



**THONG GUAN
INDUSTRIES BERHAD**
199401038519 (324203-K)



SUSTAINABLE INDUSTRIAL PROGRESS



ANNUAL
REPORT
2025

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Ang Poon Chuan
Managing Director

Dato' Ang Poon Khim
Executive Director

Datuk Ang Poon Seong
Executive Director

Ang See Ming
Executive Director

**Tengku Muzzammil
Bin Dato' Tengku Makram**
Independent Non-Executive Director

Lee Kean Teong
Independent Non-Executive Director

Teoh Mei Shean
Independent Non-Executive Director

AUDIT COMMITTEE

Lee Kean Teong
(Chairman)

**Teoh Mei Shean
Tengku Muzzammil
Bin Dato' Tengku Makram**

NOMINATING COMMITTEE

Teoh Mei Shean
(Chairman)

**Tengku Muzzammil
Bin Dato' Tengku Makram
Lee Kean Teong**

REMUNERATION COMMITTEE

**Tengku Muzzammil
Bin Dato' Tengku Makram**
(Chairman)

**Teoh Mei Shean
Lee Kean Teong**

REGISTERED OFFICE

170-09-01 Livingston Tower,
Jalan Argyll,
10050 George Town, Penang.
T: 604 229 4390
F: 604 226 5860
E: boardroom-kl@boardroomlimited.com

PRINCIPAL PLACE OF BUSINESS

Lot 52, Jalan PKNK 1/6,
Kawasan Perusahaan Sungai Petani,
08000 Sungai Petani,
Kedah Darul Aman.
T: 604 441 7888
F: 604 441 9888

SHARE REGISTRAR

Shareworks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8,
Sri Hartamas 50480,
Kuala Lumpur.
T: 603 6201 1120
F: 603 6201 3121
E: sharereg@shareworks.com.my

JOINT COMPANY SECRETARIES

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

Lau Yoke Leng
(MAICSA 7034778)
(SSM PC No. 202008003368)

AUDITORS

KPMG PLT
LLP0010081-LCA & AF 0758
Chartered Accountants
Level 18, Hunza Tower,
163E Jalan Kelawei,
10250 Penang.

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Sector: Industrial Products
Stock Name: TGUAN
Stock Code: 7034
(Listing since 19 December 1997)



GROUP STRUCTURE AND PRINCIPAL ACTIVITIES



THONG GUAN INDUSTRIES BERHAD
199401038519 (324203-K)

Investment holding activities as well as trading of plastic and petroleum products.

100% **THONG GUAN PLASTIC & PAPER INDUSTRIES SDN. BHD.**
(198101007859) (73976-V)
Manufacturing and trading of plastic products.

- 100% **TG PLASTIC TECHNOLOGIES SDN. BHD.**
(200101001916) (537672-V)
Manufacturing and trading of plastic packaging products.
- 51% **TGW PLASTIC PACKAGING SDN. BHD.**
(201801028384) (1290410-D)
Manufacturing and trading of plastic packaging products.
- 49% **WINNER BRIGHT INTERNATIONAL INDUSTRIAL LIMITED******
Trading of plastic packaging products.
- 100% **TG GREENPACK SDN. BHD.**
(202101029991) (1430291-U)
Dormant.
- 100% **TG EUROPE A/S*******
Trading of plastic products.
- 100% **TG PACKAGING SOLUTION LLC *******
Trading of plastic products.

100% **UNIANG PLASTIC INDUSTRIES SDN. BHD.**
(198001003255) (57039-H)
Manufacturing and sale of film blown plastic products and flexible plastic packaging products.

85% **TG POWER WRAP SDN. BHD.**
(201001042929) (926857-K)
Manufacturing and marketing of polyvinyl chloride (PVC) cling food wrap.

70% **TGSH PLASTIC INDUSTRIES SDN. BHD.**
(200501002259) (679305-X)
Manufacturing and marketing of plastic packaging products.

100% **NEWTON RESEARCH & DEVELOPMENT CENTRE SDN. BHD.**
(201401047754) (1123943-X)
Research and development centre for plastic packaging industry.

100% **THONG GUAN PLASTIC INDUSTRIES (SUZHOU) CO., LTD.***
Manufacturing and trading of plastic packaging products.

100% **TGP PLASPACK (SUZHOU) CO., LTD.***
Manufacturing and trading of plastic packaging products.

100% **CARGOSAFE R&D (SUZHOU) CO., LTD.***
Dormant.

100% **SYARIKAT THONG GUAN TRADING SDN. BHD.**
(197601003548) (29442-K)
Manufacturing and trading of food and beverages products, trading of plastic products and wholesale of rice.

- 60% **EVERPROSPER FOOD INDUSTRIES SDN. BHD.**
(199601012190) (384539-H)
Manufacturing and trading of noodle products.
- 100% **EVERPROSPER MARKETING (M) SDN. BHD.**
(200001021686) (524293-A)
Dormant.

79% **THONG GUAN TRADING (THAILAND) COMPANY LIMITED*****
Manufacturing and trading of food and beverages products and plastic products.

100% **JAYA UNI'ANG SDN. BHD.**
(198301000881) (96114-P)
Trading in film blown plastic products, food and consumable products.

100% **TGP MARKETING SDN. BHD.**
(200001028901) (531508-T)
Dormant.

100% **TG PLASPACK (VIETNAM) CO., LTD.****
Dormant.

100% **TG PLASPACK MYANMAR CO., LTD*******
Dormant.

100% **888 FOOD INDUSTRIES SDN. BHD.**
(201301031367) (1061196-H)
Dormant.

90% **888 CAFE SDN. BHD.**
(200301033357) (635778-D)
Dormant.

100% **TG DEVELOPMENT SDN. BHD.**
(202201038927) (1484624-W)
Property development.

100% **PT. TGP PLASPACK LESTARI*******
Incorporated on 23 April 2025
Dormant



Note:

- * Incorporated in the People's Republic of China
- ** Incorporated in the Socialist Republic of Vietnam
- *** Incorporated in Kingdom of Thailand
- **** Incorporated in Hong Kong SAR of the People's Republic of China
- ***** Incorporated in Republic of the Union of Myanmar
- ***** Incorporated in Denmark
- ***** Incorporated in United States of America
- ***** Incorporated in Republic of Indonesia

FINANCIAL HIGHLIGHTS AND INDICATORS

In RM '000	2021	2022	2023	2024	2025
Revenue	1,214,944	1,386,523	1,240,581	1,281,464	1,201,008
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	154,398	159,519	133,997	130,923	117,814
Profit Before Taxation	125,218	124,435	91,666	87,706	76,481
Profit After Tax	98,012	101,661	72,205	67,304	61,209
Net Profit Attributable to Equity Holders	92,876	99,948	71,315	67,175	63,143
Total Assets	1,217,758	1,304,406	1,399,917	1,483,006	1,446,377
Total Borrowings	186,261	223,409	198,079	210,492	178,943
Shareholders' Equity	733,800	821,060	923,959	956,679	928,932

	2021	2022	2023	2024	2025
Return on Equity (%)	12.66	12.17	7.81	7.04	6.59
Return on Total Assets (%)	8.05	7.79	5.16	4.54	4.23
Gearing Ratio (Times)	0.25	0.27	0.21	0.22	0.19
Interest Cover (Times)	67.46	25.10	13.40	12.53	14.43
Earnings Per Share (Sen)	24.42	25.86	18.16	16.79	15.78
Net Assets Per Share (Sen)	189.55	210.27	233.66	238.19	234.96
Gross Dividend Per Share (Sen)	5.50	6.00	4.24	2.50	6.50
Price Earning (PE) Multiple (Times)	11.42	9.13	10.35	8.93	7.41
Gross Dividend Yield (%)	1.99	2.54	2.26	1.67	5.56
Share Price as at financial year end (RM)	2.77	2.36	1.88	1.50	1.17

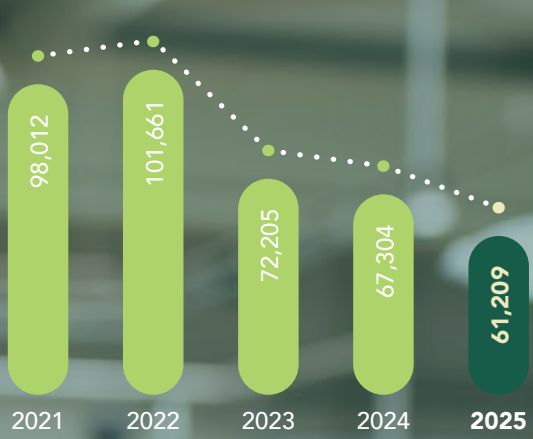


FINANCIAL HIGHLIGHTS AND INDICATORS

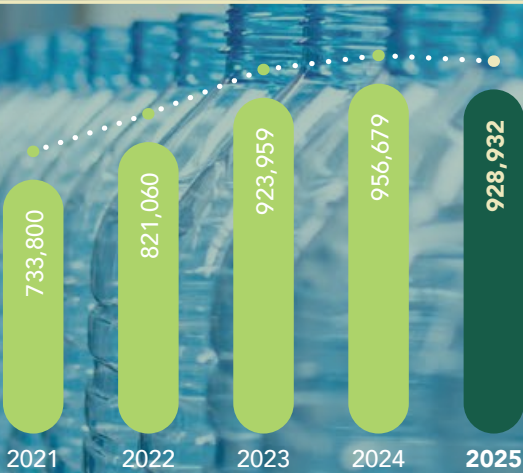
REVENUE (RM'000)



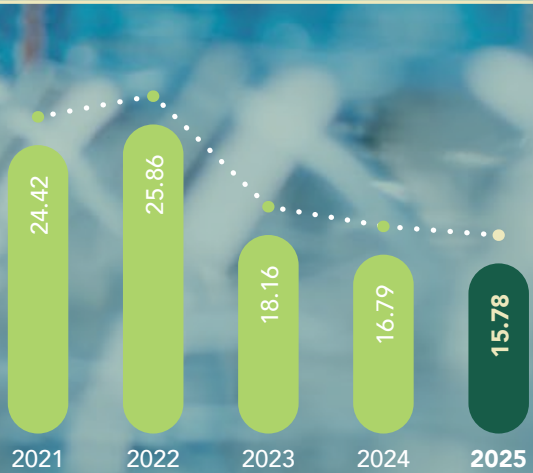
PROFIT AFTER TAX (RM'000)



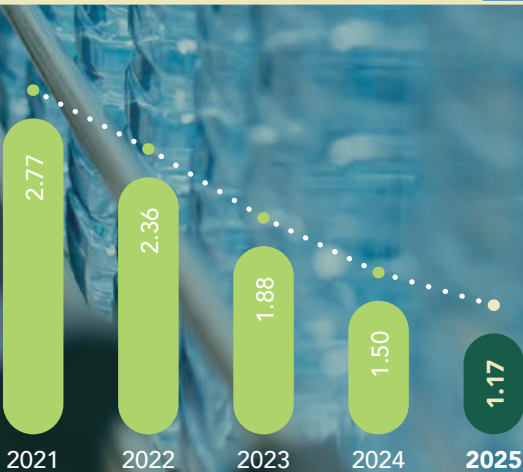
SHAREHOLDERS' EQUITY (RM'000)



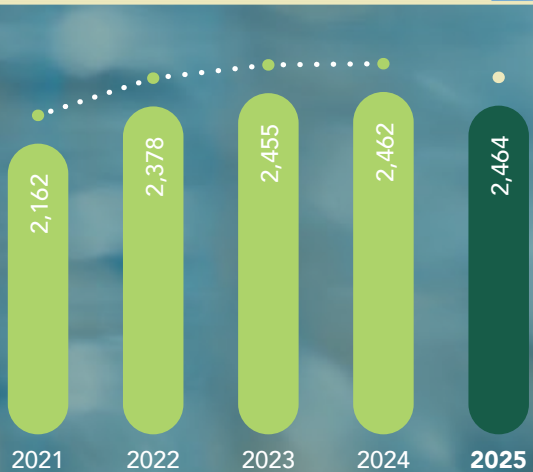
EARNINGS PER SHARE (SEN)



SHARE PRICE AS AT FINANCIAL YEAR END (RM)



HUMAN CAPITAL (HEADCOUNT)



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Thong Guan Industries Berhad (“the Group” or “Thong Guan” or “TGI”) carry a manufacturing and trading business which involve in plastic products and packaged food, beverages and other consumable products. The Group major activities as below: -

- Manufacturing and trading the plastic products which included Japan garbage bags, Industrial used bags, stretch films, PVC food wrap & courier bags;
- Manufacturing and trading of coffee and tea products;
- Distribution and trading of fast-moving consumer goods (FMCG); and
- Property development.



BUSINESS STRATEGIES

Thong Guan’s business strategy is based on the principle of creating value for our customers that safeguards not only their goods and returns but also the environment. During the financial year ended 31 December 2025 (“FY2025”), the Group business dealt with higher prices for goods and services, along with changing interest rates and ongoing global tensions, managing cost while handling economic uncertainties was tough, demanding smart planning and flexible strategies to stay competitive in a volatile world market. Despite these challenges, the Group remained focused on developing more high-quality products to protect its revenue and profitability. Furthermore, the Group also prioritized sustainability issues and aimed to help its customers build a green and sustainable business environment. (Refer to Sustainability Statement).

FINANCIAL REVIEW

	31.12.2025 RM'000	31.12.2024 RM'000	Variance RM'000	Variance %
Revenue				
Plastic products	1,033,939	1,132,648	(98,709)	(8.7)
Food, beverages and other consumable product	160,462	148,816	11,646	7.8
Others	6,607	-	6,607	-
Group	1,201,008	1,281,464	(80,456)	(6.3)
Profit before tax				
Plastic products	43,419	90,540	(47,121)	(52.0)
Food, beverages and other consumable product	29,778	12,605	17,173	136.2
Others	3,284	(15,439)	18,723	121.3
Group	76,481	87,706	(11,225)	(12.8)

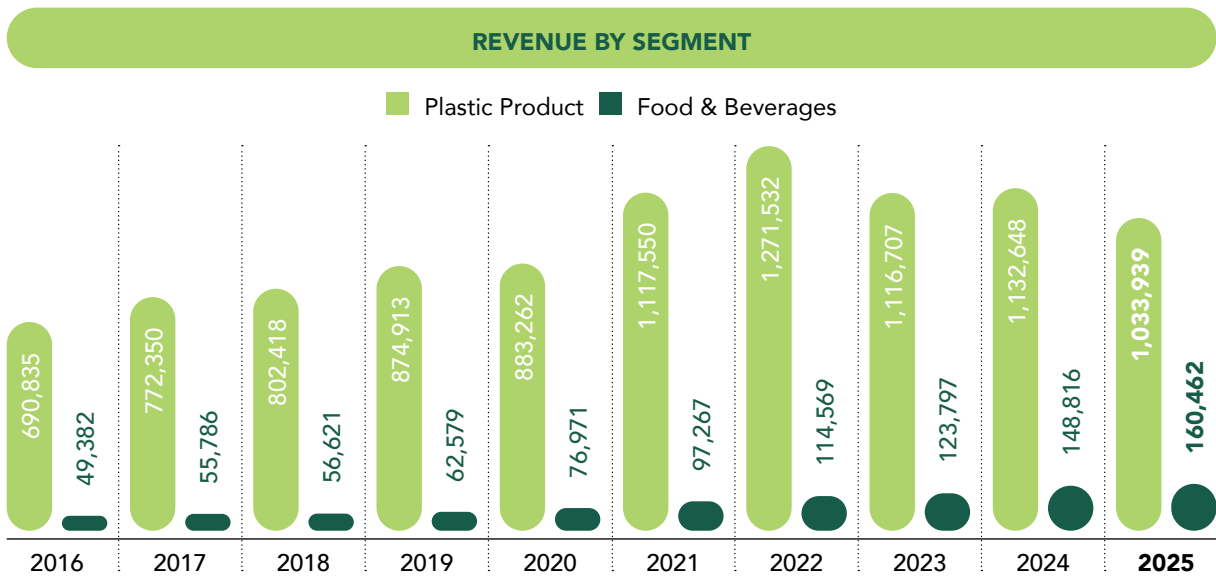
FINANCIAL REVIEW (CONT'D)

a) Revenue

The Group's financial performance for FY2025 reflects a resilient yet softer outcome relative to FY2024, amid a challenging operating environment.

Total revenue declined by 6.3% to RM1.20 billion, primarily attributable to an 8.7% contraction in the plastic products segment, which remains the Group's principal revenue contributor. This decline was partially offset by a 7.8% increase in revenue from the food, beverages and other consumable products segment, underpinned by stronger demand, alongside a modest contribution from the "others" segment.

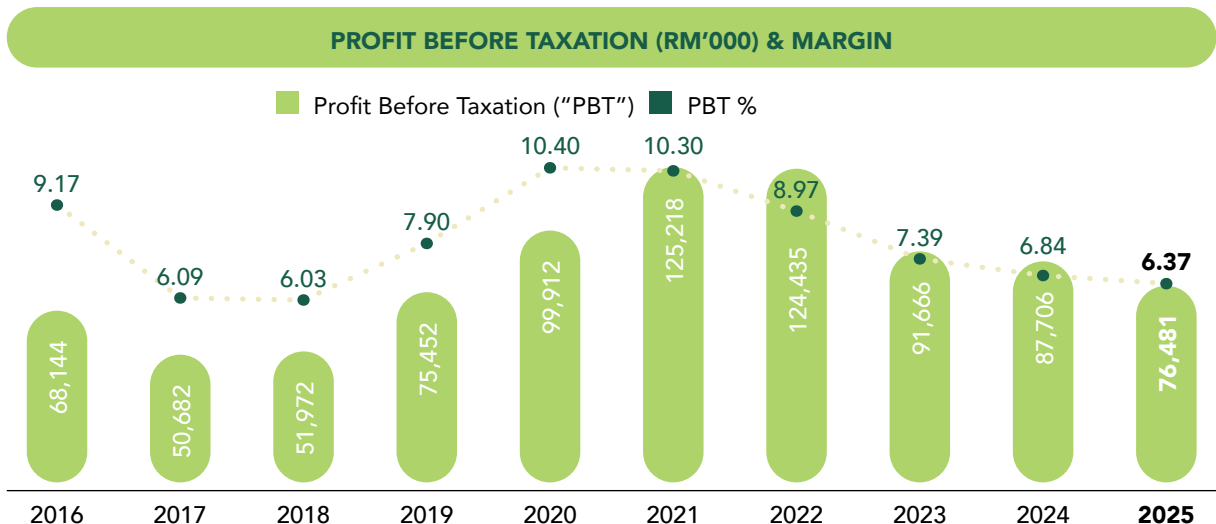
The chart below shows the Group major two segments revenue for the past 10 years.



b) Profit Before Taxation ("PBT")

Profit before tax decreased by 12.8% to RM76.5 million, largely driven by a substantial 52.0% reduction in profitability within the plastic products segment. Nevertheless, this was mitigated by robust earnings growth in the food, beverages and other consumable products segment, which recorded a significant increase in profit, as well as a turnaround in the "others" segment from a loss in the prior year to a profit position in the current year.

The following chart illustrates the Group's PBT and PBT margin for the past 10 years.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL POSITION

Assets

As of December 31, 2025, total assets had decreased 2.5% to RM1.45 billion, from RM1.48 billion in the previous year. The decrease in total assets was mainly due to a decrease in property, plant and equipment amounting to RM30.3 million due to decrease in effect of movement in exchange rate. The Group has a total of RM338.5 million in cash and cash equivalents. This strong cash reserve will enable the Group to carry out its strategic expansion plans in a timely manner and navigate any unpredicted economic downturns with ease.

Liabilities

As of December 31, 2025, total liabilities had decreased by 1.5% to RM489.2 million, down from RM496.6 million in the previous year.

Equity

As of December 31, 2025, total equity had decreased from RM986.4 million in FY2024 to RM957.2 million, representing decrease of 3%. The decreased in total equity was mainly due to loss from foreign currency translation difference recorded in FY2025 amounting RM56.6 million, dividend paid amounting RM26.0 million and purchased of own shares amounting RM7.2 million.

SHARE CAPITAL AND EARNING PER SHARE ("EPS")

Share Capital

The number of issued shares are 404.4 million as at 31 December 2025.

EPS

FY2025 basic EPS is 15.78 sen.



CASH FLOWS

Cash from operating activities

Net cash generated from operating activities increased significantly to RM147.5 million in FY2025, compared to RM60.9 million in FY2024. This improvement was primarily attributable to reduced purchases of raw materials during the year relative to the preceding financial year.

Cash used in investing activities

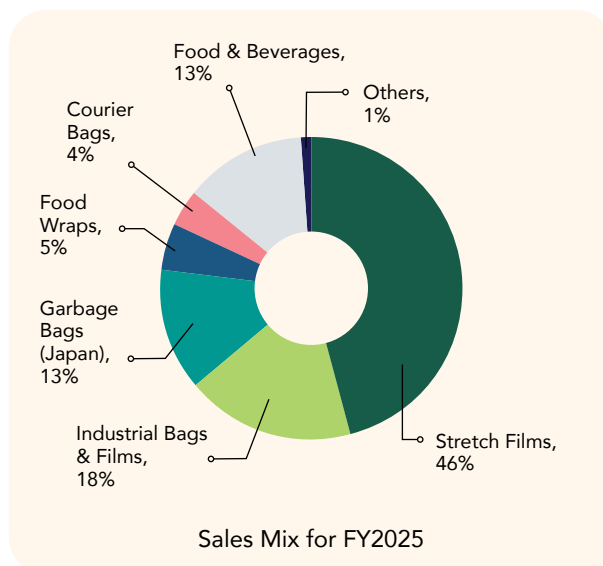
Net cash used in investing activities increased to RM37.8 million in FY2025, compared to RM27.8 million in FY2024. The higher outflow was primarily attributable to the acquisition of property, plant, and equipment amounting to RM34.6 million, slightly higher than RM33.7 million recorded in the previous financial year. In addition, the Group undertook investments totalling RM9.7 million during FY2025, further contributing to the overall cash outflow.

Cash from financing activities

Net cash used in financing activities increased significantly to RM68.6 million in FY2025, compared to RM9.7 million in FY2024. This higher outflow was primarily driven by a net repayment of loans and borrowings amounting to RM34.3 million, in contrast to a net drawdown of RM16.0 million recorded in the previous financial year.

Dividend payments in FY2025 amounting RM18.1 million, representing a decrease from RM22.0 million in FY2024, while interest paid also declined to RM8.2 million from RM10.4 million previously. Additionally, the Company undertook share buybacks during the year, purchasing its own shares amounting to RM7.2 million, which further contributed to the overall cash outflow in financing activities.

SALES MIX FOR FY2025



SALES MIX FOR FY2025 (CONT'D)

Plastic Division

The Group's plastic products comprise five main categories: stretch films, industrial bags, garbage bags, PVC food wraps, and courier bags. The revenue contribution from each category is 46%, 18%, 13%, 5%, and 4%, respectively.

Food, Beverage and other Consumable Products (F&B)

During the financial year, the F&B division has delivered an annual contribution of 13% to the Group's total revenue. This is due to increased sales of tea, coffee and instant beverage products.

DIVIDEND

The Group does not have an official dividend policy, it has consistently declared dividends to shareholders each year. On 18 July 2025 and 19 January 2026, the Group paid a first single-tier interim ordinary dividend of 4.50 sen per ordinary share and second single-tier interim ordinary dividend of 2.00 sen per ordinary share respectively, with a total dividend pay-out of RM25.98 million for FY2025.

In total, Thong Guan has returned around RM170.53 million to shareholders over a period of 10 years. The following chart illustrates the Group's dividend pay-out since FY2016.



MANAGEMENT DISCUSSION AND ANALYSIS

KEY RISK RELATING TO THE BUSINESS AND MITIGATION

a) Foreign Currency Risk

The Group is export-oriented, with approximately 70% of its revenue derived from overseas markets. A significant portion of the Group's transactions is denominated in United States Dollars ("USD"). As a result, the Group is exposed to foreign currency risk, whereby fluctuations in exchange rates may give rise to foreign exchange gains or losses upon the receipt and settlement of such transactions.

Risk Management and Mitigation Measures

In managing this exposure, the Group primarily adopts a natural hedging approach, whereby foreign currency inflows and outflows are matched, where practicable, to reduce net exposure. The Group also monitors its foreign currency positions on an ongoing basis and maintains prudent financial management practices to mitigate the impact of adverse currency movements.

Ongoing Monitoring

The Board recognises that foreign exchange risk is inherent in the Group's business operations and will continue to monitor currency movements and market conditions closely. Appropriate measures will be considered, where necessary, to manage the Group's exposure to foreign currency fluctuations.

b) High Business Concentration Risk

The Group derives a substantial portion of its revenue from the plastic products segment, which contributed approximately 86% of total Group revenue for the financial year under review. Within this segment, the stretch film division accounted for approximately 46% of total Group revenue. As such, the Group is exposed to concentration risk, whereby any adverse changes in demand, pricing, or market conditions for stretch film products may have a material impact on the Group's financial performance.

Risk Management and Mitigation Measures

In managing this risk, the Group continues to undertake research and development initiatives to enhance product quality, improve operational efficiency, and diversify its product offerings. The establishment of Newton Research and Development Centre Sdn. Bhd. supports these efforts by providing technical services and training to customers, including cargo safety, load stability, cost optimisation, and the responsible use of plastic-based products.

In addition, the Group has embarked on property development activities as part of its longer-term strategy to diversify its sources of income. The property development segment has contributed to the Group's revenue in the current financial year. However, as this segment is still in its early stage, its contribution remains relatively small and is not expected to significantly reduce the Group's reliance on the plastic products segment in the near term.

Ongoing Monitoring

The Board acknowledges the Group's continued reliance on the stretch film division and will continue to monitor market developments closely. While demand for stretch film products is presently expected to remain relatively stable, there are inherent uncertainties in the operating environment. The Group will continue to take appropriate measures, where necessary, to manage and mitigate the associated risks.

BUSINESS OUTLOOK

The global economic environment is expected to remain challenging in the near term, influenced by ongoing uncertainties in market conditions, cost pressures and external headwinds. In response, Management will continue to adopt a disciplined and proactive approach in managing the Group's operations, with a focus on cost optimisation, operational efficiency and risk mitigation. The Group will continue to strengthen its competitive position by enhancing core business capabilities while actively pursuing growth opportunities across both domestic and international markets. Strategic emphasis will be placed on expanding product offerings, improving productivity and leveraging market demand across all business segments.

Moving forward, Management remains cautiously optimistic on the Group's prospects. Barring any unforeseen circumstances, the Group expects its business segments to sustain their performance and progressively improve in line with its strategic objectives.

APPRECIATION

The Group extend its sincere appreciation to all valued customers, suppliers, financial institutions, regulatory authorities and stakeholders for their continued support and confidence in Thong Guan, which has enabled the Group to execute its strategic initiatives effectively. The Board also wishes to acknowledge the dedication and commitment of the management team and employees across the Group, whose contributions have been instrumental in driving operational performance and sustaining business growth. Finally, the Board expresses its gratitude to fellow Directors for their invaluable guidance, stewardship and insights throughout the year. Together, the Group remains committed to strengthening its performance and delivering sustainable value in the years ahead.

PROFILE OF DIRECTORS



Dato' Ang was appointed as the Managing Director on 18 September 1997.

DATO' ANG POON CHUAN

AGED 81 | MALE
MALAYSIAN

He completed his MCE prior to joining Thong Guan Industries Berhad ("TGI") as a Marketing Executive in 1965. He rose through the ranks to the position of Managing Directors of Syarikat Thong Guan Trading Sdn. Bhd. and Thong Guan Plastic & Paper Industries Sdn. Bhd. (both wholly-owned subsidiaries of TGI) in 1983. During his 61 years of service, he has gained extensive knowledge of the plastic, paper, food, beverages and trading business. His invaluable business acumen and foresight has shaped and build TGI to its present stature. He is a well-respected figure in the plastic industry and was the former President of the Malaysian Plastic Manufacturers Association (Northern Branch).

He attended three of the four Board meetings held for the financial year. He is the brother of Dato' Ang Poon Khim and Datuk Ang Poon Seong and the father of Ang See Ming. He is a shareholder of Foremost Equals Sdn. Bhd. which is a major shareholder of TGI. He has no conflict of interest with the Company other than as disclosed in note to the financial statement in the Annual Report and Circular to shareholders dated 30 April 2026 on recurrent related party transactions and does not hold any other directorship in public companies. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.



Dato' Ang was appointed as the Executive Director on 18 September 1997.

DATO' ANG POON KHIM

AGED 71 | MALE
MALAYSIAN

He obtained a Bachelor of Science (Hons) in Mechanical Engineering from Teeside University, U.K and joined Thong Guan in 1980. During his early career with the TGI, he demonstrated in-depth involvement in operations and international market expansion. He also spearheaded product development initiatives for stretch film products, driving innovation in the sector.

Recognising the critical importance of load and cargo safety, he established the Newton R&D Centre, a dedicated research and development division within TGI to ensure that packaging products deliver optimal safety and reliability during use.

In recent years, his contributions to TGI have included overseeing group operations and serving as a catalyst for advancing the group's ESG (Environmental, Social and Governance) and sustainability initiatives.

Currently serving as Executive Director of the Group, he also holds the position of Chairman of KISMEC (Kedah Industrial Skills and Management Development Centre), where he continues to champion workforce development and industrial excellence.

He attended all of the four Board meetings held for the financial year. He is the brother of Dato' Ang Poon Chuan and Datuk Ang Poon Seong. He is a shareholder of Foremost Equals Sdn. Bhd., which is a major shareholder of TGI. He has no conflict of interest with the Company other than as disclosed in note to the financial statement in the Annual Report and Circular to shareholders dated 30 April 2026 on recurrent related party transactions and does not hold any other directorship in public companies. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS

DATUK ANG POON SEONG

AGED 70 | MALE
MALAYSIAN

He is an accomplished business leader, currently serving as the Managing Director of Jaya Uni'ang Sdn. Bhd. and Uniang Plastic Industries Sdn. Bhd., both wholly-owned subsidiaries of TGI. He started as a Marketing Executive at Thong Guan after completing his MCE in 1976. Due to his exceptional performance, he quickly rose through the ranks and was soon tasked with spearheading the company's expansion into Sabah in 1980. With his visionary leadership and unwavering commitment, he successfully established the Sabah operations of TGI Group, which grew to become the largest plastic flexible packaging manufacturer in Sabah.

Under his stewardship, the Sabah operations of TGI Group significantly contributed to the state's economy and provided employment opportunities for many locals. Datuk Ang's dedication and expertise have also earned him various positions in industry associations, including Advisor of Small and Medium Enterprise Association of Sabah, Advisor of Malaysia China Chamber of Commerce (Sabah Branch) and Advisor of Sabah Liu Kwee Tang Clansmen Association. Moreover, he has previously served as Chairman of the Malaysian Plastics Manufacturers Association (Sabah Branch) and President of the Federation of Sabah Manufacturers, highlighting his valuable contributions to the growth and development of the plastics manufacturing industry in Sabah.

He attended all of the four Board meetings held for the financial year. He is the brother of Dato' Ang Poon Chuan and Dato' Ang Poon Khim. He is a shareholder of Foremost Equals Sdn. Bhd., which is a major shareholder of TGI. He has no conflict of interest with the Company other than as disclosed in note to the financial statement in the Annual Report and Circular to shareholders dated 30 April 2026 on recurrent related party transactions and does not hold any other directorship in public companies. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.



Datuk Ang was appointed as the Executive Director on 18 September 1997.

MR. ANG SEE MING

AGED 56 | MALE
MALAYSIAN

He holds a Bachelor of Business (Accounting) degree from Monash University, Australia. He joined TGI in 1993 as an Account Executive and rose through the ranks to become the General Manager prior to his appointment to the Board. He was instrumental in planning the listing of TGI on the Kuala Lumpur Stock Exchange and has contributed immensely to the growth of TGI.

He attended all of the four Board meetings held for the financial year. He is the son of Dato' Ang Poon Chuan and the nephew of Dato' Ang Poon Khim and Datuk Ang Poon Seong. He has no conflict of interest with the Company other than as disclosed in note to the financial statement in the Annual Report and Circular to shareholders dated 30 April 2026 on recurrent related party transactions and does not hold any other directorship in public companies. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.



Mr. Ang was appointed as the Executive Director on 11 December 2013.

PROFILE OF DIRECTORS



**TENGGU MUZZAMMIL
BIN DATO' TENGGU MAKRAM**

AGED 52 | MALE
MALAYSIAN

He graduated with a Diploma in Business Studies and Diploma in Marketing from Stamford Group of Colleges. He started his career at Pembinaan Jayabumi (S) Sdn. Bhd. in 1996 as Marketing Executive. Thereafter, in 1997, he assumed the role as Special Project Executive in FACB Berhad. In 1998, he joined R. AT Design Sdn. Bhd. as an Assistant Manager and was promoted to General Manager in 2002. He is the owner of TM Med Sdn. Bhd. which specialized in the provision of medical supplies to government hospital. He currently sits on the Board of Tropicana Golf Sdn Bhd, 7 Eleven (M) Sdn Bhd and Seri Libana Sdn Bhd. He appointed as Chairman of Yayasan Infaq Nasional on 3rd March 2025.

He serves as the Chairman of Remuneration Committee and is a member of the Audit Committee and Nominating Committee. He attended all the four Board meetings held for the financial year. He does not have any family relationship with any director and/or major shareholders of the Company. He has no conflict of interest with the Company. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

Tengku Muzzammil was appointed as the Independent Non-Executive Director on 25 August 2016.



**MR. LEE
KEAN TEONG**

AGED 67 | MALE
MALAYSIAN

He was with KPMG Malaysia for more than 35 years and was a partner until his retirement on 31 December 2014. He qualified as a Chartered Accountant of Malaysia Institute of Accountants (MIA) and is also a member of Malaysian Institute of Certified Public Accountants (MICPA).

He has extensive experience in audit and management consulting throughout his career. He was the engagement partner for a wide range of companies which include public listed companies and multinationals in various industries, mainly in manufacturing, property development and construction, hotel, stock broking and finance. He currently sits on the Board of Asas Dunia Berhad and Oriental Holdings Berhad.

He serves as the Chairman of Audit Committee and is a member of the Remuneration Committee and Nominating Committee. He attended all of the four Board meetings held for the financial year. He does not have any family relationship with any director and/or major shareholders of the Company. He has no conflict of interest with the Company. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

Mr. Lee was appointed as the Independent Non-Executive Director on 28 November 2022.

PROFILE OF DIRECTORS

MS. TEOH MEI SHEAN

AGED 48 | FEMALE
MALAYSIAN

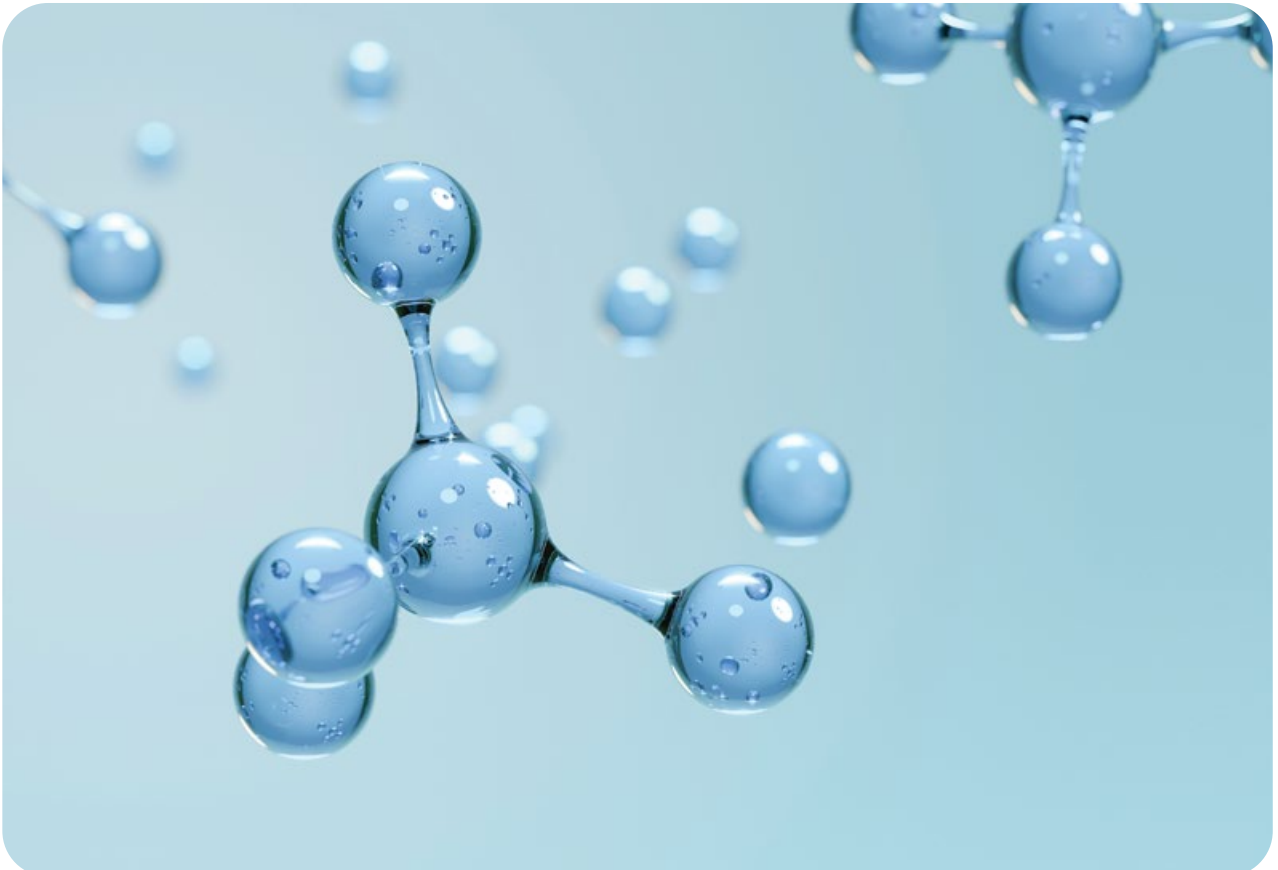
She graduated with a Bachelor of Architectural Studies (Hons) and a Diploma in Architecture from the University of Glasgow, Scotland. She is a member of the Board of Architects Malaysia and the Malaysian Institute of Architects, and is also a Board Member of the Lembaga Totalisator Malaysia of the Ministry of Finance.

She started her career at Keppie Design Ltd. in Glasgow for a year before returning to Malaysia in 2002. On her return from the United Kingdom, she joined M.K.Teoh Architect as Project Architect for 6 years, before joining Arkitek ZAA Sdn Bhd in 2008. She is one of the main consulting architects leading the practice currently and has extensive experience in design and project management on a variety of projects specialising in hospitality, institutional and residential buildings.

She serves as the Chairman of Nominating Committee and a member of the Audit Committee and Remuneration Committee. She attended all of the four Board meetings held for the financial year. She does not have any family relationship with any director and/or major shareholders of the Company. She has no conflict of interest with the Company. She has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.



Ms. Teoh was appointed as the Independent Non-Executive Director on 28 November 2022.





**THONG GUAN
INDUSTRIES BERHAD**
Registration No. 199401038519 (324-203-K)



FY2025 SUSTAINABILITY STATEMENT

LIVE GREEN

A SUSTAINABILITY ADVOCATOR'S JOURNEY

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OUR SUSTAINABILITY COMMITMENT

The Group is committed to creating long-term sustainable value by integrating environmental, social and governance (“ESG”) considerations into its business strategy and operations.

“We strive to operate responsibly by advancing product innovation, fostering a safe and inclusive workplace, and upholding strong governance practices. Our efforts focus on improving resource efficiency, reducing emissions and waste, and ensuring responsible management of environmental and social impacts across our value chain.

Through these commitments, we aim to strengthen resilience, support our stakeholders and contribute to a more sustainable and responsible future.”

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About Us

Who We Are

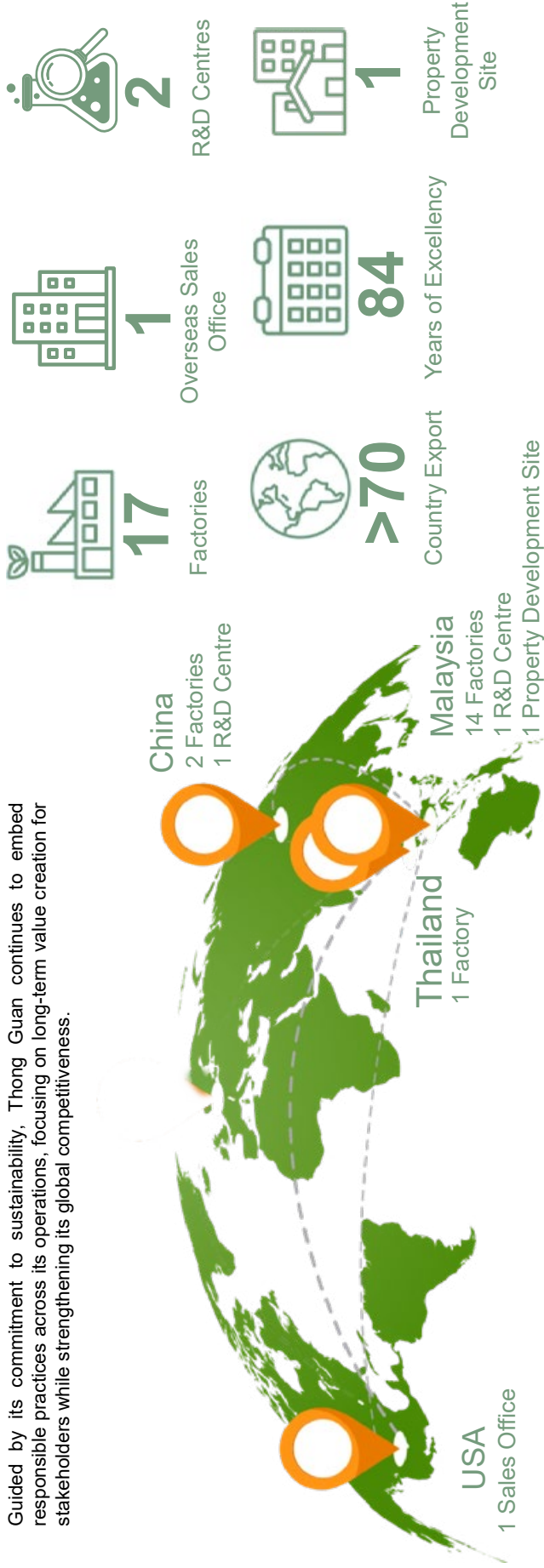
Thong Guan Industries Berhad ("Thong Guan", the "Group", "we", "us", or "our") is a Malaysian public-listed company with over 80 years of business excellence. The Group is a well-diversified manufacturer of plastic packaging products for industrial and commercial applications, complemented by its consumer food and beverage ("F&B") business.

With a strong international presence, Thong Guan exports to more than 70 countries, supported by an extensive manufacturing footprint and continuous innovation in packaging solutions.

In 2025, the Group refined its European market approach by reorganised its sales and R&D presence in Europe and transitioning towards a partnership-driven model. Working closely with local partners enhances market access, improves responsiveness to customers and provides greater cost efficiency within the region.

The Group has also initiated its property development venture as part of its efforts to diversify income streams.

Guided by its commitment to sustainability, Thong Guan continues to embed responsible practices across its operations, focusing on long-term value creation for stakeholders while strengthening its global competitiveness.



LOOKING BACK WITH PRIDE. MOVING FORWARD WITH PURPOSE.

FY2025 was a year that tested the resilience of industries across the globe. Slower economic growth, volatile commodity markets and cautious purchasing behaviour from customers created a challenging operating environment, particularly for the plastic packaging industry.

Within this context, our Plastic Division experienced margin pressure, largely influenced by the global economic slowdown, fluctuations in foreign exchange rates and rising operational costs throughout the year. While these factors affected the pace of growth in certain markets, the Group remained focused on strengthening operational discipline, improving cost efficiency and maintaining our commitment to product quality and customer service.

Encouragingly, the impact of these challenges was cushioned by the strong performance of our Food & Beverage (F&B) Division. Lower raw material costs resulting from the stronger Malaysian Ringgit, coupled with robust consumer demand through digital commerce platforms, supported improved performance in this segment. Online sales channels such as Tik Tok Shop, Shopee and other e-commerce platforms continued to gain traction, reflecting the evolving dynamics of consumer purchasing behaviour and opening new avenues for growth.

Throughout the year, we continued to strengthen our operational foundations while advancing our sustainability. Across our production sites, we implemented initiatives to improve production consistency, optimise resource utilisation and reduce operational waste. At the same time, we expanded solar generation capacity in key facilities as part of our ongoing efforts to improve energy efficiency and reduce environmental impact.

Message from the MANAGING DIRECTOR



With discipline, innovation and a shared commitment to sustainability, we move forward into FY2026 with confidence and determination.

Sustainability remains embedded in our long-term strategy. As the global packaging industry transitions toward a more circular model, we recognise both the responsibility and opportunity to play a proactive role. We continue to support the development of recyclable packaging solutions, promote the use of post-consumer recycled (PCR) materials and collaborate with stakeholders across the value chain to advance circular packaging systems.

Within this broader packaging landscape, stretch film, our core product segment continues to evolve rapidly. Traditional performance indicators such as stretch ratios alone are no longer sufficient measures of efficiency. Today, greater emphasis is placed on containment force, post-stretch thickness, load stability and overall material optimisation. This shift reflects the increasing demand for high-performance solutions that balance efficiency, cost and sustainability, aligning well with our strengths in film engineering, materials expertise and technical innovation.

Looking ahead, FY2026 is expected to remain a challenging year. Ongoing geopolitical tensions, evolving trade policies and potential disruptions to global supply chains continue to create uncertainty across international markets. Conflicts and geopolitical developments in several regions have also contributed to volatility in energy prices, logistics costs and international trade flows. These factors may continue to influence global demand patterns and operational costs across the manufacturing sector.

In response, we remain vigilant and proactive in strengthening our enterprise risk management framework and ensuring that our operations remain agile and resilient. Our diversified business structure, supported by both industrial packaging and consumer-focused businesses, provides a strong foundation to navigate market volatility. Through prudent financial management, disciplined operational execution and continuous innovation, we believe the Group is well positioned to withstand external challenges while pursuing sustainable growth.



Dato' Ang Poon Chuan
Managing Director
Thong Guan Industries Berhad



**THONG GUAN
INDUSTRIES BERHAD**
Registration No. 1994010089 (24-03-14)

AS WE MOVE INTO FY2026, SEVERAL STRATEGIC PRIORITIES WILL GUIDE OUR DIRECTION.

Strengthening market diversification and global customer partnerships

In an increasingly uncertain geopolitical environment, diversifying our market presence remains a key priority. We will continue expanding our presence across key international markets to reduce concentration risks while deepening long-term relationships with global customers.

Enhancing supply chain resilience and operational flexibility

Given the potential disruptions arising from geopolitical developments and trade policy changes, we will continue strengthening supply chain resilience through diversified sourcing, improved logistics planning and enhanced operational flexibility across our production network.

Advancing circular packaging and sustainable materials

Regulatory developments across major markets, particularly in Europe, are accelerating the transition toward recyclable packaging and increased recycled content. We will continue investing in capabilities that support PCR integration and sustainable packaging innovation.

Enhancing operational efficiency and energy management

Operational excellence remains central to our competitiveness. Through ongoing process optimisation, energy efficiency initiatives and renewable energy investments, we aim to improve both cost competitiveness and environmental performance.

Expanding technical services and load stability expertise

Through the Newton Research Centre, we will further strengthen our capabilities in load stability testing and validation, helping customers optimise packaging performance while reducing material consumption.

Leveraging digital platforms and evolving customer engagement

The rapid growth of e-commerce platforms highlights the importance of digital engagement and responsive supply chains. We will continue exploring digital channels to better serve our customers and strengthen market connectivity.

Developing people and strengthening sustainability competencies

Our employees remain the driving force behind our progress. We will continue investing in safety culture, technical capability and sustainability awareness to ensure our workforce is equipped to meet the demands of a rapidly changing industry.

Against this backdrop, our commitment remains clear. We will continue investing in innovation, strengthening our operational resilience and working collaboratively with customers, suppliers and stakeholders to advance a more sustainable packaging ecosystem. I would like to extend my sincere appreciation to our employees, customers, partners and stakeholders for their continued support and trust throughout FY2025. Your dedication and collaboration have enabled us to navigate challenges



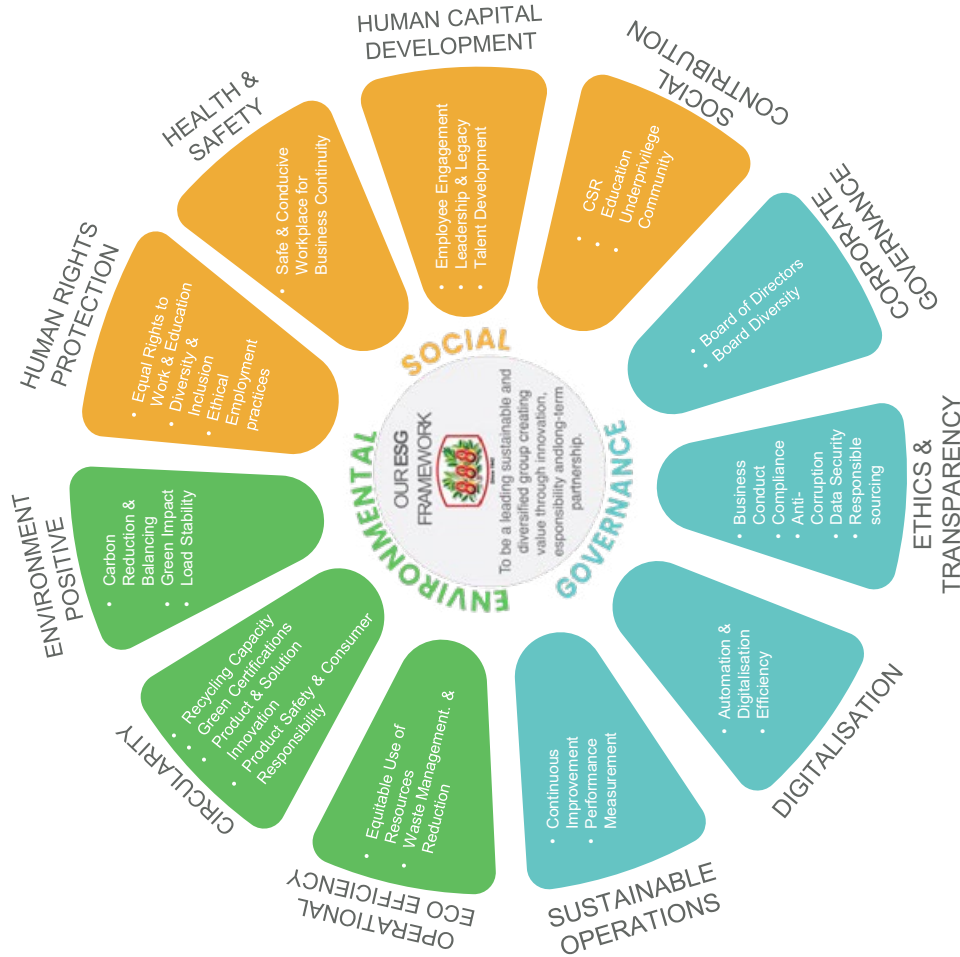
Dato' Ang Poon Chuan
Managing Director
Thong Guan Industries Berhad



Our ESG Framework

#LiveGreen Roadmap

Our Environmental, Social, and Governance Framework outlines our goal, key initiatives, and strategic action plans encompassing factors related to environmental, social and governance. The aim is to make sustainability easier to achieve through sharing of our successes, document the pitfalls encountered and challenges met, and how we overcome them for future improvements.



Our Core Strategies

Matching our core strategies with United Nation (UN) Sustainability Development Goals (SDGs)

We align our core strategies with the United Nations Sustainable Development Goals (SDGs) to drive sustainable growth across our diversified business segments. Our approach focuses on delivering sustainable products and solutions, enhancing operational efficiency, strengthening strategic partnerships, and creating long-term value for our stakeholders

Our Initiatives

TG as a stakeholder and steward of the planet, our sustainability and corporate citizenship initiatives encompass these areas.

- Sustainable Products & Circular Economy
- Climate Action & Energy Efficiency
- Health, Safety & Well Being
- People & Talent Development
- Responsible Supply Chain & Partnerships
- Corporate Governance & Transparency

SUSTAINABLE DEVELOPMENT GOALS



About Our Sustainability Statement

TG Sustainability statement aims to deliver a clear understanding of our sustainability commitments, ambitions, actions, and progress. This Statement outlines our strategies for managing our operations, encompassing matters related to the economy, the environment, the social and governance issues. At Thong Guan, sustainability is embedded in all our business activities so that we can foster meaningful and long-lasting relationships with all our stakeholders and contribute to national growth.

Reporting Guidelines, Guiding Principles, Frameworks, Standards and Sustainability-related Indices

This Report has been prepared with reference to internationally recognised guidelines, principles, frameworks, standards and sustainability-related indices.

Global Goals

- United Nations Sustainable Development Goals (UN SDGs)

Reporting Frameworks

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Bursa Malaysia's Sustainability Reporting Guide (3rd Edition)
- Global Reporting Initiative (GRI) Standards 2021
- International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards
 - IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1)
 - IFRS S2 *Climate-related Disclosures* (IFRS S2) collectively referred to as the *ISSB Standards*.
- Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations (now incorporated into IFRS S2)
- Malaysian Code on Corporate Governance (MCCG) by the Securities Commission Malaysia
- Sustainability Accounting Standards Board (SASB)

Sustainability-related Indices

- FTSE4Good Bursa Malaysia (F4GBM) Index

SUSTAINABILITY STATEMENT

The Group commenced the adoption of the IFRS Sustainability Disclosure Standards in the financial year ended 31 December 2025 ("FY2025"), representing a significant milestone in aligning its sustainability reporting practices with globally recognised standards.

As part of this initial phase, the Group has begun applying the core principles of both IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures, focusing on strengthening governance, risk management and disclosure of sustainability-related risks and opportunities.

While meaningful progress has been made, the Group's adoption of IFRS S1 and IFRS S2 remains at a developing stage and is not yet fully comprehensive. The Group is progressively enhancing its reporting processes, data management systems and internal capabilities to achieve fuller alignment with these standards over time, taking into consideration internal readiness, data availability and evolving regulatory expectations.

At the national level, the National Sustainability Reporting Framework ("NSRF") outlines Malaysia's strategic approach towards the adoption of IFRS S1 and IFRS S2 issued by the International Sustainability Standards Board ("ISSB"). The NSRF establishes a baseline for consistent, comparable and reliable sustainability reporting, with the objective of enhancing investor confidence and strengthening Malaysia's competitiveness in global capital markets.

This report aims to provide stakeholders with a clear overview of our sustainability approach and the progress we have made in advancing our sustainability commitments. The disclosures included in this GRI Content Index cover the reporting period from 1 January 2025 to 31 December 2025 and have been prepared with reference to the GRI Universal Standards 2021.

About Our Sustainability Statement

Reporting Period, Scope & Boundaries

Information in this statement primarily reflects the sustainability performance of Thong Guan Industries Berhad during the period of 1 January 2025 to 31 December 2025. The sustainability-related financial disclosures cover the same reporting entity and are prepared on the same consolidation basis as the Group's annual consolidated financial statements. This boundary includes all subsidiaries and an associate as detailed in the Notes to the Financial Statements. Our reporting encompasses all business segments, including plastic packaging, food & beverages, and other non-reportable segments across all operational geographies.

In identifying the climate-related risks and opportunities that could reasonably be expected to affect our prospects, the Group has referred to and considered the applicability of the industry-based disclosure topics defined in the *IFRS S2 Industry-based Guidance on Implementing Climate-related Disclosures*, which is derived from the Sustainability Accounting Standards Board (SASB) Standards for the Containers & Packaging industry. This approach ensures our disclosures are relevant to our sector and our investors.

To strengthen the management of sustainability-related risks and opportunities, Thong Guan has established defined time horizons to indicate when such matters are expected to arise. These timeframes are integrated into the Group's strategic planning and decision-making processes to support long-term sustainability and value creation:

- Short term: 0 to 5 years
- Medium term: 5 to 10 years
- Long term: Beyond 10 years

For selected environmental goals, the Group has established targets based on different baseline years, depending on when the respective initiatives were implemented. Most targets are measured against a FY2021 baseline, while certain targets, such as waste management and talent development effort are based on a FY2022 baseline, reflecting the timing of when these targets were formalised.

The status and progress against these targets are reviewed and disclosed in this Report to enhance transparency and enable meaningful comparison over time.

All financial information and disclosures presented in this Report are expressed in Malaysian Ringgit ("MYR"), consistent with the currency used in Thong Guan's consolidated financial statements.

SUSTAINABILITY STATEMENT

Restatements of Information

Historical information from previous years is included where applicable to provide a basis for comparison. There are no restatements of information from prior periods unless explicitly noted.

Assurance

The information in this Statement has been reviewed by the Thong Guan Risk Management Task Force. This Statement has yet to be externally assured. We strive to improve our data collection in Thong Guan to ensure completeness and accuracy for future external assurance.

Forward-Looking Statements

This report includes forward-looking statements intended to provide stakeholders with insights into our perspectives and plans for the future. These statements are no guarantees or definitive predictions of Thong Guan's future performance and readers are advised to interpret them with caution and avoid placing undue reliance on them.

Report Contact

If you have any questions, comments or feedback regarding the report, please contact: info@thongguan.com

Sustainability Governance Sustainability Governance Framework

The Group has established a structured sustainability governance framework to ensure robust oversight, effective management and integration of sustainability-related risks and opportunities into its overall strategic direction, financial performance and long-term value creation.

This governance framework support informed decision-making by enabling the Board and Management to evaluate and consider trade-offs between climate-related initiatives and financial performance, ensuring a balanced approach to growth, risk management and sustainable development.

The Group adopts a three-tier governance structure comprising the Board of Directors, Management and Operational levels. This structure facilitates clear accountability, effective oversight and continuous monitoring of sustainability-related risks and opportunities across the organisation.

Role	Key Responsibilities	Composition
<p>Board of Directors (Highest Governance Body)</p> <p>The Board of Directors retains ultimate responsibility for the oversight of sustainability-related matters, including climate-related risks and opportunities, and ensures that these are integrated into the Group's strategic planning and decision-making processes.</p>	<ul style="list-style-type: none"> Reviewing and approving the Group's sustainability strategies, policies and targets Overseeing sustainability-related risks and opportunities, including the assessment of strategic trade-offs between climate-related initiatives and financial performance Providing advice and direction on sustainability matters in line with the Group's long-term strategic agenda Reviewing sustainability performance, including key performance indicators ("KPIs"), to ensure alignment with both short-term financial objectives and long-term value creation 	<ul style="list-style-type: none"> Executive Directors Non-Executive Directors
<p>Risk Management Task Force (Management Level)</p> <p>The Risk Management Task Force is responsible for supporting the Board in the assessment, management and monitoring of sustainability-related risks and opportunities, ensuring that these are embedded within the Group's enterprise risk management and business strategy.</p>	<ul style="list-style-type: none"> Identifying, assessing and prioritising sustainability-related risks and opportunities across the Group Developing sustainability strategies, policies, targets and action plans for Board approval Undertaking actions necessary to address sustainability concerns and ensuring the robustness of the sustainability management system Monitoring implementation and performance against established targets and KPIs Reporting to the Board on sustainability matters, including progress, challenges and emerging risks 	<ul style="list-style-type: none"> Executive Directors Divisional Heads General Manager Senior Sustainability Manager Heads of Departments
<p>Sustainability Leaders (Operational Level)</p> <p>Sustainability Leads at the operational level are responsible for executing sustainability strategies and ensuring that sustainability considerations are embedded into day-to-day business operations.</p>	<ul style="list-style-type: none"> Implementing sustainability initiatives, programmes and action plans across the Group Collecting, validating and reporting sustainability-related data to support accurate disclosures Ensuring adherence to internal sustainability policies, procedures and guidelines Identifying opportunities for continuous improvement and enhancing sustainability performance 	<ul style="list-style-type: none"> Operation leaders Key department representatives



The Group adopts a top-down governance approach supported by structured bottom-up reporting mechanisms to ensure effective oversight and accountability:

- The **Board of Directors** provides strategic oversight and sets the overall sustainability direction
- The **Risk Management Task Force** translates strategic priorities into actionable plans and monitors implementation
- The **Operational teams** execute initiatives and provide timely reporting on performance and emerging issues

This governance structure ensures that sustainability-related risks and opportunities are systematically identified, assessed, managed and monitored across the short, medium and long term. The Group remains committed to strengthening its sustainability governance practices through ongoing enhancements to its risk management processes, data management systems and internal controls, to support high-quality, decision-useful disclosures and long-term resilience.

Materiality Assessment

Thong Guan's materiality assessment process is conducted by the Risk Management Task Force to identify and prioritise sustainability-related risks and opportunities that may affect the Group's business strategy, financial performance and long-term enterprise value, in line with Bursa Securities' Sustainability Reporting Guide and evolving global standards including IFRS Sustainability Disclosure Standards.

The assessment considers:

- emerging global trends;
- ESG rating agency requirements;
- stakeholder concerns and expectations; and
- potential financial impacts on the Group's operations, cost structure, revenue and capital investment.

Each material matter is evaluated based on:

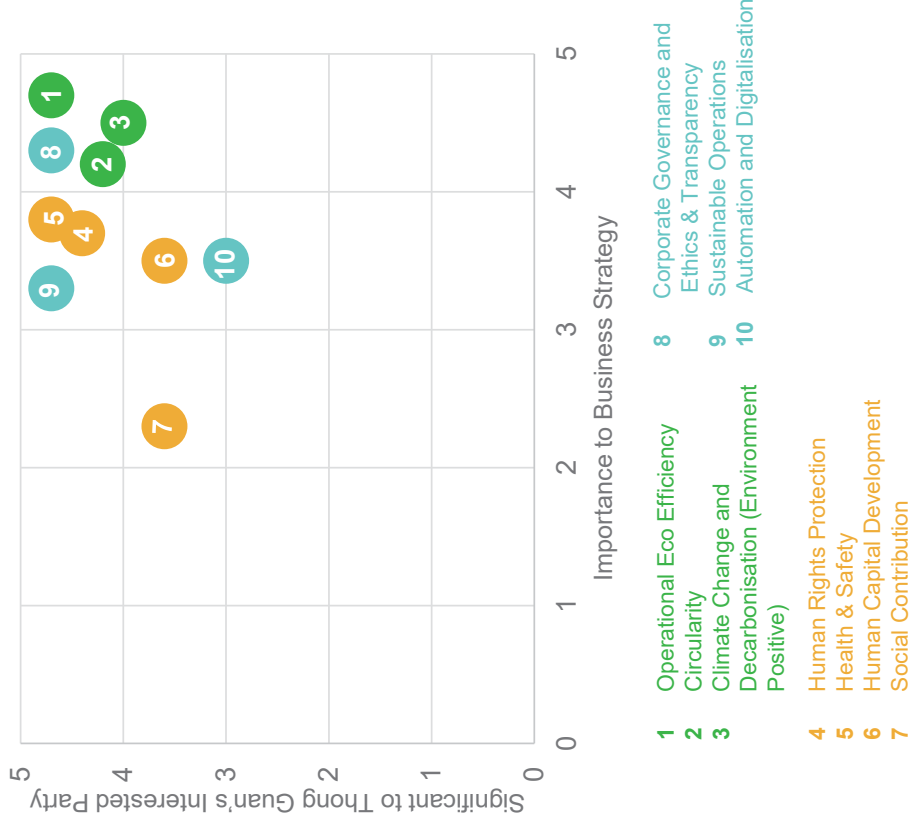
- its significance to stakeholders; and
- its potential impact on the Group's business strategy, operational performance and financial outcomes.

The Risk Management Task Force identifies and ranks sustainability matters by considering:

- risks and opportunities across the Group's operations and value chain; and
- their potential to affect the Group's ability to create value over the short, medium and long term.

In FY2025, there were no changes in the top 10 material matters. This reflects the continued relevance of the Group's key sustainability risks and opportunities, particularly in areas such as climate change, circularity and operational efficiency, which remain critical to the Group's strategy and cost structure.



SUSTAINABILITY STATEMENT



Materiality Assessment

The table below offers a concise overview of Thong Guan's material matters and their significance. These 10 material matters align with supporting UN Sustainable Development Goals (SDGs), which aim to eradicate poverty, safeguard the environment and climate, and promote peace and prosperity for all people.









Environment	Material Matter	Description on its significance	Responses
   	Operational Eco Efficiency	<p>In manufacturing operations, efficient resource utilisation, waste management and product stewardship are critical to maintaining operational performance and cost efficiency. Optimising the use of materials, energy and water supports improved productivity and reduces operating costs, while minimising environmental impact. Efficient waste management and reduction strategies help conserve resources, reduce disposal costs and mitigate regulatory risks.</p> <p>Product stewardship, which involves managing the full lifecycle of products from design to disposal, supports compliance with evolving environmental requirements and enhances customer trust. These practices strengthen operational resilience, improve cost competitiveness and reinforce the Group's position as a responsible and efficient manufacturer.</p>	<ul style="list-style-type: none"> Enhance resource efficiency through process optimisation and waste reduction initiatives Implement monitoring of energy, water and material consumption Improve production efficiency to reduce environmental impact
   	Circularity	<p>Circularity and recycling are key priorities in the plastic manufacturing industry, particularly in addressing regulatory pressures and shifting customer demand for sustainable products. The adoption of circular economy principles, including the increased use of post-industrial recycled (PIR) and post-consumer recycled (PCR) materials, supports waste reduction and resource efficiency.</p> <p>However, the transition towards circularity may involve higher material costs and operational challenges, requiring investment in technology and process optimisation.</p> <p>At the same time, it presents opportunities to enhance product offerings, meet customer requirements and strengthen market competitiveness. These initiatives contribute to long-term sustainability while supporting the Group's ability to manage cost, regulatory exposure and evolving market expectations.</p>	<ul style="list-style-type: none"> Increase utilisation of PIR and PCR materials Strengthen supplier engagement to ensure quality recycled inputs Invest in recycling capabilities and production technology Optimise material mix to balance cost and performance

Environmental	Material Matter	Description on its significance	Responses
   	Climate Change and Decarbonisation (Environment Positive)	<p>Greenhouse gas (GHG) emissions arising from manufacturing operations and supply chain activities, together with energy consumption and water usage, contribute to climate-related risks and resource constraints.</p> <p>Managing energy consumption and improving efficiency are critical in reducing the Group's carbon footprint and mitigating exposure to rising energy costs and potential carbon-related regulations.</p> <p>Climate-related risks, including both transition and physical risks, may affect operational continuity, cost structure and supply chain resilience.</p> <p>Addressing these risks supports long-term business sustainability and aligns with evolving regulatory and market expectations.</p>	<ul style="list-style-type: none"> Conduct climate scenario analysis and integrate into risk management Improve energy efficiency and monitor emissions Enhance climate-related disclosures in line with IFRS S2 Implement energy digitalisation to improve efficiency (FY2026)
  	Human Rights Protection	<p>Upholding human rights and ensuring fair and ethical treatment of employees are fundamental to maintaining a stable and productive workforce.</p> <p>Effective human rights practices support compliance with regulatory requirements, reduce operational and reputational risks, and enhance employee engagement and retention.</p>	<ul style="list-style-type: none"> Strengthen policies on labour rights and ethical practices Conduct regular audits and employee training Ensure compliance with labour and human rights standards
 	Health & Safety	<p>Ensuring a safe and healthy workplace is essential to safeguarding employee well-being and maintaining operational continuity.</p> <p>Strong health and safety practices reduce the risk of workplace incidents, minimise operational disruptions and support productivity, while enhancing the Group's ability to attract and retain talent.</p>	<ul style="list-style-type: none"> Maintain safety management systems and regular audits Conduct safety training programmes Implement preventive measures to reduce incidents
	Human Capital Development	<p>Attracting, developing and retaining talent is critical to sustaining operational performance and supporting business growth.</p> <p>Investment in training and leadership development enhances workforce capability, reduces turnover-related costs and enables the Group to adapt to evolving business and industry requirements.</p>	<ul style="list-style-type: none"> Enhance training and leadership programmes Strengthen employee engagement and retention strategies Develop succession planning frameworks

SUSTAINABILITY STATEMENT

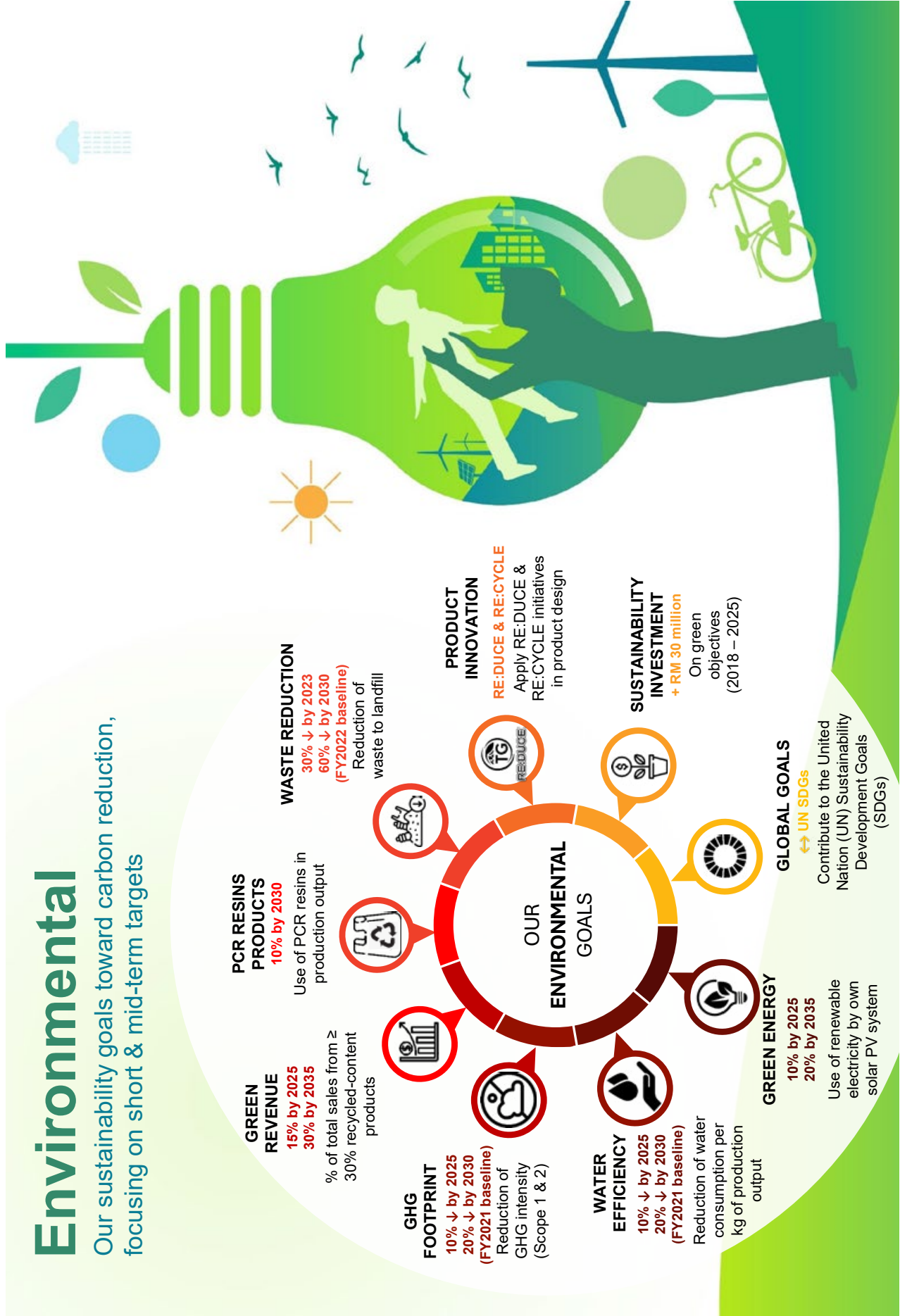
Stakeholder Engagement Staying relevant & add value

Stakeholder engagement is key to ensuring our business continue to be relevant and add value. The table below shows the engagement activities we have carried out during financial year 2025.

Environmental	Material Matter	Description on its significance	Responses
  	Social Contribution	<p>Corporate responsibility initiatives support community development and strengthen stakeholder relationships.</p> <p>These efforts enhance the Group's social licence to operate and contribute to long-term sustainable value creation.</p>	<ul style="list-style-type: none"> Continue community engagement and CSR programmes Support education and community development initiatives Align contributions with business values
Governance*	Material Matter	Description on its significance	Responses
	Corporate Governance and Ethics & Transparency	<p>Strong corporate governance and ethical business practices are essential for maintaining transparency, accountability and stakeholder confidence.</p> <p>Effective governance frameworks support risk management, regulatory compliance and long-term financial stability, while reinforcing the integrity of the Group's operations and decision-making processes</p>	<ul style="list-style-type: none"> Strengthen governance frameworks and internal controls Enhance anti-corruption and compliance policies Improve transparency and disclosures
Economic*	Material Matter	Description on its significance	Responses
  	Sustainable Operations	<p>Sustainable operations are critical to ensuring long-term business viability, resilience and value creation.</p> <p>Balancing growth, profitability and sustainability enables the Group to invest in innovation, respond to market changes and support the expansion of sustainability initiatives.</p>	<ul style="list-style-type: none"> Integrate sustainability into business strategy Improve operational efficiency and resilience Support innovation and long-term value creation
	Automation & Digitalisation	<p>Digitalisation and automation enhance operational efficiency, productivity and product quality by reducing reliance on manual processes.</p> <p>These technologies enable better data management, support process optimisation and improve consistency, while helping the Group address labour challenges and strengthen operational performance.</p>	<ul style="list-style-type: none"> Invest in automation and smart manufacturing systems Implement real-time monitoring (including energy digitalisation in FY2026) Improve data-driven decision making

STAKEHOLDERS	AREAS OF INTERESTS	METHOD AND FREQUENCY
Bankers, Investors & Shareholders	<ul style="list-style-type: none"> Sustainable Operations Ethics & Transparency Corporate Governance 	<ul style="list-style-type: none"> Quarterly Financial Result Annual General Meeting Company Website Annual Reports Press Release
Customers, Suppliers & Business Partners	<ul style="list-style-type: none"> Operational Eco Efficiency Circularity Environment Positive Responsible Sourcing Ethics & Transparency Digitalisation 	<ul style="list-style-type: none"> Customer Satisfaction Survey/Supplier Evaluation Customer Service & Communication Trade Fairs & Frequent Site Visits Regular meetings
Employees	<ul style="list-style-type: none"> Human Rights Protection Health & Safety Human Capital Development 	<ul style="list-style-type: none"> Communications, through counselling & memo circulation Workplace Continuous Improvement Annual Performance Appraisal Trainings & Workshops Employee Events, including outing and get together gathering Risk Management Task Force meeting/ Management meeting/ staff meeting
Regulators, Government & Authorities	<ul style="list-style-type: none"> Corporate Governance Circularity Environment Positive 	<ul style="list-style-type: none"> Compliance & Certification Exercises, including site visits and audits by authorities/certification bodies
Local communities & NGOs	<ul style="list-style-type: none"> Circularity Environment Positive Social contribution 	<ul style="list-style-type: none"> Educational Site Visits Community Outreach Programmes Financial support/contribution
Consultants (in the areas of business, finance, environment, social and governance)	<ul style="list-style-type: none"> Corporate Governance Ethics & Transparency Circularity Environment Positive Health & Safety 	<ul style="list-style-type: none"> Communications, through collaborations and engagement sessions with consultants

* "Governance" and "Economic" material matters are reported under Governance pillar.



Environmental

CLIMATE-RELATED FINANCIAL DISCLOSURES

In FY2025, the Group enhanced its climate-related disclosures in alignment with IFRS S2 – Climate-related Disclosures, building upon its prior adoption of the TCFD framework. These disclosures aim to provide decision-useful information on how climate-related risks and opportunities may affect the Group’s strategy, financial performance and cash flows across the short, medium and long term.

The Group’s operations are located in Malaysia, Thailand and China, namely:

- Sungai Petani and Kota Kinabalu, Malaysia
- Hatyai, Thailand
- Wujiang, Suzhou, China

Given the nature of the Group’s plastic packaging manufacturing activities, it is exposed to climate-related risks arising from both transition factors, including evolving regulatory, market and technological developments associated with the shift towards a low-carbon and circular economy, and physical factors, comprising climate-related hazards that may affect the Group’s operations, assets and supply chains.

Governance

The oversight of climate-related risks and opportunities is embedded within the Group’s sustainability governance framework.

The **Board of Directors** retains ultimate responsibility for overseeing climate-related matters, including reviewing climate-related risks, opportunities and associated financial implications, as well as evaluating strategic trade-offs between climate-related initiatives and financial performance.

The **Risk Management Task Force** supports the Board by identifying, assessing and monitoring climate-related risks and opportunities, and integrating these into the Group’s enterprise risk management processes.

Operational teams are responsible for implementing mitigation measures, managing site-level risks and reporting climate-related data.

Strategy and Scenario Analysis

The Group has undertaken climate scenario analysis to assess the resilience of its business model under a range of plausible climate pathways. The scenarios are aligned with global climate benchmarks, including the Paris Agreement objective to limit global temperature increase to well below 2°C, as well as alternative pathways reflecting current policy trajectories and delayed transition outcomes.

The analysis considers both transition and physical risks, with particular focus on the Group’s material management strategy (PIR and PCR) and energy consumption, both of which are key drivers of operational cost and climate exposure.

Scenario I: Paris-aligned Transition (≤2°C / 1.5°C)

This scenario assumes rapid decarbonisation driven by stringent regulatory measures, carbon pricing and accelerated demand for sustainable products.

Implications for the Group:

- Increased compliance costs arising from carbon pricing, plastic taxes, EPR and PPWR requirements
- Higher procurement costs for certified recycled materials (PCR), which typically command a premium
- Increased **energy costs**, particularly where carbon pricing or energy transition policies are implemented
- Increased capital expenditure for production technology upgrades and energy efficiency improvements

Strategic impact:

The Group may experience short- to medium-term margin pressures due to higher material and energy costs. However, this scenario presents opportunities to strengthen competitiveness through sustainable packaging solutions and improved energy efficiency.

Environmental

CLIMATE-RELATED FINANCIAL DISCLOSURES

Strategy and Scenario Analysis

Scenario II: Current Trajectory (2°C – 3°C)

This scenario reflects a gradual transition based on current policy commitments and market developments.

Implications for the Group:

- Incremental increase in sustainability-related costs, including energy and compliance costs
- Progressive shift in customer demand towards sustainable packaging

Strategic impact:

The Group is expected to adapt progressively, leveraging ongoing investments in recycling capabilities, supplier engagement and energy efficiency improvements, with manageable financial implications.

Scenario III: Delayed Transition / High Physical Risk (>3°C)

This scenario assumes limited global climate action, resulting in more severe physical climate impacts.

Implications for the Group:

- Increased exposure to extreme weather events affecting manufacturing operations
- Greater risk of supply chain disruption, including availability of recycled materials
- Increased energy demand due to higher temperatures
- Increased maintenance and operational costs

Strategic impact:

The Group may face heightened operational risks and cost volatility, requiring additional investment in resilience measures and energy management initiatives.

Financial Implications and Strategic Response

Climate-related risks and opportunities may affect the Group's financial performance through key cost drivers, particularly raw materials and energy consumption, which represent significant components of the Group's operating cost base.

Operating Costs (OPEX)

The Group may be exposed to:

- higher raw material costs, particularly for PCR materials;
- increased energy costs, driven by rising tariffs, carbon pricing and higher cooling demand; and
- increased compliance costs associated with evolving environmental regulations.

Capital Expenditure (CAPEX)

Additional capital investment may be required for:

- production technology upgrades to support recycled material usage;
- energy efficiency improvements and system optimisation; and
- resilience measures to address physical climate risks.

Revenue and Market Positioning

The Group may benefit from:

- increased demand for sustainable packaging solutions; and
- enhanced competitiveness through improved sustainability performance.

Environmental

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Transition Risks

Transition risks arise from the global shift towards a low-carbon and circular economy and are particularly relevant to the Group's raw material sourcing, energy consumption and production processes.

Category	Description	Time Horizon	Scenario Sensitivity	Potential Financial Impact
Policy & Regulatory	Evolving climate and plastics-related regulations, including carbon pricing mechanisms, plastic taxes, Extended Producer Responsibility (EPR) and the EU Packaging and Packaging Waste Regulation (PPWR)	Medium	High (Scenario I), Moderate (Scenario II), Low (Scenario III)	Increase in OPEX (compliance, levies), potential increase in CAPEX for product redesign and compliance systems
Energy & Carbon Cost	Exposure to rising energy prices and potential carbon-related costs due to energy consumption	Short–Medium	High (Scenario I), Moderate (Scenario II)	Increase in OPEX (electricity and fuel costs), potential indirect carbon cost exposure
Raw Materials & Technology	Increased reliance on PCR materials, involving higher costs and variability in quality	Medium	High (Scenario I), Moderate (Scenario II)	Increase in OPEX (material costs), increase in CAPEX (technology upgrades)
Market	Changing customer preferences towards sustainable packaging	Short–Medium	High (Scenario I), Moderate (Scenario II)	Potential revenue growth; risk of loss of competitiveness
Reputation	Increasing stakeholder expectations on sustainability performance and disclosures	Medium	Moderate (Scenario I & II)	Potential impact on revenue and brand value

Environmental

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Physical Risks

Physical risks arise from climate-related hazards that may disrupt operations, damage assets or affect supply chains.

Risk Type	Description	Time Horizon	Scenario Sensitivity	Potential Financial Impact
Acute Risks	Flooding, heavy rainfall and storms affecting operations in Malaysia and Thailand	Short–Medium	Moderate (Scenario II), High (Scenario III)	Production downtime, asset damage, increased maintenance costs
Chronic Risks (Temperature)	Rising temperatures increasing cooling demand and energy consumption	Medium–Long	Moderate (Scenario II), High (Scenario III)	Increased energy costs (OPEX)
Water-related Risks	Variability in water availability affecting production processes	Medium–Long	Moderate (Scenario II), High (Scenario III)	Increased OPEX, potential production constraints
Supply Chain Risks	Climate-related disruptions affecting availability of raw materials, including PCR	Short–Medium	Moderate (Scenario II), High (Scenario III)	Increased material costs and delays impacting revenue
Infrastructure Exposure	Facility exposure to climate hazards depending on geographic location	Medium–Long	Moderate (Scenario II), High (Scenario III)	Increased CAPEX for resilience measures

Environmental

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Integrated Strategic Response

To address climate-related risks holistically, the Group continues to:

- invest in recycling infrastructure and advanced production technologies;
- strengthen supplier engagement to improve the quality and availability of recycled materials;
- enhance energy management and efficiency through digitalisation and process optimisation; and
- integrate climate considerations into strategic planning and capital allocation.

In managing these risks, the Group evaluates trade-offs between environmental objectives and financial performance, particularly in relation to:

- adoption of recycled materials; and
- investments in energy efficiency and sustainability initiatives

Current Maturity and Ongoing Enhancement

The Group's climate-related disclosures are currently at a developing stage, with a primary focus on qualitative assessment of risks and opportunities.

While scenario analysis has been undertaken, quantitative assessment remains limited due to:

- evolving data availability;
- challenges in modelling forward-looking scenarios; and
- ongoing development of internal systems.

The Group is progressively enhancing its capabilities, including:

- strengthening data systems;
- improving quantification methodologies; and
- aligning with evolving regulatory frameworks, including the NSRF.

The Group will continue to enhance its climate-related disclosures and management practices, including strengthening scenario analysis and improving data availability, to support long-term resilience and sustainable value creation.



Environmental

- Sustainable Products & Circular Economy
- Climate Action & Energy Efficiency

Environmental Progress:

2025 ENVIRONMENTAL HIGHLIGHTS

Expanded solar energy capacity through the completion of installations at three factories in FY2025, adding 4,199.7 kWp and increasing total installed capacity to 8,625.5 kWp (FY2024: 4,425.8 kWp).	100% of our main packaging materials (paper core and carton) made of recycled and recyclable material.
Commenced the adoption of the IFRS Sustainability Disclosure Standards.	Increased usage of recycled wooden pallets to 5,673 pcs per month (FY2024: 2,133 pcs) through collaboration with suppliers.
Two additional subsidiaries are certified with EN15343 during FY2025.	Completion of 33kV substation improve power quality, stability and control.
Resin handling improvement projects were carried out in alignment with the OCS principles	We do not incur any costs of environmental fines and penalties during FY2025

OUR APPROACH TO ENVIRONMENT MANAGEMENT

The Group's approach to environmental management is anchored in its commitment to responsible resource use, operational efficiency and long-term sustainability. The Group seeks to minimise environmental impact while enhancing productivity, cost efficiency and resilience across its manufacturing operations.

Environmental considerations are integrated into operational processes and decision-making, with a focus on:

- efficient use of raw materials, including increased utilisation of recycled inputs;
- optimisation of energy consumption and improvement of energy efficiency;
- effective waste management and reduction of environmental leakage; and
- monitoring and management of emissions across operations and the value chain.

The Group's environmental management framework is supported by:

- clearly defined roles and responsibilities across functions;
- established environmental policies and procedures; and
- oversight by the Risk Management Task Force.

Environmental performance is managed through the Group's Environmental Management System ("EMS"), which provides a structured framework for monitoring, reporting and continuous improvement across key environmental areas.

RISK MANAGEMENT THROUGH INNOVATION AND COMPLIANCE

The Group recognises that climate change, resource constraints and evolving environmental regulations present both risks and opportunities to its operations.

Increasing regulatory requirements and growing demand for sustainable packaging may result in higher compliance costs and operational adjustments.

To address these, the Group continues to:

- strengthen compliance with environmental laws and regulations;
- monitor developments in circular economy and climate-related requirements;
- invest in production technologies, including Optical Control System technology;
- implement Operation Clean Sweep ("OCS") to prevent pellet loss;
- enhance waste management through reduction, segregation and recycling;
- improve resource and energy efficiency through process optimisation and digitalisation; and
- strengthen adaptation to climate-related risks, including improving operational resilience to physical climate impacts and supply chain disruptions.

The Group evaluates trade-offs between environmental objectives and operational efficiency to support balanced and sustainable value creation.

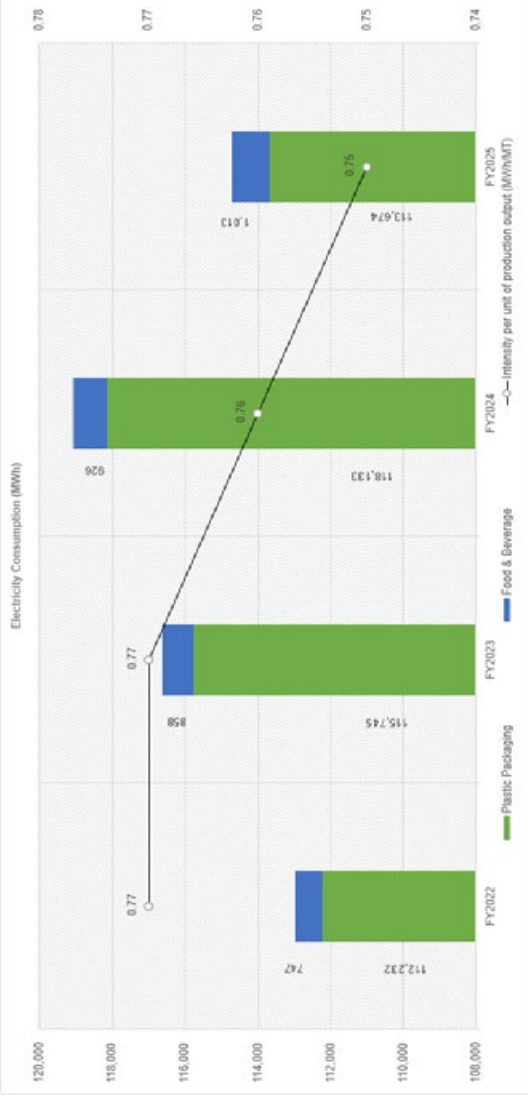


ENVIRONMENTAL OPERATIONAL ECO EFFICIENCY
1. EQUITABLE USE OF RESOURCES

Energy Management – Energy Efficiency

Improving operational efficiency & Increasing the use of renewable energy

SUSTAINABILITY STATEMENT



In addition, the Group implemented several energy efficiency initiatives, including:

- replacement of inverters with higher-efficiency systems;
- optimisation of production processes to reduce energy losses; and
- energy management training programmes to enhance internal capabilities and ensure alignment with energy efficiency requirements.

These initiatives contributed to improved energy performance and reinforced a culture of energy awareness across the organisation.

Energy Efficiency Initiatives and Continuous Improvement

The Group continues to identify opportunities to enhance energy performance through both technological upgrades and operational improvements.

Improving operational efficiency

Efficient energy management remains central to the Group’s commitment to sustainability, operational excellence and cost optimisation. The Group continues to strengthen its structured approach to energy management through governance oversight, continuous improvement initiatives and alignment with applicable Malaysian energy efficiency regulations and requirements.

In FY2025, the Group continued to enhance energy performance across its operations. Despite increased electrification of processes, electricity intensity improved to 0.75 MWh per metric tonne of output (FY2024: 0.76 MWh/MT), reflecting improved operational efficiency and process optimisation.

The completion of a 33kV substation towards the end of FY2024, with a total infrastructure investment cost of RM4 million, improves internal power quality, stability and control. This reduces the risk of production interruptions caused by minor power fluctuations and supports more reliable and efficient operations.

While the Group remains dependent on the national grid and may still be affected by large-scale disruptions arising from extreme weather events, the improved power quality and control provided by the 33kV substation enhance operational reliability and support faster recovery from minor disturbances. This contributes to strengthening the Group’s overall operational resilience.

In FY2026, the Group will commence the implementation of a digitalised energy monitoring system, enabling:

- real-time tracking of energy consumption;
- improved identification of inefficiencies; and
- enhanced data-driven decision-making to optimise energy usage.

This initiative is expected to further strengthen energy management practices and support ongoing efficiency improvements.

The Group remains committed to continuously improving its energy performance through operational efficiency, infrastructure enhancement and digitalisation. These efforts will support long-term cost efficiency, operational reliability and alignment with the Group’s broader sustainability and climate-related objectives.

ENVIRONMENTAL OPERATIONAL ECO EFFICIENCY 1. EQUITABLE USE OF RESOURCES

Energy Management – Renewable Energy

Improving operational efficiency & Increasing the use of renewable energy

Electricity Consumption (MWh)				
	FY2023	FY2024	FY2025	Aug – Dec FY2025
Food & Beverage	858	926	1,013	433
Plastic Packaging	115,745	118,133	113,674	48,524
Total	116,603	119,059	114,687	48,957
<i>Powered by:</i>				
Solar PV System	5,067	5,570	7,864	4,345
Green Electricity Tariff (GET)	49,578	-	-	-
Fossil-based	61,958	113,489	106,823	44,611
Total	116,603	119,059	114,687	48,956
% of Renewable Energy	4%	5%	7%	9%

Renewable Energy and Solar Initiatives

The Group remains committed to increasing the use of renewable energy as part of its broader strategy to reduce carbon emissions and manage energy-related costs.

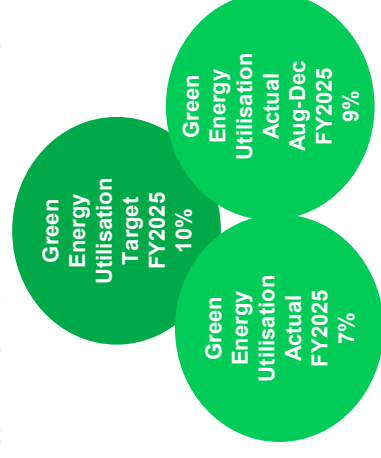
In FY2025, the Group achieved 7% renewable energy usage, compared to its target of 10%. The shortfall was primarily due to the slight delay in the installation of solar photovoltaic (“PV”) systems, which were progressively completed in July 2025.

Notwithstanding this, the Group recorded a notable improvement in renewable energy contribution in the second half of the year, with renewable energy accounting for 9% of total electricity consumption from August to December 2025. This demonstrates that the Group is progressing closely towards its target, despite timing-related implementation delays.

During the year, the Group expanded its solar energy capacity through the completion of installations at three factories, adding 4,199.7 kWp. This increased the Group’s total installed solar capacity to 8,625.5 kWp (FY2024: 4,425.8 kWp), supported by a total investment of approximately RM20.4 million in solar PV systems. This reflects the Group’s continued commitment to investing in renewable energy infrastructure.

Looking ahead, the Group remains committed to increasing its renewable energy usage to 20% by 2035. To support this target, the Group will continue to explore emerging technologies, including battery energy storage systems, while enhancing energy efficiency across its operations.

- ✓ In 2025, our combined use of 7,864 MWh of solar energy saved over 5,819 tCO₂e
- ✓ Since the installation of the PV system in FY2018, our combined use of 36,282 MWh of solar energy saved over 27,884 tCO₂e (As of 31 December 2025).



SUSTAINABILITY STATEMENT

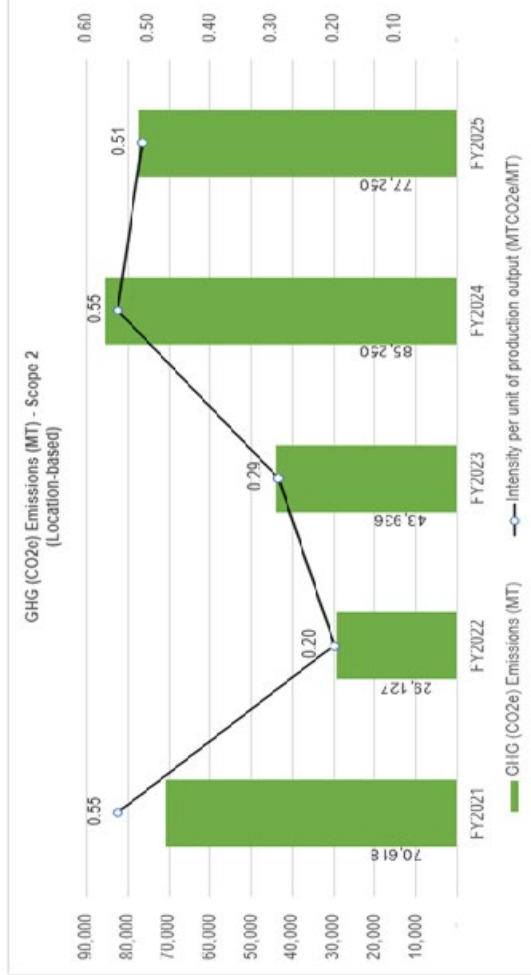
ENVIRONMENTAL OPERATIONAL ECO EFFICIENCY

1. EQUITABLE USE OF RESOURCES

Energy Management – GHG Emissions Transition

Improving operational efficiency & Increasing the use of renewable energy

Scope 2 GHG (CO ₂ e) Emissions (MT)					
Location-based	FY2021	FY2022	FY2023	FY2024	FY2025
Total	70,618	29,136	43,922	85,250	77,250



Note:

- Prior to FY2024, Scope 2 emission factors refer to:
 - Grid emission factors in Malaysia (2017-2021) published by Suruhanjaya Tenaga Malaysia
 - Electricity emission factor published by Ministry of Ecology and Environment of the People's Republic of China dated 15 March 2022, 25 April 2023, 20 December 2024
 - Electricity emission factor published by Ministry of Energy of Thailand
 - Electricity emission factor published by United States Environmental Protection Agency
 - Electricity emission factor published by The Danish Energy Agency

- In FY2025, Scope 2 emission factors refer to data extracted from Bursa Malaysia's Centralised Sustainability Intelligence (CSI) Platform to align with the disclosures in CSOI Platform. This is to ensure consistency and transparency in disclosed data.

GHG
Reduction
Target
FY2025
10%

GHG
Reduction
Actual
FY2025
7%

GHG Emissions Intensity and Energy Transition

The Group recorded a reduction in greenhouse gas ("GHG") emissions intensity from 0.55 (FY2021 baseline) to 0.51 in FY2025, representing a 7% reduction. This is below the Group's target of 10%, primarily due to strategic decisions taken during the year.

During FY2025, the Group ceased its subscription to the Green Electricity Tariff ("GET") in response to rising energy costs, in order to manage operating expenses and safeguard profitability. This reflects a trade-off between short-term financial performance and decarbonisation efforts, as the use of green electricity would have supported emissions reduction but at a higher cost.

In addition, the Group implemented several electrification initiatives, including the replacement of diesel forklifts with electric forklifts, as well as the adoption of automated debagging and packing systems. While these initiatives have increased electricity consumption and, in the short term, contributed to higher Scope 2 emissions, they have improved operational efficiency, productivity and process consistency.

These developments reflect a broader trade-off between short-term emissions performance and long-term operational efficiency, as the Group transitions towards more efficient and automated production processes. The benefits of these initiatives are expected to be further realised over time, particularly as the Group increases its use of renewable energy.

Notably, the Group achieved the 7% reduction in GHG emissions intensity without reliance on carbon offsetting, reflecting genuine operational improvements. This is further supported by a declining trend in electricity intensity per unit of production output, as presented in this report.

The Group remains committed to achieving its 10% reduction target for Scope 2 emissions intensity, and has set a longer-term target of 20% reduction by FY2035. To achieve these targets, the Group will continue to focus on enhancing energy efficiency and increasing the use of renewable energy, which are the key drivers of its decarbonization strategy.

ENVIRONMENTAL OPERATIONAL ECO EFFICIENCY 1. EQUITABLE USE OF RESOURCES

Water Management

Managing & reducing our water consumption

Water Management Policy

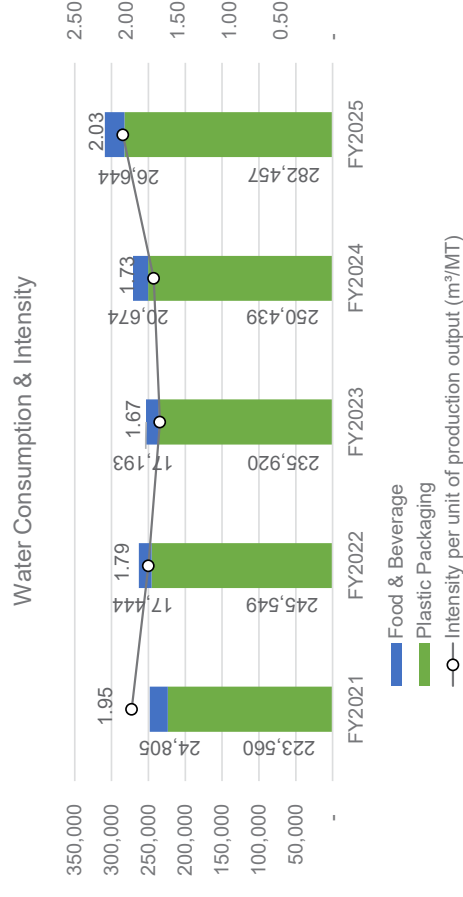
The Group complies with applicable environmental laws, regulations and internal standards in all operating locations, and is committed to responsible water usage through efficient utilisation and conservation practices.

The Group aims to reduce water intensity and mitigate water-related risks through continuous monitoring, operational improvements and integration into its enterprise risk management framework.

The Group is committed to preserving water quality by implementing measures to prevent contamination, including preventing plastic pellets from entering waterways and the surrounding environment.

Water Management Performance

	Water Consumption (m ³)				
	FY2021	FY2022	FY2023	FY2024	FY2025
Food & Beverage	24,805	17,444	17,193	20,674	26,644
Plastic Packaging	223,560	245,549	235,920	250,439	282,457
Total	248,365	262,933	253,113	271,113	309,101



Environment Progress Against Targets						
Focus Area	Metrics	Progress			Target	
		2022	2023	2024		2025
Water	Reduction in water intensity (Based on FY2021 baseline)	7.8%	13.6%	9.4%	10%	20%

The Group remains committed to managing water resources responsibly by improving water efficiency and minimising water-related risks across its operations.

In FY2025, total water consumption increased to 309,101 m³ (FY2024: 271,113 m³). This increase was primarily attributable to water leakages identified at one of the Group's sites. As the facilities at this site are relatively new, the occurrence of leakages was unexpected. Remedial actions have since been undertaken to rectify the issue and strengthen monitoring and maintenance practices.

As a result, the Group recorded a 4.1% reduction in water intensity from the FY2021 baseline, which is below its target of 10% reduction by FY2025.

Notwithstanding this, the Group has demonstrated progressive improvements in water efficiency over the past three years, supported by ongoing initiatives including process optimisation, enhanced monitoring and increased operational awareness.

The Group remains committed to strengthening its water management practices, including improving infrastructure reliability, enhancing leak detection mechanisms and optimising water usage across its facilities.

Looking ahead, the Group reaffirms its commitment to achieving its longer-term target of 20% reduction in water intensity by 2030, supported by continuous improvement initiatives and enhanced operational controls.



ENVIRONMENTAL OPERATIONAL ECO EFFICIENCY

1. EQUITABLE USE OF RESOURCES

Water Management

Managing & reducing our water consumption

Consuming Water Responsibly

While water is not a primary component in our manufacturing process for plastic packaging and the food & beverage sector, it remains a significant focal point in our resource management strategies. Our F&B Division mainly processes dry material.

We initiate our water management strategy by responsibly utilizing water from municipal pipelines, which currently serve as our primary water source. Our objective is to decrease our reliance on municipal water sources by minimizing water wastage throughout our operations. For instance, we implement practices such as continuous recirculation and reuse of water in cooling towers to diminish evaporation and limit wastage. Additionally, we conduct regular monitoring of our water usage to detect any irregularities and pinpoint areas for enhancement, all while ensuring there are no leakages that could contribute to water wastage.

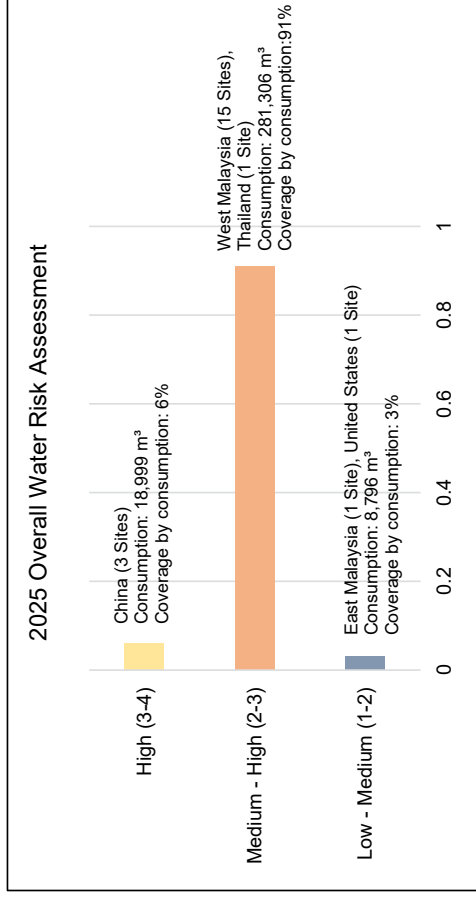
Additionally, we conduct periodic monitoring of the effluent quality from our plastic packaging manufacturing plants. Samples are collected and dispatched to third-party laboratories for analysis. Over the past three years, we have complied with regulations concerning both water consumption and quality, with zero incidents of non-compliance reported.

To optimise water resource utilization at our operational sites and alleviate strain on water-stressed environments, we implement proactive measures and utilise predictive methods. We rely on the AQUEDUCT Water Risk Atlas, which employs 13 indicators to assess our water risk, stress levels, and forecast fluctuations in demand and supply at our sites. Senior management and the Risk Management Task Force utilise these results to formulate remediation strategies for water optimization.

Location	Overall Water Risk	Water Stress
East Malaysia (1 Site)	Low - Medium (1-2)	Low (<10%)
West Malaysia (15 Sites)	Medium - High (2-3)	Low - Medium (10-20%)
Thailand (1 Site)	Medium - High (2-3)	Medium - High (20-40%)
China (3 Sites)	High (3-4)	Extremely High (>80%)
United States (1 Site)	Low - Medium (1-2)	High (40-80%)

SUSTAINABILITY STATEMENT

Source of Water Withdrawal (m ³)	2022	2023	2024	2025
Plastic Packaging Division				
Surface water from rivers, lakes, natural ponds	0	0	0	0
Groundwater from wells, boreholes	0	0	0	0
Used quarry water collected in the quarry	0	0	0	0
Municipal potable water	245,549	235,919	250,439	282,457
External wastewater	0	0	0	0
Harvested rainwater	0	0	0	0
Sea water, water extracted from the sea or the ocean	0	0	0	0
Food & Beverage Division				
Surface water from rivers, lakes, natural ponds	0	0	0	0
Groundwater from wells, boreholes	0	0	0	0
Used quarry water collected in the quarry	0	0	0	0
Municipal potable water	17,444	17,193	20,674	26,644
External wastewater	0	0	0	0
Harvested rainwater	0	0	0	0
Sea water, water extracted from the sea or the ocean	0	0	0	0
Total	262,993	253,112	271,113	309,101



ENVIRONMENTAL OPERATIONAL ECO EFFICIENCY

1. EQUITABLE USE OF RESOURCES

Water Management

Operation Clean Sweep (OCS): Safeguarding Water Quality & Environment

Operation Clean Sweep¹ (OCS)

Thong Guan pledges to OCS, ensuring zero pellet loss. We are committed to preventing resin spills with 6 actions:

- Improve our worksites set-up to prevent spills;
- Have in place internal procedures towards zero pellet loss goals;
- Provide employees training and accountability for spill prevention, containment, clean-up and disposal;
- Audit our performance regularly;
- Comply with all applicable local and national regulations governing pellet containment; and
- Encourage our partners (contractors, transporter, distributors, etc) to join the OCS.



¹Operation Clean Sweep is an international programme designed to prevent the loss of plastic granules (pellets, flakes, and powders) during handling by the various entities in the plastics' value chain and their release into the environment.

Thong Guan has strengthened its commitment to environmental stewardship through the Operation Clean Sweep (OCS) initiative, recognising its critical role in protecting water systems and preventing plastic pollution.

Plastic pellets, flakes, and powders—if not properly managed—can enter drainage systems and waterways, ultimately impacting rivers, marine ecosystems, and water quality. In FY2025, we intensified our OCS efforts to ensure that no resin loss reaches the environment, reinforcing our responsibility to safeguard natural resources.

Key Enhancements

- Advanced containment measures: Continued use and optimisation of automated debagging systems to minimise spillage during material handling
- Improved housekeeping & response protocols: Strengthened cleaning, washing, and drying processes to prevent resin discharge into drains
- Employee engagement & accountability: Ongoing training programmes and operational controls to ensure strict compliance with pellet loss prevention practices
- Digital coordination: Enhanced communication channels for rapid response and continuous monitoring of site conditions

These efforts directly contribute to protecting water quality, reducing the risk of microplastic contamination, and supporting broader environmental sustainability goals.

Milestone Achievement in FY2025

A major highlight of the year was receiving recognition from the Malaysian Plastics Manufacturers Association (MPMA) for our commitment to preventing plastic loss to the environment through OCS implementation.

This recognition:

- Validates the effectiveness of our OCS practices
- Reinforces our leadership in responsible resin management
- Demonstrates that sustainability is embedded in our daily operations

Our OCS journey reflects a holistic approach—integrating environmental protection, operational efficiency, and employee responsibility. By prioritising pellet containment and water protection, we are actively contributing to a cleaner environment and healthier ecosystems.



ENVIRONMENTAL OPERATIONAL ECO EFFICIENCY

1. EQUITABLE USE OF RESOURCES

Material Management

Manufacturing responsibility

The Group is committed to responsible material usage by embedding sustainability considerations across the entire material lifecycle, from sourcing and production to post-consumer recovery. Our approach focuses on enhancing material efficiency, reducing dependency on virgin polymers and advancing circularity through the increased use of recycled materials, while also supporting the use of renewable resource-based materials where appropriate.

As part of our Recycling and Circular Economy strategy, we actively promote the utilisation of both post-industrial recycled ("PIR") and post-consumer recycled ("PCR") materials.

PIR materials, derived from internal manufacturing waste such as rework, regrind and scrap generated during production processes, are systematically recovered and reintegrated into our operations. This enables the Group to minimise waste generation, improve resource efficiency and support our aspiration towards zero plastic production waste.

In parallel, the Group is expanding the use of PCR materials, which are sourced from post-consumer plastic waste that has fulfilled its intended purpose and is recovered for recycling. The Group sources PCR materials from plastic packaging such as resin bags, shrink covers, stretch hoods and stretch films, as well as through collaboration initiatives with customers aimed at collecting post-use plastic packaging.

The Group utilises renewable resource-based materials, such as corn starch and sugarcane-based inputs, primarily in response to specific customer requirements and product applications.

In FY2025, the Group continued to make progress in integrating recycled materials, while maintaining flexibility to meet product specifications and customer requirements. However, the Group remains below its target of incorporating 10% PCR content into total plastic production output by 2030. This gap reflects ongoing challenges in securing sufficient volumes of high-quality, certified recycled materials that meet the Group's product specifications and customer requirements.

Nevertheless, the Group has undertaken various initiatives to progressively increase PCR utilisation, including strengthening supplier engagement, investing in recycling capabilities and enhancing internal waste recovery processes.

Type	Total Materials Used (MT)				
	FY2022	FY2023	FY2024	FY2025	
Virgin material	130,864	138,351	134,791	138,803	93%
Recycled resin	9,143	10,071	11,598	10,200	6.8%
Materials from renewable resources	292	264	188	227	0.2%
Total	140,299	148,686	146,577	149,230	100%
% of Recycled resin + materials from renewable resources	-	6.7%	-	-	7.0%
			8.0%	-	7.0%

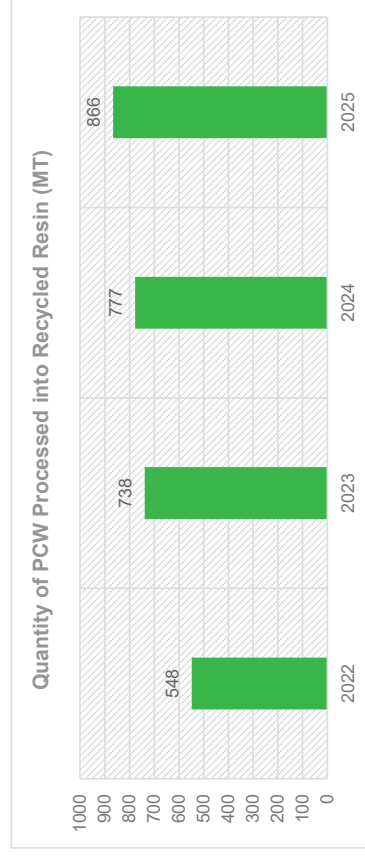
Strengthening Recycling Capabilities

To support the scaling of recycled material usage, the Group has undertaken investments to enhance its recycling capabilities and supply chain resilience.

The Group has invested approximately RM4.91 million over the past five years to strengthen its recycling infrastructure, including machinery and equipment designed to improve the processing and quality of recycled materials. These investments are aimed at enhancing our ability to process and utilise recycled resins more efficiently while maintaining product quality standards.

In addition, the Group continues to collaborate with external collectors and suppliers to secure a reliable and consistent supply of recycled materials. Internal waste segregation initiatives have also been implemented across operations to improve the recovery of reusable materials, contributing to increased volumes of recycled resin processed internally.

Internal waste segregation campaign was successfully launched in within TG. In FY2025, total PCW from internal post-use processed into recycled resin increased by 89MT to 866MT.



Balancing Environmental Ambitions and Operational Efficiency

While the increased adoption of recycled materials supports the Group's environmental objectives, particularly in reducing reliance on virgin polymers and advancing circularity, it also introduces operational and financial considerations.

ENVIRONMENTAL OPERATIONAL ECO EFFICIENCY

1. EQUITABLE USE OF RESOURCES

Material Management

Manufacturing responsibly

Balancing Environmental Ambitions and Operational Efficiency

While the increased adoption of recycled materials supports the Group's environmental objectives, particularly in reducing reliance on virgin polymers and advancing circularity, it also introduces operational and financial considerations.

The use of high-quality, certified PCR materials typically involves a cost premium compared to virgin materials. In addition, variability in material quality — influenced by the source and composition of waste inputs — may lead to increased production complexity, including more frequent mesh changes during manufacturing. This has a direct impact on production efficiency and operational performance.

Accordingly, the Group faces a strategic trade-off between:

- advancing its environmental ambitions, including increasing recycled content and supporting circular economy outcomes; and
- maintaining cost competitiveness, production efficiency and profitability, which underpin the Group's broader Prosperity objectives.

The Group actively evaluates these trade-offs within its decision-making processes to ensure that sustainability-related initiatives are implemented in a balanced and financially responsible manner, taking into account their potential impact across the short, medium and long term.

Managing Trade-offs Through Targeted Interventions

To address these challenges while continuing to progress towards its sustainability targets, the Group has implemented several mitigation measures:

- **Enhancing Supplier Engagement and Material Quality Management**
The Group works closely with suppliers to improve the consistency and quality of recycled polymers. Particular focus is placed on monitoring the source of waste inputs and strengthening transparency across the recycling process, as these factors directly influence material performance.
- **Investment in Advanced Production Technology**
The Group has invested approximately RM1.2 million in advanced Optical Control Systems, a high-precision technology designed to detect gel contaminants in stretch film production. This enables the Group to maintain product quality, reduce inefficiencies and support the increased adoption of PCR materials without compromising customer requirements.

The Group remains committed to progressively increasing the use of recycled materials while enhancing operational resilience, product quality and cost efficiency. While challenges remain in achieving its PCR adoption targets, ongoing investments in technology, supplier collaboration and process optimisation are expected to support gradual progress towards its circular economy objectives and long-term sustainable value creation.



ENVIRONMENTAL OPERATIONAL ECO EFFICIENCY

2. WASTE MANAGEMENT & REDUCTION

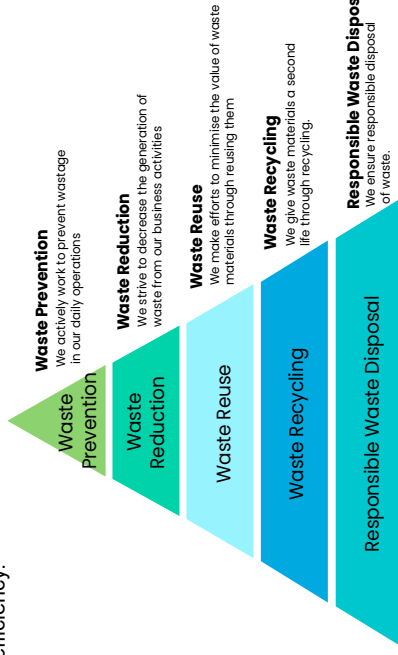
Waste Management

Managing & reducing our production waste

The Group adopts a responsible approach to industrial waste management, prioritising compliance with applicable laws and regulations. Waste management practices include proper handling, segregation and disposal of waste, aligned with health and safety requirements and environmental protection standards.

The Group continues to implement waste minimisation initiatives across its operations, including waste segregation programmes, recycling efforts and employee awareness initiatives to promote responsible waste handling practices.

Production scraps generated from manufacturing processes such as plastic trimmings and rejected plastic packaging products are largely recycled internally or repurposed as raw materials, supported by advanced recycling capabilities within the Group's facilities. This approach contributes to minimising waste generation and improving resource efficiency.



Focus Area	Metrics	Environment Progress Against Targets			
		Progress	Target	Target	
Waste	Reduction in waste (Based on FY2022 baseline)	FY2023	37%	FY2023	30%
		FY2024	21.5%	FY2025	21.4%
				FY2030	60%

Our solid waste includes:

- Post-use industrial plastic waste, including packaging like resin bags, shrink covers, stretch hoods, and films from our suppliers
- Post-use industrial non-plastic waste, such as used wooden pallets, paper, and metal.
- Post-consumer waste from in-house segregation program, including PET bottles, clean flexible packaging, and paper.

SUSTAINABILITY STATEMENT

Type	Total waste generated (MT)							
	FY2022		FY 2023		FY 2024		FY 2025	
	Plastic Packaging	Food & Beverage	Plastic Packaging	Food & Beverage	Plastic Packaging	Food & Beverage	Plastic Packaging	Food & Beverage
Total waste diverted from disposal	Information not available	Information not available	5,485	35	7,130	60	6,695	67
Total waste directed to disposal	1,983	540	1,169	414	1,226	754	1,209	774
Total	1,983	540	6,654	449	8,356	814	7,904	841

Note: FY2022 & FY2023 refers to waste of facilities in West Malaysia only. FY2024 & FY2025 refers to all waste of facilities of Thong Guan Group

Waste Performance and Progress

In FY2025, the Group's waste management performance remained broadly consistent with FY2024, reflecting ongoing waste reduction and recycling efforts across its operations. While progress has been achieved in maintaining stable waste levels, the Group did not meet its short-term waste reduction target during the year.

This was primarily influenced by operational and business factors, including variations in production mix and increased packaging-related waste arising from F&B business activities.

Recognising these challenges, the Group has recalibrated its waste reduction target, extending the timeline to achieve a 60% reduction in waste by FY2030, to allow for a more realistic and structured implementation of waste reduction initiatives.

Scheduled (Hazardous) Waste

Thong Guan collaborates with licensed collectors from the Department of Environment (DOE) to manage schedule waste. This waste is either sent to landfills, incinerated, or recycled. We transparently report and disclose our scheduled waste generation on the government portal.

Over the past three years, we have complied with regulations concerning scheduled waste disposal, with zero incidents of non-compliance reported.

ENVIRONMENTAL OPERATIONAL ECO EFFICIENCY 2. WASTE MANAGEMENT & REDUCTION

Circular Materials and Wooden Pallet Programmes

Managing & reducing our production waste

The Group continues to strengthen its commitment to circular economy practices through the responsible use of materials and the reduction of waste across its operations.

The Group has consistently utilised recycled and recyclable materials for carton packaging and paper cores, reflecting its commitment to sustainable sourcing and reducing reliance on virgin materials. This remains an important component of the Group's approach to embedding circularity within its packaging value chain.

In addition, the Group continues to advance its Wooden Pallet Recycling Programme, which focuses on the reuse and repurposing of used, worn and broken pallets in collaboration with suppliers. This initiative supports waste reduction and promotes sustainable material usage.

Building on the strong momentum achieved in previous years, the Group recorded a significant increase in the utilisation of recycled wooden pallets in FY2025. The average monthly consumption increased to 5,673 pieces, compared to 2,133 pieces in FY2024 and 165 pieces in FY2023, reflecting the continued scaling of the programme across operations.

This progress was driven by closer collaboration with suppliers, improvements in collection and refurbishment processes, and increased integration of recycled pallets into operational workflows. The initiative supports the Group's efforts to reduce reliance on new timber resources, minimise waste sent to landfill and contribute to broader environmental sustainability objectives.

Based on internal estimates, each recycled pallet contributes to approximately 28 kg of CO₂ equivalent (CO₂e) savings. At the current utilisation level, this translates to an estimated annual avoidance of approximately 1,906 MT of CO₂e, demonstrating the tangible environmental benefits of the programme in reducing carbon emissions and supporting climate-related objectives.

The Group remains committed to further enhancing its circularity initiatives by expanding the use of recycled materials across its operations and strengthening partnerships across the value chain. These efforts contribute to improved resource efficiency while supporting long-term cost optimisation and environmental performance.

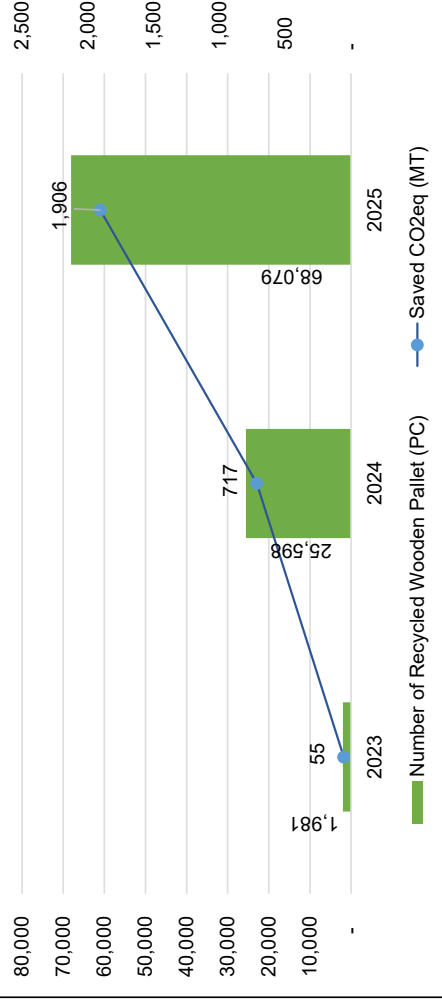


Used, worn and broken pallets sent to vendor



Thong Guan is committed to build a sustainable supply chain with our stakeholders and contribute to both CO₂e and landfill avoidance. Every recycled wooden pallet saves 28KG of CO₂e.

Consumption of Recycled Wooden Pallet



ENVIRONMENTAL OPERATIONAL ECO EFFICIENCY**2. WASTE MANAGEMENT & REDUCTION****Circular Materials and Wooden Pallet Programmes**

Managing & reducing our production waste

Reducing Pallet Dependency through Slip Sheet Adoption

As part of the Group's ongoing efforts to enhance material efficiency and reduce reliance on conventional packaging materials, one of its subsidiaries has begun adopting slip sheets as an alternative to wooden pallets.

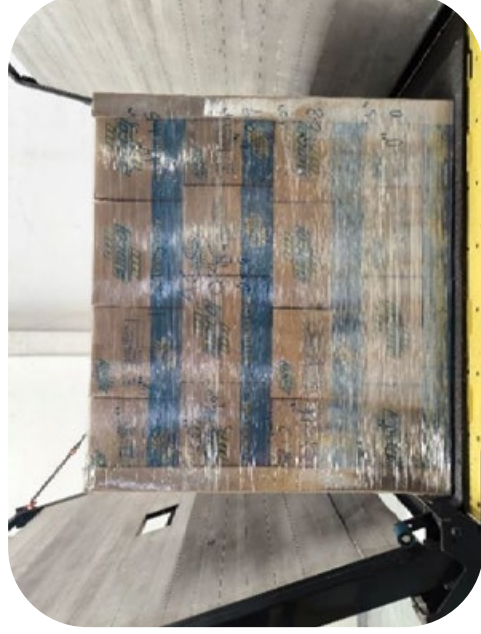
Slip sheets provide a more resource-efficient load handling solution by reducing the need for timber-based pallets, thereby supporting the Group's broader circular economy objectives. In FY2025, the subsidiary utilised approximately 1,000 slip sheets in its operations.

To ensure that the use of slip sheets meets operational and safety requirements, the Group conducted testing in accordance with the EUMOS 40509 standard, a recognised European guideline for evaluating load stability during transport. This test assesses the ability of palletised or unitised goods to withstand dynamic forces encountered during transportation, such as braking and cornering, ensuring that goods remain stable and secure throughout the logistics process.

The successful validation under this standard provides assurance that slip sheets can deliver adequate load stability and transport safety, supporting their adoption without compromising product integrity.

This initiative contributes to reducing the consumption of raw materials, lowering transportation weight and improving space utilisation during storage and shipment. In addition, the adoption of slip sheets supports the reduction of deforestation-related impacts and enhances overall supply chain efficiency.

While still at an early stage, the Group will continue to evaluate the operational feasibility and scalability of slip sheet usage across its operations. This initiative forms part of the Group's broader strategy to explore innovative solutions that improve resource efficiency while maintaining operational performance and cost effectiveness.



- ✓ Reduce deforestation
- ✓ Reduction of 25.2 kg CO₂e (90%) per piece of HDPE slip sheet versus one wooden pallet
- ✓ Saving space for both storage and shipment

ENVIRONMENTAL CIRCULARITY

1. RECYCLING CAPACITY

Recyclability and Recycling

Driving plastic circularity

Product Recyclability

Promoting recyclability plays a pivotal role in reducing the environmental impact of a product by minimizing its carbon footprint. Thong Guan is committed to enhancing the recyclability of our products post-consumption, thereby steering them away from conventional disposal routes like landfills or incinerators. Instead, our focus is on maintaining their presence within the material cycle, thus bolstering circularity within the system. This objective is pursued through various initiatives, such as advancing process technologies and innovating the design of plastic products to optimise their recyclability potential.

Our products are designed with recyclability in mind, ensuring that they can be efficiently repurposed at the end of their lifecycle. This holistic approach not only aligns with our sustainability goals but also underscores our dedication to fostering a more environmentally responsible manufacturing process.

Thong Guan defines recyclable products as those that are deemed recyclable in polyethylene (PE) upon receipt from our company. However, it is important to note that certain products designed for specific uses may become contaminated in a manner that renders mechanical recycling unfeasible. Examples of such applications include medical products and hygiene laminations, which are therefore excluded from our recyclability definition.

Recycling Capacity

TGSH Plastic Industries Sdn. Bhd. has served as our internal recycling plant since 2011. As of December 31, 2025, TGSH owns 5 recycling lines and has the capacity to convert 6,000 MT of plastic waste into recycled resin. TGSH specialise in recycling of post-consumer waste (PCW). Managing PCW requires specialised knowledge and expertise in feedstock management to ensure effective processing. Our investment in recycling facilities has been substantial, totalling RM6.6 million since 2016.

To our customers, we:

- Increase awareness among customers regarding their role in minimizing environmental impact by supporting environmentally friendly products and offer an after-use collection program.
- Provide data and evidence-based test results from the Newton R&D Centre to assure customers of the quality performance of our recycled packaging.
- Quantify our sustainability commitment through green certificates such as ISCC Plus, GRS and EN15343 to ensure traceability of certified material (recycled resin) and third-party confirmation on recycled content.

Risk management in relation to recycling

As of the present day, Thong Guan's impact on end-of-life plastic recycling is somewhat constrained, given that the actual recycling process hinges on several factors including product usage, as well as the collection and management of waste post-consumption. Waste collection procedures are predominantly governed by national and local authorities, thereby limiting the standardization of recycling regulations. Furthermore, the perception of recycling among both local authorities and the public plays a significant role in shaping our expansion plans for recycling facilities.

To enhance the recycling rate, it is imperative to establish efficient conditions that encourage the collection of used plastics and create a predictable regulatory framework conducive to investments in circular plastics. In response to this need, Thong Guan has initiated the RE:USE program, aimed at providing after-use waste collection services to our customers. Additionally, we are actively exploring collaboration opportunities with waste collectors to scale up the recycling of post-consumer plastic waste (PCW), thereby enabling a greater volume of plastic waste to be recycled.

Life Cycle Assessment (LCA)

In collaboration with SIRIM, we successfully completed our first life cycle assessment (LCA) of our nano stretch film product in FY2023. This assessment was conducted in accordance with ISO14044 (Environmental Management – Life Cycle Assessment) to comprehensively evaluate the environmental impact of our products.

This assessment was conducted to carefully evaluate the environmental impacts of our products, with a specific focus on our core offerings, such as nano stretch film. Throughout this process, we actively solicited feedback and input from both our suppliers and customers, seeking valuable insights to enhance various facets of our product lifecycle.



RE:DO



RE:USE



RE:DUCE

SUSTAINABILITY STATEMENT

ENVIRONMENTAL CIRCULARITY 2. GREEN CERTIFICATIONS Justifiable Sustainability

Quantifying & qualifying our green competency

Green Certifications

Through the application of globally recognised standards and the validation of our sustainability efforts by external entities, we secure an additional layer of assurance for both ourselves and our stakeholders, affirming our trajectory towards becoming the preeminent leader in sustainability within our industry. Our emphasis on obtaining globally recognised certifications such as ISO14001, ISCC Plus, GRS and EN15343 enables us to stay updated with industry best practices and enhance our reputation by showcasing our commitment to be transparent in supply chain.

We meticulously choose our certificates, and when applicable, seek assistance from external parties to ensure that we engage with certifications that yield the greatest impact and establish the most stringent standards for sustainability. Thong Guan's subsidiaries, where relevant, are certified in accordance with a range of international and national standards and certifications, including but not limited to the following:

ISO 14001



ISO 14001 is a globally recognised standard for establishing and maintaining effective environmental management systems (EMS). It provides organisations with a structured framework to identify, manage, monitor, and improve environmental performance, ensuring compliance with regulatory requirements and supporting continuous improvement.

By adhering to this standard, we are taking proactive measures to minimise our environmental footprint and comply with relevant legal requirements. The certification promotes ongoing assessment of resource usage and waste management, enabling improved environmental performance and reinforcing our commitment to operational excellence and sustainability.

ISCC Plus



The International Sustainability and Carbon Certification (ISCC) stands out as a premier solution provider for fostering sustainable international supply chains. Recognised for its comprehensive approach, ISCC encompasses the entirety of the supply chain, including diverse bio-based feedstocks and renewable, low-carbon technologies, ensuring traceability, traceable tracking of greenhouse gas emissions, and maintaining accountability across the entire supply chain.

The ISCC certification serves as a testament to our commitment to sustainability, ensuring that materials sourced are sustainably produced and traceable throughout global supply chains. By opting for ISCC Plus certification, Thong Guan demonstrates its dedication to sustainable practices, particularly in the conversion of circular materials into mass-balanced products, reinforcing our responsibility in driving positive change within the industry.

GRS



The Global Recycled Standard (GRS) sets criteria for third-party verification of recycled materials and chain of custody. Certifiable products must contain at least 20% recycled content, with a minimum of 50% required for product-specific GRS labelling. The standard also includes strict requirements on environmental management, chemical restrictions, and social responsibility throughout the production process.

GRS certification ensures that recycled materials used in our products are verified and responsibly sourced, while maintaining high standards for environmental and social practices. It strengthens transparency and credibility in our recycled product offerings and supports our commitment to sustainable material use.

EN 15343



The EN 15343 certification focuses on the traceability and verification of recycled plastics content, ensuring transparency and credibility in the use of recycled materials. It establishes robust methodologies for tracking recycled material from input through production to final products, enabling accurate calculation and declaration of recycled content.

By obtaining EN 15343 certification in FY2025, Thong Guan strengthens its commitment to circular economy practices and responsible resource management. The certification also supports alignment with the EU Packaging and Packaging Waste Regulation (PPWR) by providing a recognised framework for traceability and verification of recycled content, enhancing stakeholder confidence and ensuring readiness for evolving regulatory requirements.

7 Factories



Coverage: 7 out of 14 plastic factories are certified to ISO 14001 (60%)

4 Factories



ISCC Plus certification is implemented at selected factories based on production requirements and operational considerations

2 Factories



GRS certification is implemented at selected factories based on production requirements and operational considerations

2 Factories



EN15343 certification is implemented at selected factories based on production requirements and operational considerations

ENVIRONMENTAL CIRCULARITY

3. PRODUCT DEVELOPMENT AND INNOVATION # LoopClosers

Closing the loop with product development and innovation

Advancing circular Packaging Solutions

Thong Guan has been actively promoting downgauging initiatives since 2016, focusing on reducing material consumption while maintaining product performance. While downgauging remains a key strategy, the Group recognises that thickness reduction alone has its technical limitations, particularly in ensuring load stability and packaging integrity.

To address these challenges, the Group strengthened its innovation capabilities through Newton R&D, focusing on developing advanced packaging solutions that optimise performance while reducing environmental impact.

Development of PCR Stretch Film

Since 2021, the Group has progressively incorporated recycled materials into its products, primarily using post-industrial recycled (PIR) materials. Building on this foundation, the Group intensified its research and development efforts to incorporate post-consumer recycled (PCR) materials, which present greater technical complexity.

In FY2025, following extensive testing and process optimisation, the Group successfully launched its PCR Series, comprising:

- PCR Hand Film
- PCR Machine Film
- PCR Bundling Film

These products are engineered with up to 35% recycled content, delivering reliable performance while supporting more sustainable material usage across applications.



PCR Machine Film

Engineered for high-speed, efficient wrapping while maintaining consistent gel characteristics.

PCR Hand Film

Lightweight, durable, user-friendly, and optimized with ideal gel count and gel size control.

PCR Bundling Film

Compact, secure, and sustainably designed with precise gel count and gel size management.

Overcoming Technical Challenges

Incorporating PCR materials into stretch film particularly high-speed machine film requires stringent quality control to ensure consistent performance. PCR materials are inherently variable and may contain contaminants, which can impact film strength, clarity and wrapping efficiency.

To address these challenges, the Group implemented advanced quality control measures, including the installation of an Optical Control System to monitor and manage material quality. In addition, strict sourcing and selection processes are applied to minimise contamination risks and ensure product consistency.

These efforts enable the Group to maintain key product characteristics such as high clarity, controlled gel count and stable wrapping performance, even with the inclusion of recycled content.

Supporting Climate and Circularity Goals

The introduction of the PCR Series supports the Group's broader climate and circular economy strategy. By incorporating recycled materials into its products, the Group reduces reliance on virgin plastic resins, contributing to:

- lower lifecycle greenhouse gas (GHG) emissions, particularly Scope 3 emissions associated with raw material sourcing;
- reduced resource consumption, supporting material efficiency initiatives; and
- advancement of circular economy practices, by promoting the reuse of post-consumer plastic waste.

This initiative is also aligned with evolving regulatory developments, including the Packaging and Packaging Waste Regulation (PPWR), as well as increasing customer demand for sustainable packaging solutions.

SUSTAINABILITY STATEMENT

ENVIRONMENTAL CIRCULARITY

3. PRODUCT DEVELOPMENT AND INNOVATION # LoopClosers

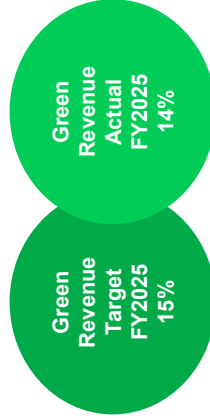
Closing the loop with product development and innovation

Driving Market Adoption of Recycled content

To support the transition towards more sustainable packaging, the Group established a target for 15% of its plastic packaging revenue to be derived from products containing at least 30% recycled content (including both post-industrial recycled (PIR) and post-consumer recycled (PCR) materials) by FY2025 (Green Revenue). This target was set to promote greater awareness among customers on the benefits of adopting packaging solutions with recycled content and to accelerate market adoption.

In FY2025, the Group achieved 14% of total plastic packaging revenue from such products, contributing approximately RM132 million to total revenue, reflecting strong progress in scaling recycled-content solutions.

The results demonstrate increasing customer acceptance of recycled-content packaging and reinforce the Group's commitment to advancing circular economy practices through both product innovation and market engagement.



Delivering Sustainable Value

The PCR Series reflects the Group's commitment to delivering high-performance packaging solutions without compromising sustainability. By integrating recycled content into stretch films, the Group supports customers in achieving their sustainability goals while maintaining operational efficiency.

The Group will continue to invest in research and development to enhance the performance and sustainability of its products. Through innovation in materials and process technologies, Thong Guan aims to deliver solutions that balance performance, cost efficiency and environmental responsibility, supporting the transition towards a low-carbon and circular economy.

Newton R&D continues to play a central role in translating material science into measurable packaging performance—where data replaces assumption, and engineering insight drives measurable outcomes.

Beyond testing, Newton functions as an engineering partner—helping customers validate decisions, reduce risk, and optimise real-world outcomes across diverse industries and regions.

INSIGHTS, TESTING & CUSTOMER WINS

Local Testing, Global Relevance

Newton's laboratories provide customers with access to scientific, application-based testing that reflects real transport and handling conditions.

By simulating actual load movements, forces, and environmental stresses, Newton enables customers to make informed decisions before full-scale deployment, reducing damage, inefficiency, and downstream cost.

What differentiates Newton is not equipment alone, but how testing data is interpreted and applied, connecting film behaviour, load characteristics, and wrapping methods into actionable recommendations.

Newton's value lies not in telling customers *what* to use, but in proving *why* a solution works.



ENVIRONMENTAL CIRCULARITY

4. PRODUCT SAFETY AND CONSUMER RESPONSIBILITY # LoopClosers

Validating Sustainable Packaging Performance in Practice

In FY2025, the Group actively engaged with customers and industry stakeholders through platforms such as Pack Expo Las Vegas 2025 and Newton Academy, providing valuable insights into evolving expectations across the packaging value chain. These engagements enabled the Group to better understand market trends in sustainability, regulatory compliance and product performance, while demonstrating the real-world application of its solutions.

At Pack Expo Las Vegas 2025, the Group showcased its packaging solutions under TG Packaging Solutions, focusing on achieving a balance between performance optimisation and sustainability requirements. Key observations from the event highlighted increasing industry focus on:

- material efficiency beyond stretch percentage metrics;
- containment force and downgauging optimisation;
- adoption of recycled content, particularly post-consumer recycled ("PCR") materials; and
- alignment with evolving regulatory requirements, especially in EU-bound markets.

These insights reinforce the Group's strategic direction in developing solutions that address both operational efficiency and sustainability expectations.

Translating Innovation into Real-World Performance

Building on its innovation capabilities, the Group continues to leverage Newton Academy as a platform for testing, validation and collaboration with customers. Through controlled testing environments, live demonstrations and technical engagements, customers are able to evaluate product performance under actual operating conditions.

This approach enables the Group to:

- validate load stability and containment performance;
- optimise film usage and material efficiency; and
- ensure consistency and reliability across different applications.

Such collaborations provide a deeper understanding of how packaging solutions perform in practice, supporting customers in making informed, data-driven decisions.

Supporting Product Safety, Efficiency and Sustainability

These initiatives reflect the Group's commitment to ensuring that its packaging solutions meet high standards of product safety, performance and sustainability. By validating solutions through real-world testing and customer collaboration, the Group supports:

- safe and secure load handling across supply chains;
- reduction in material usage through optimised film performance; and
- increased adoption of sustainable materials, including PCR content.

This integrated approach strengthens customer confidence while contributing to the Group's broader environmental and circularity objectives.

Customer Insights and Performance Validation

Feedback from customers demonstrates the effectiveness of the Group's solutions in delivering consistent performance and reliability.

Through Newton Academy engagements, customers highlighted the value of:

- data-driven testing and measurable results, enabling clearer comparison of performance;
- improved load stability and wrapping consistency, particularly under controlled stretch conditions; and
- collaborative technical discussions, which help align expectations and enhance trust.

Customers also noted that the ability to validate performance in real-world scenarios—rather than relying solely on theoretical metrics—provides greater confidence in adopting optimised and more sustainable packaging solutions.



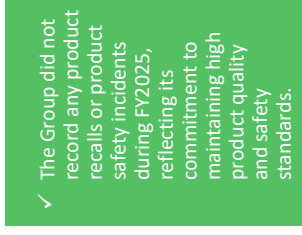
The Velocity film really stands out for its high stretch capability and film consistency.

– Liam Bland
Castle Industrial



We were impressed regarding the culture, which was the passion of the people and how they are combining different scenarios and perspectives on the load stability and customers needs.

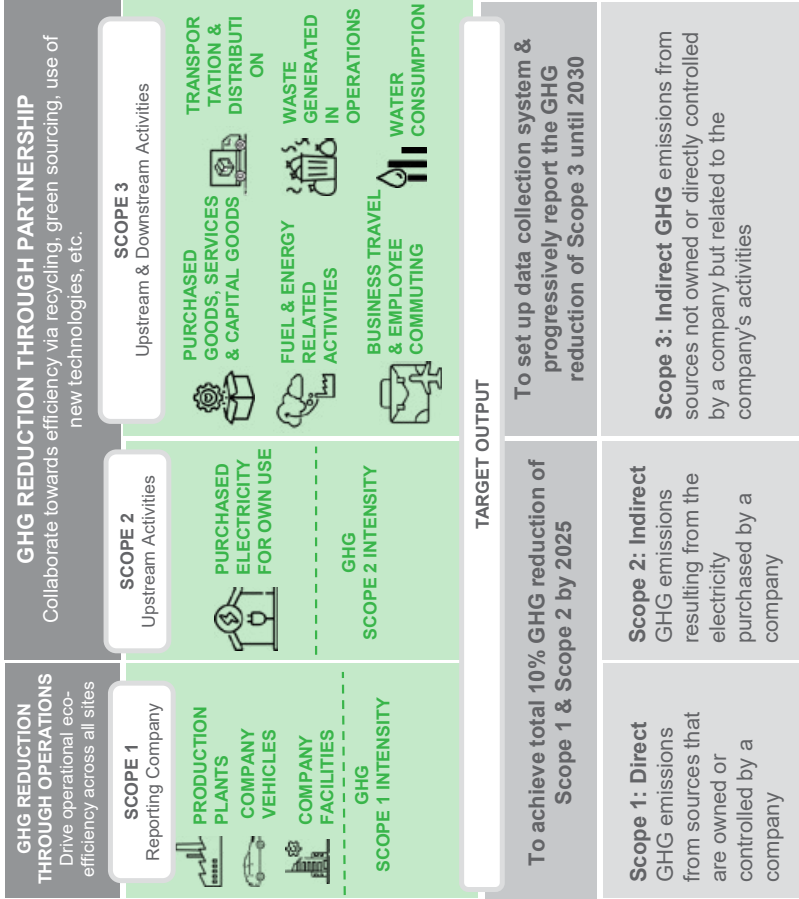
– Alin Mihasan
CEO, SmartWrap Romannia



ENVIRONMENTAL ENVIRONMENT POSITIVE
1. CARBON FOOTPRINT REDUCTION & BALANCING
GHG Emissions Reduction

Keeping our environmental impact in check

GHG EMISSIONS ACROSS OUR VALUE CHAIN



GHG Emissions Reduction

As a producer of plastic packaging, the Group contributes to climate change through both direct and indirect greenhouse gas ("GHG") emissions. The Group remains committed to strengthening its climate-related disclosures and managing emissions across its operations in line with evolving reporting expectations.

The Group commenced the reporting of Scope 1 and Scope 2 GHG emissions in FY2022, and subsequently expanded its disclosures to include selected Scope 3 emissions categories in FY2023, specifically business travel and employee commuting. This reflects the Group's progressive approach in enhancing transparency over its emissions profile across the value chain.

The Group has set a target to achieve a 10% reduction in Scope 1 and Scope 2 GHG emissions intensity by FY2025, based on a FY2021 baseline. In FY2025, the Group reported a 7% reduction in Scope 2 emissions intensity, as disclosed in this report, reflecting progress in managing energy-related emissions.

Scope 1 emissions reduction is currently not reported against the FY2021 baseline, as the baseline data is incomplete and may not provide a reliable basis for comparison. Nevertheless, based on historical records, Scope 1 emissions represent approximately 2% of Scope 2 emissions, and are therefore not considered material to the overall achievement of the Group's emissions reduction target.

In FY2025, Scope 1 emissions comprise primarily diesel and petrol consumption from the Group's facilities and operational assets, including mobile equipment. The Group continues to monitor these emissions and explore opportunities for improvement where relevant.

The Group's emissions reduction efforts are primarily driven by initiatives to improve energy efficiency, increase the use of renewable energy and optimise operational processes. These efforts are supported by ongoing investments in solar energy systems, electrification of equipment and process improvements.

Looking ahead, the Group remains committed to enhancing its GHG emissions management practices, including improving data quality, expanding Scope 3 disclosures and aligning its reporting with evolving regulatory and sustainability reporting requirements.

ENVIRONMENTAL ENVIRONMENT POSITIVE

2. GREEN IMPACT

Air Pollution Management

Minimising environmental pollution

The Group is committed to managing air emissions arising from its operations in compliance with applicable environmental laws and regulations in all operating jurisdictions. Effective air pollution management is essential to mitigate environmental and health risks, ensure regulatory compliance and maintain operational continuity.

Air emissions from manufacturing activities may arise from process operations, combustion sources and material handling. Inadequate management of air emissions may result in regulatory non-compliance, financial penalties, operational disruptions and reputational risks, including impacts on surrounding communities.

To address these risks, the Group has implemented air emission control measures across its operations, including:

- regular monitoring of air emissions to ensure compliance with regulatory limits;
- installation and maintenance of emission control systems for production processes;
- prohibition of open burning to minimise uncontrolled emissions; and
- progressive transition from diesel-powered to electric forklifts to reduce air pollutants and improve workplace air quality.

In addition, air quality management is integrated into the Group's occupational health and safety practices, including monitoring workplace exposure to airborne contaminants to safeguard employee well-being.

These initiatives support the reduction and prevention of air pollutant emissions, while enhancing operational efficiency through improved process controls and the adoption of cleaner technologies. The transition towards more energy-efficient and electrified equipment contributes to lowering emission intensity and improving resource utilisation across the Group's operations.

From a broader sustainability perspective, these efforts align with the Group's commitment to reduce environmental impact and improve operational efficiency.

In FY2025, the Group recorded no instances of non-compliance related to air emissions. The Group also did not receive any complaints from surrounding communities relating to air pollution, reflecting the effectiveness of its control measures and ongoing monitoring practices.

The Group will continue to strengthen its air pollution management practices by enhancing monitoring capabilities, improving process efficiency and adopting cleaner technologies, in support of its broader environmental and climate-related objectives.



ENVIRONMENTAL ENVIRONMENT POSITIVE

2. GREEN IMPACT

Chemical Substances Management

Minimising environmental pollution

Chemical Substances Management

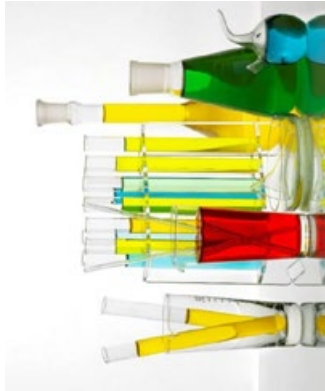
Thong Guan places paramount importance on the responsible handling of its raw materials, particularly those classified as chemical substances. Thong Guan diligently adheres to the regulations outlined REACH¹ framework, ensuring ongoing compliance. Additionally, in cases where relevant, Thong Guan strictly follows legislation governing food contact materials to guarantee the safety and quality of its products.

At the heart of our commitment to compliance is the meticulous selection of substances that have been either registered or pre-registered in accordance with the rigorous standards set forth by REACH. Furthermore, fostering transparent communication and collaboration, we engage in continuous dialogue with our network of raw material suppliers, ensuring that they too uphold the stringent requirements of REACH. Our dedication to transparency extends to providing access to our REACH statement via our official website, affirming our unwavering commitment to regulatory adherence and responsible business practices.

We are committed to effective chemical management through our Chemical Health Risk Assessment (CHRA) conducted every five years, in accordance with the Occupational Safety and Health Act 1994 and the Occupational Safety and Health (Use and Standards of Exposure of Chemical Hazardous to Health) Regulations 2000.

The primary aim of the CHRA is to identify significant health risks and recommend measures to eliminate or minimise exposure to hazardous chemicals. We conduct thorough walkthrough inspections to assess chemical usage and exposure levels.

This proactive approach enables Thong Guan to implement targeted strategies like substituting hazardous chemicals, enhancing ventilation, and providing comprehensive training for employees. By prioritizing chemical safety and continuously improving its practices, we demonstrate our unwavering commitment to safeguarding the health of its workforce and promoting a sustainable working environment.



¹Regulation for Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) is a regulation of the European Union, adopted to improve the protection of human health and the environment from risks that can be posed by chemicals.

ENVIRONMENTAL ENVIRONMENT POSITIVE

2. GREEN IMPACT

Collaboration Helps Growth

Optimising synergy for greater positive green impact

Our Membership In Associations

As active member in a variety of industry associations, we unlock greater value through collaboration, develop closer relationship with various stakeholders and contribute to the uplifting of standard across the Malaysian business community. Our membership also enable us to stay abreast of the latest industry innovations and trends.

Association	Business Division	Our Role
Malaysian Plastic Manufacturers Association (MPMA)	Packaging	Member in Central Committee Northern Branch Chairman
Federation of Malaysian Manufacturers (FMM)	Packaging	Member in Northern Committee
International Safe Transit Association (ISTA)	Packaging	Member
European Safe Logistics Association (EUMOS)	Packaging	Member
ASTM International (American Society for Testing and Materials)	Packaging	Member

Support Green Initiatives

The call for climate action continue to grow louder. At Thong Guan, we support organisation/agencies who share the same value to same value to develop and implement sustainable environment practices to effectively manage climate and environmental risk.

We are a member of the Climate Governance Malaysia, the Malaysian chapter of the World Economic Forum (WEF) climate governance initiative



CLIMATE GOVERNANCE MALAYSIA

ENVIRONMENTAL ENVIRONMENT POSITIVE

3. LOAD STABILITY

Driving ESG Through Data & Engineering

Optimising performance to achieve greener impact

Newton Research & Development Centre Sdn. Bhd. (Newton) plays a critical role in advancing Thong Guan's ESG agenda by translating material science into measurable sustainability outcomes. Through data-driven testing and engineering validation, Newton ensures that packaging solutions not only meet performance requirements but also contribute to environmental efficiency, safety, and resource optimization

Enhancing Load Stability, Reducing Environmental Impact

A key focus of Newton is ensuring load stability, particularly as the industry transitions towards thinner films and higher recycled content. While these innovations support material reduction and circularity, they may introduce risks to packaging integrity if not properly validated.

Newton's advanced simulation and real-world testing capabilities enable customers to:

- Optimise film formulations and thickness without compromising load stability
- Reduce product damage caused by shifting or collapsing loads
- Minimise repacking and reverse logistics, lowering additional material use and transportation emissions
- Prevent workplace and road accidents, contributing to safer supply chains and reducing the risk of injuries and fatalities

By addressing these factors, Newton helps customers achieve a balance between sustainability and operational reliability, ensuring that environmental gains are not offset by downstream inefficiencies.

Supporting ESG Through Data-Driven Validation

Newton's laboratories replicate real transport conditions—including road, rail, sea, and air—allowing customers to make informed decisions before full-scale deployment. This reduces trial-and-error in the field and enables:

- Lower carbon footprint through reduced waste and rework
- Improved supply chain efficiency
- Greater confidence in adopting sustainable packaging solutions

Newton's value lies not only in testing, but in interpreting data into actionable insights, helping customers understand *why* a solution works and how it can be optimised.

Collaborative Innovation & Global Engagement

In FY2025, Newton strengthened its ESG impact through strategic collaborations and global engagement:

- *Partnership with our major customer in Spain*
Through the deployment of a mobile testing centre (SOTM – Sustainability on the Move), Newton brings on-site diagnostics directly to customer facilities. This enables real-time validation of thin film solutions, ensuring product protection, load stability, and sustainability performance under actual operating conditions.
- *Engagement with ISTA China*
Testing standards and best practices in load stability and packaging performance. These collaborations Visits and technical exchanges with ISTA China reinforce Newton's commitment to international enhance Newton's capabilities in delivering globally recognised and validated solutions.

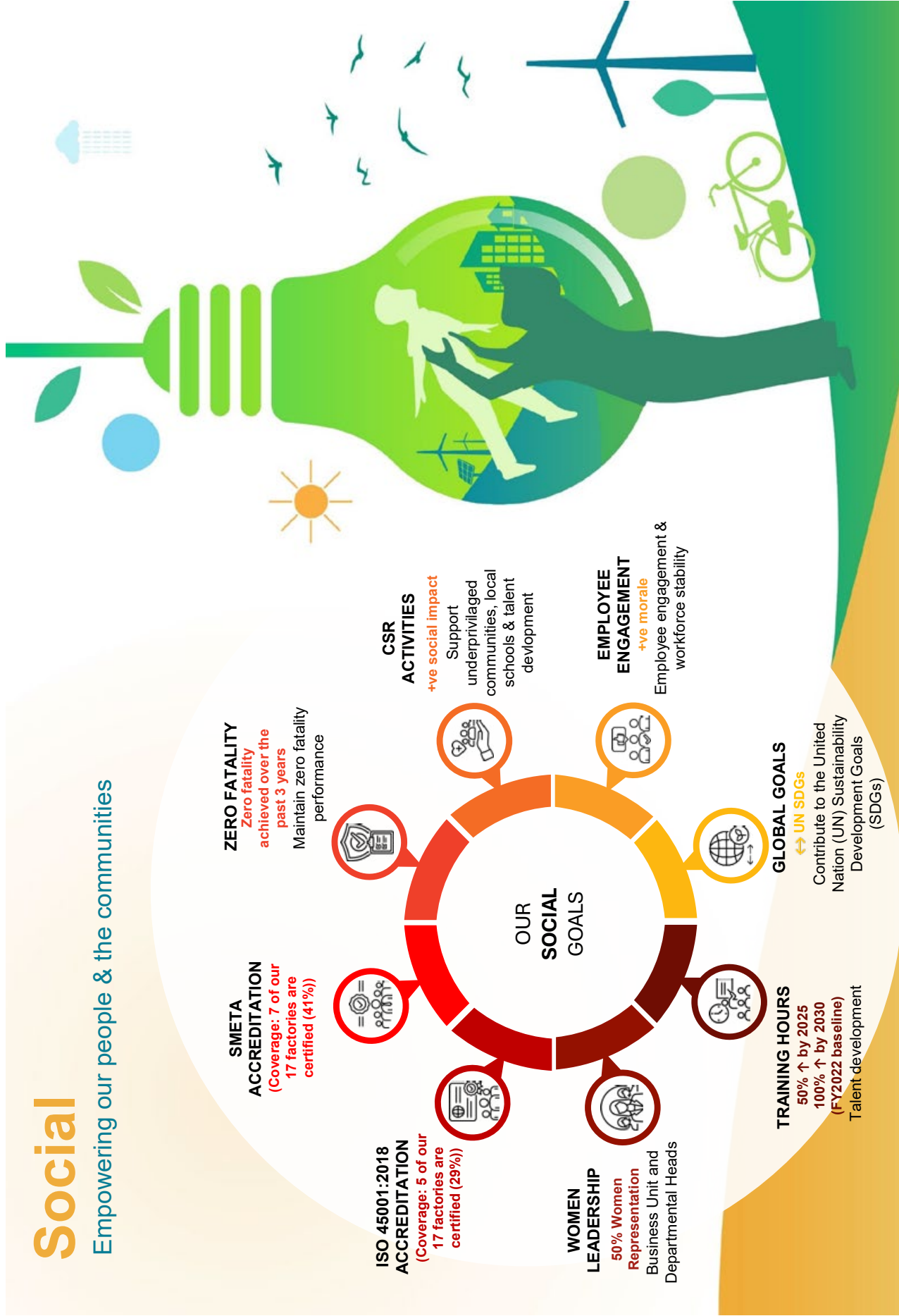
By combining engineering expertise, data analytics, and customer collaboration, Newton continues to drive sustainable innovation—ensuring that every improvement in packaging performance delivers meaningful environmental and social impact.



Visits from ISTA China and the China Packaging Research & Testing Centre



Partnership with our major customer in Spain to launch mobile testing centre



Social

- Health, Safety & Well Being
- Corporate Social Responsibilities & Collaboration

Social Progress: 2025 SOCIAL HIGHLIGHTS

<p>Zero complaint on incident of unfair employment, violation of labour law and human rights, unfair harassment and unlawful discrimination practices in the past three years.</p>	<p>Donated goods and money worth RM118,713 to 77 beneficiaries.</p>
<p>Zero fatality in FY2025. To continue to achieve zero fatality in coming years.</p>	<p>All our hostels are approved Centralised Labour Quarters (CLQ).</p>
<p>Average training hour per employee increased by 52% compared to FY2022 baseline</p>	<p>We employed 27 interns during FY2025, and as at 31 Dec 2025, there were 5 employees with disabilities.</p>
<p>Commenced the living wages assessment across major manufacturing sites.</p>	<p>Long Service and Employee Contribution Awards were given inclusively to all employees, regardless of race, ethnicity or nationality.</p>

OUR APPROACH TO SOCIAL MANAGEMENT

Thong Guan is committed to fostering a safe, inclusive and responsible workplace, where the well-being, development and rights of employees are prioritised. The Group integrates human rights, labour standards and employee welfare into its human capital management approach, ensuring that all employees are treated with dignity, fairness and respect.

As a manufacturing organisation with a diverse workforce, including foreign workers, the Group emphasises fair employment practices, equal opportunities and inclusive engagement across all levels of the organisation. Employment decisions are based on merit, skills and performance, while ensuring that employees, regardless of nationality or background, have access to appropriate benefits, training and career development opportunities.

The Group also promotes a culture of continuous learning, employee engagement and recognition, supporting workforce capability development and long-term retention. Initiatives such as training programmes, employee engagement activities and inclusive recognition practices reinforce a positive and supportive working environment.

In addition, the Group remains committed to upholding human rights and ethical employment practices, including the prohibition of forced labour, child labour and discrimination. These principles are embedded in the Group's policies and practices, supported by ongoing monitoring and continuous improvement efforts.

RISK MANAGEMENT THROUGH KEY STRATEGIES

The Group recognises that reliance on foreign labour and a diverse workforce presents certain operational and regulatory risks, including changes in immigration policies, evolving labour regulations and workforce cost pressures. To manage these risks effectively, the Group adopts a structured and proactive approach to workforce planning and labour management.

Key strategies implemented by the Group include:

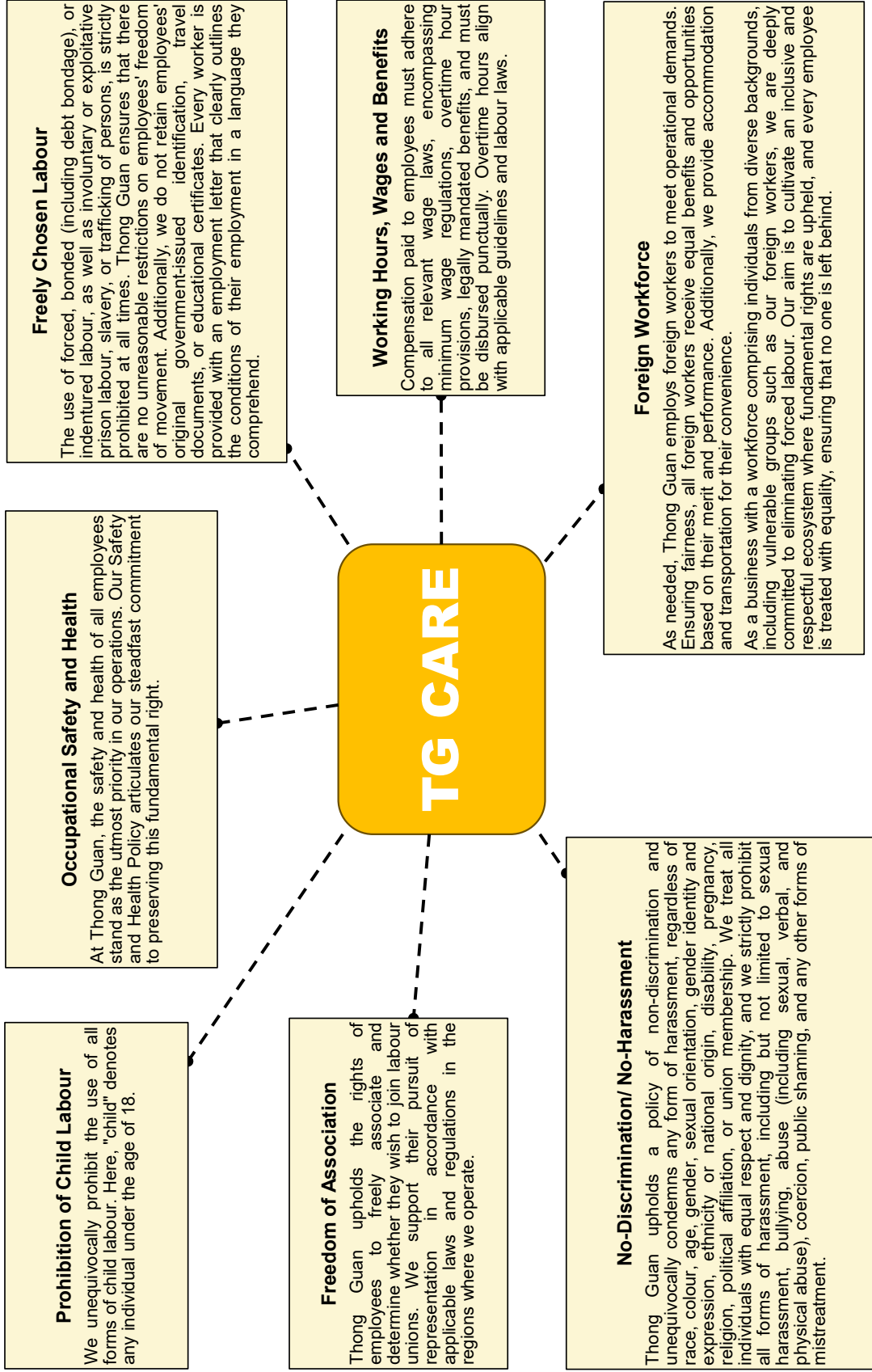
- **Regulatory Monitoring and Compliance:** The Group closely monitors developments in labour laws and regulatory requirements across jurisdictions, ensuring timely updates and compliance with applicable standards.
- **Strengthening Labour Practices and Human Rights Protection:** The Group continuously reviews and enhances its employment practices to align with recognised standards, including fair wages, working conditions and employee welfare, supported by initiatives such as SMETA certification and living wage assessments.
- **Workforce Planning and Localisation Strategy:** The Group adopts a structured manpower planning approach, including efforts to optimise workforce composition and reduce reliance on foreign labour through local talent development where feasible.
- **Adoption of Technology and Operational Efficiency:** The Group leverages automation and digitalisation to improve productivity and reduce dependency on manual labour, enhancing operational resilience.
- **Employee Engagement and Inclusive Workplace Practices:** Ongoing engagement initiatives and inclusive workplace policies help strengthen workforce stability, promote retention and reduce operational disruptions.

These measures enable the Group to effectively manage workforce-related risks while supporting sustainable operations, employee well-being and long-term business resilience.



Our People

Our commitment to human rights and labour standards are seamlessly integrated into our human capital management principle



SOCIAL HUMAN RIGHTS PROTECTION

1. EQUAL RIGHTS TO WORK & EDUCATION

Equal Opportunities

Protecting our people on their rights

Workplace human rights

Thong Guan remains committed to upholding human rights across its operations and value chain. The Group has established policies and practices to ensure fair and equitable treatment of all employees, regardless of gender, age, nationality, ethnicity or background.

Foreign workers form an important part of the Group's workforce and the Group is committed to ensuring fair treatment, equal access to benefits and safe living conditions in line with human rights principles.

In FY2025, the Group continued to maintain its SMETA audit certification across selected facilities, with 41% of our sites certified, demonstrating adherence to recognised standards on labour practices, health and safety, environmental management and business ethics. This reflects the Group's ongoing commitment to responsible business conduct and continuous improvement in workplace standards.

Sedex Member Ethical Trade Audit (SMETA)



Sedex is a global platform that supports companies in managing responsible sourcing practices across supply chains. The SMETA audit is a widely recognised social audit framework used to assess working conditions, including labour standards, health and safety, environmental practices and business ethics.

The Group continues to leverage SMETA as part of its broader approach to strengthen transparency and accountability within its operations and supply chain.

Equal rights to work & education

The Group practices a merit-based approach to recruitment, training and career advancement, ensuring equal opportunities for all employees, regardless of language, culture, age, gender, ethnicity and nationality. This includes fair treatment of migrant workers and efforts to promote inclusivity across all levels of the organisation.

In FY2025, the Group continued to strengthen workforce development initiatives, including training programmes aimed at enhancing employees' skills and competencies. The Group also maintained its commitment to providing equal access to career progression opportunities, supporting a diverse and capable workforce.

SOCIAL HUMAN RIGHTS PROTECTION

2. DIVERSITY & INCLUSION

Welcoming Workplace

Embracing differences for the greater good

The Group is committed to fostering a diverse and inclusive workplace where all employees are respected and valued. Diversity within the workforce is recognised as a key driver of innovation, collaboration and long-term business sustainability.

The Group promotes an inclusive working environment where individuals from different backgrounds, cultures and perspectives can contribute meaningfully. Employees are encouraged to share ideas, collaborate across teams and support one another in achieving shared goals.

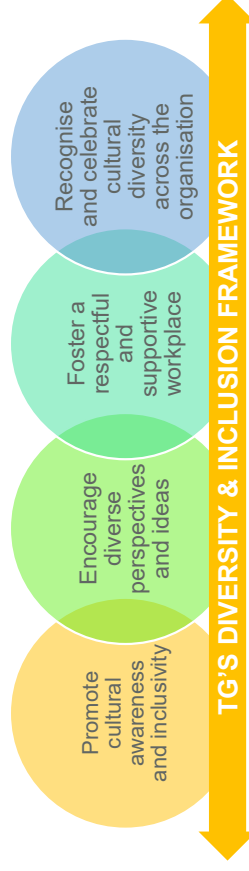
Diverse & Inclusive Workplace

The Group does not tolerate discrimination in any form and is committed to equal opportunity practices in recruitment, remuneration and career advancement. Employment decisions are based on merit, skills and performance.

Diversity considerations are integrated into recruitment and succession planning processes, ensuring a balanced and inclusive workforce. The Group continues to support diversity at all levels, including leadership positions.

Our Diversity & Inclusion Framework

The Group's Diversity & Inclusion framework is guided by the following principles:



In FY2025, the Group continued to strengthen these practices through ongoing employee engagement initiatives and awareness programmes aimed at fostering an inclusive workplace culture

There were no substantiated complaints relating to human rights violations from FY2023 to FY2025.

SOCIAL HUMAN RIGHTS PROTECTION

2. DIVERSITY & INCLUSION

Women Leadership

Advancing gender justice & equality for furthering economic, social and environmental progress

The power of women leadership

The Group recognises that women's participation in leadership and decision-making plays an important role in driving organisational performance and fostering a diverse and inclusive workplace. Gender diversity remains a key focus area, supported by the Group's commitment to equal opportunity and merit-based advancement.

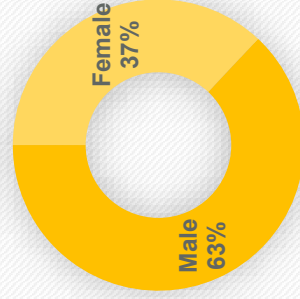
In FY2025, women held 37% of leadership positions, comprising business unit and department heads (FY2024: 40%). The decrease in representation during the year was primarily due to the addition of two male department heads in the Property Development and Pre-Stretch divisions, as part of the Group's business expansion and organisational needs.

As leadership appointments are based on merit, experience and suitability, changes in business structure and operational requirements may result in fluctuations in gender representation from time to time.

The Group maintains an aspiration to achieve 50% women representation in leadership roles over time, while continuing to uphold a merit-based approach to talent selection and development.

Despite the change in leadership composition, women continue to represent a significant proportion of the workforce, providing a strong pipeline for future leadership development.

Women Leadership Distribution in TG in FY2025



SOCIAL HUMAN RIGHTS PROTECTION

3. ETHICAL EMPLOYMENT PRACTICES

Fair Remuneration

Recognising Value, Rewarding Effort

Competitive and dynamic remuneration and benefits

At the heart of the Group's human resource strategy is the recognition that competitive and fair remuneration and benefits are essential in attracting and retaining top talent. The Group remains committed to providing employees with appropriate compensation packages that support employee well-being and foster a motivated and engaged workforce.

The Group's remuneration practices are guided by compliance with applicable labour laws and regulations in Malaysia and other countries where it operates. This includes adherence to requirements relating to minimum wage, overtime pay and other employment-related financial obligations.

To maintain its competitive edge, the Group conducts periodic reviews of remuneration levels, including benchmarking against industry standards and country-specific guidelines. These reviews ensure that compensation remains aligned with market practices and supports the Group's ability to attract, retain and develop talent.

The Group adopts a merit-based approach to remuneration, where compensation and rewards are determined based on individual performance, skills, experience and responsibilities. This approach ensures fairness, promotes equal opportunities and supports a high-performance culture across the organisation.

The Group's commitment to employee well-being is further reflected in its comprehensive suite of employee benefits, which includes:



SOCIAL HUMAN RIGHTS PROTECTION 3. ETHICAL EMPLOYMENT PRACTICES

Fair Remuneration

Recognising Value, Rewarding Effort

Living Wages Assessment

The Group recognises that fair remuneration is a fundamental component of responsible employment practices and human rights. In line with this, the Group is taking steps to enhance its understanding of wage adequacy across its operations.

In FY2025, the Group commenced a living wages assessment exercise across its major manufacturing sites, involving data collection and analysis of employee wage levels against relevant benchmarks and cost-of-living considerations.

This assessment aims to:

- evaluate the extent to which current wages meet basic living needs;
- identify potential gaps between statutory wages and living wage benchmarks; and
- support the development of a structured approach towards fair and responsible remuneration practices.

The Group expects to establish an initial living wage benchmark in FY2026, which will serve as a reference point for future review of remuneration practices.

This initiative forms part of the Group's broader commitment to upholding human rights, enhancing employee well-being and aligning with evolving ESG expectations.

Supportive and Communicative Culture

The Group promotes open communication and employee engagement through established channels, including regular meetings and feedback mechanisms. Employees are encouraged to raise concerns without fear of reprisal, and all feedback is reviewed and addressed appropriately.

There were zero incidents of non-compliance relating to employment practices during the reporting year.

We are dedicated to keeping our employees informed about our business strategies, opportunities, and challenges, highlighting their essential role in creating value for the Group. This is achieved through internal management meetings held every four months.

✓ Zero incidents of non-compliance with regard to our employment practices in FY2025

SOCIAL HEALTH & SAFETY

1. SAFE & CONDUCTIVE WORKPLACE

OHS System for the people

Ensuring our workplace is safe & conducive

Occupational Health & Safety Management

The Group is committed to providing a safe and conducive workplace for all employees, recognising that occupational health and safety ("OHS") is fundamental to operational excellence and workforce well-being. The Group's OHS management approach is guided by established policies and procedures, supported by compliance with applicable regulatory requirements and industry standards.

Health and safety risks are systematically identified, assessed and managed across operations through structured processes, regular inspections, preventive maintenance and safety monitoring. The Group's occupational health and safety management practices are further strengthened through the adoption of recognised standards, with major operating subsidiaries implementing ISO 45001 Occupational Health and Safety Management Systems, reinforcing a structured and systematic approach to managing workplace risks.

Hazard Identification, Risk Assessment and Incident Investigation

The Group adopts a structured approach to hazard identification and risk assessment through the implementation of Hazard Identification, Risk Assessment and Risk Control (HIRARC) practices across its operations. In FY2023, the Group conducted comprehensive HIRARC exercises to identify workplace hazards, assess associated risks and implement appropriate control measures to mitigate potential incidents and HIRARC is updated on an annual basis.

These assessments form a key part of the Group's safety management system and are periodically reviewed to ensure continued relevance and effectiveness in addressing evolving operational risks.

Investigations are carried out for all major workplace incidents, particularly those resulting in medical leave exceeding two days, to determine root causes and implement corrective and preventive actions. Key findings are communicated to employees through internal channels to reinforce awareness and promote a culture of safety and accountability.



SUSTAINABILITY STATEMENT

SOCIAL HEALTH & SAFETY

1. SAFE & CONDUCIVE WORKPLACE

OHS System for the people

Ensuring our workplace is safe & conducive

Occupational Health Services

The Group provides access to occupational health services to safeguard employee well-being. These include periodic medical surveillance, audiometric testing and health monitoring programmes, supported by qualified external service providers where necessary.

In addition, the Group has designated patient care areas within selected facilities, equipped with basic medical beds and first aid support, to provide immediate assistance to employees in the event of illness or injury at the workplace.

Worker Participation, Consultation and Communication

The Group promotes active employee participation in health and safety through regular communication, awareness programmes and engagement initiatives. Employees are encouraged to contribute to safety improvements and report potential hazards.

Initiatives such as Safety Week are conducted annually to enhance safety awareness and reinforce safe work practices. Workplace safety risk assessments are also carried out to identify areas for improvement and strengthen preventive measures.

Worker Training on Occupational Health and Safety

The Group provides ongoing training and awareness programmes to ensure employees are equipped with the necessary knowledge and skills to perform their duties safely. Safety training is integrated into operational processes and reinforced through regular briefings and awareness initiatives.

Promotion of Worker Health

The Group promotes employee health and well-being through structured programmes, including medical check-ups, health monitoring and workplace wellness initiatives, supporting a healthy and productive workforce.

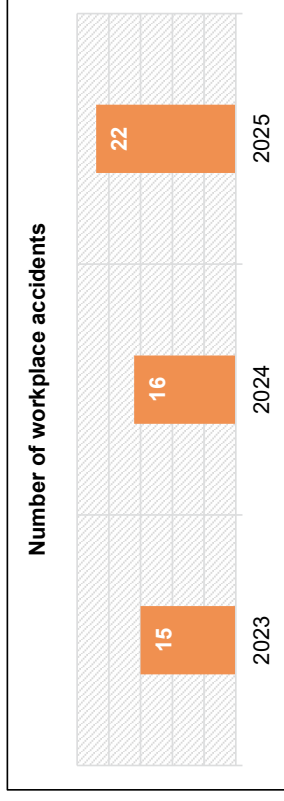
Prevention and Mitigation of Occupational Health and Safety Impacts

The Group ensures that its facilities, infrastructure and equipment are regularly maintained and tested to meet applicable health and safety standards. These measures reduce the risk of workplace incidents, improve operational efficiency and mitigate potential social and environmental impacts.

Work-related Injuries

In FY2025, the Group recorded 22 workplace accidents compared to 16 cases in FY2024 and 15 cases in FY2023. All incidents were investigated, and corrective actions were implemented to prevent recurrence.

The increase in workplace accidents highlights the need for continued strengthening of safety practices, and the Group remains committed to enhancing its safety management systems, including the ongoing review of HIRARC assessments and reinforcement of employee awareness programmes.



Continuous Improvement in Workplace Safety

The Group continues to enhance its safety management practices through ongoing initiatives, including:

- installation of Automated External Defibrillators (AEDs) at factory premises to improve emergency response capabilities;
- provision of patient care areas within selected facilities for immediate medical support;
- implementation and periodic review of HIRARC assessments;
- regular safety inspections and risk assessments; and
- continuous employee engagement and awareness programmes to foster a strong safety culture.

Through these efforts, the Group remains committed to maintaining a safe working environment and achieving continuous improvement in occupational health and safety performance.

SOCIAL HUMAN CAPITAL DEVELOPMENT

1. EMPLOYEE ENGAGEMENT

Employee Engagement Model

Investing in our people

Benefits of highly engaged employees

Highly engaged employee are essential for our business success and help us achieve and sustain our vision. We have open door policy of which the staffs are encouraged to share their issues with superiors. Weekly meeting are held between executive directors and leaders to discuss on operational matters and to provide solution and guidance.

Our Employee Engagement Framework

Our people are our most valuable assets. As such we invest heavily in our workforce. In our focus on employee engagement, we follow the guideline of our framework. The focus are on these six areas.

Our people are our most valuable asset, and we invest heavily in our workforce. We focused on creating a strong leadership team with the right capabilities and experiences to drive our ambitions and achievements. We develop our people and reward strong performance through our career management strategies, learning and development opportunities, and access to resources.



Building Culture Beyond the Workplace

The Group continues to foster a positive and inclusive workplace culture by promoting employee engagement beyond day-to-day operations. In FY2025, a series of initiatives were organised to strengthen teamwork, enhance employee well-being and reinforce a sense of belonging across the organisation.

Key engagement activities during the year included:

- **Merdeka Sustainability Decoration Contest**, which encouraged creativity and sustainability awareness through the use of recycled and repurposed materials;
- **Hari Raya Open House and Appreciation Award Ceremony**, providing an opportunity for employees to celebrate together while recognising outstanding contributions;
- **Long Service Awards**, honouring employees for their dedication and long-term commitment to the Group;
- **Bowling and Badminton Tournaments**, aimed at promoting teamwork, camaraderie and a healthy work-life balance; and
- **Team-building programmes for supervisory-level staff**, designed to strengthen leadership capabilities, collaboration and communication across departments.

These initiatives reflect the Group's commitment to nurturing a supportive and engaging work environment, where employees feel valued and connected. By encouraging participation across all levels of the organisation, the Group continues to strengthen its organisational culture and employee morale.



SUSTAINABILITY STATEMENT

SOCIAL HUMAN CAPITAL DEVELOPMENT

2. LEADERSHIP & LEGACY

Organisational Success

Future-proofing our workforce

Developing strong leadership

Leaders play a critical role in shaping the culture and long-term success of the Group.

Our corporate values and philosophy are centred on:

- Driving excellence through innovation
- Fostering trust and confidence
- Cultivating a safe and better working environment

The Group continues to ensure that its leaders are aligned with these values and are able to effectively promote and embed them across the organisation.

Succession planning

A strong leadership pipeline is essential to support sustainable growth and organisational resilience. The Group adopts a structured approach to succession planning to identify and develop potential leaders, ensuring continuity in key roles and mitigating talent risks.

In FY2025, the Group conducted various team-building and engagement activities for production employees, including migrant workers, to strengthen collaboration, improve communication and foster a more inclusive workplace environment. These initiatives support workforce integration and contribute to building a cohesive and engaged workforce across all levels of the organisation.

The Group will continue to enhance its talent development and succession planning efforts to prepare its workforce for future challenges and opportunities.



In FY2025, we conducted various team-building activities to strengthen the bond between production employees, enhancing their understanding of each other as part of our succession plan.

SOCIAL HUMAN CAPITAL DEVELOPMENT

3. TALENT DEVELOPMENT

Opportunities & Growth

Training & developing our people for progression

Attract, develop and engage

The Group continues to attract skilled and talented individuals and supports their seamless integration into the organisation. We aim to create an environment where employees are empowered to take on new challenges and grow within the organisation.

Developing Talent

We promote a culture of continuous learning, encouraging employees to adopt a growth mindset and enhance their capabilities. Training and development programmes are tailored to meet the evolving needs of the business and individual learning preferences. The Group adopts a structured approach to learning through:

- **On-the-job training and learning**, including exposure to new responsibilities and stretch assignments;
- **Collaborative learning**, through interaction with peers, supervisors and cross-functional teams; and
- **Formal training**, including structured programmes, workshops and online learning. Each business unit develops an annual training plan to ensure alignment with operational needs, while employees are encouraged to pursue additional learning and development opportunities. The Group also supports professional development through education sponsorship programmes where applicable.

Training Performance

In FY2025, the Group recorded 13,976 structured training hours (FY2024: 19,076). The decrease compared to FY2024 was primarily due to the completion of extensive production-related training programmes conducted in China in FY2024, which were implemented to update and reinforce compliance with local laws and regulatory requirements.

Despite the lower training hours in FY2025, the Group has successfully achieved its training target, recording an overall 52% increase in training hours compared to the FY2022 baseline, exceeding the Group's target of 30% growth. This reflects the Group's continued commitment to investing in employee development and enhancing workforce capabilities.

In FY2025, the Group recorded an average of 5.67 training hours per employee, and remains committed to further strengthening workforce development, with a target to achieve an average of 8 training hours per employee by FY2030.



SOCIAL CONTRIBUTIONS 4. CORPORATE SOCIAL RESPONSIBILITIES CSR Projects

Helping others during hard times

Contribution to society

In FY2025, the Group remained committed to supporting communities through a range of corporate social responsibility (“CSR”) initiatives focused on community engagement, education, environmental awareness and social well-being. These initiatives reflect the Group’s dedication to creating a positive and lasting impact beyond its business operations.

Empowering Future Talent

The Group continues to support young talents by recognising and encouraging excellence. In FY2025, we celebrated the achievement of Whitney Isabella Wilson, who attained commendable results in international chess competitions. Through such recognition, the Group aims to inspire young Malaysians to pursue excellence and realise their full potential.



Looking forward to cheering her on as she continues to make Malaysia proud.

As her main sponsor, we are honoured to support her growth on the global stage, empowering young Malaysians to pursue excellence with confidence.

Community Engagement and Social Support

The Group actively engaged with local communities through various initiatives during the year. These included:

- **Festive outreach programmes**, such as *Berbuka with Rumah Anak Yatim & Factory Education Visit*, providing support to underprivileged children while promoting awareness of our operations;
- **Hari Raya Open House and appreciation initiatives**, fostering inclusivity and strengthening relationships with employees and communities; and
- **Support for local schools and community groups**, including educational visits and engagement activities.

These efforts aim to strengthen community relationships and contribute to social well-being.



SOCIAL CONTRIBUTIONS

4. CORPORATE SOCIAL RESPONSIBILITIES

CSR Projects

Creating Positive Community Impact

SUSTAINABILITY STATEMENT

Promoting Culture and National Identity

In conjunction with national celebrations, the Group organised the Merdeka Sustainability Decoration Contest, encouraging employees to express creativity using recycled materials while promoting environmental awareness.

The Keretapi Sarong 2025 participation and the launch of 888 Teh Tarik Malaysia further reflected the Group's commitment to celebrating Malaysian culture and heritage.

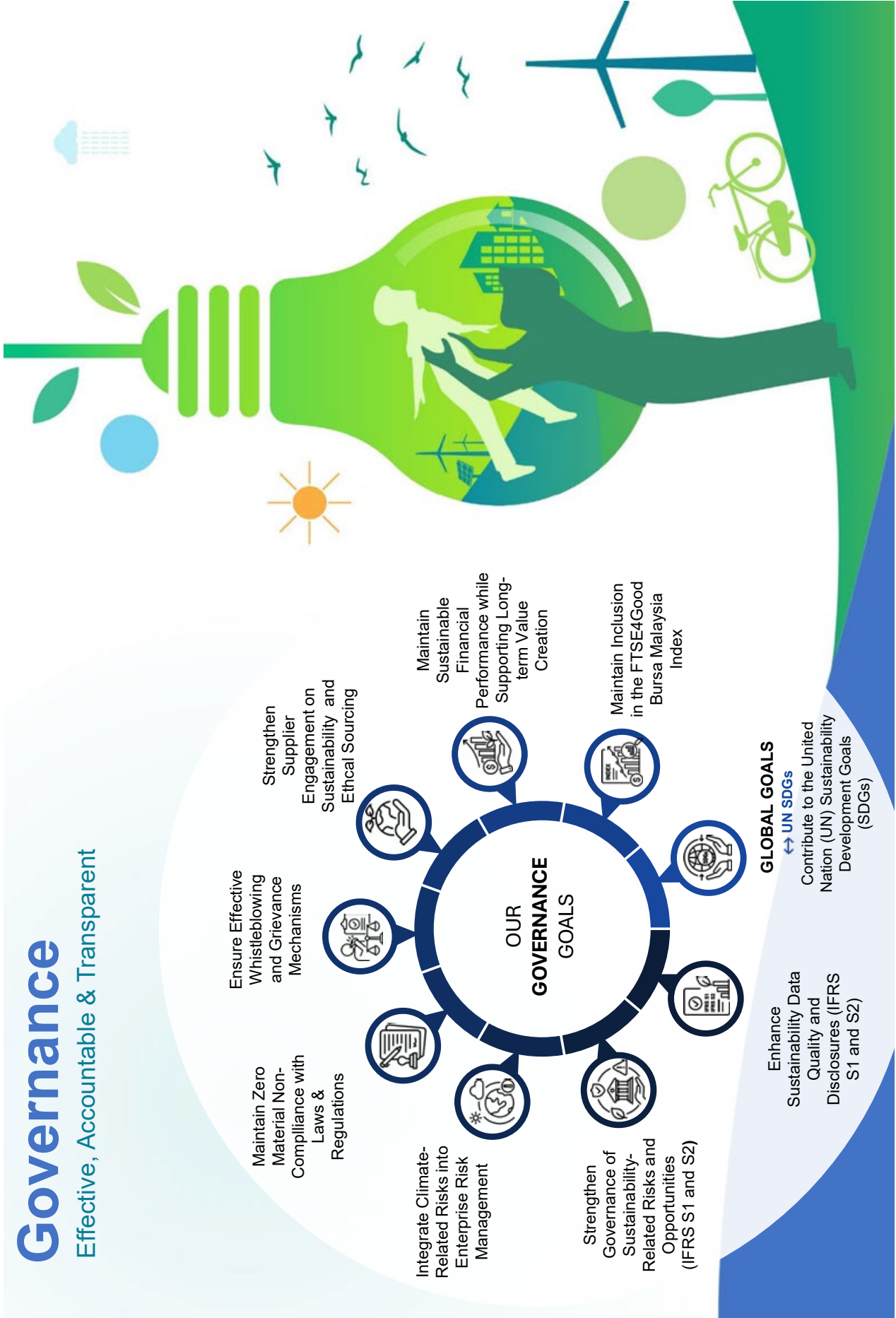


Rooted in Malaysian heritage, we proudly celebrated local culture by participating in **Keretapi Sarong 2025** and the launch of the new and improved 888 the Tarik Malaysia at Sungai Petani, Malaysia

Environmental Awareness and Recycling activities

The Group continued to promote environmental responsibility through initiatives such as the Earth Day Waste Collection Campaign, where employees participated in collecting and segregating recyclable materials for donation to charitable organisations. This marks the continuation of the Group's campaign, reflecting our ongoing commitment to sustainable practices and community engagement. These efforts reinforce responsible waste management practices and encourage employee participation in environmental stewardship.





SUSTAINABILITY STATEMENT

• Effective, Accountable & Transparent Organisational Structure & Culture

Governance

Governance Progress:

2025 GOVERNANCE HIGHLIGHTS

<p>Improvement in FTSE4Good rating from 3-star to 4-star.</p>	<p>Annual Board Effectiveness Evaluation conducted internally, facilitated by the Company Secretary.</p>
<p>Enhance Sustainability Data Quality and Disclosure (IFRS S1 & S2).</p>	<p>Strengthened Whistleblowing framework</p>
<p>95% board meeting attendance.</p>	<p>100% independent directors on audit, nominating & remuneration committee.</p>
<p>The Board consists of 43% independent directors.</p>	<p>Continuously improving operation and production efficiency.</p>

OUR APPROACH TO GOVERNANCE MANAGEMENT

Thong Guan's reputation is firmly rooted in its core values of integrity, transparency and accountability, which guide decision-making across all levels of the organisation. The Group is committed to upholding high standards of corporate governance, recognising that strong governance practices are essential to sustaining stakeholder trust and long-term business success.

The Board plays an active role in overseeing the Group's strategic direction, including sustainability and climate-related matters. An Executive Director has been designated to oversee climate-related issues, ensuring that climate risks and opportunities are integrated into the Group's strategy and operations. The Board also strengthens its competencies through ongoing updates and engagements with external bodies such as Climate Governance Malaysia, enhancing its understanding of evolving ESG and climate-related developments.

In addition, the Group adopts a disciplined and responsible approach to capital allocation, ensuring that financial resources are deployed in a manner that supports both business growth and sustainability objectives. This includes investments in areas such as renewable energy, resource efficiency and environmental initiatives, reinforcing the Group's commitment to long-term value creation.

The Group is also progressing towards aligning management incentives with sustainability priorities, through the ongoing review of its remuneration framework to incorporate ESG-related key performance indicators (KPIs) for heads of departments and business units.

RISK MANAGEMENT THROUGH COMPREHENSIVE FRAMEWORK

Thong Guan's risk management system is established in accordance with the principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management Framework and ISO 31000, both of which are internationally recognised frameworks. This enables the Group to systematically identify, assess and manage risks in alignment with its corporate strategy, business direction and sustainability objectives.

Guided by the Group's Enterprise Risk Management ("ERM") framework, which is reviewed on a regular basis, the Group strives to maintain a balanced approach between risk appetite and business opportunities to achieve sustainable growth and competitive advantage. This includes the integration of climate-related and sustainability risks into the ERM framework, supporting more informed and forward-looking decision-making.

In May 2024, the Group undertook a comprehensive review of its ERM framework in collaboration with its internal auditor, PKF, including an enterprise-wide risk assessment. The Risk Management Task Force reviewed and updated the Group's risk profile and risk register, which were subsequently presented to the Board for discussion and approval. The Group has formalised a policy to review its risk profile and risk register at least once every three years, ensuring responsiveness to evolving business and sustainability-related risks. This structured approach strengthens governance oversight, enhances risk transparency and supports the Group's commitment to sustainable and resilient long-term value creation.

GOVERNANCE CORPORATE GOVERNANCE

Board of Directors

Leveraging on the invaluable assets of a strong & effective Board of Directors

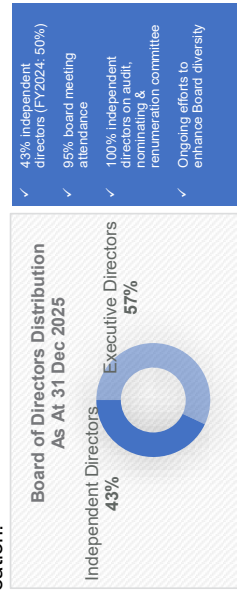
Board of Directors

In FY2025, the Board met on four occasions during the year, maintaining strong oversight of the Group's strategic direction and operations. The Board continues to review financial performance and key matters of importance, supported by both internal and external insights.

As at 31 December 2025, independent directors represented 43% of the Board (FY2024: 50%). The reduction was primarily due to the resignation of the Chairman upon completion of his nine-year tenure, in line with good governance practices. The Group is in the process of identifying and appointing a suitable candidate to strengthen Board independence.

The Board continues to enhance its competencies in overseeing sustainability and climate-related matters. An Executive Director, Dato' Ang Poon Khim, has been designated to oversee climate-related issues at the Group level. The Board also receives periodic updates on climate developments, including participation in programmes and briefings organised by Climate Governance Malaysia, to strengthen directors' understanding of climate-related risks and opportunities.

In addition, the Group is currently reviewing its remuneration framework with the intention of progressively linking the performance of heads of departments and business units to relevant ESG-related key performance indicators (KPIs). This initiative aims to further align management incentives with the Group's sustainability objectives and long-term value creation.



Board Diversity

The Group recognises the importance of diversity in enhancing Board effectiveness and decision-making. While the Malaysian Code on Corporate Governance recommends at least 30% women representation on boards, the Group's current female Board representation stands at 14%. The Group remains committed to improving Board diversity and will continue to identify and appoint qualified female candidates, taking into consideration skills, experience and overall Board composition.

GOVERNANCE ETHICS & TRANSPARENCY

Business Code of Conduct

Building deep trust among stakeholders of the company

Ethics & transparency

Thong Guan strives to uphold high ethical standards in all aspects of its business. Our **Business Ethics and Code of Conduct** set the expected standards of behaviour for employees, stakeholders and business partners.

The Group encourages employees and contractors to raise concerns, ask questions and report any alleged violations of company policies. In addition to our open-door communication culture, we have established whistleblowing channels to facilitate confidential reporting of unethical conduct, including corruption, fraud and misconduct.

Enhanced Whistleblowing Accessibility

In FY2025, the Group strengthened its whistleblowing framework by enhancing accessibility and inclusivity of reporting channels. QR codes were introduced across departments and production areas, allowing employees to easily access reporting platforms.

To support a diverse workforce, these channels are made available in multiple languages, ensuring that employees at all levels, including foreign workers, can report concerns in a clear and accessible manner.

These enhancements aim to:

- improve awareness and utilisation of whistleblowing mechanisms;
- promote a speak-up culture across the organisation; and
- ensure timely reporting and resolution of potential issues.

Anti bribery and corruption

In FY2025, we continue to review and update our risk analysis in relation to anti-bribery and corruption. Anti-corruption training was carried out in previous years, and refresher sessions are provided where necessary. We maintained zero reported incidents of corruption and bribery, reflecting the effectiveness of our policies and internal controls.

Financial Year	2023	2024	2025
Number of corruption and bribery case	0	0	0
Political contribution made (RM)	0	0	0
Facilities payment made (RM)	0	0	0
Fines imposed in relation to corruption, bribery (RM)	0	0	0
Percentage of operations assessed for corruption-related risks	100	100	100

SUSTAINABILITY STATEMENT

GOVERNANCE ETHICS & TRANSPARENCY

Data Security

Protecting data assets

Data Security

Thong Guan's commitment to data security extends beyond technological safeguards. Within the organisation, we actively prioritise ethical standards in data handling, as outlined in our Security Policy and Procedures. These guidelines dictate responsible utilisation of information, ensuring the protection of data assets and network infrastructure. An essential aspect of this approach involves the implementation of Non-Disclosure Agreements (NDAs), serving as a legal safeguard to shield our intellectual property from unauthorised access.

Our dedication to cybersecurity compliance not only enhances daily operations but also fosters trust among stakeholders. Employees are trained to remain vigilant against potential threats, supported by ongoing awareness programmes and security practices. This includes adhering to data protection protocols and promptly identifying and reporting suspicious activities.

To ensure that employees only access necessary data for their roles, the Group implements access controls within its business processes. Our technological solutions, including endpoint protection, secure cloud storage and communication systems, work seamlessly to establish a robust defence against unauthorised access attempts.

In FY2025, the Group strengthened its data security framework through the implementation of immutable data backup solutions at selected locations. Immutable backups are designed to ensure that stored data cannot be altered, deleted or overwritten for a defined period, providing an additional layer of protection against cyber threats.

This enhancement offers several key benefits:

- Protection against ransomware attacks, as critical data cannot be tampered with even if systems are compromised;
- Improved data integrity and reliability, ensuring that backup data remains accurate and unchanged;
- Faster recovery and business continuity, enabling the Group to restore systems efficiently in the event of data loss or cyber incidents; and
- Enhanced resilience against internal and external threats, strengthening overall cybersecurity posture.

These measures reinforce the Group's commitment to safeguarding sensitive information and ensuring operational resilience. To proactively address emerging risks, the Group continues to invest in advanced technologies and strengthen its cybersecurity capabilities to uphold data security standards.

✓ There were no complaints concerning breaches of customer privacy and losses of customer data in 2025.

GOVERNANCE ETHICS & TRANSPARENCY

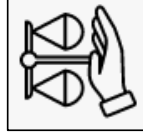
Responsible Sourcing

Ethically Sourced, Sustainably Yours

Responsible Sourcing Policy

In FY2024, Thong Guan formally adopting a responsible sourcing policy. This initiative is not merely a response to growing consumer demands for sustainability; it is a moral imperative that reflects the company's commitment to ethical sourcing, responsible consumption, and long-term business viability. By prioritizing responsible sourcing, Thong Guan aims to ensure that the products it manufactures are not only high-quality but also sustainable and ethically produced.

Adopting a responsible sourcing policy is essential for:



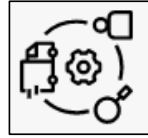
Ethical Considerations: In an era where consumers are increasingly aware of the origins of the products they purchase, it is imperative for companies to ensure that the materials they utilise are sourced ethically. This means avoiding practices that exploit labour, harm communities, or contribute to human rights abuses.



Environmental Impact: The environmental impact of sourcing practices cannot be overstated. Responsible sourcing policies prioritise sustainable practices that reduce the negative effects of resource extraction, manufacturing processes, and transportation. Thong Guan's commitment to responsible sourcing includes measures aimed at mitigating climate change, preserving biodiversity, and protecting ecosystems.



Legal Compliance: Compliance with sourcing-related laws is more critical than ever. Many jurisdictions have enacted regulations governing sourcing practices, particularly regarding labour rights and environmental standards. Our responsible sourcing policy is designed to help ensure compliance with these laws, thereby reducing the risk of legal issues and potential penalties.



Supply Chain Resilience: A robust responsible sourcing policy also promotes supply chain resilience. Through our responsible sourcing policy, Thong Guan aims to engage with suppliers who share the similar values and commitment to sustainability. By working closely with these suppliers, the company can create a more resilient supply chain that is better equipped to navigate challenges and uncertainties.

GOVERNANCE ETHICS & TRANSPARENCY

Responsible Sourcing

Ethically Sourced, Sustainably Yours



Business Continuity: By securing access to vital resources and reducing dependency on finite or environmentally damaging materials, Thong Guan enhances its ability to mitigate risks associated with resource scarcity. This strategic approach is crucial for maintaining operational stability and fostering long-term success.

Enhanced Vendor Assessments

Strengthening Supply Chain Management

To reinforce its commitment to responsible sourcing, Thong Guan has enhanced its vendor assessment documentation. The company has implemented a system that conducts assessments on suppliers with annual purchases exceeding RM1 million at least once every three years. Additionally, this assessment is compulsory for new suppliers with estimated annual purchases exceeding RM1 million.

These assessments provide a platform for communicating the Group's expectations on sustainable sourcing while facilitating engagement with suppliers to address challenges and improve practices across the supply chain.

In FY2025, the Group maintained its vendor assessment processes, with no significant changes to the assessment approach. The Group continues to monitor supplier performance and identify opportunities to strengthen sustainability practices across its supply chain.

Supporting SME Suppliers: Training and Development

The Group remains committed to supporting small and medium-sized enterprises ("SMEs") in enhancing their sustainability practices. The Group continues to engage with suppliers through ongoing communication and collaboration, promoting responsible sourcing practices and raising awareness of sustainability expectations across the supply chain.

GOVERNANCE AUTOMATION & DIGITALISATION

Automation & Digitalisation

Improving efficiency, transparency & speed

Automation & digitalisation transformation

Automation and digitalisation continue to play a key role in enhancing manufacturing efficiency, precision and agility across the Group's operations. These technologies streamline processes, reduce human error and optimise resource allocation through real-time data analytics, contributing to improved operational performance and workplace safety.

From FY2021 to FY2024, the Group focused on enhancing efficiency and sustainability through key digitalisation and automation initiatives, including the implementation of a Manufacturing Execution System (MES), robotic process automation (RPA), supplier relationship management (SRM) systems, and automation of production processes.

In FY2025, the Group continued to leverage and optimise these established systems and automation solutions, focusing on enhancing operational stability, efficiency and data-driven decision-making across its manufacturing processes. The ongoing utilisation of these technologies has contributed to improved process control, reduced manual intervention and enhanced workplace safety.

The Group remains committed to advancing its automation and digitalisation journey and will continue to explore opportunities to further enhance operational efficiency and sustainability through technological innovation.



GOVERNANCE SUSTAINABLE OPERATIONS
Continuous Improvements

Ensuring our business thrive for the people, environment & economy

Sustainable Operations Management & strategies

Thong Guan has been recognised as a constituent of the FTSE4Good Bursa Malaysia Index, reflecting the Group's continued commitment to environmental, social and governance ("ESG") excellence.

In FY2025, the Group achieved an improvement in its FTSE4Good rating from 3-star to 4-star, marking a significant milestone in strengthening its sustainability performance. This enhancement demonstrates the Group's progress in integrating responsible practices across its operations and aligning with evolving ESG standards.

Inclusion in the FTSE4Good Index underscores Thong Guan's commitment to adopting robust ESG practices and maintaining high standards of corporate governance. By aligning with the index's rigorous criteria, the Group continues to enhance transparency, accountability and long-term value creation for stakeholders.

One of our subsidiary was awarded the EcoVadis Bronze Medal in FY2024. This recognition reflects the Group's continued progress in strengthening its sustainability practices across key areas, including environment, labour and human rights, ethics and sustainable procurement. The EcoVadis assessment evaluates companies based on internationally recognised standards, providing an independent benchmark of ESG performance.

The achievement underscores Thong Guan's commitment to integrating responsible practices across its operations and supply chain. The Group remains focused on further enhancing its sustainability performance and contributing positively to the advancement of sustainable business practices within the industry.



We have been included as a constituent of the FTSE4Good Bursa Malaysia ("F4GBM") Index in FY2024



Our major subsidiary has been awarded the prestigious Bronze Medal by EcoVadis in FY2024

SUSTAINABILITY STATEMENT

Green Capital Investment and Responsible Growth

The Group recognises that sustained profitability is essential to support long-term business resilience, innovation and sustainability initiatives. A disciplined and responsible approach to capital allocation enables the Group to invest in projects that deliver both financial returns and positive environmental outcomes.

As part of its commitment to sustainable development, the Group has established an overall green capital investment target of RM30 million, comprising multiple investment phases. This includes approximately RM20 million invested in solar PV systems over the period from FY2018 to FY2025, reflecting the Group's long-term commitment to renewable energy adoption. In addition, the Group earmarked a further RM10 million for green capital investments from FY2021 to FY2025, covering initiatives such as electric forklifts and recycling facilities. As at 31 December 2025, the Group has invested a total of RM27.2 million, demonstrating steady progress towards its overall green investment commitment.

While this is slightly below the initial commitment, the Group continues to prioritise investments that enhance environmental performance. It is important to note that this green capital investment excludes routine upgrades of production equipment and machinery, including those with energy efficiency improvements.

- Looking ahead, the Group plans to further strengthen its environmental initiatives in FY2026, including the implementation of a digitalised energy monitoring system to enhance real-time tracking and efficiency;
- the introduction of a rainwater harvesting system to improve water resource management; and
- the evaluation of additional solar PV installations at selected facilities, including in Sabah and China.

These investments are aligned with the Group's broader environmental and climate-related objectives, supporting ongoing efforts to improve energy efficiency, reduce emissions and enhance resource management across operations. Through prudent management and responsible allocation of resources, Thong Guan continues to uphold its role as a responsible corporate citizen, ensuring that business growth supports long-term environmental and societal value creation.

Investments	As at 31 Dec 2025 (RM'000)
Solar PV System (FY2018 – FY2025)	20,441
Electric Forklifts (FY2021 – FY2025)	1,565
Recycling Facilities (FY2021 – FY2025)	4,914
Electric Car	246
Total	27,166

- ✓ In 2025, Thong Guan paid 6.5 cents per share dividend to shareholders (total RM26.0 M).
- ✓ In 2025, Thong Guan paid RM15.1 M tax to support the development of the countries where we operates.

GLOBAL REPORTING INITIATIVE CONTENT INDEX

Thong Guan Industries Berhad has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.

GRI Standards	Disclosure Number	Disclosures	Page Reference
GENERAL DISCLOSURE			
GRI 2: General Disclosures 2021	<i>The organisation and its reporting practices</i>		
	2-1	Organisation details	Group Structure & Principal Activities, page 3; About Us, page 17
	2-2	Entities included in the organisation's sustainability reporting	About Our Sustainability Statement, page 21-22
	2-3	Reporting period, frequency and contact point	About Our Sustainability Statement, page 21-22
	2-4	Restatements of information	About Our Sustainability Statement, page 21-22
	2-5	External assurance	About Our Sustainability Statement, page 21-22
	<i>Activities and workers</i>		
	2-6	Activities, value chain and other business relationship	Group Structure & Principal Activities, page 3
	2-7	Employees	Social – Human Rights Protection, page 57-59; ESG Performance Data, page 79-84
	2-8	Workers who are not employees	Social – Human Rights Protection, page 57-59; ESG Performance Data, page 79-84
GENERAL DISCLOSURE			
GRI 2: General Disclosures 2021	<i>Governance</i>		
	2-9	Governance structure and composition	Sustainability Governance, page 23; Corporate Governance Overview Statement, page 85-93
	2-10	Nomination and selection of the highest governance body	Corporate Governance Overview Statement, page 85-93
	2-11	Chair of the highest governance body	Corporate Governance Overview Statement, page 85-93
	2-12	Role of the highest governance body overseeing the management of impacts	Corporate Governance Overview Statement, page 85-93
	2-13	Delegation of responsibility for managing impacts	Corporate Governance Overview Statement, page 85-93
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance, page 23; Corporate Governance Overview Statement, page 85-93
	2-15	Conflict of interest	Profile of Directors, page 11-14; Audit Committee Report, page 99-100
	2-16	Communication of critical concerns	Governance – Ethics & Transparency, page 67

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SUSTAINABILITY STATEMENT

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GRI Standards	Disclosure Number	Disclosures	Page Reference
GENERAL DISCLOSURE			
GRI 2: General Disclosures 2021	Strategy, policies and practices		
	2-17	Collective knowledge of the highest governance body	Profile of Directors, page 11-14; Audit Committee Report, page 99-100
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, page 85-93
	2-19	Remuneration policies	Corporate Governance Overview Statement, page 85-93
	2-20	Process to determine remuneration	Corporate Governance Overview Statement, page 85-93
	2-21	Annual total compensation ratio	Corporate Governance Overview Statement, page 85-93
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Our sustainability Commitment, page 16; Message from the Managing Director, page 18-19; Our ESG Framework, page 20; Our Core Strategies, page 20	
2-23	Policy commitments	Environmental, page 27,33; Social, page 54-56; Governance, page 65-66	
2-24	Embedding policy commitments	Environmental, page 27,33; Social, page 54-56; Governance, page 65-66; Business Code of conduct, page 67	
MATERIAL TOPIC			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment, page 24-26
	3-2	List of material topics	Materiality Assessment, page 24-26
GRI 2: General Disclosures 2021	Strategy, policies and practices		
	2-25	Process to remediate negative impacts	Sustainability Governance, page 23; Corporate Governance Overview Statement, page 85-93
	2-26	Mechanism for seeking advice and raising concerns	Sustainability Governance, page 23; Corporate Governance Overview Statement, page 85-93
	2-27	Compliance with laws and regulations	Environmental –Operational Eco Efficiency, page 34-44; Environment – Environment Positive, page 50-53; Social – Human Rights Protection, page 57-59, Health & Safety, page 59-60; Governance – Ethics & Transparency, page 67-69
	2-28	Membership associations	Environmental – Environment Positive, page 50-53
	2-29	Approach to stakeholder engagement	Stakeholder Engagement, page 26
2-30	Collective bargaining agreement	Our People, page 56	
MATERIAL TOPIC			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment, page 24-26
	3-2	List of material topics	Materiality Assessment, page 24-26

"AR" refer to FY2025 Thong Guan Annual Report

GLOBAL REPORTING INITIATIVE CONTENT INDEX

Thong Guan Industries Berhad has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.

GRI Standards	Disclosure Number	Disclosures	Page Reference	GRI Standards	Disclosure Number	Disclosures	Page Reference
TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS				TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS			
CORPORATE GOVERNANCE AND ETHIC & TRANSPARENCY				SUSTAINABLE OPERATIONS			
GRI 3: Material Topics 2021	3-3	Management of material topics	Governance – Corporate Governance, Ethics & Transparency, page 67-69	GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainable Operations, page 70
	205-1	Operations assessed for risks related corruption	Business Code of Conduct, page 67	GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Sustainable Operations, page 70
	205-2	Communication and training about anti-corruption policies and action taken	Business Code of Conduct, page 67; ESG Performance Data, page 79-84	AUTOMATION & DIGITALISATION			
	205-3	Confirmed incidents of corruption and action taken	Business Code of Conduct, page 67; ESG Performance Data, page 79-84	GRI 3: Material Topics 2021	3-3	Management of material topics	Automation & Digitalisation, page 69
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Responsible Sourcing, page 68-69	OPERATIONAL ECO EFFICIENCY			
GRI 308: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Responsible Sourcing, page 68-69	GRI 3: Material Topics 2021	3-3	Management of material topics	Operational Eco Efficiency, page 34-44
				GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Management, page 42-44
					306-2	Management of significant waste-related impacts	Waste Management, page 42-44
					306-3	Waste generated	Waste Management, page 42-44

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SUSTAINABILITY STATEMENT

Thong Guan Industries Berhad has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.

GRI Standards	Disclosure Number	Disclosures	Page Reference	GRI Standards	Disclosure Number	Disclosures	Page Reference
TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS							
CIRCULARITY							
GRI 3: Material Topics 2021	3-3	Management of material topics	Recycling Capacity, page 45; Green Certifications, page 46; Sustainable Product Development and Innovation, page 47-48; Product Safety and Consumer Responsibility, page 49				
CLIMATE CHANGE & DECARBONISATION (ENVIRONMENT POSITIVE)							
GRI 3: Material Topics 2021	3-3	Management of material topics	Climate-related Financial Disclosure, page 28-29; Climate-related Risks and Opportunities, page 30-32; GHG Emissions Reduction, page 50; Air Pollution Management, page 51; Chemical Substances Management, page 52; Collaboration Helps Growth, page 52; Driving ESG Through Data & Engineering, page 53				
	305-1	Direct (Scope 1) GHG emissions	GHG Emissions Reduction, page 50; ESG Performance Data, page 79-84				
	305-2	Energy indirect (Scope 2) GHG emissions	GHG Emissions Reduction, page 50; ESG Performance Data, page 79-84				
	305-4	GHG emission intensity	GHG Emissions Reduction, page 50; ESG Performance Data, page 79-84				
	307-1	Non-compliance with environmental laws and regulations	2025 Environmental Highlights, page 33; Water Management, page 37-39; Waste Management, page 42; Air Pollution Management, page 51				
TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS							
OPERATIONAL ECO EFFICIENCY							
GRI 306: Waste 2020	306-4	Waste diverted from disposal	Waste Management, page 42-44				
	306-5	Waste directed to disposal	Waste Management, page 42-44				
GRI 303: Water and effluents	303-1	Interaction with water as a shared source	Water Management, page 37-39				
	303-2	Management of water-discharged-related impacts	Water Management, page 37-39				
	303-3	Water withdrawal	Water Management, page 37-39				
	303-5	Water consumption	Water Management, page 37-39				
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Material Management, page 40-41				
	301-2	Recycled input material used	Material Management, page 40-41				
GRI 301: Energy 2016	302-1	Energy consumption within the organization	Energy Management, page 34-36				
	302-3	Energy intensity	Energy Management, page 34-36				

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Thong Guan Industries Berhad has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.

GRI Standards	Disclosure Number	Disclosures	Page Reference	GRI Standards	Disclosure Number	Disclosures	Page Reference	
TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS								
HUMAN RIGHTS PROTECTION								
GRI 3: Material Topics 2021 GRI 401: Employment 2016 GRI 405: Diversity and Equal Opportunities 2016	3-3	Management of material topics	Human Rights Protection, page 57-59	GRI Standards	403-5	Worker training on occupational health	ESG Performance Data, page 79-84	
	401-1	New employee hires and employee turnover	Talent Development, page 62; ESG Performance Data, page 79-84		403-6	Promotion of worker health	Safe & Conducive Workplace, page 59-60	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Ethical Employment Practices, page 58-59		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safe & Conducive Workplace, page 59-60	
	401-3	Parental leave	Ethical Employment Practices, page 58-59		403-9	Work-related injuries	Safe & Conducive Workplace, page 59-60	
	405-1	Diversity of governance bodies and employees	Diversity and Inclusion, page 57-58; Board of Directors, page 67; ESG Performance Data, page 79-84		403-10	Work-related health	Safe & Conducive Workplace, page 59-60	
HEALTH AND SAFETY								
GRI 3: Material Topics 2021 GRI 403: Occupational Health and Safety 2018	3-3	Management of material topics	Social, page 54-55; Our People, page 56; Safe & Conducive Workplace, page 59	GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Human Capital Development, page 61-62; ESG Performance Data, page 79-84	
	403-1	Occupational health and safety management system	Social, page 54-55; Our People, page 56; Safe & Conducive Workplace, page 59		404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital Development, page 61-62	
	403-2	Hazard identification, risk assessment, and incident investigation	Safe & Conducive Workplace, page 59-60		GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Social Responsibilities, page 63-64
	403-3	Occupational health services	Safe & Conducive Workplace, page 59-60			GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programs
403-4	Worker participation, consultation, and communication on occupational health and safety	Safe & Conducive Workplace, page 59-60	SOCIAL CONTRIBUTION					
HUMAN CAPITAL DEVELOPMENT								
SOCIAL CONTRIBUTION								

SUSTAINABILITY STATEMENT

TCFD-ALIGNED DISCLOSURES

We apply the TCFD recommendations as recommended by IFRS S1 & S2

TCFD Recommendation	Thong Guan Disclosures	Reference
Governance - Disclose the organization's governance around climate-related risks and opportunities		
a) Describe the Board's oversight of climate-related risks and opportunities	The Board plays an active role in overseeing the Group's strategic direction, including sustainability and climate-related matters. An Executive Director has been designated to oversee climate-related issues, ensuring integration into strategy and operations. The Board is supported by the sustainability governance structure and receives periodic updates on climate developments to strengthen oversight and competencies.	<ul style="list-style-type: none"> • Governance
b) Describe management's role in assessing and managing climate-related risks and opportunities	Management, led by the Executive Director, is responsible for implementing climate-related strategies and initiatives. This is supported by the Risk Management Task Force, which plays a key role in identifying, assessing and monitoring climate-related risks as part of the Group's Enterprise Risk Management (ERM) framework. Climate-related matters are integrated into business operations and risk management processes, with regular updates provided to the Board.	<ul style="list-style-type: none"> • Governance • Environmental
Strategy - Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	The Group recognises climate change presents both physical risks (e.g. extreme weather, flooding) and transition risks (e.g. regulatory changes, market expectations). Opportunities include improving energy efficiency, adopting renewable energy and developing sustainable products to enhance resilience and competitiveness.	<ul style="list-style-type: none"> • Climate-related Financial Disclosures • Climate-related Risk and Opportunities
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Climate considerations are embedded into business strategy through investments in solar PV systems, electrification, recycling facilities and process optimisation. These initiatives support emissions reduction, cost efficiency and long-term value creation while strengthening regulatory compliance.	<ul style="list-style-type: none"> • Climate-related Financial Disclosures • Climate-related Risk and Opportunities
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 integrates climate considerations into its risk management processes and has implemented adaptation measures such as infrastructure improvements to mitigate physical risks (e.g. flood resilience). The Group is progressively enhancing its climate scenario analysis capabilities in line with IFRS S2 requirements.	<ul style="list-style-type: none"> • Climate-related Financial Disclosures • Climate-related Risk and Opportunities
Risk management - Disclose how the organisation identifies, assesses and manages climate-related risks		
a) Describe the organisation's processes for identifying and assessing climate-related risks	Climate-related risks are identified and assessed through the Group's Enterprise Risk Management (ERM) framework, aligned with COSO ERM and ISO 31000. Risks are evaluated based on likelihood and impact, including physical and transition risks.	<ul style="list-style-type: none"> • Environmental
b) Describe the organisation's processes for managing climate-related risks	Material climate-related risks are prioritised, with mitigation strategies including energy efficiency improvements, renewable energy adoption and operational enhancements to reduce emissions and strengthen resilience. Environmental performance is managed through the Group's Environmental Management System ("EMS"), which provides a structured framework for monitoring, reporting and continuous improvement across key environmental areas.	<ul style="list-style-type: none"> • Environmental
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Climate-related risks are integrated into the Group's overall ERM framework and risk register. The risk profile is periodically reviewed and presented to the Board, ensuring alignment with strategy and business objectives.	<ul style="list-style-type: none"> • Environmental
Metrics and targets - Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	The Group monitors key metrics including energy consumption, GHG emissions (Scope 1 and Scope 2), emissions intensity and selected Scope 3 categories such as business travel and employee commuting.	<ul style="list-style-type: none"> • Material Topics • Environmental
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks.	Scope 1 and Scope 2 emissions have been reported since FY2022, with selected Scope 3 disclosures introduced in FY2023. Scope 1 emissions relate to fuel use, while Scope 2 emissions relate to purchased electricity.	<ul style="list-style-type: none"> • Material Topics • Environmental
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	The Group targets a 10% reduction in Scope 1 and Scope 2 emissions intensity by FY2025 (baseline FY2021). In FY2025, a 7% reduction in Scope 2 emissions intensity was achieved, supported by energy efficiency and renewable energy initiatives.	<ul style="list-style-type: none"> • Material Topics • Environmental

SASB Standards Index (Containers & Packaging)

This table presents the Sustainability Accounting Standards Board (SASB) Containers & Packaging industry standard disclosures relevant to Thong Guan Industries Berhad. The Group has referred to the IFRS S2 Industry-based Guidance derived from the SASB Standards for the Containers & Packaging industry to help ensure that its climate-related and sustainability disclosures remain relevant to its sector and investors. Some metrics are currently disclosed qualitatively or only partially, and the Group will continue to enhance data availability and reporting alignment over time.

Topics	Accounting metric	Unit	Code	Thong Guan Disclosures	Reference
Greenhouse gas emissions	Gross global Scope 1 emissions; percentage covered under emissions-limiting regulations	tonnes CO ₂ e; %	RT-CP-110a.1	Gross global Scope 1 emissions are disclosed in the ESG Performance Data section. The Group operates manufacturing facilities in Malaysia, China and Thailand, where there are currently no emissions-limiting regulations applicable to its operations; accordingly, the percentage of emissions covered under such regulations is 0%.	<ul style="list-style-type: none"> ESG Performance Data
Greenhouse gas emissions	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and analysis	RT-CP-110a.2	Narrative disclosed. The Group has a FY2025 target to reduce Scope 1 and Scope 2 emissions intensity by 10% against FY2021 baseline. The Group achieved 7% reduction in Scope 2 intensity in FY2025 and continues to focus on renewable energy, electrification and process optimization.	<ul style="list-style-type: none"> Climate-related Financial Disclosures; Climate-related Risks and Opportunities; GHG Emissions
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) VOCs, and (4) particulate matter (PM)	tonnes	RT-CP-120a.1	Quantitative disclosure in SASB format is not currently available. Air pollution management is addressed in the report, and there were no instances of non-compliance related to air emissions in FY2025.	<ul style="list-style-type: none"> Air Pollution Management
Energy management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	MWh; %	RT-CP-130a.1	Partial disclosure available. FY2025 total electricity consumption: 114,687 MWh; renewable electricity: 7%; self-generated solar electricity: 7,864 MWh; fossil-based/grid electricity: 106,823 MWh. Total energy consumption across all fuels is not currently presented in full SASB format.	<ul style="list-style-type: none"> Energy Management
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	m ³ ; %	RT-CP-140a.1	Total water withdrawal and consumption are disclosed in the ESG Performance Data section (FY2025: 309,101 m ³). The Group also assesses water risk using the AQUEDUCT Water Risk Atlas and has disclosed the proportion of water consumption in regions with varying water stress levels, including high and extremely high stress areas, based on operational site locations.	<ul style="list-style-type: none"> Water Management
Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	RT-CP-140a.2	Narrative disclosed. The report discusses water-related risks, leakages, municipal water reliance, AQUEDUCT Water Risk Atlas, monitoring, leak rectification and future rainwater harvesting plans.	<ul style="list-style-type: none"> Water Management; Climate-related Risks and Opportunities; Green Capital Investment and Responsible Growth
Water Management	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Number	RT-CP-150a.1	0. The Group complied with regulations concerning both water consumption and quality, with zero incidents of non-compliance reported in the past three years.	<ul style="list-style-type: none"> Water Management
Waste management	Amount of hazardous waste generated; percentage recycled	tonnes; %	RT-CP-250a.1	Not currently disclosed quantitatively in SASB format. The report discusses scheduled (hazardous) waste management and states zero incidents of non-compliance, but does not provide hazardous waste volume and recycling percentage.	<ul style="list-style-type: none"> Waste Management

SASB Standards Index (Containers & Packaging)

This table presents the Sustainability Accounting Standards Board (SASB) Containers & Packaging industry standard disclosures relevant to Thong Guan Industries Berhad. The Group has referred to the IFRS S2 Industry-based Guidance derived from the SASB Standards for the Containers & Packaging industry to help ensure that its climate-related and sustainability disclosures remain relevant to its sector and investors. Some metrics are currently disclosed qualitatively or only partially, and the Group will continue to enhance data availability and reporting alignment over time.

Topics	Accounting metric	Unit	Code	Thong Guan Disclosures	Reference
Product safety	Number of recalls issued; total units recalled	Number	RT-CP-250a.1	The Group did not record any product recalls or product safety incidents during FY2025, reflecting its commitment to maintaining high product quality and safety standards.	<ul style="list-style-type: none"> Product Safety & Consumer Responsibility
Product safety	Discussion of process to identify and manage emerging materials and chemicals of concern	Discussion and analysis	RT-CP-250a.2	Narrative disclosed. The report discusses REACH compliance, food-contact legislation where relevant, supplier engagement and chemical health risk assessment practices.	<ul style="list-style-type: none"> Chemical Substances Management
Product lifecycle management	Percentage of raw materials from: (1) recycled content, (2) renewable resources, and (3) renewable and recycled content	%	RT-CP-410a.1	The Group utilises both virgin and recycled plastic resins in its manufacturing processes. In FY2025, recycled materials accounted for approximately 6.8% of total materials used, while materials derived from renewable resources contributed approximately 0.2%. Accordingly, the combined percentage of renewable and recycled content was approximately 7.0%. Recycled content includes both post-industrial recycled (PIR) and post-consumer recycled (PCR) materials. The Group's 2030 target relates specifically to PCR content.	<ul style="list-style-type: none"> Material Management
Product lifecycle management	Revenue from products that are reusable, recyclable and/or compostable	MYR	RT-CP-410a.2	In FY2025, approximately 14% of total plastic packaging revenue, equivalent to RM132 million, was derived from products containing at least 30% recycled content. This reflects increasing market adoption of more sustainable packaging solutions.	<ul style="list-style-type: none"> Product Development & Innovation
Product lifecycle management	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and analysis	RT-CP-410a.3	Narrative disclosed. The report covers downgauging, Newton R&D, PCR stretch film, recycled content, OCC, wooden pallet recycling, slip sheet adoption, product testing and customer validation.	<ul style="list-style-type: none"> Circularity; Product Development and Innovation; Product Safety and Consumer Responsibility
Supply chain management	Total wood fibre procured; percentage from certified sources	tonnes; %	RT-CP-430a.1	Not applicable, as this metric is not material to the Group's operations, which are primarily focused on plastic packaging manufacturing.	<ul style="list-style-type: none"> Not applicable
Supply chain management	Total aluminium purchased; percentage from certified sources	tonnes; %	RT-CP-430a.2	The Group does not produce metallised film and does not utilise aluminium-related inputs. Accordingly, this metric is not material to the Group's operations.	Not applicable

Not all SASB metrics are currently disclosed in full quantitative format in the FY2025 Sustainability Statement. Where relevant, the table cross-refers to the closest available disclosure in the current report.

ESG Performance Data

Thong Guan Industries Berhad IFRS S1

Date & Time: 2026-04-28_10:29:38
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Environmental	Total energy consumption	Megawatt	114,687	—	No assurance	
Environmental	Total volume of water used	Megalitres	309	10% reduction by FY2025; 20% reduction by FY2030 (Baseline: FY2021)	No assurance	Water Management
Environmental	Total waste generated	Metric tonnes	8,745	—	No assurance	
Environmental	Total waste diverted from disposal	Metric tonnes	6,762	—	No assurance	
Environmental	Total waste directed to disposal	Metric tonnes	1,983	30% reduction by FY2023; 60% reduction by FY2030 (Baseline: FY2022)	No assurance	Waste Management
Social	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	118,713	—	No assurance	
Social	Total number of beneficiaries of the investment in communities	Number	77	—	No assurance	
Social	Gender Group - Senior Management Female	Percentage	29	—	No assurance	
Social	Gender Group - Senior Management Male	Percentage	71	—	No assurance	
Social	Gender Group - Middle Management Female	Percentage	42	—	No assurance	
Social	Gender Group - Middle Management Male	Percentage	58	—	No assurance	
Social	Gender Group - Executive Female	Percentage	64	—	No assurance	
Social	Gender Group - Executive Male	Percentage	36	—	No assurance	

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ESG Performance Data

Thong Guan Industries Berhad IFRS S1

Date & Time: 2026-04-28_10:29:38
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Social	Gender Group - Non-Executive Female	Percentage	27	—	No assurance	
Social	Gender Group - Non-Executive Male	Percentage	73	—	No assurance	
Social	Age Group - Senior Management below 30 years old	Percentage	0	—	No assurance	
Social	Age Group - Senior Management 30-50 years old	Percentage	52	—	No assurance	
Social	Age Group - Senior Management above 50 years old	Percentage	48	—	No assurance	
Social	Age Group - Middle Management below 30 years old	Percentage	0	—	No assurance	
Social	Age Group - Middle Management 30-50 years old	Percentage	60	—	No assurance	
Social	Age Group - Middle Management above 50 years old	Percentage	32	—	No assurance	
Social	Age Group - Executive below 30 years old	Percentage	15	—	No assurance	
Social	Age Group - Executive 30-50 years old	Percentage	69	—	No assurance	
Social	Age Group - Executive above 50 years old	Percentage	16	—	No assurance	
Social	Age Group - Non-Executive below 30 years old	Percentage	36	—	No assurance	
Social	Age Group - Non-Executive 30-50 years old	Percentage	54	—	No assurance	

ESG Performance Data

Thong Guan Industries Berhad IFRS S1

Date & Time: 2026-04-28_10:29:38
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Social	Age Group - Non-Executive above 50 years old	Percentage	10	—	No assurance	
Social	Female Directors	Percentage	10	—	No assurance	
Social	Male Directors	Percentage	90	—	No assurance	
Social	Directors, below 30 years old	Percentage	0	—	No assurance	
Social	Directors 30-50 years old	Percentage	19	—	No assurance	
Social	Directors above 50 years old	Percentage	81	—	No assurance	
Social	Number of work-related fatalities	Number	0	—	No assurance	
Social	Lost time incident rate ("LTIR")	Rate	0.79	—	No assurance	
Social	Number of employees trained on health and safety standards	Number	865	—	No assurance	
Social	Total training hours - Senior Management	Hours	010	50% increase in average training hour per employee by FY2025; 100% increase in average training hour per employees by FY2030 (Baseline : FY2022)	No assurance	Talent Development
Social	Total training hours - Middle Management	Hours	1,807	50% increase in average training hour per employee by FY2025; 100% increase in average training hour per employees by FY2030 (Baseline : FY2022)	No assurance	Talent Development
Social	Total training hours - Executive	Hours	2,696	50% increase in average training hour per employee by FY2025; 100% increase in average training hour per employee by FY2030 (Baseline : FY2022)	No assurance	Talent Development

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ESG Performance Data

SUSTAINABILITY STATEMENT

Thong Guan Industries Berhad
IFRS S1

Date & Time: 2026-04-28_10:29:38
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Social	Total training hours - Non-Executive	Hours	8,655	50% increase in average training hour per employee by FY2025; 100% increase in average training hour per employee by FY2030 (Baseline: FY2022)	No assurance	Talent Development
Social	Percentage of employees that are contractors or temporary staff	Percentage	30	—	No assurance	
Social	Total number of employee turnover - Senior Management	Number	2	—	No assurance	
Social	Total number of employee turnover - Middle Management	Number	13	—	No assurance	
Social	Total number of employee turnover - Executive	Number	29	—	No assurance	
Social	Total number of employee turnover - Non-Executive	Number	431	—	No assurance	
Social	Number of substantiated complaints concerning human rights violations	Number	0	—	No assurance	
Governance	Percentage of employees who have received training on anti-corruption by employee category - Senior Management	Percentage	89	—	No assurance	
Governance	Percentage of employees who have received training on anti-corruption by employee category - Middle Management	Percentage	70	—	No assurance	

ESG Performance Data

SUSTAINABILITY STATEMENT

Thong Guan Industries Berhad
IFRS S1

Date & Time: 2026-04-28_10:29:38
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Governance	Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	60	—	No assurance	
Governance	Percentage of employees who have received training on anti-corruption by employee category - Non-executive	Percentage	72	—	No assurance	
Governance	Percentage of operations assessed for corruption-related risks	Percentage	100	—	No assurance	
Governance	Confirmed incidents of corruption and action taken	Number	0	—	No assurance	
Governance	Proportion of spending on local suppliers	Percentage	37	—	No assurance	
Governance	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	No assurance	

ESG Performance Data

SUSTAINABILITY STATEMENT

Thong Guan Industries Berhad
IFRS S2
Date & Time: 2026-04-28 10:29:38
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
GHG emissions	Scope 1	Metric: tonnes of carbon dioxide equivalents (tCO2e)	1,405	10% reduction by FY2025; 20% reduction by FY2030 (Baseline : FY2021)	No assurance	GHG Emission Reduction
GHG emissions	Scope 2 Location-based	Metric: tonnes of carbon dioxide equivalents (tCO2e)	77250	10% reduction by FY2025; 20% reduction by FY2030 (Baseline : FY2021)	No assurance	GHG Emission Reduction; Energy Management
GHG emissions	Scope 3 Cat.6: Business travel	Metric: tonnes of carbon dioxide equivalents (tCO2e)	306	—	No assurance	
GHG emissions	Scope 3 Cat 7: Employee commuting	Metric: tonnes of carbon dioxide equivalents (tCO2e)	1,371	—	No assurance	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Thong Guan Industries Berhad (“the Company”) is committed to maintain good corporate governance throughout the group in its effort to ensure long-term sustainable growth and to safeguard, protect and enhance shareholders’ value.

The Corporate Governance Overview Statement sets out how the Company and its subsidiaries (“the Group”) has applied the Principles and Practices and the approach the Board will take to steer the Group to apply such Principles and Practices as prescribed by the Malaysian Code on Corporate Governance (MCCG 2021).

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board takes full responsibilities for the overall performance of the Group by providing leadership and direction as well as management supervision. As a whole, the Board is the ultimate decision making body. Further to its legal responsibilities, the Board assumes full responsibility for the Group’s strategic direction, overseeing the proper conduct of the Group’s business, identifying principal risks and ensuring the implementation of systems to manage risks, succession planning, developing investor relations programme, reviewing the adequacy and integrity of the Group’s internal control systems and management information systems, establishing goals for management and monitoring the achievement of these goals.

There is a clear separate division of responsibility of the role and duties of Chairman and Managing Director. Chairman of the Board is responsible for leading the Board and oversee the Board in the effective discharge of its supervisory role and facilitate effective contribution of all members of the Board during meetings. Managing Director is responsible for the vision and strategic direction of the Group. The position of Chairman of the Board is currently vacant following the resignation of DYTM Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin on 25 August 2025.

The Board has established 3 Board Committees (“Committees”) to assist in the performance of its stewardship duties under specific terms of reference (“TOR”). The Committees established are the Audit Committee (“AC”), the Nominating Committee (“NC”) and the Remuneration Committee (“RC”). These Committees comprised of all Independent Non-Executive Directors (“INEDs”). The composition of the Board and Board Committees are more particularly described under Board composition. The TOR for 3 Board Committees are available on the corporate website at www.thongguan.com.

All decisions and deliberations at Committee level are documented by the Company Secretary in the minutes of meetings. The Chairman of the respective Board Committees reports on the outcome and recommendations of the Board Committee meetings to the Board for further deliberation and approval. Such reporting and ensuing deliberation, if any, is detailed in the minutes of Board meeting. The Committees’ function is to principally assist the Board in the execution of its duties and responsibilities to enhance operational and business efficiency and efficacy. The Board reviews the Committees’ authority and terms of reference from time to time to ensure its relevance and enhance its efficacy.

The Board has responsibilities which are discharged in the best interests of the Company in pursuance of its regulatory and commercial objective. The key responsibilities of the Board include:

a) Reviewing and adopting the Group’s Strategic plans

The Board is collectively responsible for oversight and overall management of the Group. The Executive Directors are normally involved in the deliberation of the overall Group strategy and direction, major acquisition and/or divestment, approval of major capital expenditure, consideration of significant financial matters and review of financial and operating performance of the Group.

b) Overseeing the conduct of the Group’s business

The Executive Directors are responsible for the day-to-day operational management of the Group, implementing the policies and decisions of the Board, overseeing business operations as well as coordinating the development and implementation of business and corporate strategies. On the other hand, the INEDs do not engage in the daily management of the Group. Their presence bring objectivity and independence to any evaluation of strategic performance or resources related issues. In this manner, the INEDs fulfil a crucial corporate accountability role as they provide independent and objective views, opinions and judgment on issues being deliberated.

The Board is of the opinion that the Managing Director, with the assistance and support from the Executive Directors and key management, is responsible for the day-to-day operations of the Group and represents Management to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. Board Responsibilities (Cont'd)

- c) Identifying principal risks and ensuring the implementation of appropriate systems to manage them

The management, with the assistance from the Internal Audit ("IA"), has implemented the Enterprise Risk Management processes and formed a Risk Management Task Force to identify, assess and monitor risks impacting the Group's business and supporting activities. The details of the risk management are set out in the Statement on Risk Management and Internal Control ("SORMIC") of this Annual Report.

- d) Succession planning

The management, as guided by the Managing Director, is responsible for ensuring that there is effective and orderly succession planning in the Company at all levels.

- e) Reviewing the adequacy and integrity of the management information and internal control system of the Company.

The Board acknowledges its responsibilities for the adequacy and integrity of the Groups' internal control system. Details pertaining to the Groups' internal control system and its effectiveness are available in the SORMIC of this Annual Report 2025.

The Chairman ensures that all Directors have full access to information with Board papers and agendas on matters requiring the Board's consideration issued with appropriate notice in advance of each meeting to enable Directors to obtain further explanations from the Managing Director or his management team, where necessary, in order to be briefed properly before the meetings. Meeting papers on issues or corporate proposals which are deemed confidential and sensitive would only be presented to the Directors during the meeting itself. Management is invited to provide Directors with updates on business and operational matters or clarify items tabled to the Board. Verbal explanation and briefings are also provided by management to enhance understanding of the matters under discussions.

All Directors have access to the advice and services of the two (2) Company Secretaries (both are qualified to act as company secretary under the Companies Act 2016 ("CA2016")). The Board, whether as a full board or in their individual capacity, may upon approval of the Board, seek independent professional advice if required, in discharge of their duties, at the Company's expense.

II. Sustainability Risks and Opportunities

- a) Sustainability Governance Structure

The Board is responsible to embed sustainability in the Group's strategy and operations. The Board is assisted by the executive director and executive committee who oversees the formulation, implementation and effective management of the Company's sustainability strategies and targets. The Sustainability Governance Structure can be found in the Sustainability Statement on page 23 of this Annual Report. The executive committee provides leadership, direction and targets for the sustainability priorities of the Group. The Sustainability Officer drives the implementation of the priorities and tracks relevant measurements and targets.

- b) Key Sustainability Matters

In order to ensure the Board is kept abreast with and understand sustainability issues related to the Group's business and operations, Management had presented to the Board key sustainability matters, including climate-related risks and opportunities.

- c) Stakeholder Engagement

The Group's key sustainability matters are communicated through Thong Guan's website, and targeted engagements with customers, vendors, relevant authorities and community leaders. Multiple engagements are also done with internal stakeholders who are responsible for driving and executing the sustainability initiatives. The Group's key sustainability matters and performance for the financial year under review are reported in the Sustainability Statement on pages 15 to 84 of this Annual Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

III. Board Composition

The Board recognises the benefits of having a diverse Board to ensure that the mix and profiles of the Board members in terms of age and ethnicity, provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management.

The Board comprised 7 Directors of which 3 of the Board are INEDs as at the date of this Annual Report 2025 as follows:-

Managing Director	Dato' Ang Poon Chuan
Executive Directors	Dato' Ang Poon Khim Datuk Ang Poon Seong Ang See Ming
Independent Non-Executive Directors	Tengku Muzzammil Bin Dato' Tengku Makram Lee Kean Teong Teoh Mei Shean

The Board wishes to inform that DYT M Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin resigned from his position as Chairman and INED of the Company on 25 August 2025. The Board records its appreciation for his valuable contributions during his tenure as Chairman of the Board.

Following the resignation, the position of Chairman remains vacant as at the date of this report. In the interim, the Board continues to function collectively to discharge its duties and responsibilities, ensuring that the Company's governance framework, oversight functions and decision-making processes remain effective and uninterrupted.

All Board matters are deliberated and decided collectively, with INEDs continuing to provide objective judgement and effective oversight. The Board Committees remain fully operational and continue to support the Board in their respective roles.

The Board remains committed to upholding high standards of corporate governance and will ensure that appropriate leadership is established in due course to support the effective functioning of the Board.

The present composition complies with the composition requirement as stated in Bursa Malaysia Securities Berhad Main Market Listing Requirement ("MMLR") as more than 1/3 of the Board Members are INEDs.

The Board has not formally adopted a policy that limits the tenure of INEDs to 9-year without further extension. However, the Company's adheres the 9-year tenure limit for INED in line with the best practices recommended under the MCCG 2021.

Notwithstanding this, Tengku Muzzammil Bin Dato' Tengku Makram has served as an INED of the Company for a tenure exceeding 9-year. The NC with Tengku Muzzammil Bin Dato' Tengku Makram abstaining from deliberation and decision making, reviewed his fit and proper assessment as well as his independence. The NC is satisfied that he continues to exercise objective judgement in Board deliberations and devotes sufficient time to the Group's affairs. Accordingly, the NC recommended the retention of Tengku Muzzammil Bin Dato' Tengku Makram as an INED and the Board will seek shareholders' approval at the forthcoming AGM.

Tengku Muzzammil Bin Dato' Tengku Makram has contributed positively to the Company's stature and stakeholder confidence. The Board is of the view that his distinguished backgrounds and public standing have supported the Group's ability to engage effectively with key stakeholders and navigate the broader regulatory and business landscape. His experience and knowledge of the Group's operations, and familiarity with the industry continue to provide valuable contributions to the effectiveness of the Board.

IV. Nominating Committee (NC)

The principal Board function of making recommendations for new appointment to the Board and Board Committees is delegated to the NC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

IV. Nominating Committee (NC) (Cont'd)

Currently, the Committee consists entirely of INEDs as tabulated:

Name	Position
Teoh Mei Shean	Chairman
Tengku Muzzammil Bin Dato' Tengku Makram	Member
Lee Kean Teong	Member

The NC's mandate, as expressed through its TOR and Directors' Fit & Proper Policy, is to bring recommendation to the Board on the appointment of new Directors, review of the Board structure, size, composition as well as to systematically assess the effectiveness and contribution of the Board, its Committees, and individual Directors on an annual basis. The NC is empowered to seek professional advice within or outside the Group as it deems necessary to discharge its responsibilities.

During the financial year ended 31 December 2025, the NC met on two (2) occasions and resolved the following key activities:-

- Reviewed the current board structure, size and composition,
- Conducted the annual assessment of the Directors, Board and Committee,
- Reviewed the level of independence of INEDs;
- Reviewed the term of office and performance of AC;
- Recommended the re-appointment, re-election and retention of Directors; and
- Discussed the continuity of service tenure for INEDs beyond the 9-year tenure as recommended under MCCG 2021.

The Nominating Committee systematically reviews the required mix of skills, experience and other qualities, including core competencies of the members of the Board on an annual basis. The assessment also considered the qualifications, contributions and performance of Directors in meeting the needs of the Group based on the criteria of competency, character, time commitment, integrity and experience as set out under paragraph 2.20A of the MMLR.

The Board is committed to ensuring diversity and inclusiveness in its composition and deliberations. The present Board composition reflects a broad range of experience, skills and expertise necessary for the success of the Group and the importance of independent judgment and opinion.

The Board acknowledges the recommendation of the policy on gender diversity. However, the Board has yet to establish a specific policy on gender diversity. The Board believes it is not necessary to adopt a formal gender diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Group. The evaluation of the suitability of candidate is based on the candidate's competency, character, time commitment, integrity, performance and experience to bring value and expertise to the Board. The Board acknowledges the benefits of having participation of woman director on the Board in term of providing different perspectives and insights for effective decision making.

The NC met to deliberate on the retirement by rotation of Directors and their eligibility for re-election at the Company's Annual General Meeting ("AGM"). Any new appointees will be considered and evaluated by the NC before being recommended to the Board for approval and appointment. The Company secretary ensures that all appointments are properly made, and that all legal and regulatory obligations are complied with. During the year, there were no new candidates under consideration.

The directors who are subject to re-election and/or re-appointment at the next AGM are assessed by the NC and upon satisfactory evaluation, are recommended to the Board and shareholders for re-election and/or re-appointment. The justification for the re-election of Directors is disclosed in the notice of AGM. The NC's assessment and recommendation are based on the annual assessment conducted. The Constitution of the Company requires that all Directors be subject to re-election by shareholders at the first AGM following their appointment. Thereafter, at least one third (1/3) or the number nearest to one third (1/3) of the Directors, shall retire by rotation and be subject to re-election at least once in every three (3) years at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

IV. Nominating Committee (NC) (Cont'd)

During the year, the NC reviewed and recommended to the Board the Directors who are retiring by rotation at the forthcoming AGM and are subject to re-election pursuant to Clause 103 of the Company's Constitution:

- a) Dato' Ang Poon Chuan
- b) Datuk Ang Poon Seong

The NC has reviewed the fit and proper assessment of Dato' Ang Poon Chuan and Datuk Ang Poon Seong and is satisfied that they met the Board's requirements and expectations in terms of performance and contribution. Accordingly, the Board, with Dato' Ang Poon Chuan and Datuk Ang Poon Seong abstaining, concurred with the NC's recommendation that Dato' Ang Poon Chuan and Datuk Ang Poon Seong be proposed to shareholders for re-election at the forthcoming AGM. The rationale for each recommendation is set out in the notice of AGM.

V. Remuneration Committee

The Remuneration Committee currently comprised the following:

Name	Position
Tengku Muzzammil Bin Dato' Tengku Makram	Chairman
Teoh Mei Shean	Member
Lee Kean Teong	Member

The RC consists of three members, whom are INEDs. The RC met once during the financial year with full attendance by all members of the RC. The adoption of remuneration packages for the Executive Directors, however, is a matter for the Board as a whole, with individual Directors abstaining from decision making in respect of his remuneration package.

The RC is authorised, inter-alia, to recommend to the Board the remuneration packages for the Executive Directors of the Company and set up a broad policy or framework for all elements of remuneration for the Directors.

The remuneration of the Non-Executive Directors is linked to their experience and level of responsibilities undertaken by them as well as the onerous responsibilities and challenges in discharging their fiduciary duties. Non-Executive Directors are paid fixed annual fees and allowances as members of the Board and Board Committees. The Directors' fees and benefits payable are approved annually by the shareholders of the Company.

The aggregate remuneration, with categorisation into appropriate components and distinguishing between Executive and Non-Executive Directors, paid or payable to all Directors of the Company for the financial year ended 31 December 2025 is as follows:

	Salaries (RM'000)	Bonus, Other Allowance, Benefit in Kind & ESOS (RM'000)	EPF Contribution by Employer (RM'000)	Fees (RM'000)	Total (RM'000)
Company					
Executive Directors					
Dato' Ang Poon Chuan		111		50	161
Dato' Ang Poon Khim		98		50	148
Datuk Ang Poon Seong		98		50	148
Ang See Ming	230	179	36	50	495
Non-Executive Directors					
DYTM Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin ⁽¹⁾		103		33	136
Tengku Muzzammil Bin Dato' Tengku Makram		51		50	101
Lee Kean Teong		13		50	63
Teoh Mei Shean		13		50	63
Total	230	666	36	383	1,315

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

V. Remuneration Committee (Cont'd)

The aggregate remuneration, with categorisation into appropriate components and distinguishing between Executive and Non-Executive Directors, paid or payable to all Directors of the Company for the financial year ended 31 December 2025 is as follows:

Group	Salaries (RM'000)	Bonus, Other Allowance, Benefit in Kind & ESOS (RM'000)	EPF Contribution by Employer (RM'000)	Fees (RM'000)	Total (RM'000)
Executive Directors					
Dato' Ang Poon Chuan	1,197	582		138	1,917
Dato' Ang Poon Khim	1,149	528	94	140	1,911
Datuk Ang Poon Seong	540	201	26	102	869
Ang See Ming	628	312	99	112	1,151
Non-Executive Directors					
DYTM Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin ⁽¹⁾		103		33	136
Tengku Muzzammil Bin Dato' Tengku Makram		51		50	101
Lee Kean Teong		13		50	63
Teoh Mei Shean		13		50	63
Total	3,514	1,803	219	675	6,211

Note:

⁽¹⁾ Resigned on 25 August 2025

The Group adopts a remuneration package that is responsive to the market elements as well as performance of the Group and its business divisions.

VI. Foster Commitment

The Board normally meets at least 4 times annually at quarterly intervals. Under exceptional circumstances owing to urgent and important issues at hand, additional meetings are convened between the scheduled meetings with sufficient notices given.

The Board conducted a total of 4 meetings during the year to address a variety of issues. The Company Secretary recorded the key discussions and outcomes of these meetings, with the minutes signed by the Chairman.

Details of attendance of each Director at the Board meeting and respective Committees' meeting during the year under review are as follows:

	Committees			
	Board	Audit	Nominating	Remuneration
DYTM Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin ⁽¹⁾	2/2	-	-	-
Tengku Muzzammil Bin Dato' Tengku Makram	4/4	4/4	1/1	1/1
Dato' Ang Poon Chuan	3/4	-	-	-
Dato' Ang Poon Khim	4/4	-	-	-
Datuk Ang Poon Seong	4/4	-	-	-
Ang See Ming	4/4	-	-	-
Lee Kean Teong	4/4	4/4	2/2	1/1
Teoh Mei Shean	4/4	4/4	2/2	1/1

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

VI. Foster Commitment (Cont'd)

Notes:

⁽¹⁾ Resigned on 25 August 2025

All Board members met the minimum percentage required for Board meeting attendance as prescribed under MMLR of Bursa Securities during the period under review.

VII. Directors Trainings

The Board is cognisant of the need to ensure that its members undergo continuous trainings to enhance their knowledge, expertise and professionalism in discharging their duties. The Company Secretary circulates relevant guideline to update the Directors on statutory and regulatory requirements and changes from time to time. Internal briefings were also conducted for the Directors on key corporate governance developments and salient changes to the MMLR.

Pursuant to para 15.08(2) and Appendix 9C (Part A, para 28) of MMLR, some of the Directors had, during the year under review, attended or received the following briefing, training programs, seminars and international trade exhibition:-

Director	Briefing / Seminar / Programs / Trade exhibition
Tengku Muzzammil Bin Dato' Tengku Makarm	<ul style="list-style-type: none"> Bursa Malaysia Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP)
Lee Kean Teong	<ul style="list-style-type: none"> KPMG Tax Seminar Review of Goods for Sales Tax and Expansion of Scope for Service Tax Stamp Duty
Teoh Mei Shean	<ul style="list-style-type: none"> AOB Conversation with Audit Committee webinar CGM Corporate Friends Briefings 2025: Impact of Climate Change on the Supply of Key Economic Resources: How resource supply chains in various sectors are exposed and vulnerable to climate and knock-on effects. Protecting Shareholder Rights with Corporate Litigation. Stay Ahead of Your Compliance Curve on XBRL, MBRS 2.0 & E-Invoicing
Dato' Ang Poon Chuan	<ul style="list-style-type: none"> CGM Corporate Friends Briefings 2025: Impact of Climate Change on the Supply of Key Economic Resources: How resource supply chains in various sectors are exposed and vulnerable to climate and knock-on effects.
Dato' Ang Poon Khim	<ul style="list-style-type: none"> CGM Corporate Friends Briefings 2025: Impact of Climate Change on the Supply of Key Economic Resources: How resource supply chains in various sectors are exposed and vulnerable to climate and knock-on effects.
Datuk Ang Poon Seong	<ul style="list-style-type: none"> Bursa Malaysia Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) CGM Corporate Friends Briefings 2025: Impact of Climate Change on the Supply of Key Economic Resources: How resource supply chains in various sectors are exposed and vulnerable to climate and knock-on effects.
Ang See Ming	<ul style="list-style-type: none"> Bursa Malaysia Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) Chinaplas 2025

All Directors have complied with the provision of MMLR in relation to MAP Part II.

Directors regularly enhance their knowledge and stay updated on latest statutory and regulatory requirements through briefings provided by Internal Auditors, External Auditors, Company Secretaries and management during the Audit Committee and Board Meetings, as applicable.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The AC of the Company comprises three (3) INEDs. The AC is chaired by Mr. Lee Kean Teong. He is not the Chairman of the Board. He is a former audit partner of KPMG PLT and retired on 31 December 2014. The Company has not adopted a formal policy to require a person who is a former key audit partner to observe a cooling-off period of at least 3 years before being appointed a member of the AC. In the annual assessment on the suitability, objectivity and independence of the external auditors, the AC is guided by the criteria as prescribed under Paragraph 15.21 of the MMLR, the External Auditor Assessment Policy as well as the Policy on Non-Assurance Services provided by External Auditors' adopted by the Company.

Annually, the term of office and composition of AC is reviewed by the NC and recommended to the Board for its approval. As reported, the Board is satisfied with the outcome of the assessment of the performance of the AC as its members possessed the necessary knowledge, experiences and skills, for the overall effectiveness of the AC.

The AC currently comprises individuals with professional experiences in financial management, general management, audit, tax and strategic planning, amongst other. All members are financially literate and are able to read, interpret and understand the financial statements. This diversity in skills and knowledge coupled with financial literacy allows the AC to discharge their roles and responsibility effectively.

An overview of the Audit committee activities is spelt out in this Annual report under Audit Committee Report.

II. Risk Management and Internal Control Framework

In general, all major projects, investment and capital expenditure initiatives will be conducted a feasibility study and reviewed by the management and executive directors. The confirmed major projects, investment and capital expenditure will then be presented to the Board for endorsement. An overview of the state and feature of the internal controls and risk management within the Group is spelt out in this Annual Report under Statement on Risk Management and Internal Control.

The Group has established a Risk Management Task Force ("RMTF"). The RMTF is led by an executive director as the Chief Risk Officer and populated by head of the various reporting entities. The RMTF undertakes annual risk review in the Group's businesses and operations. The AC will report to the Board on exception only basis if there are any changes in the risk identified. Details on the internal audit function are discussed under SORMIC in Annual Report 2025.

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

The Board acknowledges the need and importance of ensuring dissemination of information to shareholders, investors and regulatory bodies. The Board peruses through and approves all announcements prior to the release of the same to Bursa Securities. At the same time, the Board will take reasonable steps to ensure that the public and investors who invest in the Company's securities enjoy equal access to such information to avoid selective disclosure.

The Company's website, www.thongguan.com, provides an avenue for information dissemination with dedicated sections on corporate information including announcements to Bursa Securities, financial information, press releases and news and events related to the Group. Any queries or concerns regarding the Group may be directed to the Investor Relations Department via the email address: info@thongguan.com.

As the Group release all material information publicly through Bursa Securities, shareholders and the public in general may also obtain announcements and financial results of the Company from Bursa Securities' website at www.bursamalaysia.com.

The AGM, provide a platform for the Board to dialogue and interact with shareholders where individual shareholders and investors may seek clarifications on the Group's businesses, performance and prospects. The notices of the general meetings are sent to shareholders and auditor. The notices are also published in a national newspaper and released through Bursa Securities for public dissemination. Members of the Board attend the AGM to answer queries and concerns from the shareholders. All suggestions and comments put forth by shareholders will be noted by the Board for consideration.

The general meetings are useful forums for shareholders to engage directly with the Board and senior management. The shareholders are at liberty to raise questions or seek clarification on the agenda of the meeting from the Board and the senior management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

In line with the provision of the MMLR of Bursa Securities, the Board conducts poll voting for all the resolutions set out in the notice of general meetings. In addition, the Company will appoint one (1) scrutineer to validate the votes cast at the general meetings. The outcome of the general meetings is to be announced to the Bursa Securities on the same day after the meetings are concluded with the announcement made accessible via Bursa Securities and the Company's website.

The Board recognises the need for shareholders to be kept updated with all material business matters affecting the Group. Shareholders are provided with an overview of the Group's performance and operations through timely release of financial results on yearly and quarterly basis as well as various other announcements.

Further, in a move to promote wider publicity and dissemination of public information, the Group will issue press releases to the media on significant corporate developments and business initiatives to keep the investment community and shareholders updated on the progress and development of the Group.

Directors' Responsibility Statement

The Board is responsible to ensure that the financial statements of the Group and Company gives a true and fair view of the state of affairs of the Group and of the Company and of their results and cash flows for the financial year under review. The Directors have ensured that the financial statements have been prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016.

The Director have selected and applied consistently suitable accounting policies and made reasonable and appropriate judgments and estimates in preparing the financial statements. A general responsibility of the Directors is to take reasonable steps within their authority to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Compliance with the Principles and Practices of the MCCG

For the year ended 31 December 2025 and up to the date of the printing of this annual report, the Group has complied substantially with the principles and practices of the MCCG in so far as applicable and described herein.

This Corporate Governance Overview Statement was approved by the Board of Directors on 29 April 2026.

OTHER INFORMATION

Audit and Non-audit Fees

The amount of audit and non-audit fees paid and payable to the external auditors and its affiliate corporations for the audit and non-audit services rendered to the Company and the Group for the financial year ended 31 December 2025 is as follows:-

Type of Audit	Fee (RM'000)	
	Company	Group
a) Audit fee	60	476
b) Non Audit fee	132	192

Recurrent Related Party Transaction

Detail of recurrent related party transaction made during the financial year ended 31 December 2025 pursuant to the shareholders' mandate obtained by the company at the AGM were as follow:

Nature of Transactions	Name of Company	Related Party	Interested Directors	Cumulative Value of Transactions as at 31.12.25 RM'000
Sales of plastic products (plastic bag, stretch film, shrink film, laminated film and etc)	UPI (Seller)	KFI (Buyer)	Dato' Ang Poon Chuan Datuk Ang Poon Seong Dato' Ang Poon Khim	2,551
Sales of plastic products	TGPP, UPI, TGPT (Buyer)	TGSH (Seller)	Dato' Ang Poon Chuan Datuk Ang Poon Seong Dato' Ang Poon Khim Ang See Ming	7,322
Purchase of plastic products	TGPP, TGPW, TGPT (Seller)	TGSH (Buyer)	Dato' Ang Poon Chuan Datuk Ang Poon Seong Dato' Ang Poon Khim Ang See Ming	24,089
Purchase of snack food	JUS (Buyer)	KFI (Seller)	Dato' Ang Poon Chuan Datuk Ang Poon Seong Dato' Ang Poon Khim	12,250
Renting of factory and warehouse premise at Plot 156 and Plot 33, Kawasan Perusahaan Sg. Petani, 08000 Sg. Petani, Kedah.	TGPP (Tenant)	BV (Landlord)	Dato' Ang Poon Chuan Ang See Ming	265
Renting of factory premise at No.24 (DBKK Building No.6), District of Kota Kinabalu, Sabah.	UPI (Tenant)	KP (Landlord)	Datuk Ang Poon Seong	108
Renting of factory and warehouse premise at Plot 33, Jalan PKNK Utama, Kawasan Perusahaan Sg. Petani, Kedah.	EFI (Tenant)	BV (Landlord)	Dato' Ang Poon Chuan Ang See Ming	162
Sales of noodle products	STGT (Buyer)	EFI (Seller)	Ang See Ming	264
Purchase of beverages and plastic products	STGT (Seller)	EFI (Buyer)	Ang See Ming	187
Renting of factory and warehouse premise at Plot 156 and Plot 33, Kawasan Perusahaan Sg. Petani, 08000 Sg. Petani, Kedah.	TGPT (Tenant)	BV (Landlord)	Dato' Ang Poon Chuan Ang See Ming	723

OTHER INFORMATION (CONT'D)

Recurrent Related Party Transaction (Cont'd)

Nature of Transactions	Name of Company	Related Party	Interested Directors	Cumulative Value of Transactions as at 31.12.25 RM'000
Sales of PVC products	STGT, TGPT, JUS (Buyer)	TGPW (Seller)	Dato' Ang Poon Chuan Dato' Ang Poon Khim Datuk Ang Poon Seong Ang See Ming	4,328
Purchase of plastic products	TGWPP (Seller)	TGSH (Buyer)	Dato' Ang Poon Chuan Dato' Ang Poon Khim Datuk Ang Poon Seong Ang See Ming	-
Renting of factory and warehouse premise at Batu 33, Jalan Sg. Petani ke Sungai Lalang, Sungai Lalang 08100, Kedah.	TGPP (Landlord)	TGPW (Tenant)	Dato' Ang Poon Chuan Dato' Ang Poon Khim Datuk Ang Poon Seong Ang See Ming	780
Purchase of plastic products	TGWPP (Seller)	Winner (Buyer)	Ng Chiu Bun	21,817
Purchase of plastic products	TGWPP (Seller)	Landblue (Buyer)	Ng Chiu Bun	17,025
Sales of plastic products	TGWPP (Buyer)	Landblue (Seller)	Ng Chiu Bun	309
Sales of PVC Products	TGTT (Buyer)	TGPW (Seller)	Dato' Ang Poon Chuan Dato' Ang Poon Khim Datuk Ang Poon Seong Ang See Ming	4,058
Sales of plastic products	JUS, UPI (Buyer)	LPI (Seller)	Datuk Ang Poon Seong	9,320
Purchase of plastic products	UPI (Seller)	LPI (Buyer)	Datuk Ang Poon Seong	540
Bounty Values Sdn Bhd				BV
Everprosper Food Industries Sdn Bhd				EFI
Jaya Uni'ang Sdn Bhd				JUS
Kimanis Food Industries Sdn Bhd				KFI
Kimanis Property Sdn Bhd				KP
Syarikat Thong Guan Trading Sdn Bhd				STGT
TG Power Wrap Sdn Bhd				TGPW
TGP Marketing Sdn Bhd				TGPM
TGSH Plastic Industries Sdn Bhd				TGSH
Thong Guan Plastic & Paper Industries Sdn Bhd				TGPP
TG Plastic Technologies Sdn Bhd				TGPT
Uniang Plastic Industries Sdn Bhd				UPI
TGW Plastic Packaging Sdn Bhd				TGWPP
Winner Bright International Industrial Limited				Winner
Landblue Co. Ltd				Landblue
Thong Guan Trading (Thailand) Co., Ltd				TGTT
Lok Kawi Plastic Industries Sdn. Bhd				LPI

Material Contract

Since the end of the previous year report, there were no material contract that involved the Group and its Directors and major shareholders.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors ("the Board") of Thong Guan Industries Berhad ("the Company") is pleased to present the Statement on Risk Management and Internal Control ("SORMIC") for the financial year ended 31 December 2025 for the Company and its subsidiaries ("the Group").

This Statement has been prepared in accordance with the SORMIC Guide 2025, taking into consideration the Malaysian Code on Corporate Governance ("MCCG") and internationally recognised frameworks including the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and ISO 31000:2018 – Risk Management – Guidelines ("ISO 31000")

Responsibility

The Board takes full responsibility for the Group's internal control system, which involves creating a robust control environment and suitable framework for internal control, as well as regularly assessing its adequacy and integrity. The Board recognizes that no internal control system can eliminate all potential risks, but it is designed to manage them effectively to achieve the Group's business objectives. As such, the system provides reasonable assurance against any significant misstatement, loss, or fraud, rather than absolute certainty. The internal control system encompasses financial, organizational, operational, compliance controls, and risk management.

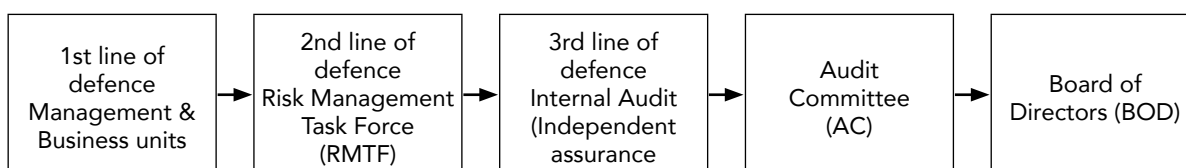
Organisational and Reporting Structure

The Group's organizational structure features clearly defined lines of responsibility and delegation of authority. It utilizes a hierarchical reporting system that establishes appropriate authority limits and ensures proper segregation of duties. The Group conducts annual budgeting and monthly variance reporting to monitor actual performance against budgeted results, enabling timely corrective actions. Additionally, human resource management policies are implemented to support the efficient functioning of the Group. The standard operating procedures of the main operating companies provide guidance on adhering to risk management, internal controls, and relevant laws and regulations.

Risk Management Framework

The Board has implemented an Enterprise Risk Management (ERM) Framework aligned with COSO and ISO 31000 standards to identify, evaluate, and manage risks. To achieve this, a Risk Management Task Force (RMTF) was established, which is responsible for identifying risks within the Group. The Board, through its Audit Committee, conducts quarterly reviews of this process. The primary goal of this review is to institutionalize a risk management process across the Group, sensitizing all employees to risk identification, evaluation, monitoring and reporting. The formalization of the ERM framework encompasses the following activities:

- To update the risk profiles of main operating companies in the Group according to the ERM framework; and
- The Group conducts risk-based internal audits, which are subject to review by both the Audit Committee and the Board to ensure the adequacy and integrity of the internal control system.



Internal Audit Function

The Internal Audit function is outsourced to an independent professional accounting and consulting firm, PKF Risk Management Sdn Bhd that reports directly to the Audit Committee ("AC"). Its role is to provide the AC with reasonable assurance on the adequacy and effectiveness of the Group's internal control system through its auditing and monitoring process. An annual Audit Plan is prepared and presented to the AC for approval. Subsequently at AC meetings, audit findings will be presented to the AC for attention and deliberation.

The activities that have been planned and carried out by the IA function are as follows:

- Mapping out the current state of procedures and processes with the aim of identifying areas for improvements.
- Testing and conducting audits on identified risk areas and relevant controls.
- Report findings and irregularities (if any) to Management and AC and provide recommendations to mitigate the risks identified.
- Ensuring compliance with applicable laws, regulations, rules, directives and guidelines by the various authorities and those set out by the Management.

The management has provided their responses to the internal audit reports, which encompass recommendations and action plans. These reports are deliberated at AC Meetings and followed-up as required. The auditee/management ensures that all action plans from each audit are being addressed, and progress updates are shared at subsequent AC Meetings to maintain accountability and transparency.

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

Other Risk and Control Processes

- The Group's policies and standard operating procedures set the guidelines, procedures and benchmarks for its operations, which all employees are expected to follow. To maintain their effectiveness, these policies and procedures are periodically reviewed and updated as needed. This approach ensures that the Group's operations are carried out consistently and reliably, driving efficiency and uniformity.
- The Board and AC review the quarterly financial results and discuss the reasons for unusual variances noted thereof.
- The Executive Directors play an active, hands-on role in the Group's operations. They quarterly brief the Board on significant changes in the business and external environment that impact the Group's overall operations.
- The Group has established a Management Reporting mechanism, through which financial information is generated and reviewed by the Executive Directors on a monthly basis, and by the Board on a quarterly basis.
- The Group sets an annual budget and operational targets for each operating division. Variance analysis and reporting against the budget are presented at the Group's Management Meetings, which serve as a monitoring mechanism.
- The Group is committed to fostering a culture of integrity and ethical values, as outlined in the Business Ethics and Code of Conduct. This steadfast dedication ensures that the Group's actions and decisions are guided by ethical principles, promoting trust, respect, and transparency with all stakeholders.
- The Group has implemented a whistleblowing policy that empowers, encourages and supports employees and third parties in reporting any illicit or unethical activities within the organization. The Group is fully committed to investigating all suspected cases of misconduct or breaches, while ensuring the protection of whistle blowers under the Whistleblower Protection Act 2010. This approach fosters a culture of accountability and transparency, safeguarding the Group's reputation and maintaining the trust of its stakeholders.
- The Group maintains a firm zero-tolerance policy towards bribery and corruption. It is committed to conducting its business with ethics and integrity, free from any corrupt practices. To support this, the Group has established an anti-bribery and anti-corruption policy that explicitly prohibits such activities, ensuring that high standards of integrity and transparency are consistently upheld. This approach reflects the Group's dedication to responsible and ethical business practices, aimed at earning the trust and respect of its stakeholders.
- Several major subsidiaries of the Group have successfully maintained their management systems in compliance with three internationally recognized standards: ISO 9001 for Quality Management Systems (QMS), ISO 14001 for Environmental Management Systems (EMS) and ISO 45001 for Occupational Health and Safety Management Systems.
- The Board recognised that effective sustainability governance is integral to the Group's risk management framework and the preservation and creation of long term goal. A sustainability governance structure has been established to ensure that sustainability and ESG risks and opportunities are identified, assessed, managed and monitored.

Risk Management Assurance

The Board has received affirmative assurance from the Group Managing Director and Chief Financial Officer that the Group's risk management and internal controls system is functioning optimally and effectively in all significant aspects during the financial year.

Furthermore, both the Board and Management remain steadfast in their commitment to operating an effective system of internal controls, which is reviewed, enhanced and updated in response to changes in the operating environment. This approach ensures the Group's continued success, safeguards against the Group potential risks and maintains the trust of stakeholders.

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the *Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control* included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 31 December 2025, and reported to the Board that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report of the Group, in all material respects:

- a) has not been prepared in accordance with the disclosures required by Section 7 of the SORMIC Guide 2025, or
- b) is factually inaccurate.

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

Review of the Statement by External Auditors

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment by and opinion of the Board of Directors and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

This Statement on Risk Management and Internal Control does not cover the associate company in the financial statements.

Conclusion

For the financial year under review and up to the date of issuance of this statement, the Board is confident that the Group's risk management and internal control system is adequate, dependable and effective. To date, no significant losses, contingencies, or uncertainties have arisen due to any insufficiencies or failures in the Group's internal controls system, necessitating separate disclosure in the Group's Annual Report.

This statement was approved via a resolution of the Board dated 29 April 2026.

AUDIT COMMITTEE REPORT

Audit Committee Composition and Attendance

The Board of Directors ("Board") is pleased to present the Audit Committee report for the financial year ended 31 December 2025 ("FY2025"). The Audit Committee ("AC") currently comprises the following directors:-

Directors	Position	Attendance
Lee Kean Teong	Chairman, Independent Non-Executive Director	4/4
Tengku Muzzammil Bin Dato' Tengku Makram	Member, Independent Non-Executive Director	4/4
Teoh Mei Shean	Member, Independent Non-Executive Director	4/4

During FY2025, the AC met four (4) times. Minute of each AC meeting was noted by the Board via distribution to each Board members.

The Nominating Committee had undertaken an annual review of the term of office and performance of the AC and its members in accordance with para 15.20 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") to ensure that the AC and its members have carried out their duties in accordance with their terms of reference ("TOR"). Upon review, the Nominating Committee and the Board are satisfied that the AC and its members have been able to discharge their functions, duties and responsibilities in accordance with the TOR of AC.

Summary of works during Financial Year

The main works undertaken by the AC during FY2025 in discharging their functions and duties were as follows:

1. Financial reporting

- Reviewed quarterly unaudited financial results of the Group before recommending to the Board of Directors for approval and onward announcement to Bursa Securities;
- Reviewed the Company's compliance, in particular, the quarterly and year-end financial statements, with the MMLR of Bursa Securities, applicable approved accounting standards of the Malaysian Accounting Standards Board and other relevant legal and statutory requirements; and
- Reviewed pertinent issues, which had significant impact on the results of the Group, including bank borrowings, investments and divestments and strategic operations of subsidiaries.

2. External audit

- Reviewed the audit plan from the external auditors, the audit strategy, scope of work for the year and general extent of the auditors' audit examinations;
- Reviewed the external audit results, audit report, audited financial statements as well as management letter (if any) and the response from the management;
- Met twice (on 25 November 2025 and 25 February 2026) with the external auditors without the presence of the Executive Directors and management staff to enquire the extent of assistance rendered by the management, issues on audit and accounting (if any), suggestions arising from audit and any other issues of concern to the auditors; and
- Reviewed and assess the objectivity, independence and competency of the external auditors touching on quality of service, experience and expertise and made its recommendations to the Board on their re-appointment and fees.

3. Internal audit

- Reviewed the internal audit reports, the internal audit plan and the audit issues therein as well as recommendations and management's response. Where appropriate, the AC has directed that control procedures be rectified and improved based on the internal auditors' recommendations and suggestions for improvement;
- Evaluated the performance and functions of the internal auditors with focus on its scope of work, functions, competency and that it has the necessary resources to carry out its work in respect of FY2025; and
- Met twice (on 26 August 2025 and 25 February 2026) with the internal auditors without the presence of the Executive Directors and management staff to facilitate discussion on concerns or audit issues noted in the course of audit.

AUDIT COMMITTEE REPORT (CONT'D)

Summary of works during Financial Year (Cont'd)

4. Governance

- a. Reviewed quarterly the recurrent related party transactions of a revenue or trading nature and other related party transactions, if any entered into by the Group;
- b. Reviewed and recommended for approval of the Board of Directors the Statement on Risk Management and Internal Control for inclusion in the Annual Report 2025;
- c. Reviewed and approved the AC Report for inclusion in the Annual Report 2025;
- d. Reviewed and recommended the circular to shareholders in relation to recurrent related party transactions of a revenue or trading nature;
- e. Reviewed and recommended the adoption of revised Non-Assurance Services Policy by the Board; and
- f. The AC conducted quarterly reviews of Conflict of Interest ("COI") and potential COI situations involving Directors, and reported the outcomes to the Board, with appropriate recommendations made, where necessary, to mitigate or manage such situations.

During FY2025, no COI declarations were received from Directors, except for recurrent related party transactions disclosed in the audited financial statements and the Circular to Shareholders dated 30 April 2026, as well as the provision of corporate guarantees to suppliers in support of a subsidiary. In all such instances, the Directors concerned abstained from deliberation and voting on the relevant matters. In addition, the AC reviewed a proposed acquisition involving a related party and, after taking into account the associated COI considerations, recommended that the proposal be withdrawn, which subsequently resulted in its cancellation.

Internal Audit Function

The Internal auditor's ("IA") primary objective was to undertake regular reviews of the system of controls, procedures and operations so as to provide reasonable assurance that the internal control system is sound, adequate and satisfactory. Its role is to provide the AC with independent and objective reports on the state of internal controls of the key operating units within the Group guided by established policies and procedures and the regulatory requirements of the relevant authorities. The AC reviewed and approved the internal audit plan of the Group as submitted by the IA annually.

The total cost incurred for the internal audit function for FY2025 was RM62,000.

The summary of internal audit activities conducted during the financial year under review is as below:

- a. Information technology general control management
- b. Production, quality control and waste management
- c. Human resources and payroll management
- d. Inventory management
- e. Repair and maintenance management

with a focus on assessing the adequacy and effectiveness of internal controls over these functions in the Group.

The audit evaluated the adequacy of controls to safeguard the organisation's IT assets and data, focusing on IT procedures, asset management, access restrictions, and endpoint security governance. It also reviewed production planning controls, particularly the monitoring, documentation, and follow-up of delays against expected delivery timelines. In addition, the audit examined human resources and payroll controls with emphasis on leave management practices, completeness of employee records, and compliance with statutory and internal policy requirements. The inventory management audit included a review of standard operating procedures and identified discrepancies between physical stock counts and EPICOR system inventory records. The repair and maintenance management audit evaluated repair and maintenance policies, updated machine listings, assessed preventive maintenance, analysed machinery breakdowns and ensured the presence of repair manuals.

The IA has presented internal audit reports to the AC on quarterly basis. Audit recommendations and management responses in relation to findings on internal control weaknesses are incorporated into these reports which were also circulated to the AC. The resulting reports of the audits undertaken were issued to the management of the respective operating companies concerned, incorporating audit recommendations and management responses. The IA would conduct follow-up reviews to monitor the implementation of the management's action plans and reported their progress to the AC.

This report is approved by the AC on 29 April 2026.

DIRECTORS' REPORT

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

Principal activities

The Company is principally engaged in investment holding activities and trading of plastic and petroleum products while the principal activities and details of the subsidiaries are stated in Note 5 to the financial statements. During the financial year, the Company has ceased trading in the sales of petroleum products.

There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit/(Loss) for the year attributable to :		
Owners of the Company	63,143	38,330
Non-controlling interests	(1,934)	-
	<u>61,209</u>	<u>38,330</u>

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the amount of dividends declared and paid by the Company were as follows :

- i) In respect of the financial year ended 31 December 2025 :
- a first interim dividend of 4.5 sen per ordinary share, totalling RM18,073,739 declared on 27 May 2025 and paid on 18 July 2025; and
 - a second interim dividend of 2.0 sen per ordinary share, totalling RM7,907,141 declared on 25 November 2025 and paid on 19 January 2026.

The Directors do not recommend any other dividend to be paid for the financial year under review.

Directors of the Company

Directors who served during the financial year until the date of this report are :

Tengku Muzzammil Bin Dato' Tengku Makram
Dato' Ang Poon Chuan - Managing Director
Dato' Ang Poon Khim
Datuk Ang Poon Seong
Ang See Ming
Lee Kean Teong
Teoh Mei Shean
Duli Yang Teramat Mulia Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin (resigned on 25 August 2025)

DIRECTORS' REPORT (CONT'D)

Directors of subsidiaries

Pursuant to Section 253(2) of the Companies Act 2016, the Directors who served in the subsidiaries during the financial year until the date of this report are :

Dato' Ang Poon Chuan
 Dato' Ang Poon Khim
 Datuk Ang Poon Seong
 Ang See Ming
 Ang Poon Shen
 Ang Eng Choo
 Ang See Nung
 Ang See Hwan
 Ang See Cheong
 Ang See Jie
 Ang See Yao
 Ng Chiu Bun
 Phoon Ling Zi
 Teh Boon Yen
 Lo Kui Fai

Directors' interests in shares

The interests and deemed interests in the ordinary shares and Employees' Share Option Scheme of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses and/or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	Number of ordinary shares			Balance at 31.12.2025
	Balance at 1.1.2025	Bought/ Exercised	(Sold)/ (Transferred)	
Interests in the Company				
Dato' Ang Poon Chuan :				
- own	2,852,408	-	-	2,852,408
- others #	1,864,566	525,000	-	2,389,566
Dato' Ang Poon Khim				
- own	4,296,486	-	-	4,296,486
- others #	652,700	150,000	-	802,700
Datuk Ang Poon Seong				
- own	5,196,268	258,700	-	5,454,968
- others #	518,800	158,000	-	676,800
Ang See Ming - own	1,962,796	-	-	1,962,796
Lee Kean Teong				
- own	10,000	-	(4,000)	6,000
- others *	90,000	-	-	90,000

Directors' interests in shares (Cont'd)

	Number of ordinary shares			Balance at 31.12.2025
	Balance at 1.1.2025	Bought/ Exercised	(Sold)/ (Transferred)	
Interests in subsidiaries				
- TGS Plastic Industries Sdn. Bhd.				
Datuk Ang Poon Seong				
- own	80,000	-	-	80,000
Ang See Ming - own	160,000	-	-	160,000
- TG Power Wrap Sdn. Bhd.				
Dato' Ang Poon Chuan				
- own	1 [@]	-	(1)	-
Ang See Ming - own	1 [@]	-	(1)	-
- Everprosper Food Industries Sdn. Bhd.				
Ang See Ming - own	240,000	-	-	240,000
- TGW Plastic Packaging Sdn. Bhd.				
Dato' Ang Poon Chuan				
- own	1 [@]	-	-	1 [@]
Dato' Ang Poon Khim				
- own	1 [@]	-	-	1 [@]

	Employees' Share Option Scheme ("ESOS")				Balance at 31.12.2025
	Balance at 1.1.2025	Granted	(Exercised)	(Lapsed)	

Interests in the Company

Dato' Ang Poon Chuan					
- own	825,000	-	-	-	825,000
Datuk Ang Poon Seong					
- own	735,000	-	-	-	735,000
Dato' Ang Poon Khim					
- own	735,000	-	-	-	735,000
Ang See Ming - own	730,000	-	-	-	730,000

These are shares held in the name of the spouses and/or children and are regarded as interests of the Directors in accordance with the Companies Act 2016

@ Share held in trust for Thong Guan Industries Berhad

* Shares held by a company in which the children are a substantial shareholder and are regarded as interests of the Director

None of the other Directors holding office at 31 December 2025 had any interest in the ordinary shares and ESOS of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have or are deemed to have a substantial financial interest in companies which rented properties to and traded in the ordinary course of business with the Group.

The benefits paid to or receivable by Directors of the Company in respect of the financial year ended 31 December 2025 are as follows :

	From the Company RM'000	From subsidiaries of the Company RM'000
Fees	383	292
Remuneration (including contributions to Employees' Provident Fund)	518	4,577
Estimated monetary value of benefits-in-kind	10	27
Share-based payments	404	-
	1,315	4,896

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

Issue of shares and debentures

There were no other changes in the issued and paid-up capital of the Company and no debentures were issued during the financial year.

Options granted over unissued shares

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

Treasury shares

The shareholders of the Company, via an ordinary resolution passed in the Annual General Meeting held on 30 May 2017, approved for the Company to repurchase its own shares of up to 10% of its total issued and paid-up share capital.

During the financial year, the Company repurchased 6,281,600 ordinary shares from the open market at an average price of RM1.14 per share. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

As at 31 December 2025, the number of treasury shares held are 9,088,000 (2024: 2,806,400) ordinary shares. The treasury shares are held at the carrying amount of RM12,320,000 (2024: RM5,135,000).

Employees' Share Option Scheme

At an Extraordinary General Meeting held on 18 April 2019, the Company's shareholders approved the establishment of the Employees' Share Option Scheme ("ESOS") of up to 15% of the total number of issued shares of the Company (excluding treasury shares) to eligible Directors and employees of the Group (excluding subsidiaries which are dormant). The ESOS is administered by the ESOS Committee in accordance with the By-Laws of the ESOS and shall be in force for a period of 5 years from 3 July 2019 ("ESOS Period").

On 1 April 2024, the Company extended the ESOS Period for another 5 years up to 2 July 2029 ("New ESOS Period"). Concurrently, the Company offered an additional 18,000,000 options to be granted during the New ESOS Period to eligible Directors and employees of the Group.

DIRECTORS' REPORT (CONT'D)

Employees' Share Option Scheme (Cont'd)

As at 31 December 2025, the Company had a total of 3,025,000 options outstanding under the ESOS granted to eligible Directors of which 907,500 options vested during the current financial year. The outstanding options offered to subscribe for unissued ordinary shares of the Company are as follows :

Date of offer	Expiry date	Exercise price RM	Number of options over ordinary shares				
			At 1.1.2025 '000	Granted '000	(Exercised) '000	(Lapsed) '000	At 31.12.2025 '000
1.4.2024	2.7.2029	1.68	3,025	-	-	-	3,025

The maximum allocation of ESOS to eligible Directors and senior management of the Group shall not, in aggregate, exceed 70% of the total ESOS granted. The ESOS allocated to Directors and senior management as at 31 December 2025 represented 16.8% (2024 : 16.8%) of the total options granted.

The salient features of the ESOS are, *inter alia*, as follows :

- The ESOS shall be in force for a duration of 5 years from 3 July 2019 ("ESOS Period") and may be extended at the discretion of the Board upon the recommendation of the ESOS Committee provided that the ESOS Period shall not, in aggregate, exceed a duration of 10 years from 3 July 2019 or such longer duration as may from time to time be permitted by the relevant authorities. On 1 April 2024, the ESOS Period was extended for another 5 years up to 2 July 2029;
- The total number of shares which may be issued and allocated under the ESOS scheme shall not, in aggregate, exceed 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the ESOS Period;
- Eligible employees are employees employed by and are on the payroll of any company in the Group (excluding subsidiaries which are dormant) and his/her employment has been confirmed by the company, who is at least 18 years of age and is not undischarged bankrupt nor subject to any bankruptcy proceedings;
- Not more than 10% of the aggregate number of shares to be issued under the ESOS shall be allocated to any individual eligible employee who, either singly or collectively through persons connected with the eligible employee, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any); and
- The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of and not less than 100 shares.

Indemnity and insurance costs

There was no indemnity given to or insurance effected for the Directors, officers or auditors of the Company during the financial year.

Other statutory information

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

- all known bad debts have been written off and adequate provision made for doubtful debts; and
- any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

DIRECTORS' REPORT (CONT'D)

Other statutory information (Cont'd)

At the date of this report, the Directors are not aware of any circumstances : (Cont'd)

- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Subsequent event

The ongoing conflict in the Middle East, including disruptions around the Strait of Hormuz, continues to create uncertainties in the global market. The circumstances have primarily led to crude supply disruption, higher energy cost, higher transportation cost and potential delay or shortage in certain raw materials. The scale of this current conflict is unprecedented and continues to evolve. The effect of this subsequent event will have on the Group and the Company and its financial impact, if any, cannot be reliably determined as at the date of these financial statements were authorised for issue.

DIRECTORS' REPORT (CONT'D)

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The audit and non-audit fees of the Group and of the Company during the year are as follows :

	Group RM'000	Company RM'000
Audit fees		
- KPMG PLT	373	60
- Other auditors	103	-
	476	60
Non-audit fees		
- KPMG PLT	45	45
- Other overseas affiliates	80	80
- Local affiliate of KPMG PLT	67	7
	192	132
	668	192

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

.....
Dato' Ang Poon Chuan
Director

.....
Ang See Ming
Director

Kedah Darul Aman

Date : 29 April 2026

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Property, plant and equipment	3	421,345	451,627	-	-
Investment properties	4	58,751	59,335	58,224	58,775
Investments in subsidiaries	5	-	-	120,576	113,854
Investments in associates	6	2,120	2,475	-	-
Other investment	7	9,555	-	-	-
Deferred tax assets	8	1,593	1,445	-	-
Trade and other receivables	11	222	1,197	-	-
Total non-current assets		493,586	516,079	178,800	172,629
Inventories	9	372,882	381,101	-	-
Contract costs	10	2,213	-	-	-
Trade and other receivables	11	235,437	266,581	26,659	43,700
Current tax assets		3,725	5,923	-	230
Cash and cash equivalents	12	338,534	313,322	104,917	90,697
Total current assets		952,791	966,927	131,576	134,627
Total assets		1,446,377	1,483,006	310,376	307,256
Equity					
Share capital	13	271,989	271,989	271,989	271,989
Reserves	14	656,943	684,690	7,275	1,707
Total equity attributable to owners of the Company		928,932	956,679	279,264	273,696
Non-controlling interests	5	28,279	29,684	-	-
Total equity		957,211	986,363	279,264	273,696
Liabilities					
Deferred tax liabilities	8	42,641	46,482	-	-
Loans and borrowings	15	14,293	23,835	-	-
Lease liabilities		969	502	-	-
Total non-current liabilities		57,903	70,819	-	-
Loans and borrowings	15	164,650	186,657	-	-
Lease liabilities		1,648	686	-	-
Provision	16	-	-	-	1,000
Trade and other payables	17	234,816	209,451	8,628	7,017
Contract liabilities	18	4,536	2,263	-	-
Deferred income	19	22,400	25,543	22,400	25,543
Current tax liabilities		3,213	1,224	84	-
Total current liabilities		431,263	425,824	31,112	33,560
Total liabilities		489,166	496,643	31,112	33,560
Total equity and liabilities		1,446,377	1,483,006	310,376	307,256

The notes on pages 118 to 179 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	20	1,201,008	1,281,464	35,281	23,552
Cost of goods sold	21	(1,027,871)	(1,115,369)	-	(25,290)
Gross profit/(loss)		173,137	166,095	35,281	(1,738)
Other income		12,811	10,581	3,911	3,170
Selling and distribution expenses		(42,081)	(39,922)	-	-
Administrative expenses		(46,340)	(49,139)	(3,104)	(3,561)
Other expenses		(12,506)	(3,694)	(354)	(131)
Net (loss)/gain on impairment of financial instruments	22	(5,136)	9,110	1,812	10,606
Results from operating activities	22	79,885	93,031	37,546	8,346
Interest income		4,780	5,266	1,132	981
Finance costs	24	(8,164)	(10,447)	-	-
Operating profit		76,501	87,850	38,678	9,327
Share of loss of equity-accounted associate, net of tax		(20)	(144)	-	-
Profit before tax		76,481	87,706	38,678	9,327
Tax expense	25	(15,272)	(20,402)	(348)	(285)
Profit for the year		61,209	67,304	38,330	9,042
Total other comprehensive expense, net of tax					
<i>Item that is or may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences		(56,619)	(20,063)	-	-
Total comprehensive income for the year		4,590	47,241	38,330	9,042
Profit/(Loss) attributable to :					
Owners of the Company		63,143	67,175	38,330	9,042
Non-controlling interests		(1,934)	129	-	-
		61,209	67,304	38,330	9,042
Total comprehensive income/(expense) attributable to :					
Owners of the Company		6,524	47,112	38,330	9,042
Non-controlling interests		(1,934)	129	-	-
		4,590	47,241	38,330	9,042
Basic earnings per ordinary share (sen)	27	15.78	16.79		
Diluted earnings per ordinary share (sen)	27	15.78	16.79		

The notes on pages 118 to 179 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the Year Ended 31 December 2025

Group	Attributable to owners of the Company									
	Non-distributable					Distributable				
Note	Share capital RM'000	Translation reserve RM'000	Statutory reserve RM'000	Treasury shares RM'000	Fair value reserve RM'000	Share options reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2025	271,989	46,412	4,141	(5,135)	(567)	630	639,209	956,679	29,684	986,363
Foreign currency translation differences	-	(56,619)	-	-	-	-	-	(56,619)	-	(56,619)
Total other comprehensive expense for the year	-	(56,619)	-	-	-	-	-	(56,619)	-	(56,619)
Profit for the year	-	-	-	-	-	-	63,143	63,143	(1,934)	61,209
Total comprehensive (expense)/income for the year	-	(56,619)	-	-	-	-	63,143	6,524	(1,934)	4,590
Contributions by and distributions to owners of the Company										
- Share based payments	26	-	-	-	-	404	-	404	-	404
- Statutory transfer		-	3,054	-	-	-	(3,054)	-	-	-
- Changes in ownership interests in subsidiaries	5.2	-	-	-	-	-	(1,509)	(1,509)	1,489	(20)
- Purchase of own shares	14.3	-	-	(7,185)	-	-	-	(7,185)	-	(7,185)
- Dividends paid to owners of the Company	28	-	-	-	-	-	(25,981)	(25,981)	-	(25,981)
- Dividend paid by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	(960)	(960)
Total transactions with owners of the Company		-	3,054	(7,185)	-	404	(30,544)	(34,271)	529	(33,742)
At 31 December 2025	271,989	(10,207)	7,195	(12,320)	(567)	1,034	671,808	928,932	28,279	957,211
	Note 13	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the Year Ended 31 December 2025

Company	Attributable to owners of the Company						Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Fair value reserve RM'000	Share options reserve RM'000	Retained earnings RM'000	Distributable	
At 1 January 2024	262,840	(5,135)	(567)	2,757	19,151	279,046	
Profit for the year representing total comprehensive income for the year	-	-	-	-	9,042	9,042	
Contributions by and distribution to owners of the Company							
- Share based payments	-	-	-	630	-	630	
- Share options exercised	9,149	-	-	(2,140)	-	7,009	
- Share options lapsed	-	-	-	(617)	617	-	
- Dividends paid	-	-	-	-	(22,031)	(22,031)	
Total transactions with owners of the Company	9,149	-	-	(2,127)	(21,414)	(14,392)	
At 31 December 2024	271,989	(5,135)	(567)	630	6,779	273,696	
	Note 13	Note 14	Note 14	Note 14	Note 14	Note 14	

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the Year Ended 31 December 2025

	Attributable to owners of the Company					Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Fair value reserve RM'000	Share options reserve RM'000	Retained earnings RM'000	
	Non-distributable		Distributable			
Note	Share capital RM'000	Treasury shares RM'000	Fair value reserve RM'000	Share options reserve RM'000	Retained earnings RM'000	Total equity RM'000
Company						
At 1 January 2025	271,989	(5,135)	(567)	630	6,779	273,696
Profit for the year representing total comprehensive income for the year	-	-	-	-	38,330	38,330
Contributions by and distribution to owners of the Company						
- Share based payments	26	-	-	404	-	404
- Purchase of own shares	14.3	-	-	-	-	(7,185)
- Dividends paid	28	-	-	-	(25,981)	(25,981)
Total transactions with owners of the Company	-	(7,185)	-	404	(25,981)	(32,762)
At 31 December 2025	271,989	(12,320)	(567)	1,034	19,128	279,264
	Note 13	Note 14	Note 14	Note 14	Note 14	

The notes on pages 118 to 179 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before tax		76,481	87,706	38,678	9,327
Adjustments for :					
Property, plant and equipment (including right-of-use assets)					
- Depreciation	3	37,324	37,411	-	-
- Loss/(Gain) on disposal		159	(66)	-	-
- Written-off		-	56	-	-
Depreciation of investment property	4	625	625	592	592
Loss on disposal of an associate		130	-	-	-
Unrealised gain on loans and borrowings	15.3	(1,094)	(6,377)	-	-
Dividend income	20	-	-	(32,138)	(23,552)
Interest expense	24	8,164	10,447	-	-
Share-based payments	26	404	630	404	630
Interest income		(4,780)	(5,266)	(1,132)	(981)
Share of loss of equity accounted associate, net of tax		20	144	-	-
Reversal of expected credit losses on corporate guarantee	16	-	-	(1,000)	-
Net loss/(gain) on impairment of financial instruments	22	5,136	(9,110)	(1,812)	(10,606)
Operating profit/(loss) before changes in working capital		122,569	116,200	3,592	(24,590)
Changes in working capital :					
Inventories		5,333	(63,743)	-	-
Trade and other receivables		20,869	20,090	8,040	28,660
Trade and other payables		13,784	10,464	(6,296)	5,716
Contract liabilities		2,273	(1,074)	-	-
Contract costs		(2,213)	-	-	-
Cash generated from operations		162,615	81,937	5,336	9,786

STATEMENTS OF CASH FLOWS (CONT'D)

For the Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income tax paid		(15,074)	(21,081)	(34)	(234)
Dividends received		-	-	41,808	26,912
Net cash from operating activities		147,541	60,856	47,110	36,464
Cash flows from investing activities					
Acquisition of property, plant and equipment	A	(34,596)	(33,734)	-	-
Acquisition of investment properties	4	(41)	-	(41)	-
Acquisition of other investment		(9,673)	-	-	-
Changes in ownership interests in a subsidiary	5.2	(20)	-	-	-
Proceeds from disposal of plant and equipment		1,640	667	-	-
Interest received		4,780	5,266	1,132	981
Proceeds from disposal of investment in an associate		152	-	-	-
Investments in subsidiaries		-	-	(6,722)	(133)
Advances to a subsidiary		-	-	(2,000)	(900)
Net cash used in investing activities		(37,758)	(27,801)	(7,631)	(52)
Cash flows from financing activities					
(Repayment)/Drawdown of :					
- hire purchase creditors	15.3	(656)	(745)	-	-
- lease liabilities	15.3	(1,478)	(1,401)	-	-
- term loans	15.3	(8,910)	(12,341)	-	-
- bankers' acceptances	15.3	(24,506)	51,599	-	-
- revolving credit	15.3	(5,157)	(11,128)	-	-
- trust receipts	15.3	(4,927)	(14,639)	-	-
- invoice financing	15.3	11,373	4,684	-	-
Dividends paid		(18,074)	(22,031)	(18,074)	(22,031)
Dividend paid to non-controlling interests by subsidiaries		(960)	(300)	-	-
Proceeds from exercise of ESOS		-	7,009	-	7,009
Purchase of own shares	14.3	(7,185)	-	(7,185)	-
Interest paid		(8,164)	(10,447)	-	-
Net cash used in financing activities		(68,644)	(9,740)	(25,259)	(15,022)

STATEMENTS OF CASH FLOWS (CONT'D)

For the Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net increase in cash and cash equivalents		41,139	23,315	14,220	21,390
Effects of exchange rate fluctuations on cash and cash equivalents		(15,577)	(1,952)	-	-
Cash and cash equivalents at 1 January		312,145	290,782	90,697	69,307
Cash and cash equivalents at 31 December	B	337,707	312,145	104,917	90,697

Notes

A. Acquisition of property, plant and equipment - Group

During the financial year, the Group acquired property, plant and equipment by way of the following :

	Note	2025 RM'000	2024 RM'000
Total additions during the year	3	41,476	38,430
Purchased by way of hire purchase/finance lease arrangements		(5,585)	(1,072)
Changes in prepayments for purchase of plant and equipment		(975)	(4,640)
Additions unpaid at year end		(942)	(622)
Amount paid for prior year's additions		622	1,638
		34,596	33,734

B. Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts :

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and cash equivalents	12	338,534	313,322	104,917	90,697
Bank overdrafts	15	(827)	(1,177)	-	-
		337,707	312,145	104,917	90,697

STATEMENTS OF CASH FLOWS (CONT'D)

For the Year Ended 31 December 2025

Notes (Cont'd)

C. Cash outflows for leases as a lessee

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Included in net cash from operating activities :					
Payment relating to short-term leases	22	969	1,014	-	-
Payment relating to low-value assets	22	121	65	-	-
Included in net cash used in financing activities :					
Interest paid in relation to lease liabilities	24	59	61	-	-
Payment of lease liabilities	15.3	1,478	1,401	-	-
Total cash outflows for leases		2,627	2,541	-	-

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

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

Principal place of business

Lot 52, Jalan PKNK 1/6
Kawasan Perusahaan Sungai Petani
08000 Sungai Petani
Kedah Darul Aman

Registered office

170-09-01, Livingston Tower
Jalan Argyll
10050 George Town
Pulau Pinang

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in an associate. The financial statements of the Company as at and for the financial year ended 31 December 2025 do not include other entities.

The Company is principally engaged in investment holding activities and trading of plastic and petroleum products while the principal activities of the subsidiaries are as stated in Note 5 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 29 April 2026.

2. Basis of preparation

(a) Statement of compliance

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

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

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

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable, in the respective financial years when the abovementioned accounting standards, interpretations and amendments become effective.

The initial application of the accounting standards, interpretations and amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following item, which is measured based on the measurement basis stated below:

Item	Measurement basis
Other investment	Fair value through other comprehensive income

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than Note 9.2 – valuation of inventories.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Property, plant and equipment

Group	← Right-of-use assets →							Total RM'000
	Leasehold land RM'000	Factory buildings RM'000	Freehold land and buildings (Note 3.1) RM'000	Plant and machinery RM'000	Furniture, fittings, office and solar equipment RM'000	Motor vehicles RM'000	Capital expenditure -in-progress RM'000	
Cost								
At 1 January 2024	37,751	4,658	83,115	613,048	54,253	23,447	59,083	875,355
Additions	5,976	409	78	13,925	2,685	428	14,929	38,430
Disposals	-	-	-	(3,550)	(25)	(32)	-	(3,607)
Written-off	-	-	-	(65)	(170)	-	-	(235)
Reclassification	-	-	505	34,716	630	-	(35,851)	-
Effect of movements in exchange rates	(1,299)	(171)	(2,381)	(13,919)	(779)	(331)	(1,997)	(20,877)
At 31 December 2024/ 1 January 2025	42,428	4,896	81,317	644,155	56,594	23,512	36,164	889,066
Additions	12,242	2,907	363	11,729	10,067	1,477	2,691	41,476
Disposals	-	-	-	(11,943)	(38)	(411)	-	(12,392)
Written-off	-	(3,312)	-	(747)	(33)	(11)	-	(4,103)
Reclassification	-	-	8,913	456	7	-	(9,376)	-
Effect of movements in exchange rates	(3,188)	(976)	(5,079)	(38,003)	(2,552)	(744)	(2,590)	(53,132)
At 31 December 2025	51,482	3,515	85,514	605,647	64,045	23,823	26,889	860,915

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Property, plant and equipment (Cont'd)

Group	← Right-of-use assets →							Total RM'000
	Leasehold land RM'000	Factory buildings RM'000	Freehold land and buildings (Note 3.1) RM'000	Plant and machinery RM'000	Furniture, office equipment RM'000	Motor vehicles RM'000	Capital expenditure -in-progress RM'000	
Accumulated depreciation and impairment losses								
At 1 January 2024								
Accumulated depreciation	6,619	2,559	41,831	311,416	28,850	17,026	-	408,301
Accumulated impairment losses	-	-	-	-	4,110	-	-	4,110
	6,619	2,559	41,831	311,416	32,960	17,026	-	412,411
Depreciation for the year	837	1,387	2,874	27,529	3,224	1,560	-	37,411
Disposals	-	-	-	(2,957)	(17)	(32)	-	(3,006)
Written-off	-	-	-	(33)	(146)	-	-	(179)
Effect of movements in exchange rates	(201)	(156)	(1,512)	(6,653)	(476)	(200)	-	(9,198)
At 31 December 2024								
Accumulated depreciation	7,255	3,790	43,193	329,302	31,435	18,354	-	433,329
Accumulated impairment losses	-	-	-	-	4,110	-	-	4,110
	7,255	3,790	43,193	329,302	35,545	18,354	-	437,439

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Property, plant and equipment (Cont'd)

Group	← Right-of-use assets →							Total RM'000
	Leasehold land RM'000	Factory buildings RM'000	Freehold land and buildings (Note 3.1) RM'000	Plant and machinery RM'000	Furniture, fittings, office and solar equipment RM'000	Motor vehicles RM'000	Capital expenditure -in-progress RM'000	
Accumulated depreciation and impairment losses								
At 1 January 2025								
Accumulated depreciation	7,255	3,790	43,193	329,302	31,435	18,354	-	433,329
Accumulated impairment losses	-	-	-	-	4,110	-	-	4,110
	7,255	3,790	43,193	329,302	35,545	18,354	-	437,439
Depreciation for the year	912	1,701	2,733	26,656	3,891	1,431	-	37,324
Disposals	-	-	-	(10,184)	(17)	(392)	-	(10,593)
Written-off	-	(3,312)	-	(747)	(33)	(11)	-	(4,103)
Effect of movements in exchange rates	(451)	(522)	(3,025)	(14,479)	(1,412)	(608)	-	(20,497)
At 31 December 2025								
Accumulated depreciation	7,716	1,657	42,901	330,548	33,864	18,774	-	435,460
Accumulated impairment losses	-	-	-	-	4,110	-	-	4,110
	7,716	1,657	42,901	330,548	37,974	18,774	-	439,570

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Property, plant and equipment (Cont'd)

Group	← Right-of-use assets →							Total RM'000
	Leasehold land RM'000	Factory buildings RM'000	Freehold land and buildings (Note 3.1) RM'000	Plant and machinery RM'000	Furniture, office and solar equipment RM'000	Motor vehicles RM'000	Capital expenditure -in-progress RM'000	
Carrying amounts								
At 1 January 2024	31,132	2,099	41,284	301,632	21,293	6,421	59,083	462,944
At 31 December 2024/ 1 January 2025	35,173	1,106	38,124	314,853	21,049	5,158	36,164	451,627
At 31 December 2025	43,766	1,858	42,613	275,099	26,071	5,049	26,889	421,345

* Derecognition of right-of-use assets due to end of lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Property, plant and equipment (Cont'd)

	Motor vehicles RM'000
Company	
Cost	
At 1 January 2024/31 December 2024	320
At 1 January 2025/31 December 2025	320
Accumulated depreciation	
At 1 January 2024/31 December 2024	320
At 1 January 2025/31 December 2025	320
Carrying amount	
At 1 January 2024/31 December 2024	-
At 1 January 2025/31 December 2025	-

3.1 Freehold land and buildings - Group

	Cost		Carrying amounts	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Freehold land	4,898	5,105	4,898	5,105
Factory buildings	80,616	76,212	37,715	33,019
	85,514	81,317	42,613	38,124

3.2 Right-of-use assets

The Group leases land and factory buildings that run between 2 years to 936 years, with an option to renew the leases after the expiry of the initial lease periods.

3.2.1 Extension options

Certain leases of factory buildings contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

The disclosure of lease liabilities recognised and potential future lease payments not included in lease liabilities for extension options have not been made as the Directors noted the amounts to be insignificant.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Property, plant and equipment (Cont'd)

3.3 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold land (Right-of-use assets)	48 - 936 years
Factory buildings (Right-of-use assets)	2 - 5 years
Factory buildings	20 - 50 years
Plant and machinery factory	5 - 20 years
Furniture, fittings, office and solar equipment	5 - 25 years
Motor vehicles	5 years

(c) Recognition exemption for right-of-use assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or shorter and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. Investment properties

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Electrical installation RM'000	Total RM'000
Group					
Cost					
At 1 January 2024/31 December 2024/ 1 January 2025	46,874	7,931	7,669	19	62,493
Addition	41	-	-	-	41
31 December 2025	46,915	7,931	7,669	19	62,534
Accumulated depreciation					
At 1 January 2024	-	1,666	866	1	2,533
Depreciation for the year	-	238	383	4	625
At 31 December 2024/1 January 2025	-	1,904	1,249	5	3,158
Depreciation for the year	-	238	383	4	625
At 31 December 2025	-	2,142	1,632	9	3,783
Carrying amounts					
At 1 January 2024	46,874	6,265	6,803	18	59,960
At 31 December 2024/1 January 2025	46,874	6,027	6,420	14	59,335
At 31 December 2025	46,915	5,789	6,037	10	58,751

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. Investment properties (Cont'd)

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Electrical installation RM'000	Total RM'000
Company					
Cost					
At 1 January 2024/31 December 2024/ 1 January 2025	46,874	7,931	6,997	19	61,821
Addition	41	-	-	-	41
31 December 2025	46,915	7,931	6,997	19	61,862
Accumulated depreciation					
At 1 January 2024	-	1,666	787	1	2,454
Depreciation for the year	-	238	350	4	592
At 31 December 2024/1 January 2025	-	1,904	1,137	5	3,046
Depreciation for the year	-	238	350	4	592
At 31 December 2025	-	2,142	1,487	9	3,638
Carrying amounts					
At 1 January 2024	46,874	6,265	6,210	18	59,367
At 31 December 2024/1 January 2025	46,874	6,027	5,860	14	58,775
At 31 December 2025	46,915	5,789	5,510	10	58,224

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Lease income	43	382	660	982
Direct operating expenses				
- income generating investment properties	434	324	769	562
- non-income generating investment properties	723	768	316	456

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. Investment properties (Cont'd)

The operating lease payments to be received are as follows :

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Less than one year	-	-	635	600
One to two years	-	-	350	950
Total undiscounted lease payments	-	-	985	1,550

4.1 Fair value information - Group and Company

Investment properties comprise a leasehold land, freehold land, an industrial building and apartment that are held for undetermined use.

The fair value of the investment properties of the Group and of the Company is based on Directors' estimation using the latest available market information, recent experience and knowledge in the location and category of the property being valued. The fair value of the investment properties of the Group and of the Company as at 31 December 2025 was determined to be approximately RM63.1 million (2024 : RM63.1 million) and RM62.4 million (2024 : RM62.4 million) respectively. The fair values are classified as level 3 of the fair value hierarchy.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

The Directors estimate the fair value of the investment properties of the Group and the Company as follows:

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison approach : Sales price of comparable land and building in close proximity or other comparable localities that are published for sale. The most significant input into this valuation approach is price per square foot.	<ul style="list-style-type: none"> Average price per square foot for freehold land, leasehold land and industrial building ranging from RM5.50 to RM14.90 (2024 : RM5.50 to RM14.90) of the Group and the Company. Average price per square foot for apartment of RM512 (2024: RM512) for the Group. 	The estimated fair value would increase/ (decrease) if the price per square foot is higher/(lower).

4.2 Material accounting policy information

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. Investments in subsidiaries - Company

	2025 RM'000	2024 RM'000
Investments, at cost	116,654	116,521
Addition	6,722	133
Less : Impairment loss	(2,800)	(2,800)
	120,576	113,854

Details of the subsidiaries are as follows :

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
Syarikat Thong Guan Trading Sdn. Bhd. ("STGT")	Malaysia	Manufacturing and trading of food and beverage products, trading of plastic products and wholesale of rice	100	100
<i>Subsidiaries of STGT</i>				
- Thong Guan Trading (Thailand) Company Limited ^{®,^}	Thailand	Manufacturing and trading of food and beverage products, and plastic products	79	79
- Everprosper Food Industries Sdn. Bhd. ("EFI")	Malaysia	Manufacturing and trading of noodle products	60	60
<i>Subsidiary of EFI</i>				
- Everprosper Marketing (M) Sdn. Bhd. ("EM")	Malaysia	Inactive	60	60
Uniang Plastic Industries Sdn. Bhd. [®]	Malaysia	Manufacturing and sale of film blown plastic products and flexible plastic packaging products	100	100
Jaya Uni'ang Sdn. Bhd. [®]	Malaysia	Trading in film blown plastic products, food and consumable products	100	100
Thong Guan Plastic & Paper Industries Sdn. Bhd. ("TGPP")	Malaysia	Manufacturing and trading of plastic products	100	100
<i>Subsidiaries of TGPP</i>				
- TG Plastic Technologies Sdn. Bhd. ("TGPT")	Malaysia	Manufacturing and trading of plastic packaging products	100	100
- TGW Plastic Packaging Sdn. Bhd. ("TGWPP")	Malaysia	Manufacturing and trading of plastic packaging products	51	51
- TG Greenpack Sdn. Bhd.	Malaysia	Inactive	100	100

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. Investments in subsidiaries - Company (Cont'd)

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

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
<i>Subsidiaries of TGPP (Cont'd)</i>				
- TG Europe A/S [®]	Denmark	Trading of plastic products	100	80
- TG Packaging Solution Llc ^{®, #}	United States of America	Trading of plastic products	100	100
TG Power Wrap Sdn. Bhd. ("TGPW")	Malaysia	Manufacturing and marketing of polyvinyl chloride (PVC) cling food wraps	85	85
TGSH Plastic Industries Sdn. Bhd. ("TGSH")	Malaysia	Manufacturing and marketing of plastic packaging products	70	70
Newton Research & Development Centre Sdn. Bhd.	Malaysia	Research and development centre for plastic packaging industry	100	100
TGP Marketing Sdn. Bhd.	Malaysia	Inactive	100	100
888 Cafe Sdn. Bhd. ("888 Cafe")	Malaysia	Inactive	90	80
888 Food Industries Sdn. Bhd.	Malaysia	Inactive	100	100
TG Development Sdn. Bhd.	Malaysia	Property Development	100	100
PT TGP Plaspak Lestari [®]	Indonesia	Inactive	100	-
TG Plaspak (Vietnam) Co., Ltd. [®]	Vietnam	Inactive	100	100
Thong Guan Plastic Industries (Suzhou) Co., Ltd. [®]	People's Republic of China	Manufacturing and trading of plastic packaging products	100	100
TGP Plaspak (Suzhou) Co., Ltd. ("TGPPS") [®]	People's Republic of China	Manufacturing and trading of plastic packaging products	100	100
<i>Subsidiary of TGPPS</i>				
- Cargosafe R&D (Suzhou) Co., Ltd. ^{®, #}	People's Republic of China	Inactive	100	100
TG Plaspak Myanmar Co., Ltd. [®]	Republic of the Union of Myanmar	Inactive	100	100

[®] Not audited by KPMG

[^] STGT has 79% voting interest via a shareholders' agreement signed

[#] The unaudited management accounts were consolidated in the Group's financial statements as these subsidiaries were not required by the local legislation to have their financial statements audited

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. Investments in subsidiaries - Company (Cont'd)

5.1 Addition of a subsidiary

During the financial year, the Company invested RM6,582,000 in a newly incorporated subsidiary in Indonesia, PT TGP Plaspak Lestari. The investment is intended to strengthen the Group's export competitiveness by leveraging opportunities in overseas markets. The subsidiary has not yet commenced operations.

5.2 Increase in interest in a subsidiary

On 16 June 2025, the Group increased its equity interest in TG Europe A/S by an additional 20% for a total cash consideration of EUR4,000 (equivalent to RM19,290). The increase in shareholding did not result in a change in control and has been accounted for as an equity transaction in accordance with the Group's accounting policies.

5. Investments in subsidiaries - Company (Cont'd)

5.3 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows :

	2025		
	TGPPW RM'000	TGSH RM'000	TGWPP RM'000
	15%	30%	49%
	6,919	13,793	7,887
	(727)	609	(2,716)
			900
			(320)
			28,279
			(1,934)

NCI percentage of ownership interest and voting interest

Carrying amount of NCI

Profit/(Loss) allocated to NCI

Summarised financial information before intra-group elimination

As at 31 December

Non-current assets

Current assets

Non-current liabilities

Current liabilities

Net assets

Year ended 31 December

Revenue

Profit/(Loss) for the year

Total comprehensive income/(expense)

Cash from operating activities

Cash used in investing activities

Cash flows used in financing activities

Net (decrease)/increase in cash and cash equivalents

Dividend paid to NCI

23,575

29,693

-

(7,141)

46,127

55,972

(4,847)

(4,847)

2,486

(1,519)

(3,511)

(2,544)

360

10,781

47,289

(810)

(11,284)

45,976

66,540

2,030

2,030

6,603

(370)

(1,000)

5,233

600

24,194

24,382

(2,090)

(30,390)

16,096

39,669

(5,542)

(5,542)

106

(70)

786

822

-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. Investments in subsidiaries - Company (Cont'd) 5.3 Non-controlling interests in subsidiaries (Cont'd)

	2024		2024		Total
	TGPW RM'000	TGSH RM'000	TGWPP RM'000	Other subsidiaries with immaterial NCI	RM'000
NCI percentage of ownership interest and voting interest	15%	30%	49%		
Carrying amount of NCI	8,006	13,784	10,603	(2,709)	29,684
Profit/(Loss) allocated to NCI	440	1,155	(1,926)	460	129
Summarised financial information before intra-group elimination					
As at 31 December					
Non-current assets	26,343	11,563	27,401		
Current assets	40,474	43,492	26,039		
Non-current liabilities	(2,280)	(1,125)	(4,135)		
Current liabilities	(11,164)	(7,985)	(27,667)		
Net assets	53,373	45,945	21,638		
Year ended 31 December					
Revenue	66,978	71,631	45,572		
Profit/(Loss) for the year	2,936	3,848	(4,388)		
Total comprehensive income/(expense)	2,936	3,848	(3,931)		
Cash from operating activities	580	3,704	12,296		
Cash used in investing activities	(1,119)	(662)	(936)		
Cash flows used in financing activities	(1,350)	(1,000)	(10,228)		
Net (decrease)/increase in cash and cash equivalents	(1,889)	2,042	1,132		
Dividend paid to NCI	-	300	-		

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. Investments in subsidiaries - Company (Cont'd)

5.4 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

6. Investments in associates - Group

	2025 RM'000	2024 RM'000
Investments, at cost	802	802
Disposal	(282)	-
Share of post-acquisition reserves	1,600	1,673
	<u>2,120</u>	<u>2,475</u>

Details of the associates are as follows :

Name of entity	Principal place of business	Principal activity/Nature of the relationship	Effective ownership interest and voting interest	
			2025 %	2024 %
Winner Bright International Industrial Limited ("WBIL")	Hong Kong	Trading of plastic packaging products	49	49
Techpac Solutions ApS ("TPS")	Denmark	Trading of plastic products	-	20

The disclosure of summary of financial information of the associates have not been made as the Directors noted the amounts to be inconsequential to the Group.

6.1 Disposal of an associate

On 12 June 2025, the Group disposed of its entire equity interest in Techpac Solutions ApS for a total cash consideration of EUR31,583 (equivalent to RM152,309). Following the disposal, the associate ceased to be part of the Group's investment. The resulting loss on disposal has been recognised in profit and loss in accordance with the Group's accounting policies.

6.2 Material accounting policy information

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses.

7. Other investment

	2025 RM'000	2024 RM'000
Fair value through other comprehensive income		
Equity instrument	<u>9,555</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Other investment (Cont'd)

7.1 Equity investment designated at fair value through other comprehensive income

The Group designated the other investment as equity securities at fair value through other comprehensive income because these equity securities represent investment that the Group intends to hold for long-term strategic purposes.

	2025 RM'000	2024 RM'000
Fijaplast, S.L.	<u>9,555</u>	<u>-</u>

8. Deferred tax assets/(liabilities)

The recognised deferred tax assets and liabilities are as follows :

	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group						
Property, plant and equipment and right-of-use assets						
- capital allowances	435	-	(54,892)	(52,842)	(54,457)	(52,842)
Trade receivables	1,238	-	-	-	1,238	-
Lease liabilities	628	285	-	-	628	285
Capital allowances carry-forward	3,324	3,135	-	-	3,324	3,135
Tax incentives	3,991	4,190	-	-	3,991	4,190
Others	4,318	2,269	(90)	(2,074)	4,228	195
Tax assets/(liabilities)	13,934	9,879	(54,982)	(54,916)	(41,048)	(45,037)
Set-off of tax	(12,341)	(8,434)	12,341	8,434	-	-
Net deferred tax assets/(liabilities)	1,593	1,445	(42,641)	(46,482)	(41,048)	(45,037)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Deferred tax assets/(liabilities) (Cont'd)

Movements in temporary differences during the year are as follows :

	At 1 January 2024 RM'000	Recognised in profit or loss (Note 25) RM'000	At 31 December 2024/ 1 January 2025 RM'000	Recognised in profit or loss (Note 25) RM'000	At 31 December 2025 RM'000
Group					
Property, plant and equipment and right-of-use assets					
- capital allowances	(52,297)	(545)	(52,842)	(1,615)	(54,457)
Trade receivables	-	-	-	1,238	1,238
Lease liabilities	523	(238)	285	343	628
Capital allowances carry-forward	2,911	224	3,135	189	3,324
Tax incentives	5,254	(1,064)	4,190	(199)	3,991
Others	2,260	(2,065)	195	4,033	4,228
	<u>(41,349)</u>	<u>(3,688)</u>	<u>(45,037)</u>	<u>3,989</u>	<u>(41,048)</u>

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross) :

	2025 RM'000	2024 RM'000
Group		
Capital allowances carry-forward	1,677	2,391
Tax losses carry-forward	15,467	12,860
Reinvestment allowances carry-forward	1,071	1,600
Deferred revenue	22,400	25,543
	<u>40,615</u>	<u>42,394</u>
Company		
Tax losses carry-forward	1,848	1,848
Deferred revenue	22,400	25,543
	<u>24,248</u>	<u>27,391</u>

The capital allowances carry-forward of the Group is available indefinitely for offsetting against future taxable profits, subject to the guidelines issued under the Income Tax Act, 1967.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Deferred tax assets/(liabilities) (Cont'd)

Unrecognised deferred tax assets (Cont'd)

The tax losses carry-forward will expire in the following years of assessment :

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Year of Assessment :				
2028	7,336	7,562	-	-
2029	1,582	1,582	-	-
2030	549	549	549	549
2031	1,051	1,051	1,051	1,051
2033	248	248	248	248
2034	1,868	1,868	-	-
2035	2,833	-	-	-
	15,467	12,860	1,848	1,848

The reinvestment allowances carry-forward will expire in year of assessment 2037.

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits will be available against which the Group entities can utilise the benefits therefrom.

9. Inventories - Group

	Note	2025 RM'000	2024 RM'000
Raw materials		247,418	272,382
Work-in-progress		11,733	11,337
Manufactured inventories		81,059	84,883
Trading inventories		11,811	8,964
Property development costs	9.1	20,861	3,535
		372,882	381,101
Recognised in profit or loss :			
Inventories recognised as cost of sales		1,026,022	1,114,491
Inventories written down (included in cost of sales)		1,849	878

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. Inventories - Group (Cont'd)

9.1 Property development costs

	Note	2025 RM'000	2024 RM'000
At 1 January		3,535	-
Transfer from non-current deposit		-	2,500
Transfer from prepayments (developments costs)		-	619
Additions		21,982	416
Transfer to contract costs	10.3	(4,656)	-
At 31 December **		<u>20,861</u>	<u>3,535</u>
** Amount comprises :			
Freehold land		17,341	2,500
Other outgoings		<u>3,520</u>	<u>1,035</u>
		<u>20,861</u>	<u>3,535</u>

9.2 Judgement and assumptions in relation to valuation of inventories

The management reviews inventories for obsolescence and decline in net realisable value to below cost. Such reviews involve judgements made over future consumption and the selling price of the inventories. Possible changes to these estimates could result in a revision made to the carrying amount of the Group's inventories and profit or loss.

9.3 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

10. Contract costs - Group

	Note	2025 RM'000	2024 RM'000
Cost to fulfil a contract			
Freehold land	10.1	2,090	-
Cost to obtain a contract	10.2	<u>123</u>	-
		<u>2,213</u>	-

10.1 Cost to fulfil a contract

Land cost and development costs that are attributable to the sold units are capitalised as contract costs during the year. The capitalised costs are expensed out to profit or loss following the progress of revenue recognition.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. Contract costs - Group (Cont'd)

10.2 Cost to obtain a contract

Sales commission fees that are attributable to the sold units are capitalised as contract costs during the year. The capitalised sales commission fees are expensed out to profit or loss over time based on the percentage of completion of the properties sold. The amount amortised during the year was RM19,000 (2024: Nil).

The Group applies the practical expedient and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

10.3 Movements in contract costs during the financial year are as follows:

	Note	2025 RM'000	2024 RM'000
At 1 January		-	-
Addition during the year		142	-
Transfer from inventories	9.1	4,656	-
Costs charged to profit or loss		(2,585)	-
At 31 December		2,213	-

11. Trade and other receivables

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Non-trade					
Prepayments	11.1	222	1,197	-	-
		222	1,197	-	-
Current					
Trade					
Trade receivables	11.2	216,326	233,553	22,400	24,543
Amount due from an associate	11.3	-	3,272	-	-
		216,326	236,825	22,400	24,543

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. Trade and other receivables (Cont'd)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-trade					
Other receivables		10,385	11,501	-	-
Amount due from subsidiaries	11.4	-	-	2,813	7,732
Dividends receivable from subsidiaries		-	-	1,400	11,070
Prepayments		6,235	9,336	15	324
Deposits	11.5	2,491	8,919	31	31
		19,111	29,756	4,259	19,157
		235,437	266,581	26,659	43,700
		235,659	267,778	26,659	43,700

11.1 Prepayments

The non-current prepayments of the Group are for the purchase of property, plant and equipment.

11.2 Trade receivables

Included in trade receivables of the Group are RM1,136,000 (2024 : RM1,647,000) and RM4,133,000 (2024 : RM3,000) due from companies in which certain Directors have a substantial financial interest and a substantial shareholder of a subsidiary respectively. The amounts are subject to negotiated terms.

Included in trade receivables of the Group is RM7,138,000 (2024: RM9,948,000) past due from third-party customers which earns interest at 7% to 8% (2024: 7%) per annum.

11.3 Amounts due from an associate

The trade amount due from an associate was subject to negotiated terms.

11.4 Amount due from subsidiaries

The non-trade amount due from subsidiaries is unsecured, interest-free and repayable on demand other than RM2,000,000 (2024: RM6,600,000) which earns interest at 4.00% (2024: 4.00%) per annum.

11.5 Deposits

In prior year, the Group paid a deposit of RM6,825,000 for the proposed acquisition of a factory and warehouse which the Group is currently leasing. The proposed acquisition did not materialise and the deposit was fully refunded to the Group during the current financial year.

12. Cash and cash equivalents

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances		194,485	181,650	14,412	11,696
Short-term investment funds	12.1	24,607	27,262	5	1
Short-term deposits		119,442	104,410	90,500	79,000
		338,534	313,322	104,917	90,697

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. Cash and cash equivalents (Cont'd)

12.1 Short-term investment funds

Short-term investment funds represent investments in money market and cash management funds which can be redeemed within a period of less than 31 days.

13. Share capital - Group/Company

	2025		2024	
	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000
Issued and paid-up ordinary shares with no par value classified as equity instruments :				
At 1 January	271,989	404,445	262,840	398,243
Exercise of nil (2024: 6,202,350) ESOS into ordinary shares at the exercise price of RM1.68 (2024 : RM1.13) per share	-	-	9,149	6,202
At 31 December	271,989	404,445	271,989	404,445

13.1 Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

14. Reserves

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-distributable					
Translation reserve	14.1	(10,207)	46,412	-	-
Statutory reserve	14.2	7,195	4,141	-	-
Treasury shares	14.3	(12,320)	(5,135)	(12,320)	(5,135)
Fair value reserve	14.4	(567)	(567)	(567)	(567)
Share options reserve	14.5	1,034	630	1,034	630
Distributable					
Retained earnings		671,808	639,209	19,128	6,779
		656,943	684,690	7,275	1,707

Movements in the reserves are shown in the Statements of Changes in Equity.

14.1 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations and local subsidiaries whose functional currencies are not Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. Reserves (Cont'd)

14.2 Statutory reserve

The statutory reserve comprises amounts transferred from retained earnings as required by the local regulation in the People's Republic of China.

14.3 Treasury shares

The shareholders of the Company, via an ordinary resolution passed in the Annual General Meeting held on 30 May 2017, approved for the Company to repurchase its own shares of up to 10% of its total issued and paid-up share capital.

During the financial year ended 31 December 2025, the Company repurchased its issued ordinary shares from the open market as follows:

	No. of shares '000	Cost ^(N1) RM'000	Purchase price		
			Highest RM	Lowest RM	Average RM
2025					
At beginning of financial year	2,806	5,135	2.07	1.23	1.83
Purchased during the financial year	6,282	7,185	1.17	1.07	1.14
At end of financial year	9,088	12,320	2.07	1.07	1.36
2024					
At beginning/end of financial year	2,806	5,135	2.07	1.23	1.83

^(N1) Cost includes stamp duty, brokerage fee, clearing fee and service tax.

The repurchased transactions were financed by internally generated funds. The repurchased ordinary shares were held as treasury shares.

14.4 Fair value reserve

Fair value reserve represents the cumulative net change in the fair value of financial assets recognised in other comprehensive income until the investments are derecognised or impaired.

14.5 Share options reserve

The share options reserve represents the fair value of the share options granted to eligible Directors and employees of the Group and the Company as disclosed in Note 26.

15. Loans and borrowings - Group

	2025 RM'000	2024 RM'000
Non-current :		
Unsecured		
- Term loans	12,003	23,170
Secured		
Hire purchase creditors	2,290	665
	14,293	23,835

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. Loans and borrowings - Group (Cont'd)

	2025 RM'000	2024 RM'000
Current :		
Unsecured		
- Bank overdrafts	827	1,177
- Term loans	18,973	17,967
- Revolving credit	23,396	28,366
- Bankers' acceptances	101,568	126,074
- Trust receipts	2,898	7,855
- Invoice financing	16,057	4,684
	163,719	186,123
Secured		
Hire purchase creditors	931	534
	164,650	186,657
Total loans and borrowings	178,943	210,492

15.1 Securities - Group

The hire purchase creditors are essentially secured as the right to the assets under the hire purchase will revert to the creditors in the event of default.

15.2 Loan covenants

During the financial year, a subsidiary breached certain covenants under its banking facilities. These included restrictions imposed by some banks on inter-company advances, as well as requirements by another bank under a cross-default clause and dividend restriction, whereby dividends may not be declared without prior written consent. The subsidiary had advanced RM8 million and declared dividends of RM6 million to its immediate holding company without obtaining the requisite prior approvals from the relevant banks.

Subsequent to the breach, the subsidiary engaged with the respective banks and formally sought the necessary consents. As at the date the financial statements were authorised for issuance, management has obtained the requisite indulgence from all the banks.

The RM6.4 million term loans were reclassified as current liabilities due to covenant breaches. However, the Directors believe this does not materially impact the Group's financial position or liquidity, and it can meet its obligations as they fall due.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. Loans and borrowings - Group (Cont'd)

15.3 Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	At 1 January 2024 RM'000	Hire purchase/ lease obtained RM'000	Net changes from financing cash flows RM'000	Movement in exchange rates RM'000	At 31 December 2024/ 1 January 2025 RM'000	Hire purchase/ lease obtained RM'000	Net changes from financing cash flows RM'000	Movement in exchange rates RM'000	At 31 December 2025 RM'000
Term loans	57,184	-	(12,341)	(3,706)	41,137	-	(8,910)	(1,251)	30,976
Hire purchase creditors	1,281	663	(745)	-	1,199	2,678	(656)	-	3,221
Bankers' acceptances	74,475	-	51,599	-	126,074	-	(24,506)	-	101,568
Revolving credit	42,165	-	(11,128)	(2,671)	28,366	-	(5,157)	187	23,396
Trust receipts	22,494	-	(14,639)	-	7,855	-	(4,927)	(30)	2,898
Invoice financing	-	-	4,684	-	4,684	-	11,373	-	16,057
Lease liabilities	2,180	409	(1,401)	-	1,188	2,907	(1,478)	-	2,617
	199,779	1,072	16,029	(6,377)	210,503	5,585	(34,261)	(1,094)	180,733

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. Provision

	Financial guarantees (Note 33.4)	
	2025 RM'000	2024 RM'000
Company		
At 1 January	1,000	1,000
Reversal during the year	(1,000)	-
At 31 December	-	1,000

17. Trade and other payables

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade					
Trade payables	17.1	162,799	157,636	-	-
Non-trade					
Amount due to an associate	17.2	5,012	3,659	-	-
Amount due to related parties	17.3	15	95	-	-
Other payables	17.4	19,137	20,352	95	6,452
Accrued expenses		39,946	27,709	626	565
		64,110	51,815	721	7,017
Dividend payable		7,907	-	7,907	-
		234,816	209,451	8,628	7,017

17.1 Trade payables

Included in trade payables of the Group is RM5,530,000 (2024 : RM4,966,000) due to companies in which certain Directors have a substantial financial interest and is subject to negotiated terms.

17.2 Amount due to an associate

The non-trade amount due to an associate is unsecured, bears interest at 4% (2024: 4%) per annum and repayable on demand.

17.3 Amount due to related parties

The non-trade amount due to related parties was unsecured, interest-free and repayable on demand.

17.4 Other payables

In prior year, other payables included an amount of RM6,000,000 received in relation to the proposed Syarikat Thong Guan Trading Sdn. Bhd. Group disposal. Following the termination of the proposed disposal on 12 June 2025, the deposit was refunded to the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. Contract liabilities - Group

	2025 RM'000	2024 RM'000
Contract liabilities	<u>4,536</u>	<u>2,263</u>

The changes to contract liabilities during the period are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Contract liabilities at beginning of the period recognised as revenue during the year	(2,263)	(3,337)	-	-
Advances received during the year	<u>4,536</u>	<u>2,263</u>	-	-

The contract liabilities comprise advance consideration received from customers for which the Group has yet to transfer the goods or provide the services to the customers. The contract liabilities are expected to be recognised as revenue in the following financial year.

19. Deferred income

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred income	<u>22,400</u>	<u>25,543</u>	<u>22,400</u>	<u>25,543</u>

Deferred income comprises amounts billed to a customer in the prior financial year where the Group is uncertain whether the sales will be substantially collected at the end of the reporting period. The deferred income will be recognised as revenue in profit or loss when collection is assessed to be probable.

During the year, the Group and the Company recognised revenue of RM3,143,000 following the receipt of cash for amounts previously deferred.

20. Revenue

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contracts with customers	1,201,008	1,281,464	3,143	-
Dividend income from subsidiaries	-	-	32,138	23,552
	<u>1,201,008</u>	<u>1,281,464</u>	<u>35,281</u>	<u>23,552</u>

Revenue from contracts with customers of the Company relates to the sale of petroleum products where the Company acted as an agent in the transaction rather than as the principal. Revenue recognised during the year represents cash received for amounts that were previously deferred (see Note 19).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. Revenue (Cont'd)

20.1 Disaggregation of revenue

	Group				Total RM'000
	Plastic products ⁽¹⁾ RM'000	Packaged food, beverages and other consumable products ⁽¹⁾ RM'000	Property development RM'000	Petroleum products ⁽¹⁾ RM'000	
2025					
Primary geographical markets					
Malaysia	214,252	145,415	3,464	3,143	366,274
Other Asian countries ⁽²⁾	407,433	13,687	-	-	421,120
Oceania ⁽³⁾	180,596	1,275	-	-	181,871
Europe ⁽⁴⁾	133,951	66	-	-	134,017
North America ⁽⁵⁾	73,904	19	-	-	73,923
Others	23,803	-	-	-	23,803
	1,033,939	160,462	3,464	3,143	1,201,008
Timing and recognition					
- At a point in time	1,033,939	160,462	-	3,143	1,197,544
- Over time	-	-	3,464	-	3,464
	1,033,939	160,462	3,464	3,143	1,201,008
2024					
Primary geographical markets					
Malaysia	237,599	133,237	-	-	370,836
Other Asian countries ⁽²⁾	433,297	14,717	-	-	448,014
Oceania ⁽³⁾	208,815	862	-	-	209,677
Europe ⁽⁴⁾	148,632	-	-	-	148,632
North America ⁽⁵⁾	78,900	-	-	-	78,900
Others	25,405	-	-	-	25,405
	1,132,648	148,816	-	-	1,281,464
Timing and recognition					
- At a point in time	1,132,648	148,816	-	-	1,281,464

⁽¹⁾ including incidental freight and forwarding services undertaken by the Group and the Company in relation to products sold, where applicable.

⁽²⁾ comprising mainly Japan, People's Republic of China, Korea, Indonesia, Philippines, Singapore, Thailand, Vietnam, Saudi Arabia and United Arab Emirates.

⁽³⁾ comprising Australia, New Zealand, Papua New Guinea and Fiji Island.

⁽⁴⁾ comprising mainly England, Germany, Spain, Belgium, Czech Republic, Italy, Lithuania, Portugal, Netherlands, Denmark and Serbia.

⁽⁵⁾ comprising United States of America, Mexico, Canada, West Indies, Guatemala and El Salvador.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. Revenue (Cont'd)

20.2 Nature of goods

The following information reflects the typical transactions of the Group and the Company :

Nature of goods	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Assortment of plastic products	Revenue is recognised at a point in time when the goods are delivered to and accepted by the customers.	30 - 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Packaged food, beverages and other consumable products	Revenue is recognised at a point in time when the goods are delivered to and accepted by the customers.	30 - 60 days from invoice date.	Not applicable.	The Group allows returns for product exchange or cash refunds determined on case-to-case basis.	Not applicable.
Property Development	Revenue is recognised over time using the cost incurred method.	Based on agreed milestones certified by architects.	Liquidated ascertained damages may be imposed for late delivery.	Not applicable	Defect liability period of 12 months is provided to customers.
Petroleum products	Revenue from commission income is recognised at a point in time when the services are performed and the goods are delivered to customer.	60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

The Group applies the practical expedient on the exemption for disclosure of information on the remaining performance obligations that have original expected duration of one year or shorter.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. Cost of goods sold

Included in cost of goods sold in the prior financial year was an amount of RM25,290,000 relating to the cost incurred for the sale of petroleum products. The recognition of the related revenue had been deferred until such time when the debt is substantially recovered from the customer. During the financial year, the Group and the Company has ceased trading in the sale of petroleum products.

22. Results from operating activities

Other than as disclosed elsewhere in the financial statements, results from operating activities are arrived at after charging/(crediting) :

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration				
- Audit fees				
- KPMG PLT	373	351	60	60
- Other auditors	103	97	-	-
- Non-audit fees				
- KPMG PLT	45	38	45	38
- Overseas affiliates of KPMG	80	70	80	70
- Local affiliate of KPMG PLT	67	67	7	7
Material expenses/(income)				
Directors' emoluments				
Directors of the Company				
- fees	675	600	383	320
- remuneration	4,696	4,503	302	288
- contributions to Employees' Provident Fund	219	200	36	35
- others	180	234	180	234
Other Directors				
- fees	170	158	-	-
- remuneration	1,444	1,383	-	-
- contributions to Employees' Provident Fund	82	86	-	-
Personnel expenses (excluding Directors' emoluments)				
- Wages, salaries and others	95,928	95,125	-	-
- Contributions to state plans	7,996	7,731	-	-
Share-based payments (Note 26)	404	630	404	630
Loss/(Gain) on foreign exchange				
- realised	6,781	1,051	84	(131)
- unrealised	1,444	(1,042)	-	131
Gain on disposal of short-term investment funds	(3,291)	(3,243)	(2,200)	(2,042)
Government grants (Note a)	(15)	(80)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. Results from operating activities (Cont'd)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Expenses/(Income) arising from leases				
Expenses relating to short-term leases (Note b)	969	1,014	-	-
Expenses relating to leases of low-value assets (Note b)	121	65	-	-
Rental income from property and machinery	(47)	(390)	(660)	(982)
Net loss/(gain) on impairment of financial instruments				
Impairment loss/(Reversal of impairment) on trade and other receivables	5,132	(9,200)	(1,812)	(10,606)
Bad debts written off	4	90	-	-
	5,136	(9,110)	(1,812)	(10,606)

Note a

The Group received government grants related to Progressive Wage Policy programme and Energy Audit Conditional Grant ("EACG 2.0") under the energy efficiency programme for the respective financial years. The grants were recognised as other income in profit or loss.

Note b

The Group leases machinery and equipment, motor vehicles and hostels with contract terms of 1 year or shorter. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise the right-of-use assets and lease liabilities for these leases.

Note c

The estimated monetary value of Directors' benefits-in-kind of the Group and the Company amounted to RM74,900 (2024 : RM74,900) and RM9,900 (2024 : RM9,900) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. Key management personnel compensation

The key management personnel compensation are as follows :

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors of the Company				
- Fees	492	440	200	160
- Remuneration	4,696	4,503	302	288
- Contributions to Employees' Provident Fund	219	200	36	35
- Estimated value of benefits-in-kind	37	37	10	10
- Share-based payments	404	630	404	630
	5,848	5,810	952	1,123
Other Director				
- Remuneration	262	282	-	-
	6,110	6,092	952	1,123

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include certain Directors of the Group and the Company.

24. Finance costs - Group

	2025 RM'000	2024 RM'000
Interest expense on :		
- financial liabilities that are not at fair value through profit or loss	8,105	10,386
- lease liabilities	59	61
	8,164	10,447

25. Tax expense

Major components of tax expense include :

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax expense				
- Current year	19,241	15,775	388	285
- Prior year	20	939	(40)	-
Total current tax	19,261	16,714	348	285

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. Tax expense (Cont'd)

Major components of tax expense include : (Cont'd)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax expense				
- Originating temporary differences	(2,958)	3,459	-	-
- Prior year	(1,031)	229	-	-
Total deferred tax	(3,989)	3,688	-	-
Total tax expense	15,272	20,402	348	285

Reconciliation of tax expense

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit for the year	61,209	67,304	38,330	9,042
Total tax expense	15,272	20,402	348	285
Profit excluding tax	76,481	87,706	38,678	9,327
Income tax calculated using Malaysian tax rate of 24%	18,355	21,049	9,283	2,238
Effect of different tax rate in foreign jurisdictions	23	25	-	-
Non-deductible expenses	1,066	1,769	780	460
Income not subject to tax	(2,496)	(1,604)	(8,921)	(6,143)
Effect of tax incentives	(203)	(5,682)	-	-
Effect of share of profit of equity accounted associate	5	34	-	-
Unrecognised deferred tax assets	-	3,730	-	3,730
Utilisation of previously unrecognised deferred tax assets	(427)	(77)	(754)	-
Others	(40)	(10)	-	-
(Over)/(under) provision in prior years	(1,011)	1,168	(40)	-
Tax expense	15,272	20,402	348	285

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. Employee benefits - Group/Company

Share-based payments arrangement

The Company granted share options to eligible Executive Directors and employees of the Group to purchase shares in the Company under the Employees' Share Option Scheme ("ESOS") approved by the shareholders at an Extraordinary General Meeting of the Company held on 18 April 2019. The ESOS shall be in force for a duration of 5 years from 3 July 2019 ("ESOS Period").

All options are to be settled by physical delivery of shares in the Company.

On 1 April 2024, the Company extended the ESOS Period for another 5 years up to 2 July 2029 ("New ESOS Period"). Concurrently, the Company offered an additional 18,000,000 options to be granted during the New ESOS Period to eligible Directors and employees of the Group. As at 31 December 2025, the Company had 3,025,000 options outstanding under the ESOS granted to eligible Directors of which 907,500 (2024: 907,500) options vested during the current financial year.

The movements of the ESOS during the year are as follows:

	Weighted average exercise price 2025	Number of options ('000) 2025	Weighted average exercise price 2024	Number of options ('000) 2024
Outstanding at 1 January	1.68	3,025	1.13	7,787
Lapsed during the year	-	-	1.13	(1,585)
Exercised during the year	-	-	1.13	(6,202)
Granted during the year	-	-	1.68	3,025
Outstanding at 31 December		<u>3,025</u>		<u>3,025</u>
Vested and outstanding at 31 December		<u>1,815</u>		<u>908</u>

The fair value of services received in return for the ESOS granted is based on the fair value of share options granted, measured using the Trinomial Option Pricing Model, with the following inputs :

	2025 RM	2024 RM
Fair value of share options and assumptions		
Fair value at grant date	<u>0.38</u>	<u>0.38</u>
Weighted average share price	1.86	1.86
Share price at grant date	1.85	1.85
Option life	5 years	5 years
Expected volatility	21.49%	21.49%
Expected dividends	4.59%	4.59%
Risk-free interest rate (based on Malaysian government bonds)	<u>3.72%</u>	<u>3.72%</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. Employee benefits - Group/Company (Cont'd)

Value of employee services received for issue of share options

	Group		Company	
	RM'000 2025	RM'000 2024	RM'000 2025	RM'000 2024
Fair value of share options recognised, representing total expense recognised in profit or loss	404	630	404	630

27. Earnings per ordinary share - Group

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the profit attributable to ordinary shareholders and on the weighted average number of ordinary shares outstanding, calculated as follows :

	2025 '000	2024 '000
Issued ordinary shares at 1 January	404,445	398,243
Effect of ESOS exercised during the year	-	4,689
Effect of treasury shares repurchased	(4,235)	(2,806)
Weighted average number of ordinary shares at 31 December	400,210	400,126
Basic earnings per ordinary share (sen)	15.78	16.79

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share is based on the profit attributable to ordinary shareholders and on the weighted average number of ordinary shares outstanding after adjusting the effect of all dilutive potential ordinary shares, calculated as follows :

	2025 '000	2024 '000
Weighted average number of ordinary shares at 31 December (basic)	400,210	400,126
Effect of exercise of ESOS	-*	-*
Weighted average number of ordinary shares at 31 December (diluted)	400,210	400,126
Diluted earnings per ordinary share (sen)	15.78	16.79

* The diluted earnings per ordinary share is assumed to be the same as basic earnings per ordinary share as the effect of the ESOS is anti-dilutive given that the share market price is lower than the exercise price of the ESOS.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. Dividends - Group and Company

Dividends recognised by the Company :

	Sen per share	RM'000	Date of payment
2025			
- First 2025 interim dividend	4.5	18,074	18 July 2025
- Second 2025 interim dividend	2.0	7,907	19 January 2026
		<u>25,981</u>	
2024			
- Second 2023 interim dividend	3.0	11,990	18 April 2024
- First 2024 interim dividend	2.5	10,041	18 October 2024
		<u>22,031</u>	

29. Capital commitments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Contracted but not provided for				
- Property, plant and equipment	<u>2,638</u>	<u>1,902</u>	<u>-</u>	<u>-</u>

30. Capital management

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt to equity ratio that complies with debt covenants and regulatory requirements.

The debt-to-equity ratio of the Group are as follows :

	2025 RM'000	2024 RM'000
Total loans and borrowings (Note 15)	(178,943)	(210,492)
Less : Cash and cash equivalent (Note 12)	<u>338,534</u>	<u>313,322</u>
Net cash and cash equivalents	<u>159,591</u>	<u>102,830</u>

The Group is in net cash and cash equivalents position at the end of the financial period. Hence, debt-to-equity ratio has not been presented.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than 25 percent of the issued and paid-up capital. The Company has complied with this requirement.

There were no changes in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Managing Director (the chief operating decision maker ("CODM")) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments :

- Plastic products
- Food, beverages and other consumable products

Other non-reportable segment comprises investment holding, property development and the Company acting as agent for the sales of petroleum products. None of these segments met the quantitative thresholds for reporting segments.

Performance is measured based on segment profit or loss before tax, as included in the internal management reports that are reviewed by the CODM. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured on all assets of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total assets are used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liability.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, right-of-use assets and investment properties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. Operating segments (Cont'd)

	Plastic products		Food, beverages and other consumable products		Others		Consolidated	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit/(Loss) before share of after tax results of equity-accounted associate	43,439	90,684	29,778	12,605	3,284	(15,439)	76,501	87,850
Share of loss of equity-accounted associate, net of tax	(20)	(144)	-	-	-	-	(20)	(144)
Segment profit/(loss)	43,419	90,540	29,778	12,605	3,284	(15,439)	76,481	87,706
Included in the measure of segment profit/(loss) are :								
- Revenue from external customers	1,033,939	1,132,648	160,462	148,816	6,607	-	1,201,008	1,281,464
- Write-down of inventories	1,204	294	645	584	-	-	1,849	878
- Depreciation and amortisation	35,265	35,591	2,079	1,845	605	600	37,949	38,036
- Impairment loss/(Reversal of impairment) on trade and other receivables	5,148	390	(4)	416	(12)	(10,006)	5,132	(9,200)
- Bad debts written off	-	58	4	32	-	-	4	90
Segment assets	1,148,017	1,216,756	85,296	87,968	213,064	178,282	1,446,377	1,483,006
Included in the measure of segment assets are :								
- Investment in an associate	2,120	2,475	-	-	-	-	2,120	2,475
- Investment in other investments	9,555	-	-	-	-	-	9,555	-
- Additions of property, plant and equipment, investment properties and right-of-use assets	36,820	33,518	4,656	4,845	41	67	41,517	38,430

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. Operating segments (Cont'd)

Geographical segments

The business segments are operated principally in Malaysia and the People's Republic of China.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets. The amounts of non-current assets do not include financial instruments, investment in an associate and deferred tax assets.

Geographical information

The disaggregation of the Group's revenue by geographical location is disclosed in Note 20.1.

	2025 RM'000	2024 RM'000
Non-current assets		
Malaysia	422,859	466,329
People's Republic of China	25,144	25,402
Indonesia	12,076	-
Thailand	8,605	6,797
Myanmar	5,804	6,545
Vietnam	4,049	4,364
Europe	1,600	2,443
United States of America	181	279
	480,318	512,159

Major customers

The Group did not have any customer that individually contributed to more than 10% of the Group's revenue.

32. Related parties

32.1 Identity of related parties

For the purposes of these financial statements, the following parties are considered to be related to the Group or the Company:

- i) Subsidiaries and associate as disclosed in Note 5 and Note 6.
- ii) Companies in which certain Directors are deemed to have a substantial financial interest :
 - Kimanis Food Industry Sdn. Bhd.
 - Kimanis Property Sdn. Bhd.
 - Sensible Matrix Sdn. Bhd.
 - Foremost Equals Sdn. Bhd.
 - T.G. Plastic Pack (Export) Sdn. Bhd.
 - Bounty Values Sdn. Bhd.
 - Lok Kawi Plastic Industries Sdn. Bhd.
- iii) Substantial shareholder of a subsidiary
 - Landblue Co. Ltd.
- iv) Companies in which close family members of certain Directors have a substantial financial interest :
 - Fang Thong Trading

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. Related parties (Cont'd)

32.1 Identity of related parties (Cont'd)

- v) Foundation in which a Director of the Company is a key management personnel
 - Thong Guan Foundation
- vi) Key management personnel as disclosed in Note 23.

32.2 Significant related party transactions

Related party transactions were entered in the normal course of business and have been established under negotiated terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Notes 11 and 17 to the financial statements.

32.2.1 Transactions with subsidiaries :

	2025 RM'000	2024 RM'000
Company		
Advances to a subsidiary	2,000	900
Dividend income (gross)	32,138	23,552
Rental income	660	600
Interest income	301	365
	<u>301</u>	<u>365</u>

32.2.2 Transactions with an associate :

	2025 RM'000	2024 RM'000
Group		
Sales	<u>21,817</u>	<u>40,191</u>

32.2.3 Transactions with substantial shareholder of a subsidiary :

	2025 RM'000	2024 RM'000
Group		
Sales	17,025	5,118
Purchases	<u>309</u>	<u>963</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. Related parties (Cont'd)

32.2 Significant related party transactions (Cont'd)

32.2.4 Transactions with companies in which certain Directors are deemed to have a substantial financial interest :

	2025 RM'000	2024 RM'000
Group		
Sales	3,166	4,879
Refundable deposit paid	-	6,825
Purchases	21,570	22,435
Rental expense	1,277	1,203

32.2.5 Transactions with companies in which close family members of certain Directors have a substantial financial interest :

	2025 RM'000	2024 RM'000
Group		
Purchases	1,284	1,116

32.3 There were no transactions with the Directors and key management personnel of the Group and the Company other than the remuneration paid to them in accordance to the terms of their appointment as disclosed in Note 23.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments

33.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") and fair value through other comprehensive income ("FVOCI").

	Group			Company	
	Carrying amount RM'000	AC RM'000	FVOCI RM'000	Carrying amount RM'000	AC RM'000
2025					
Financial assets					
Trade and other receivables (excluding prepayments)	229,202	229,202	-	26,644	26,644
Cash and cash equivalents	338,534	338,534	-	104,917	104,917
Other investments	9,555	-	9,555	-	-
	577,291	567,736	9,555	131,561	131,561
Financial liabilities					
Loans and borrowings	178,943	178,943	-	-	-
Trade and other payables (excluding dividend payable)	226,909	226,909	-	721	721
	405,852	405,852	-	721	721
2024					
Financial assets					
Trade and other receivables (excluding prepayments)	257,245	257,245	-	43,376	43,376
Cash and cash equivalents	313,322	313,322	-	90,697	90,697
	570,567	570,567	-	134,073	134,073
Financial liabilities					
Loans and borrowings	210,492	210,492	-	-	-
Trade and other payables (excluding dividend payable)	209,451	209,451	-	7,017	7,017
Provision	-	-	-	1,000	1,000
	419,943	419,943	-	8,017	8,017

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments (Cont'd)

33.2 Net gains and losses arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net gains/(losses) on :				
Financial assets at amortised cost				
- interest income	4,780	5,266	1,132	981
- net foreign exchange loss	(13,176)	(6,386)	(84)	-
- gain on disposal of short-term investment funds	3,291	3,243	2,200	2,042
- net (loss)/gain on impairment of financial instruments	(5,136)	9,110	1,812	10,606
	<u>(10,241)</u>	<u>11,233</u>	<u>5,060</u>	<u>13,629</u>
Financial liabilities at amortised cost				
- interest expense	(8,105)	(10,386)	-	-
- net foreign exchange gain	4,951	6,377	-	-
	<u>(3,154)</u>	<u>(4,009)</u>	<u>-</u>	<u>-</u>

33.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments :

- Credit risk
- Liquidity risk
- Market risk

33.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises from the individual characteristics of each customer. The Company's exposure to credit risk arises from advances to subsidiaries and financial guarantees given to banks and suppliers for credit facilities granted to subsidiaries. There are no significant changes as compared to prior year.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amount of credit impaired trade receivables are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to prior year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments (Cont'd)

33.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

The exposure to credit risk for trade receivables as at the end of the reporting period by geographical region is as follows:

	2025 RM'000	2024 RM'000
Group		
Malaysia	100,558	102,360
Other Asian countries	32,639	36,623
Oceania	35,239	43,388
Europe	29,056	30,754
North America	12,799	15,622
Others	6,035	8,078
	216,326	236,825

The exposure to credit risk for trade receivables as at the end of the reporting period of the Company is confined to Malaysia.

Recognition and measurement of impairment loss

The Group uses an allowance matrix to measure expected credit loss ("ECLs") of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due more than 90 days will be considered as credit impaired.

The Group will initiate appropriate debt recovery procedures on past due balances which are monitored by the sales management team. Where necessary, the Group will also commence legal proceeding against the customers.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experienced over the past five years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments (Cont'd)

33.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

	Gross RM'000	Loss allowances RM'000	Net RM'000
2025			
Group			
Not past due	129,932	-	129,932
Past due 1 – 30 days	40,183	-	40,183
Past due 31 – 60 days	14,783	-	14,783
Past due 61 – 90 days	5,059	-	5,059
Past due more than 90 days	26,369	-	26,369
	216,326	-	216,326
Credit impaired			
Individually impaired	16,485	(16,485)	-
	232,811	(16,485)	216,326
Company			
Not past due	-	-	-
Past due 1 – 30 days	-	-	-
Past due 31 – 60 days	-	-	-
Past due 61 – 90 days	-	-	-
Past due more than 90 days	22,400	-	22,400
	22,400	-	22,400
Credit impaired			
Individually impaired	12	(12)	-
	22,412	(12)	22,400

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments (Cont'd)

33.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

	Gross RM'000	Loss allowances RM'000	Net RM'000
2024			
Group			
Not past due	137,339	-	137,339
Past due 1 – 30 days	39,853	-	39,853
Past due 31 – 60 days	16,395	-	16,395
Past due 61 – 90 days	5,956	-	5,956
Past due more than 90 days	37,282	-	37,282
	<u>236,825</u>	-	<u>236,825</u>
Credit impaired			
Individually impaired	11,464	(11,464)	-
	<u>248,289</u>	<u>(11,464)</u>	<u>236,825</u>
Company			
Not past due	-	-	-
Past due 1 – 30 days	-	-	-
Past due 31 – 60 days	-	-	-
Past due 61 – 90 days	-	-	-
Past due more than 90 days	24,543	-	24,543
	<u>24,543</u>	-	<u>24,543</u>
Credit impaired			
Individually impaired	24	(24)	-
	<u>24,567</u>	<u>(24)</u>	<u>24,543</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments (Cont'd)

33.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The past due trade receivables of the Company are collateralised by a personal guarantee received from a Director of the customer. The Company has entered into a repayment plan with the customer to allow the repayment of the outstanding balance over quarterly instalments up to 30 June 2030. Revenue from sales made to this customer has been deferred at the end of the reporting period until such time when there is reasonable expectation that the proceeds will be substantially collected.

The movements in the allowance for impairment in respect of trade receivables during the year are shown below.

	Credit impaired	
	2025 RM'000	2024 RM'000
Group		
Balance at 1 January	11,464	20,737
Reversal of loss allowance	(73)	(10,067)
Amount written off	(111)	(73)
Loss allowance provided	5,205	867
Balance at 31 December	16,485	11,464
Company		
Balance at 1 January	24	10,030
Reversal of loss allowance	(12)	(10,006)
Balance at 31 December	12	24

Cash and cash equivalents

The cash and cash equivalents are held with established banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from deposits paid for purchase of property, plant and equipment, rental, utilities and other receivables arising from transactions incidental to the Group's operations which the Directors regard to be of low credit risk.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments (Cont'd)

33.4 Credit risk (Cont'd)

Inter-company advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

The advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers the advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when:

- The subsidiary is unlikely to repay the advances to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit in shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' advances.

	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
Company			
2025			
Low credit risk	2,813	-	2,813
Credit impaired	650	(650)	-
	3,463	(650)	2,813
2024			
Low credit risk	7,732	-	7,732
Credit impaired	2,450	(2,450)	-
	10,182	(2,450)	7,732

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments (Cont'd)

33.4 Credit risk (Cont'd)

Inter-company advances (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The movement in the allowance for impairment in respect of subsidiaries' loans and advances during the year is as follows:

	Lifetime ECL	
	2025 RM'000	2024 RM'000
Company		
Balance at 1 January	2,450	3,050
Reversal of loss allowance	(1,800)	(600)
Balance at 31 December	650	2,450

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries and corporate guarantees provided to vendors for the purchase of raw materials. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk relating to facilities granted for the subsidiaries as at the end of the reporting period are as follows:

- the Company has issued corporate guarantees for banking facilities granted to certain subsidiaries up to a limit of RM1,080.4 million (2024: RM1,129.6 million) of which RM140.7 million (2024 : RM209.9 million) have been utilised as at the end of the reporting period.
- the Company has issued corporate guarantees amounting to RM210.8 million (2024 : RM246.8 million) to vendors for the purchase of raw materials by certain subsidiaries. The amount owing by the subsidiaries as at the end of the reporting period amounted to RM27.4 million (2024 : RM33.7 million).

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank or vendor in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

The movement in the provision for liability arising from financial guarantees is disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments (Cont'd)

33.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and banking facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

33. Financial instruments (Cont'd)

33.5 Liquidity risk (Cont'd)

Maturity analysis

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

Group	Carrying amount RM'000	Contractual discount rates per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<i>Non-derivative financial liabilities</i>							
Term loans	30,976	4.13 - 7.35	33,223	13,792	9,139	10,292	-
Hire purchase creditors	3,221	2.10 - 3.20	3,620	937	903	1,780	-
Bank overdrafts	827	7.49	827	827	-	-	-
Bankers' acceptances	101,568	3.42 - 5.00	101,568	101,568	-	-	-
Revolving credit	23,396	3.14 - 5.50	23,396	23,396	-	-	-
Trust receipts	2,898	3.38 - 3.42	2,898	2,898	-	-	-
Invoice financing	16,057	3.42 - 3.76	16,057	16,057	-	-	-
Lease liabilities	2,617	3.00 - 3.60	2,697	1,684	915	98	-
Amount due to an associate	5,012	4.00	5,012	5,012	-	-	-
Trade and other payables	221,897	-	221,897	221,897	-	-	-
	408,469		411,195	388,068	10,957	12,170	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments (Cont'd)

33.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

Group	Carrying amount RM'000	Contractual discount rates per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2024							
<i>Non-derivative financial liabilities</i>							
Term loans	41,137	5.31 - 7.35	45,207	19,976	11,199	14,032	-
Hire purchase creditors	1,199	2.10 - 6.05	1,296	585	346	365	-
Bank overdrafts	1,177	7.74	1,177	1,177	-	-	-
Bankers' acceptances	126,074	3.28 - 5.32	126,074	126,074	-	-	-
Revolving credit	28,366	4.49 - 5.23	28,366	28,366	-	-	-
Trust receipts	7,855	3.77 - 3.80	7,855	7,855	-	-	-
Invoice financing	4,684	4.10	4,684	4,684	-	-	-
Lease liabilities	1,188	3.00 - 3.60	1,220	923	179	118	-
Amount due to an associate	3,659	4.00	3,659	3,659	-	-	-
Trade and other payables	205,792	-	205,792	205,792	-	-	-
	<u>421,131</u>		<u>425,330</u>	<u>399,091</u>	<u>11,724</u>	<u>14,515</u>	<u>-</u>

33. Financial instruments (Cont'd)**33.5 Liquidity risk (Cont'd)***Maturity analysis (Cont'd)*

Company	Carrying amount RM'000	Contractual interest rates per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2025							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	721	-	721	721	-	-	-
Financial guarantees	-	-	168,069	-	-	-	-
	<u>721</u>		<u>168,790</u>	<u>168,790</u>	<u>-</u>	<u>-</u>	<u>-</u>
2024							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	7,017	-	7,017	7,017	-	-	-
Financial guarantees	-	-	243,519	243,519	-	-	-
	<u>7,017</u>		<u>250,536</u>	<u>250,536</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments (Cont'd)

33.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily US Dollar ("USD"), Japanese Yen ("JPY"), Australian Dollar ("AUD"), Singapore Dollar ("SGD"), European Euro ("EUR"), Chinese Yuen ("RMB") and Thai Baht ("THB").

Risk management objectives, policies and processes for managing the risk

The Group does not hedge its exposure to foreign currency risk using forward exchange contracts. In respect of monetary assets and liabilities held in currencies other than the functional currency of the Group entities, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates to address short term imbalances.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments (Cont'd)

33.6 Market risk (Cont'd)

Currency risk (Cont'd)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

Group	Denominated in						
	USD RM'000	JPY RM'000	AUD RM'000	SGD RM'000	EUR RM'000	RMB RM'000	THB RM'000
2025							
Trade and other receivables	98,398	1,612	6,908	703	11,702	10,345	1,638
Cash and bank balances	80,543	326	99	77	20,939	25,278	1,927
Trade and other payables	(48,664)	(221)	-	(79)	(33)	(3,451)	(6,438)
Loans and borrowings	(17,190)	-	-	-	(24,196)	-	-
Net exposure	113,087	1,717	7,007	701	8,412	32,172	(2,873)
2024							
Trade and other receivables	108,788	1,002	6,586	1,136	10,794	15,555	1,456
Cash and bank balances	55,775	687	27	2	9,727	27,885	444
Trade and other payables	(59,417)	(159)	-	(40)	(177)	(7,096)	(3,781)
Loans and borrowings	(30,910)	-	-	-	(38,593)	-	-
Net exposure	74,236	1,530	6,613	1,098	(18,249)	36,344	(1,881)

The Company did not have any material exposure to foreign currency risk as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments (Cont'd)

33.6 Market risk (Cont'd)

Currency risk (Cont'd)

Currency risk sensitivity analysis

A 10% (2024 : 10%) strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases. There is no impact to equity arising from exposure to currency risk.

	Profit or loss	
	2025 RM'000	2024 RM'000
Group		
USD	(8,595)	(5,642)
JPY	(130)	(116)
AUD	(533)	(503)
SGD	(53)	(83)
EUR	(639)	1,387
RMB	(2,445)	(2,762)
THB	218	143

A 10% (2024 : 10%) weakening of the RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk

The Group's primary interest rate risk is related to debt obligations and deposits, which are mainly confined to bank borrowings and deposits with banks. Fixed rate borrowings are exposed to a risk of change in their fair values due to the changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group is presently enjoying competitive interest rates which are reviewed and negotiated on a yearly basis. The Group manages its interest rate risk by having a combination of borrowings with fixed and floating rates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments (Cont'd)

33.6 Market risk (Cont'd)

Interest rate risk (Cont'd)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-earning and interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was :

	Group	
	2025 RM'000	2024 RM'000
Fixed rate instruments		
Financial assets	276,481	257,447
Financial liabilities	(131,373)	(144,659)
	145,108	112,788
Floating rate instruments		
Financial liabilities	(55,199)	(70,680)
	Company	
	2025 RM'000	2024 RM'000
Fixed rate instruments		
Financial assets	106,903	97,274

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments (Cont'd)

33.6 Market risk (Cont'd)

Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

(i) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(ii) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant. There is no impact to equity arising from exposures to interest rate risk.

	Profit or loss	
	100 bp increase RM'000	100 bp decrease RM'000
Group		
2025		
Floating rate instruments	<u>(420)</u>	<u>420</u>
2024		
Floating rate instruments	<u>(537)</u>	<u>537</u>

33.7 Fair value information

Recognised financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments (Cont'd)

33.7 Fair value information (Cont'd)

Recognised financial instruments (Cont'd)

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position. The Group and the Company do not have any financial instruments carried at fair value.

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
2025									
Financial assets									
Other investment	-	-	9,555	9,555	-	-	-	-	9,555
Financial liabilities									
Term loans									
- variable rate	-	-	-	-	-	-	30,976	30,976	30,976
Hire purchase creditors	-	-	-	-	-	-	3,221	3,221	3,221
	-	-	-	-	-	-	34,197	34,197	34,197

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial instruments (Cont'd)

33.7 Fair value information (Cont'd)

Recognised financial instruments (Cont'd)

	Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
Group					
2024					
Financial liabilities					
Term loans - variable rate	-	-	41,137	41,137	41,137
Hire purchase creditors	-	-	1,199	1,199	1,199
	-	-	42,336	42,336	42,336
Company					
2025					
Financial liabilities					
Financial guarantee	-	-	-	-	-
2024					
Financial liabilities					
Financial guarantee	-	-	1,000	1,000	1,000

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The fair value of the other investment approximates its carrying amount. During the year, the Company acquired the investment from an unrelated third party for RM9.5 million. As the transaction was conducted at arm's length and completed close to the financial year end, the purchase consideration is regarded as representative of fair value. No fair value adjustments were recognised.

The carrying amount of floating rate term loans approximate their fair values, as the effective interest rates reprice in line with movements in market interest rates. The fair value of hire purchase creditors is calculated using discounted cash flows where the market rate of interest is determined by reference to similar borrowing arrangements.

34. Subsequent event

The ongoing conflict in the Middle East, including disruptions around the Strait of Hormuz, continues to create uncertainties in the global market. The circumstances have primarily led to crude supply disruption, higher energy cost, higher transportation cost and potential delay or shortage in certain raw materials. The scale of this current conflict is unprecedented and continues to evolve. The effect of this subsequent event will have on the Group and the Company and its financial impact, if any, cannot be reliably determined as at the date of these financial statements were authorised for issue.

STATEMENTS BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 108 to 179 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board 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 December 2025 and of their financial performance and cash flows for the financial year then ended.

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

.....
Dato' Ang Poon Chuan

Director

.....
Ang See Ming

Director

Kedah Darul Aman

Date : 29 April 2026

STATUTORY DECLARATION

Section 251(1)(b) of the Companies Act 2016

I, **Ang See Ming**, the Director primarily responsible for the financial management of Thong Guan Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 108 to 179 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 abovenamed **Ang See Ming**, NRIC: 700515-07-5691, at George Town in the State of Penang on 29 April 2026.

.....
Ang See Ming

Before me :

INDEPENDENT AUDITORS' REPORT

To the Members of Thong Guan Industries Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Thong Guan Industries Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 108 to 179.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("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 auditors' 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 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.

Valuation of inventories

Refer to Note 2(d) – use of estimates and judgements and Note 9 - Inventories.

The key audit matter

As at 31 December 2025, the carrying amount of the Group's inventories amounted to RM373 million (2024 : RM381 million) representing approximately 26% (2024 : 26%) of the Group's total assets. Of the total inventories, RM315 million (2024: RM345 million) relates to the Group's plastic products segment which comprise mainly of plastic resins and a wide range of plastic packaging products for industrial and consumer use.

The selling price of the Group's manufactured inventories may vary due to fluctuations in the underlying commodity (i.e. crude oil) price. Raw materials are also ordered by the Group to cater for current as well as expected future demand which may not materialise.

Inventories are required to be measured at the lower of cost and net realisable value. Identifying and determining the appropriate write down of the inventories to net realisable value require the use of judgement on the estimated selling price and future customer demand.

This is one of the areas that our audit focused on because it required us to design appropriate procedures to evaluate the judgement and assessments made by the Group.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of Thong Guan Industries Berhad

How the matter was addressed in our audit

Our audit procedures performed in this area included, among others:

- Selected items of inventories on sample basis and compared the carrying amount of the inventories to the selling price transacted after year end or recent sales transacted during the year;
- Tested the age of the inventories against receiving documents and the production records on sample basis;
- Tested the movements of inventories in the inventory movement reports against receiving documents, production records and delivery documents;
- Evaluated the Group's basis of writing down slow-moving inventories based on the age of the inventories relative to past and present sales or consumption; and
- Attended the year end physical inventory counts of the Group to identify inventories that were damaged or appeared slow-moving.

We have determined that there is no key audit matter to be communicated for the separate financial statements of the Company in our auditors' report.

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 annual report 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 annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of Thong Guan Industries Berhad

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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 internal control of the Group and of the Company.
- 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 ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- 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 gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

Other Matter

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

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Lee Phaik Im
Approval Number : 03177/05/2027 J
Chartered Accountant

Penang

Date : 29 April 2026

LIST OF PROPERTIES OWNED BY THE GROUP

Location	Description	Approximate Land Area (sq.ft.)	Age of Building	Tenure	Net Book Value RM million	Date of Valuation/ Acquisition
Lot No. P.T.18876, H.S.(D) No.98/92 Sungai Petani Industrial Estate Mukim of Sungai Petani District of Kuala Muda, Kedah	Factory with office building	107,288	27-29 years	60 years leasehold, expiring on 12.4.2052	0.50	28.11.1995
Lot. No. P.T.18877, H.S.(D) No.99/92 Sungai Petani Industrial Estate Mukim of Sungai Petani District of Kuala Muda, Kedah	Factory with office building	82,067	31 years	60 years leasehold, expiring on 12.4.2052	0.33	28.11.1995
Lot P.T.18878, H.S.(D) No.100/92 Sungai Petani Industrial Estate Mukim of Sungai Petani District of Kuala Muda, Kedah	Factory building	141,309	25 years	60 years leasehold, expiring on 4.6.2055	0.77	31.12.2004
Lot No. P.T.19449, Lot No. 950 H.S.(M) No. 249/92 and SP 4009 Mukim of Sungai Petani District of Kuala Muda, Kedah	Factories and office building	208,898	28-41 years	Freehold	3.79	28.11.1995
Lot P.T.48288, H.S.(D) No.12034/95 Mukim of Sungai Petani District of Kuala Muda, Kedah	Factories and office buildings	339,590	23-43 years	Freehold	4.64	28.11.1995
Lot P.T. 129301, H.S.(D) KA27799 Mukim Hulu Kinta District of Kinta, Ipoh, Perak	Warehouse with office building	5,500	41 years	99 years leasehold, expiring on 18.7.2092	0.13	28.05.1997
Lot No.P.T.D.89829 H.S.(D) 191571 Mukim of Pelentung District of Johor Bahru, Johor	Warehouse with office building	6,855	33 years	Freehold	0.45	31.12.2004
CL 015373672 Lorong Rambutan Off KM 11 Jln Tuaran Kota Kinabalu, Sabah	Factory and other buildings	82,764	37 years	60 years leasehold, expiring on 31.12.2035	1.27	13.12.1995
CL 015276687 606 Taman Bay View Off Mile 21/2 Jln Tuaran Kota Kinabalu, Sabah	Double storey terrace house	2,178	47 years	999 years leasehold, expiring on 16.6.2914	0.08	13.12.1995
TL 077549707 Lot 13, Hock Seng Industrial Estate Jalan Bomba, Off KM 5 Jalan Utara Sandakan, Sabah	Double storey semi-detached light industrial building	5,670	34 years	60 years leasehold, expiring on 31.12.2040	0.13	13.12.1995
CL 105390707 KM4, Jalan Apas Tawau, Sabah	Vacant industrial land	37,462	-	999 years leasehold, expiring on 21.5.2930	0.29	13.12.1995
Jiangsu Province Year 2002 Land No: 01006061 Jiulong South Road Wujiang Economic Developing Area Jiangsu, People Republic of China	Factory with office buildings	315,425	20-24 years	50 years leasehold, expiring on 31.12.2049	1.72	01.01.2000
Pangjin Road Wujiang Economic Developing Area Jiangsu, People Republic of China	Factory buildings	716,876	1-21 years	50 years leasehold, expiring on 08.03.2053	12.10	09.03.2004
Lot No. 49, Section 65, H.S.(D) 95/92 Sungai Petani Industrial Estate Mukim of Sungai Petani District of Kuala Muda, Kedah	Factory with office buildings	138,822	20 years	60 years leasehold, expiring on 11.04.2052	2.10	18.05.2010

LIST OF PROPERTIES OWNED BY THE GROUP (CONT'D)

Location	Description	Approximate Land Area (sq.ft.)	Age of Building	Tenure	Net Book Value RM million	Date of Valuation/ Acquisition
Lot No. PT2223, H.S. (M) 1365, Padang Lembu, Bandar Gurun, District of Kuala Muda, Kedah	Factory with office building	278,785	25-26 Years	60 years leasehold, expiring on 4.7.2055	2.77	26.08.2011
Lot No. PT2574, H.S. (M) 2798, Padang Lembu, Bandar Gurun, District of Kuala Muda, Kedah	Warehouse	83,689	21 years	60 years leasehold, expiring on 15.9.2050	0.47	26.08.2011
No. 12 VSIP II Street 9, Vietnam Singapore Industrial Park II, Ben Cat District Binh Duong Province, Socialist Republic of Vietnam	Vacant industrial land	269,571	-	48 years leasehold, expiring on 30.11.2055	4.05	21.09.2007
Lot No.97, Seksyen 65, HSD 143/92 Mukim Sungai Petani, District of Kuala Muda, Kedah	Factory with office building	37,383	31 years	60 years leasehold, expiring on 23.11.2054	2.61	11.09.2014
Lot No. P.T.95008, H.S.(D) No.115280 Sungai Petani Industrial Estate Mukim of Sungai Petani District of Kuala Muda, Kedah	Vacant industrial land	694,820	-	60 years leasehold, expiring on 03.04.2050	5.79	03.01.2017
Lot No. P.T.30500, H.S.(D) No.46326 Sungai Petani Industrial Estate Mukim of Sungai Petani District of Kuala Muda, Kedah	Factory with office building	161,836	22 years	60 years leasehold, expiring on 05.05.2055	5.20	30.12.2017
Lot BB2, Industrial Area, Zone B (Phase 1), Thilawa Special Economic Zone, Thanlyin, Yangon, Myanmar	Vacant industrial land	215,461	-	48 years leasehold, expiring on 09.02.2067	5.80	25.11.2019
Lot No. 50 H.S.(D) No. 97/92 Sungai Petani Industrial Estate Mukim of Sungai Petani District of Kuala Muda, Kedah	Factory with office building	64,346	28 years	60 years leasehold, expiring on 12.04.2052	3.06	09.12.2019
Lot 3964 Geran 165228 Mukim Teloi Kiri, Daerah Kuala Muda, Kedah	Factory with office building	772,203	25 years	Freehold	10.08	01.10.2021
Lot No: PT2996 HS(D) 114414 Mukim Teloi Kiri Daerah Kuala Muda, Kedah	Vacant industrial land	1,152,987	-	Freehold	6.35	01.10.2021
PT 95009 HS(D) 115281 Sungai Petani Industrial Estate Mukim of Sungai Petani District of Kuala Muda, Kedah.	Vacant industrial land	340,099	-	60 years, leasehold, expiring on 03.04.2050	6.91	01.04.2022
Lot 7957, GRN67421, Bandar Gurun District of Kuala Muda, Kedah	Vacant industrial land	3,415,389	-	Freehold	36.00	31.01.2023
PT18262 (HS(D) 64854), Seksyen 20, Bandar Serendah, Bandar Sungai Buaya, Daerah Hulu Selangor, Selangor.	Vacant industrial land	131,298	-	99 years, leasehold, expiring on 04.01.2095	5.73	31.03.2024
Kaveling I-2, Kawasan Industri Terpadu Batang, Jl. Pinus Bahari, Ketanggan, Grinsing, Batang, Jawa Tengah, Indonesia.	Vacant industrial land	543,276	-	76 years, leasehold, expiring on 26.10.2097	12.08	25.07.2025

ANALYSIS OF ORDINARY SHAREHOLDINGS

As at 1 April 2026

Total no. of issued share capital	- 392,858,940 ordinary shares (excluding 11,586,100 treasury shares)
Class of shares	- Ordinary shares
Voting rights	- One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	No. of shares held	% of shareholding ^(*)
Less than 100	79	1,238	0.00
100 - 1,000	1,338	878,566	0.22
1,001 - 10,000	4,238	20,366,726	5.19
10,001 - 100,000	1,950	62,602,318	15.94
100,001 to less than 5% of issued shares	304	166,073,592	42.27
5% and above of issued shares	1	142,936,500	36.38
TOTAL	7,910	392,858,940	100.00

Notes:

(*) Excluding 11,586,100 treasury shares per Record of Depository as at 1 April 2026.

INTERESTS OF DIRECTORS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

	No. of Ordinary Shares				No. of unexercised ESOS options	
	Direct	% ^(*)	Indirect	% ^(*)	Direct	Indirect
Tengku Muzzammil Bin Dato' Tengku Makram	-	-	-	-	-	-
Dato' Ang Poon Chuan	2,852,408	0.73	2,389,566 ^(a)	0.61	825,000	-
Dato' Ang Poon Khim	4,296,486	1.10	840,000 ^(a)	0.21	735,000	-
Datuk Ang Poon Seong	5,541,868	1.42	676,800 ^(a)	0.17	735,000	-
Ang See Ming	1,962,796	0.50	-	-	730,000	-
Lee Kean Teong	6,000	^	90,000 ^(a)	0.02	-	-
Teoh Mei Shean	-	-	-	-	-	-

Notes:

(*) Excluding 13,072,200 treasury shares.

(a) Deemed interested via interest of spouse and/or children pursuant to Section 59(11)(c) of the Companies Act 2016.

(^) Negligible.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	No. of Ordinary Shares			
	Direct	% ^(*)	Indirect	% ^(*)
Foremost Equals Sdn Bhd	148,826,850	38.03	-	-

Notes:

(*) Excluding 13,072,200 treasury shares.

LIST OF 30 LARGEST SHAREHOLDERS

As at 1 April 2026

(Without aggregating securities from different securities accounts belonging to the same person)

NO.	NAME	HOLDINGS	% (*)
1	FOREMOST EQUALS SDN. BHD.	142,936,500	36.38
2	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSMALL-CAP FUND	11,824,000	3.01
3	HERBALNET (MALAYSIA) SDN BHD	10,098,200	2.57
4	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR NORGES BANK (FI 17)	7,989,035	2.03
5	NEOH CHOO EE & COMPANY SDN BHD	6,559,000	1.67
6	FOREMOST EQUALS SDN. BHD.	5,890,350	1.50
7	ANG POON SEONG	4,687,816	1.19
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (EASTSPRINGESG)	4,515,400	1.15
9	ANG POON KHIM	4,296,486	1.09
10	LEE GUAN HUAT	3,941,100	1.00
11	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE FOR YEOMAN 3-RIGHTS VALUE ASIA FUND (PTSL)	2,980,100	0.76
12	ANG POON CHUAN	2,852,400	0.73
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD (ORDPA)	2,265,300	0.58
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHBISLAMIC)	2,129,000	0.54
15	ANG SEE MING	1,962,796	0.50
16	TAN LEE HWA	1,921,000	0.49
17	SENSIBLE MATRIX SDN. BHD.	1,881,040	0.48
18	CHOONG EE KONG	1,600,000	0.41
19	TEH BOON YEN	1,513,224	0.39
20	AFFIN HWANG NOMINEES (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR LIM MEE HWA	1,500,000	0.38
21	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKETS CORE EQUITY 2 PORTFOLIO OF DFA INVESTMENT DIMENSIONS GROUP INC.	1,450,500	0.37
22	CIMB SECURITIES SDN BHD EXEMPT AN CLR (CLRPFM) FOR EASTSPRING INVESTMENTS BERHAD	1,363,200	0.35
23	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI CHEN HOE	1,337,500	0.34
24	NEOH KOK SENG	1,225,000	0.31
25	LIM SOON AIK	1,182,000	0.30
26	ANG POON SHEN	1,147,766	0.29
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEAM HENG CHAI (E-KTN)	1,136,968	0.29
28	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR UBS AG SINGAPORE (FOREIGN)	1,041,800	0.27
29	YEO YEE TENG	1,000,000	0.25
30	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (EASTSPRING)	979,600	0.25
		<u>235,207,081</u>	<u>59.87</u>

(*) Excluding 11,586,100 treasury shares per Record of Depository as at 1 April 2026.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-First ("31st") Annual General Meeting ("AGM") of shareholders of Thong Guan Industries Berhad ("TGIB" or "the Company") will be convened and held at Sapphire Hall, Purest Hotel, No. A-2 Jalan Indah 1, Taman Sejati Indah, 08000 Sungai Petani, Kedah Darul Aman, Malaysia on Friday, 22 May 2026, 11.00 am for the purpose of considering and if thought fit, passing with or without modification the resolutions set out in the notice:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 and the Reports of Directors and Auditors thereon.
2. To re-elect the following Directors who retire in accordance with Clause 103 of the Company's Constitution:-

Dato' Ang Poon Chuan	Ordinary Resolution 1
Datuk Ang Poon Seong	Ordinary Resolution 2
3. To approve the Directors' fees and benefits of up to an aggregate amount of RM760,000 for the period commencing 1 day after this AGM to the next AGM of the Company in 2027. **Ordinary Resolution 3**
4. To re-appoint KPMG PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

AS SPECIAL BUSINESS

5. **Power to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016** **Ordinary Resolution 5**

"THAT subject always 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 or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons, as the Directors may, in their absolute discretion, deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being.

THAT the Directors are also empowered to obtain the approval from the Bursa Securities for the listing and quotation for the additional shares to be issued and THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

AND THAT pursuant to Section 85 of the Act read together with Clause 65 of the Company's Constitution, approval be and is hereby given to waive the statutory preemptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from issuance of new shares pursuant to this mandate.

FURTHER THAT the new shares to be issued shall, upon issuance and allotment, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

6. Proposed Renewal of Authority to Buy Back Its Own Shares by the Company

Ordinary Resolution 6

"THAT subject always to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Constitution of the Company and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Directors of the Company be hereby unconditionally and generally authorised to make purchases of ordinary shares in the Company's total number of issued shares through the Bursa Securities at any time and upon such terms and conditions and for such purposes as the Directors may, in their discretion deem fit, subject to the following:-

- i) the aggregate number of ordinary shares which may be purchased and/or held by the Company shall be ten per centum (10%) of the total number of issued shares of the Company for the time being ("TGIB Shares");
- ii) the amount of funds to be allocated by the Company for the purpose of purchasing the TGIB Shares shall not exceed the aggregate retained profits of the Company. As at 31 December 2025, the Company's audited retained profits stood at RM19.13 million;
- iii) the authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and will continue in force until:
 - a) the conclusion of the next annual general meeting ("AGM") of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
 - b) the expiration of the period within which the next AGM is required by law to be held (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting) but not so as to prejudice the completion of purchase(s) by the Company made before the aforesaid expiry date and, in any event, in accordance with the MMLR of the Bursa Securities or any other relevant authorities;
- iv) upon completion of the purchase(s) of the TGIB Shares by the Company, the Directors of the Company be hereby authorised to deal with the TGIB Shares in the following manner:
 - a) to cancel the TGIB Shares so purchased; or
 - b) to retain the TGIB Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resale on the market of Bursa Securities and/or for cancellation subsequently; or
 - c) to retain part of the TGIB Shares so purchased as treasury shares and cancel the remainder; or
 - d) in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT the Directors of the Company be and are hereby authorised to take all such actions and steps as are necessary or expedient to implement or to effect the purchase of TGIB shares."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

7. **Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Ordinary Resolution 7 Mandate for Recurrent Related Party Transactions for the Company and/or its subsidiaries**

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("TGIB Group") to enter into recurrent related party transactions of a revenue or trading nature as set out in the Circular to Shareholders dated 30 April 2026 which transactions are necessary for the day-to-day operations in the ordinary course of business of TGIB Group on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

AND THAT, such approval, shall continue to be in force until:

- a) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is earlier.

FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions for TGIB Group."

8. **Retention as Independent Non-Executive Director**

Ordinary Resolution 8

"THAT, Tengku Muzzammil Bin Dato' Tengku Makram be retained as Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance until the conclusion of the next AGM."

9. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution.

By Order of the Board

ONG TZE-EN (MAICSA 7026537) (SSM PC NO. 202008003397)
 LAU YOKE LENG (MAICSA 7034778) (SSM PC NO. 202008003368)
 Joint Company Secretaries
 Penang, 30 April 2026

Notes on proxy and voting:

1. A proxy may but need not be a member of the Company.
2. For a proxy to be valid, the Form of Proxy duly completed shall be deposited in the following manner not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof:
 - (a) **By hard copy form**
 The Form of Proxy must be deposited at the Registered Office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia.
 - (b) **By electronic form**
 The Form of Proxy can be electronically submitted through email to ir@shareworks.com.my.

PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes on proxy and voting: (Cont'd)

3. A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each 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 the meeting.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industries (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorized nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
6. If the appointer is a corporation, the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or an attorney duly authorised.
7. In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on 14 May 2026 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint a proxy to attend and/or vote on his/her behalf.
8. Please follow the procedures provided in the Administrative Guide for the AGM in order to register and participate in the meeting.

Explanatory Notes:

1. Ordinary Resolutions 1 and 2: Re-elect Directors who retire in accordance with Clause 103 of the Company's Constitution

The profiles of the Directors standing for re-election under Ordinary Resolutions 1 and 2 are set out under Profile of Directors in the Annual Report 2025. The Board of Directors ("Board") approved the recommendations from the Nomination Committee and is supportive of the re-election of the retiring Directors based on the justifications below. The retiring Directors had abstained from deliberation and decision making on their own eligibility to stand for re-election at Board meetings. Both of the retiring Directors have met the fit and proper performance criteria for the discharge of their duties and responsibilities.

1.1 **Dato' Ang Poon Chuan** is the Managing Director. He has shown exemplary leadership in managing businesses and creating value by expanding the Company and its subsidiaries ("the Group") to what it is today and lead the Group to achieve continued growth. He has contributed significantly to the Group by steering the Group forward with notable achievements during his tenure as Managing Director.

1.2 **Datuk Ang Poon Seong** is the Executive Director. He leads business development and oversees the entire operations in the East Malaysia.

2. Ordinary Resolution 3: Directors' fees and benefits

The Board seeks shareholders' approval on the Directors' fees and benefits payable for the Directors which have been reviewed by the Remuneration Committee and the Board, which recognises that the fees and benefits payable is in the best interest of the Company. The quantum of Directors' fees and benefits is computed based on the anticipated number of meetings of Board and Board Committees comprising Audit Committee, Nomination Committee and Remuneration Committee, assuming full attendance by all the Directors. The amount also includes a contingency sum to cater for unforeseen circumstances such as the appointment of any additional Director, additional unscheduled meetings of Board and Board Committees. The relevant fees and benefits will be paid to the Directors upon completion of service by the said Directors. The benefits comprise of meeting allowance and Board Committee allowances. This approval shall continue to be in force until the conclusion of the next Annual General Meeting of the Company. Details of Directors' fees and benefits paid/payable for the financial year ended 31 December 2025 are detailed in the Corporate Governance Overview Statement in the Annual Report 2025 and Corporate Governance Report.

3. Ordinary Resolution 5: Power to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act")

This Ordinary Resolution is for the purpose of granting a renewed general mandate ("General Mandate") and if passed, will give authority to the Board to allot and issue shares up to a maximum of ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/ varied by resolution passed by the shareholders in general meeting whichever is the earlier.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes: (Cont'd)

3. Ordinary Resolution 5: Power to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") (Cont'd)

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the previous AGM and which will lapse at the conclusion of this AGM.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and read together with Clause 65 of the Company's Constitution, will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

This General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions. At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the General Mandate is obtained, the Company will make announcement in respect thereof.

4. Ordinary Resolution 6: Proposed Renewal of Authority to Buy Back Its Own Shares by the Company

This Ordinary Resolution, if passed will allow the Company to purchase its own shares. The total number of shares purchased shall not exceed 10% of the total number of issued shares of the Company. This authority will, unless revoked or varied by the Company in general meeting, expires at the next Annual General Meeting of the Company.

5. Ordinary Resolution 7: Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate

This Ordinary Resolution, if passed, will approve the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") and allow the Group to enter into RRPT in accordance with Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This approval shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") or the expiration of the period within which the next AGM is required by the law to be held or revoked/ varied by resolution passed by the shareholders in general meeting whichever is the earlier.

6. Ordinary Resolution 8: Retention of Tengku Muzzammil Bin Dato' Tengku Makram as the Independent Non-Executive Director of the Company

Tengku Muzzammil Bin Dato' Tengku Makram was appointed as an Independent Non-Executive Director on 25 August 2016. He has served the Company as the Independent Non-Executive Director for over 9 years as at the date of the notice of this AGM.

The Board approved the recommendation from the Nominating Committee and is supportive of retaining him as Independent Non-Executive Director based on the justifications below. Tengku Muzzammil had abstained from deliberation and decision on his own eligibility to stand for re-election at both Nominating Committee and Board meetings.

- (1) Tengku Muzzammil had provided annual declaration / confirmation of independence in accordance with guidelines as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has demonstrated complete independence in character and judgement and therefore able to bring objectivity that provide check and balance to the executive leadership team.
- (2) He has performed his duties diligently and has remained objective and independent in expressing his views during deliberation and decision-making of the Board and the Board Committees, as applicable. His judgment is not clouded by familiarity.
- (3) The length of his service on the Board does not in any way interfere with his exercise of independent judgment and ability to act in the best interest of the Group. He understands the businesses and operations of the Group as he has served as Independent Non-Executive Director for some time. Therefore, his familiarity has enabled him to participate effectively during meetings.
- (4) His distinguished background and public standing has supported the Group's ability to engage effectively with key stakeholders and navigate the broader regulatory and business landscape.

Statement Accompanying Notice of AGM

(Pursuant to Paragraph 8.27(2) of the MMLR)

1. No individual is standing for election as a Director at the forthcoming AGM of the Company.

ADMINISTRATIVE GUIDE

Administrative Guide for the Thirty-First Annual General Meeting (“31st AGM”) of Thong Guan Industries Berhad (“the Company”)

Day & Date	: Friday, 22 May 2026
Time	: 11:00 a.m.
Venue	: Sapphire Hall, Purest Hotel, No. A-2 Jalan Indah 1, Taman Sejati Indah, 08000 Sungai Petani, Kedah Darul Aman, Malaysia

Registration on the day of AGM

1. Registration will commence at 10:00 a.m., on Friday, 22 May 2026 and will open until the conclusion of the 31st AGM or such time may be determined by the Chairman of the meeting.
2. Please read the signage as to where you should register yourself for the meeting and join the queue accordingly.
3. Please present your original MyKad or Passport to the registration staff for verification. Please make sure your MyKad or Passport is returned to you after registration.
4. Registration must be done in person. No person is allowed to register on behalf of another.
5. The registration counter will handle verification of identity, registration and revocation of proxy/proxies.
5. A voting gadget and an identification wristband will be given to you thereafter. No one will be allowed to enter the meeting room without an identification wristband

Entitlement to Participate and Appointment of Proxy

1. Only members whose names appear on the Record of Depositors on 14 May 2026 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
2. The instrument appointing a proxy shall be deposited in the following manner not less than 48 hours before the time for holding the AGM or any adjournment thereof:
 - (a) **By hard copy form**
The Form of Proxy must be deposited at the Registered Office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia.
 - (b) **By electronic form**
The Form of Proxy can be electronically submitted through email to ir@shareworks.com.my.

Revocation of Proxy

1. If you have submitted your Form of Proxy and subsequently decide to appoint another person or wish to participate in our 31st AGM in person, please write in and deposit at the Registered Office of the Company to revoke the earlier appointed proxy twenty-four (24) hours before the 31st AGM.

No Door Gifts/Food Vouchers

1. There will be no distribution of door gifts or food vouchers at the 31st AGM.

Enquiries

1. For any enquiries, kindly contact the following during office hours (8:30 a.m. to 5:30 p.m.) on Monday to Friday (except public holidays):

Shareworks Sdn. Bhd.
T: +603 6201 1120 | F: +603 6201 3121

Boardroom Corporate Services Sdn. Bhd.
T: +604 229 4390 | F: +604 226 5860

Personal Data Privacy

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010 (as amended by the Personal Data Protection (Amendment) Act 2024), for the purpose of the 31st AGM of the Company and any adjournment thereof.

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FORM OF PROXY



**THONG GUAN
INDUSTRIES BERHAD**
199401038519 (324203-K)

No. of shares held

CDS Account No.

I/We _____
(Full name in Block Letters and NRIC / Passport / Company No.)

of _____ and _____
(Address) (Tel. No.)

being a *member/ members of Thong Guan Industries Berhad hereby appoint

Full Name (in Block Letters), Email Address & Tel. No.	NRIC/Passport No.	No. of Shares	% of Shareholding

* and/or

Full Name (in Block Letters), Email Address & Tel. No.	NRIC/Passport No.	No. of Shares	% of Shareholding

or failing *him/her, the CHAIRMAN OF THE MEETING as *my/our proxy, to vote for *me/us and on *my/our behalf at the THIRTY-FIRST ANNUAL GENERAL MEETING of the Company to be held at Sapphire Hall, Purest Hotel, No. A-2 Jalan Indah 1, Taman Sejati Indah, 08000 Sungai Petani, Kedah Darul Aman, Malaysia on Friday, 22 May 2026 at 11.00 am or at any adjournment thereof.

* My/our proxy is to vote on a poll as indicated below with an "X".

	ORDINARY RESOLUTIONS							
	1	2	3	4	5	6	7	8
FOR								
AGAINST								

* Strike out whichever is not desired.

Signed this _____ day of _____ 2026.

Signature of Shareholder(s)/Common Seal

Notes on proxy and voting:

- A proxy may but need not be a member of the Company.
- For a proxy to be valid, the Form of Proxy duly completed shall be deposited in the following manner not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof:
 - By hard copy form**
The Form of Proxy must be deposited at the Registered Office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia.
 - By electronic form**
The Form of Proxy can be electronically submitted through email it to ir@shareworks.com.my.
PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).
- A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each 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 the meeting.
- Where a member of the Company is an authorised nominee as defined under the Securities Industries (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorized nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- If the appointer is a corporation, the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or an attorney duly authorised.
- In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on **14 May 2026** (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy to attend and/or vote on his/her behalf.
- Please follow the procedures provided in the Administrative Guide for the AGM in order to register and participate in the meeting.

Personal Data Privacy

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 (as amended by the Personal Data Protection (Amendment) Act 2024), for the purpose of the AGM, and any adjournment thereof.

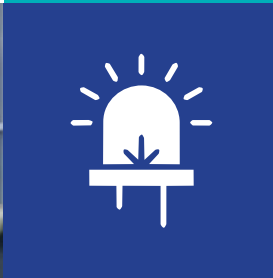
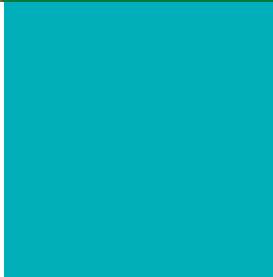
-----Please fold across the lines and close-----

STAMP

To: The Company Secretaries
Thong Guan Industries Berhad

Registered Office
170-09-01, Livingston Tower
Jalan Argyll, 10050 George Town
Pulau Pinang

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www.thongguan.com

THONG GUAN INDUSTRIES BERHAD

199401038519 (324203-K)

Lot 52, Jalan PKNK 1/6,
Kawasan Perusahaan Sungai Petani,
08000, Sungai Petani, Kedah, Malaysia
Tel : +604-4417 888 Fax : +604-4419 888

