1,175 |
| | Lot PTD No.11697, HS(D) 25849 | Freehold | Industrial Land | - | 2,888 | - | 342 |
| | | | Factory Building | 17 | - | 1,115 | 490 |
| | Lot PTD No.11661, HS(D) 25813 | Freehold | Industrial Land | - | 3,322 | - | 467 |
| | | | Factory Building | 16 | - | 1,678 | 1,242 |
| | Lot PTD No.11662, HS(D) 25814 | Freehold | Industrial Land | - | 4,027 | - | 566 |
| | | | Factory Building | 15 | - | 2,025 | 1,129 |
| | PTD11733, No.13 Taman Utama Grisek | Freehold | Double Storey Terrace | 17 | 211 | 76 | 129 |
| | PTD11732, No.14 Taman Utama Grisek Mukim of Grisek, District of Ledang, Johor Darul Takzim. | Freehold | Double Storey Terrace | 17 | 211 | 76 | 132 |

***Notes:***

* *Warehouse owned by Yeo Aik Wood Sdn Bhd is constructed on the piece of industrial land owned by Jaycorp Trading Sdn Bhd*

** *Factory building owned by Yeo Aik Hevea (M) Sdn Bhd is constructed on the piece of industrial land owned by Yeo Aik Wood Sdn Bhd*

*** *Hostel building owned by Yeo Aik Wood Sdn Bhd is constructed on the piece of MCL land owned by Md Noh Bin Md Yasin. The tenancy agreement signed for 15 years expire on 29 February 2036, with an option to renew for a further period of 5 years*

# ANALYSIS OF SHAREHOLDINGS
## AS AT 15 OCTOBER 2026

| | | |
|---|---|---|
| Number of Shares Issued | : | 274,500,000 ordinary shares (inclusive treasury shares) |
| Class of Shares | : | Ordinary shares |
| Voting Rights | : | One Vote Per Ordinary Share |
| No. of shareholders | : | 4,414 |

### DISTRIBUTION OF SHAREHOLDINGS

| Category | No. of Shareholders | No. of Shares* | %* |
|---|---|---|---|
| 1 to 99 | 116 | 3,802 | 0.001 |
| 100 to 1,000 | 1,094 | 348,920 | 0.131 |
| 1,001 to 10,000 | 2,003 | 10,114,720 | 3.796 |
| 10,001 to 100,000 | 1,047 | 31,876,312 | 11.961 |
| 100,001 to less than 5% of issued shares | 152 | 101,602,946 | 38.125 |
| 5% and above of issued shares | 2 | 122,550,000 | 45.986 |
| **Total** | **4,414** | **266,496,700** | **100.000** |

***Note:***

* *Exclusive of 8,003,300 treasury shares retained by the Company as at 15 October 2026.*

### LIST OF SUBSTANTIAL SHAREHOLDINGS

| No. | Name | Direct | | Indirect | |
|---|---|---|---|---|---|
| | | No. of Shares | %* | No. of Shares | %* |
| 1. | JAWALA CORPORATION SDN BHD | 62,000,000 | 23.265 | - | - |
| 2. | CENTRAL GLAMOUR SDN BHD | 60,550,000 | 22.721 | - | - |
| 3. | TAN SRI DATUK (DR.) ABDUL MAJID KHAN | - | - | 62,000,000^ | 23.265 |
| 4. | DATUK JEMA ANTON KHAN | - | - | 62,000,000^ | 23.265 |

***Notes :***

* *Exclusive of 8,003,300 treasury shares retained by the Company as at 15 October 2026.*

^ *Deemed interest by virtue of Section 8 of the Companies Act 2016 ("Act"), through his shareholding in Jawala Corporation Sdn Bhd.*

### DIRECTORS' INTERESTS IN SHARES

| No. | Name | Direct | | Indirect | |
|---|---|---|---|---|---|
| | | No. of Shares | %* | No. of Shares | %* |
| 1. | TAN SRI DATUK (DR.) ABDUL MAJID KHAN | - | - | 62,000,000^1 | 23.265 |
| 2. | YEO AYK KE | 3,195,600 | 1.199 | 95,500^2 | 0.036 |
| 3. | YEO AIK TAN | 1,479,186 | 0.555 | 9,739,200^3 | 3.655 |
| 4. | LIM POH TEOT | 6,568,450 | 2.465 | - | - |
| 5. | MUAZ BIN JEMA ANTON KHAN | - | - | - | - |
| 6. | NADJA BINTI JEMA KHAN | - | - | - | - |
| 7. | BIANCA DANIELLA LIND | - | - | - | - |
| 8. | IVAN OH BOON WEE | - | - | - | - |
| 9. | PATRICIA UBING @ MAGDALENE EDWARD | - | - | - | - |

***Notes :***

* *Exclusive of 8,003,300 treasury shares retained by the Company as at 15 October 2026.*

^1 *Deemed interest by virtue of Section 8 of the Act, through his shareholding in Jawala Corporation Sdn Bhd.*

^2 *Deemed interest by virtue of shares registered in the name of his spouse, On Yin Choo.*

^3 *Deemed interest by virtue of Section 8 of the Act, through his shareholding in NCCT Resources Sdn Bhd.*

# Analysis of Shareholdings

As at 15 October 2026

**LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS**

| NO. | NAME | HOLDINGS | % |
|---|---|---|---|
| 1 | CIMSEC NOMINEES (TEMPATAN) SDN BHD<br>CIMB FOR JAWALA CORPORATION SDN BHD (PB) | 62,000,000 | 23.265 |
| 2 | CENTRAL GLAMOUR SDN BHD | 60,550,000 | 22.721 |
| 3 | CITIGROUP NOMINEES (ASING) SDN BHD<br>EXEMPT AN FOR UBS AG SINGAPORE (FOREIGN) | 10,000,000 | 3.752 |
| 4 | NCCT RESOURCES SDN BHD | 9,739,200 | 3.655 |
| 5 | LIM PEI TIAM @ LIAM AHAT KIAT | 7,000,000 | 2.627 |
| 6 | IFAST NOMINEES (TEMPATAN) SDN BHD<br>LIM POH TEOT | 6,568,450 | 2.465 |
| 7 | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR TAN SIEW BOOY (MY0267) | 4,866,400 | 1.826 |
| 8 | SIM PECK LING | 4,601,894 | 1.727 |
| 9 | PUBLIC NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR CHUAH SWEE HUAT (E-KLC) | 4,255,300 | 1.597 |
| 10 | YEO AYK KE | 3,195,600 | 1.199 |
| 11 | PUBLIC NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR YOUNG CHUAN KIM (E-KTU) | 3,000,000 | 1.126 |
| 12 | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR TAN SIEW BOOY (MY3908) | 2,240,000 | 0.840 |
| 13 | HLB NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR LIM PAY KAON | 1,713,400 | 0.643 |
| 14 | SIAH LEE CHU | 1,536,900 | 0.577 |
| 15 | THONG THYE SIANG SDN BHD | 1,457,000 | 0.547 |
| 16 | YEO AIK TAN | 1,429,186 | 0.536 |
| 17 | QUALITY FURNITURE SDN BHD | 1,395,400 | 0.524 |
| 18 | YEH INTERNATIONAL SERVICES CORPORATION SDN BHD | 1,250,000 | 0.469 |
| 19 | CHIN SAU CHAN | 1,249,400 | 0.469 |
| 20 | QR FURNITURE SDN BHD | 1,093,500 | 0.410 |
| 21 | NG POH ANN | 1,027,600 | 0.385 |
| 22 | ROBERT TAN | 1,025,000 | 0.384 |
| 23 | HLB NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR SALBIAH BINTI SHUIB | 1,000,000 | 0.375 |
| 24 | LIM PAY KAON | 1,000,000 | 0.375 |
| 25 | NG POH SUAN | 977,500 | 0.367 |
| 26 | KENANGA NOMINEES (TEMPATAN) SDN BHD<br>CHIA LAI JOO | 905,064 | 0.340 |
| 27 | YEO YEK MENG | 881,684 | 0.331 |
| 28 | SOLID ARCH SDN BHD | 785,000 | 0.294 |
| 29 | NG POH HEE | 757,000 | 0.284 |
| 30 | GOH FUH YUAN | 692,300 | 0.260 |
| | **TOTAL:** | **198,192,778** | **74.370** |

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Eighth Annual General Meeting ("28th AGM") of the Company will be held at the Meeting Room 3, Level 2, Holiday Inn Melaka, Jalan Syed Abdul Aziz, 75000 Melaka, Malaysia on Thursday, 10 December 2026 at 10.30 a.m. for the following purposes:

**AS ORDINARY BUSINESS**

1. To receive the Audited Financial Statements for the financial year ended 31 July 2026 together with the Reports of the Directors and Auditors thereon. — **Please refer to Explanatory Note 1**

2. To approve the payment of Directors' fees and benefits of up to RM1,191,000.00 payable to the Directors, for the period from 1 August 2026 until the next Annual General Meeting of the Company in year 2027. — **Ordinary Resolution 1**

3. To re-elect the following Directors who retire pursuant to Clause 125 of the Company's Constitution:

   i. Tan Sri Datuk (Dr.) Abdul Majid Khan; — **Ordinary Resolution 2**
   ii. Yeo Aik Tan; and — **Ordinary Resolution 3**
   iii. Bianca Daniella Lind. — **Ordinary Resolution 4**

4. To appoint Nexia SSY PLT as Auditors of the Company in place of the retiring Auditors, Crowe Malaysia PLT, and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 5**

   To consider and if thought fit, with or without modification, to pass the following ordinary resolution:

   "That Nexia SSY PLT, having consented to act, be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors, Crowe Malaysia PLT, and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditors."

**AS SPECIAL BUSINESS**

To consider, and if thought fit, to pass the following Resolutions:

5. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** — **Ordinary Resolution 6**

   "THAT subject to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company ("Shares") to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time ("Mandate") AND the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND such authority shall continue in force until the conclusion of the Annual General Meeting ("AGM") of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.

   AND THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank *pari passu* in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid before the date of allotment of such new Shares."

# Notice of Annual General Meeting

6. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE** **Ordinary Resolution 7**

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company and/or its subsidiaries and joint venture companies ("the Group") be and is/are hereby authorised to enter into arrangements and/or transactions involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the Group ("Related Parties") as specified in Section 2.4 of the Circular to Shareholders dated 18 November 2026 ("Circular"), provided that such arrangements and/or transactions are:

i. recurrent transactions of a revenue and/or trading nature;
ii. necessary for the Group's day-to-day operations;
iii. carried out in the ordinary course of business on normal commercial terms not more favourable to the Related Parties than those generally available to the public; and
iv. not detrimental to the minority shareholders of the Company;

('Recurrent Related Party Transactions ("RRPT") Mandate');

THAT the RRPT Mandate, unless revoked or varied by the Company in general meeting, shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company in 2027 or the date by which the next AGM of the Company is required by law to be held, whichever is earlier;

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the best interests of the Company, to give effect to the RRPT Mandate."

7. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK")** **Ordinary Resolution 8**

"THAT subject to Section 127 of the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:

i. the aggregate number of ordinary shares to be purchased and/or held by the Company does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
ii. the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase.

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. cancel all the shares so purchased; and/or
ii. retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or transfer under an employees' share scheme (if any) and/or transfer as purchase consideration; and/or
iii. retain part thereof as treasury shares and cancel the remainder; and/or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

# Notice of Annual General Meeting

7. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK") (CONTINUED)**

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:

a. the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an 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 that date is required by law to be held; or
c. revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Authority for Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the best interest of the Company."

8. To transact any other ordinary business of which due notice shall have been given.

**BY ORDER OF THE BOARD**

**MAK CHOOI PENG** (MAICSA 7017931) (SSM PC NO. 201908000889)
Company Secretary

Kuala Lumpur
18 November 2026

**Explanatory Notes:**

**1. Item 1 of the Agenda**

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

**2. Ordinary Resolution 1 – Directors' Fees and Benefits**

Section 230(1) of the Act provides that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, shareholders' approval shall be sought at the 28th AGM on the Directors' Fees and Benefits under Ordinary Resolution 1.

The Directors' Benefits comprise meeting allowance payable to Directors for each day of attending meeting.

In the event that the Directors' Fees and Benefits payable during the above period exceed the estimated amount sought at the forthcoming 28th AGM of the Company, shareholders' approval will be sought at the next AGM for the additional amount to meet the shortfall.

**3. Ordinary Resolutions 2, 3 and 4 – Re-election of Directors**

Pursuant to Clause 125 of the Company's Constitution, one-third (1/3) of the Directors shall retire from office by rotation at each AGM, provided that each Director shall retire from office at least once in every three (3) years. All retiring Directors shall be eligible for re-election.

Tan Sri Datuk (Dr.) Abdul Majid Khan, Yeo Aik Tan and Bianca Daniella Lind (collectively referred to as the "Retiring Directors"), who retire by rotation pursuant to Clause 125 of the Company's Constitution and being eligible, have offered themselves for re-election at the 28th AGM.

The Nomination Committee ("NC") carried out the assessment with the affected NC member abstaining from all deliberations and recommendations.

The NC had assessed the Retiring Directors and considered their performance and contribution based on the self and peer assessments, their contribution to the Board of Directors of the Company ("Board") and Board Committees deliberations, time commitment and their ability to act in the best interests of the Company in decision-making. The Board has recommended their re-election based on the following considerations and the recommendation by the NC:

# Notice of Annual General Meeting

**3. Ordinary Resolutions 2, 3 and 4 – Re-election of Directors (Continued)**

i. satisfactory performance and they have met the Board's expectation in discharging their duties and responsibilities;
ii. met the criteria of character, experience, integrity, competence and time commitment in discharging their roles as directors of the Company;
iii. level of independence demonstrated by the independent director; and
iv. their ability to act in the best interest of the Company in decision-making.

The profiles of the Retiring Directors are stated in the Annual Report 2026 of the Company.

**4. Ordinary Resolution 5 – Appointment of Nexia SSY PLT as Auditors of the Company**

Crowe Malaysia PLT, the retiring Auditors of the Company, have indicated that they do not wish to seek re-appointment at the forthcoming 28th AGM.

The Board proposed the appointment of Nexia SSY PLT as the new Auditors of the Company.

The Board acknowledged Crowe Malaysia PLT's past services and expressed its gratitude. The appointment of Nexia SSY PLT as Auditors of the Company, replacing Crowe Malaysia PLT, is contingent upon shareholders' approval at the 28th AGM.

**5. Ordinary Resolution 6 – Authority to Issue and Allot Shares**

The proposed adoption of Ordinary Resolution 6 is for the purpose of seeking a renewal for the general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act, from the date of the above Meeting, to allot ordinary shares of not more than ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors of the Company consider would be in the best interest of the Company. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company in 2027.

This authority will provide flexibility and enable the Directors to take swift action for allotment of shares for any possible fund-raising activities, including but not limited to further placement of shares for purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

As at the date of this Notice, no new shares in the Company were issued under the provision of the general mandate granted to the Directors at the Twenty-Seventh AGM held on 12 December 2025, which will lapse at the conclusion of the 28th AGM. Hence, no proceeds were raised therefrom.

**6. Ordinary Resolution 7 – Proposed Renewal of Existing Shareholders' Mandate**

This Ordinary Resolution 7 is primarily to give flexibility to the Board to enter into RRPT of a revenue or trading nature with the Directors/major shareholders or persons connected with the Directors/major shareholders of the Company ("Renewal RRPT Mandate").

Further information on the Renewal RRPT Mandate is contained in the Circular to Shareholders dated 18 November 2026.

**7. Ordinary Resolution 8 – Proposed Renewal of Authority for Share Buy-Back**

This Ordinary Resolution 8 will empower the Directors of the Company to purchase the Company's shares up to ten per centum (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Further information on the Proposed Renewal of Share Buy-Back is set out in the Share Buy-Back Statement dated 18 November 2026.

**Notes:**

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 1 December 2026 ("General Meeting Record of Depositors") shall be entitled to attend, speak and vote at this Meeting.
2. A Member, including an Authorised Nominee, may appoint not more than two (2) proxies to attend and vote instead of the Member or Authorised Nominee at the meeting on the same occasion.
3. Where a Member, an Authorised Nominee or an Exempt Authorised Nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.
4. A proxy may but need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at a meeting.
5. An Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account") may appoint one (1) or more proxies to attend on the same occasion. There is no limit to the number of proxies which an Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney so authorised.
7. The instrument appointing a proxy must be deposited at the office of the Poll Administrator, Boardroom Share Registrars Sdn Bhd of 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or submitted via email to bsr.proxy@boardroomlimited.com, not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
8. All resolutions set out in this Notice of AGM will be put to vote by way of poll pursuant to Bursa Securities' Main Market Listing Requirements.

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

**JAYCORP** Berhad
(Registration No. 199801003663 (459789-X))
(Incorporated in Malaysia)

| | |
|---|---|
| **CDS Account No.** | |
| **No. of Shares Held** | |

## PROXY FORM

(Before completing this form please refer to the notes below)

I/We * ..... NRIC No./Passport No./Registration. No. * .....
*(Full name in Block)*

of .....
*(Full Address)*

with Email Address : ..... Mobile Phone No.: .....

being a member/members* of **JAYCORP BERHAD** ("the Company") hereby appoint(s):

| **Full Name (in Block) :** | **NRIC No./Passport No. :** | **Proportion of Shareholdings** | |
|---|---|---|---|
| | | **No. of Shares** | **Percentage (%)** |
| **Full Address :** | | | |
| **Email Address :** | | | |
| **Mobile Phone No. :** | | | |

and/or*

| **Full Name (in Block) :** | **NRIC No./Passport No. :** | **Proportion of Shareholdings** | |
|---|---|---|---|
| | | **No. of Shares** | **Percentage (%)** |
| **Full Address :** | | | |
| **Email Address :** | | | |
| **Mobile Phone No. :** | | | |

or failing him/her, the Chairman of the Meeting as *my/our proxy to attend, speak and vote for *my/our behalf at the Twenty-Eighth Annual General Meeting ("AGM") of the Company to be held at Meeting Room 3, Level 2, Holiday Inn Melaka, Jalan Syed Abdul Aziz, 75000 Melaka, Malaysia on Thursday, 10 December 2026 at 10.30 a.m. or any adjournment thereof in the manner as indicated below:

| **ORDINARY RESOLUTIONS** | | **FIRST PROXY** | | **SECOND PROXY** | |
|---|---|---|---|---|---|
| | | **FOR** | **AGAINST** | **FOR** | **AGAINST** |
| 1. | Approval of the payment of Directors' Fees and Benefits of up to RM1,191,000 payable to the Directors, for the period from 1 August 2026 until the next AGM in 2027. | | | | |
| 2. | Re-election of Tan Sri Datuk (Dr.) Abdul Majid Khan who retires pursuant to Clause 125 of the Constitution of the Company. | | | | |
| 3. | Re-election of Yeo Aik Tan who retires pursuant to Clause 125 of the Constitution of the Company. | | | | |
| 4. | Re-election of Bianca Daniella Lind who retires pursuant to Clause 125 of the Constitution of the Company. | | | | |
| 5. | Appointment of Nexia SSY PLT as Auditors of the Company in place of the retiring Auditors, Crowe Malaysia PLT, and to authorise the Directors to fix their remuneration. | | | | |
| 6. | Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016. | | | | |
| 7. | Proposed renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature. | | | | |
| 8. | Proposed renewal of authority for share buy-back. | | | | |

Please indicate with an "X" in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Signature of Shareholder(s)/Common Seal ..... Dated this ..... day of ..... 2026

* *Strike out whichever is not applicable.*

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8. All resolutions set out in this Notice of AGM will be put to vote by way of poll pursuant to Bursa Malaysia Securities Berhad' Main Market Listing Requirements.

*Fold Here*

AFFIX
STAMP

The Poll Administrator
**JAYCORP BERHAD**
(Registration No. 199801003663 (459789-X))
**C/O BOARDROOM SHARE REGISTRARS SDN BHD**
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya, Selangor, Malaysia

*Fold Here*




**JAYCORP** Berhad
199801003663 (459789-X)

www.jaycorp.com.my