



P. I. E. INDUSTRIAL BERHAD

Registration No.: 199701008590 (424086-X)

Advancing Innovation

for a Greater Tomorrow

ANNUAL REPORT 2025



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Corporate Information

Board of Directors

Lim Chien Ch'eng
Independent Non-Executive Chairman

Wong Thai Sun
Independent Non-Executive Director

Che Kian Yeap
Managing Director

Dato' Heng Huck Lee
Independent Non-Executive Director

Huang, Yi-Ling
Non-Independent Non-Executive Director

Koay San San
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE*

Wong Thai Sun (*Chairman*)
Koay San San
Dato' Heng Huck Lee

* The Company had on 11 March 2026 resolved to merge the Audit Committee and Risk Management Committee as a single Board Committee to be renamed as Audit and Risk Management Committee

NOMINATION COMMITTEE

Koay San San (*Chairman*)
Wong Thai Sun
Dato' Heng Huck Lee

REMUNERATION COMMITTEE

Dato' Heng Huck Lee (*Chairman*)
Wong Thai Sun
Koay San San

AUDITORS

Deloitte Malaysia PLT
(Formerly known as Deloitte PLT)
(Chartered Accountants)

COMPANY SECRETARIES

Wong Yee Lin (MIA 15898)
SSM PC No. 201908001793

Hing Poe Pyng (MAICSA 7053526)
SSM PC No. 202008001322

WEBSITE

www.pieib.com.my

PRINCIPAL BANKERS

Public Bank Berhad
Citibank Berhad
Hong Leong Islamic Bank Berhad
RHB Bank Berhad
CIMB Bank Berhad
Malayan Banking Berhad
Bangkok Bank Public Company Limited
United Overseas Bank Limited Co.
AHAM Asset Management Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Sector: Industrial Products & Services
Stock Name : PIE
Stock Code : 7095
(Listed since 7 July 2000)

REGISTERED OFFICE

51-8-A, Menara BHL
Jalan Sultan Ahmad Shah
10050 George Town
Pulau Pinang
Tel: +604-373 6616
Email: enquiry@braxton.com.my

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Registration No.: 197701005827 (36869-T)
Suite 18.05, MWE Plaza
No. 8, Lebuhr Farquhar
10200 Pulau Pinang
Tel: +604-263 1966
Fax: +604-262 8544

Group Corporate Structure



P. I. E. INDUSTRIAL BERHAD

Registration No.: 199701008590 (424086-X)

100%

Pan-International
Electronics (Malaysia)
Sdn. Bhd.

100%

PIE Enterprise (M)
Sdn. Bhd.

30%

Pan-International
Corporation (S)
Pte. Ltd.

100%

Pan-International
Wire & Cable (Malaysia)
Sdn. Bhd.

100%

P.I.W. Enterprise
(Malaysia) Sdn. Bhd.

55%

Pan International
Electronics (Thailand)
Co., Ltd.

Group Financial Highlights

FIVE YEARS FINANCIAL SUMMARY

	Year ended 31 December				
	2021 RM	2022 RM	2023 RM	2024 RM	2025 RM
Revenue	1,025,203,862	1,165,277,968	1,216,916,059	975,445,306	879,249,133
Profit before tax	74,345,081	82,061,638	89,469,649	57,842,953	31,976,863
Owners of the Company	-	-	-	53,179,747	22,520,829
Non-controlling interests	-	-	-	(1,011,543)	(1,579,205)
Net profit after tax	60,319,934	70,030,536	73,571,752	52,168,204	20,941,624
Shareholders' equity	516,488,391	560,466,662	608,794,811	659,587,544	660,612,811
Net assets	516,488,391	560,466,662	608,794,811	635,264,957	660,612,811
Number of ordinary shares issued as of Dec 31	384,041,985*	384,041,985*	384,041,985*	384,041,985*	384,041,985*
Net assets per share	1.34	1.46	1.59	1.65	1.72
Proforma weighted average number of shares	384,041,985	384,041,985	384,041,985	384,041,985	384,041,985
Basic earnings per share (Sen)	15.71	18.24	19.16	13.85	5.86
Net dividend per share (Sen)	-	7	7	7	5

* The issued share capital of RM76,808,397 is divided into 384,041,985 Ordinary Shares



Directors' Profile

LIM CHIEN CH'ENG

Chairman / Independent, Non-Executive Director

Malaysian

Aged 73

Male

Lim Chien Ch'eng, was appointed to the Board on 18 March 2022 as an Independent Non-Executive Director. He was redesignated as the Independent and Non-Executive Chairman of the Company on 1 April 2022. He graduated from Universiti Sains Malaysia in 1976 with a Bachelor of Social Science (Hons.) Degree majoring in Politics. Subsequently, he pursued a law degree and graduated from Kings College, University of London in 1979 with a Bachelor of Law (LLB. Hons.). He was called to the English Bar in 1980 and the Malaysian Bar in 1981. He is a member of the Lincoln's Inn. He has been practicing as an Advocate & Solicitor in Malaysia since 1981 and is a partner in a legal firm with offices in Penang, Seberang Jaya, Kuala Lumpur and Johor Bahru.

He is also a Non-Independent Non-Executive Chairman of Chin Well Holdings Berhad and an Independent Non-Executive Director of Greatech Technology Berhad, both are public companies listed on Bursa Securities. Save as disclosed, he does not hold any other directorships in public companies or public listed companies.

CHE KIAN YEAP

Managing Director

Malaysian

Aged 49

Male

Che Kian Yeap, was appointed to the Board on 25 March 2026 as Managing Director. He holds a Bachelor of Arts in Sociology from National Chengchi University. He built most of his professional career in Taiwan after graduation from university. Mr Che has over 25 years of experience in the technology and healthcare software industries. He possesses strong expertise in product strategy, new business development, key account management and international market expansion. Over the years, he has developed a strong professional network across Taiwan, China and Southeast Asia.

Other than the Company, Mr Che does not hold any other directorships in public companies or public listed companies.

HUANG, YI-LING

Non-Independent, Non-Executive Director

Taiwanese

Aged 44

Female

Huang, Yi-Ling, was appointed to the Board on 23 February 2024. She holds a Bachelor of Business Administration from the University of Fu Jen Catholic majoring in accounting. Her professional journey began in September 2003 when she started her career as an auditor in an audit firm. Following that, she became an Accountant in a public listed company, where she actively participated in various corporate exercises.

After her tenure with the listed company, she continued to contribute her expertise to several other listed companies. In October 2023, she joined Pan-International Industrial Corporation as an Assistant Manager.

Other than the Company, Ms Huang does not hold any other directorships in public companies or public listed companies.

Directors' Profile (Cont'd)

WONG THAI SUN

Independent, Non-Executive Director

Malaysian

Aged 71

Male

Wong Thai Sun, was appointed to the Board on 14 February 2020 as an Independent Non-Executive Chairman and was later redesignated as an Independent Non-Executive Director on 1 April 2022. He is the Chairman of the Audit and Risk Management Committee and a member of the Nomination Committee and Remuneration Committee.

Mr Wong is a Chartered Accountant and a member of the Malaysian Institute of Accountants and a member of the Certified Practising Accountants, Australia. He holds a Bachelor Degree in Economics and Accountancy from The Australian National University.

He has public practice experience in accountancy for over 41 years in Malaysia and overseas. He is currently having his own public practice firm known as Wong Thai Sun & Associates and a partner in Ecovis Malaysia PLT.

Mr Wong is an Independent Non-Executive Director of Iconic Worldwide Berhad and Ambest Group Berhad, both are public companies listed on Bursa Securities. He also serves as an Independent Non-Executive Director in Suiwah Corporation Berhad, a non-listed public company. Save as disclosed, he does not hold any other directorships in public companies or public listed companies.

DATO' HENG HUCK LEE

Independent, Non-Executive Director

Malaysian

Aged 68

Male

Dato' Heng Huck Lee, was appointed to the Board on 6 June 2025. He is the Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and Nomination Committee.

He graduated with a Bachelor of Applied Science (Honours) majoring in Computer and Electronic Technology from the University Sains Malaysia in 1982. He also obtained a Master in Business Administration from the East Asia University in 1991.

He worked 11 years in Intel Technology Sdn Bhd in a Semiconductor Technical and Operations management position with around 250 team members. He was the Group General Manager for 4 years in Shinca Sdn Bhd, an OEM and EMS manufacturer for many MNC customers in a wide range of electronics and computer products. He served 25 years as the CEO of Globetronics Technology Bhd, a public company listed on Main Market of Bursa Securities involving in semiconductor OSAT and ODM for semiconductor, electronics components and Smart electronics devices.

Other than the Company, Dato' Heng does not hold any other directorships in public companies or public listed companies.

Directors' Profile (Cont'd)

KOAY SAN SAN

Independent, Non-Executive Director

Malaysian

Aged 42

Female

Koay San San, was appointed to the Board on 1 March 2018. She is the Chairperson of the Nomination Committee and a member of the Audit and Risk Management Committee and Remuneration Committee.

She graduated from the University of Hertfordshire with a Bachelor of Arts in Accounting and subsequently obtained her Master's Degree in International Business from the University of Sunderland in December 2008. Ms. Koay is Chartered Accountant of the Malaysian Institute of Accountants and a member of the Association of Chartered Certified Accountants.

Ms Koay started her career in June 2005 as a company auditor in an audit firm before leaving the firm to pursue her Master's degree in the United Kingdom. Upon completion of her studies, she returned to Malaysia and joined a public listed company as an Accountant, following which she also had a short stint in a multi-national company.

During her career, she was involved in cost and financial analysis, internal control including numerous corporate exercises as well as provision of outsourced services in accounting, tax planning and other business advisory services. In 2024, Ms Koay was appointed as Chief Financial Officer of Harvest Palm Holding Sdn. Bhd., where she provides strategic direction, financial analysis and reporting, oversees HR operations, as well as ensures effective internal controls for efficient business operations..

She is an Independent Non-Executive Director of PLB Engineering Berhad, a public company listed on Bursa Securities and an Independent Non-Executive Director of Butterfield FB Berhad, a non-listed public company. Save as disclosed, she does not hold any other directorships in public companies or public listed companies.

ADDITIONAL INFORMATION ON THE DIRECTORS

Family relationship with any director and/or major shareholder

None of the Directors have any family relationship with any Directors and/or major shareholders of P.I.E. Industrial Berhad.

Convictions for offences (within the past 5 years other than traffic offences, if any)

None of the Directors have been convicted of any offence, other than traffic offences, if any, within the past 5 years.

Particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

None of the Directors have been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

Conflict of Interest

None of the Directors have any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries.

Key Senior Management Information

LAW TONG HAN

Assistant General Manager, Contract Electronic Manufacturing ("CEM") - Electronic Division

Malaysian

Aged 54

Male

Mr. Law holds a Master of Science (MSc) in Manufacturing Systems Engineering degree from University of Warwick. He joined Pan-International Electronics (Malaysia) Sdn. Bhd. (PIESB) as Engineering Manager in 2007. He experienced in both process engineering and Research and Development section before joining PIESB. He was appointed as Division Manager mainly responsible for operation in CEM - Electronic on 1 July 2011. He was appointed as a director of PIESB on 12 March 2018 and then promoted to as Assistant General Manager of PIESB with effect from 1 July 2019.

ONG TIEW LING

Head of Supply Chain Support, CEM – Electronic Division

Malaysian

Aged 58

Male

Mr. Ong holds a Bachelor of Business Administration degree from Chung Yuan Christian University, Taiwan. He joined PIESB on 27 June 2018 as Supply chain Director taking care SCM and Customer services. He had oversea expatriate working experience both Mexico and China in Factory operation, supply chain management and program Management for 15 years, a total thirty-five (35) years working experience in electronics manufacturing line.

CHEAH HENG LYE

MIS Manager, CEM – Electronic Division

Malaysian

Aged 62

Male

Mr. Cheah holds a Bachelor of Economics degree from Chung Hsing University. He started his working career as System Analyst in Pan-International Industrial Corporation (PIIC) in 1990 and joined PIESB in 1994. He has thirty-five (35) years of experience in Manufacturing Industries Computerization. He was appointed as MIS Manager on 1 January 1997 to set up IT integration system in the group. He is also a director of PIE Enterprise (M) Sdn. Bhd. (PIEE).

LIAO, YUEH-CHEN

Assistant General Manager, Raw Wire & Cable Division

Taiwanese

Aged 63

Female

After completing her high school education, Ms. Liao started her working career in PIIC in 1979 and then transferred to PIW as the Production Manager in 1989. She has forty-five (45) years of working experience in the manufacturing of wire and cable. She was appointed as Factory Manager in division of raw wire and cable on 1 June 1997. Subsequently, she was appointed as Assistant General Manager on 31 May 2023. She is also a director of PIW and PIWE.

Key Senior Management Information (Cont'd)

LIANG ZHAO QING

Head of Production, Asia Pacific Business Unit ("APBU") Division

Chinese

Aged 41

Male

Mr. Liang holds a Bachelor's degree in Business Administration. He joined PIESB in August 2022 as Manufacturing Manager. He has twenty (20) years of working experience in Surface Mount Technology (SMT) and assembly factories, with strong skills in smart factories, Industry 4.0 digitalization and SMT. He was promoted to as head of production in June 2023, responsible for the production and operations.

PHANG SOOK CHAN

Senior Human Resources Manager

Malaysian

Aged 39

Female

Joyce Phang holds a Bachelor of Business Management from University of Derby, completed in 2012. She joined PIE in 2018 as Human Resources Manager and was promoted to Senior Human Resources Manager in 2024. With approximately 15 years of HR experience, she leads the Company's human resource strategy, overseeing talent acquisition, payroll, HR policies, employee engagement, industrial relations and compliance.

ADDITIONAL INFORMATION ON THE KEY SENIOR MANAGEMENT

None of the Key Senior Management has:

- any family relationship with any Director and/or major shareholder of P.I.E. Industrial Berhad,
- any conflict interest or potential conflict of interest with P.I.E. Industrial Berhad or its subsidiaries,
- any conviction for offences within the past five (5) years other than traffic offences (if any),
- any directorship in public company and listed issuer; and
- any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Management Discussion and Analysis

OVERVIEW

P.I.E. Industrial Berhad (“PIE” or the “Company”) has been listed on the Main Market of Bursa Malaysia since 2000. With over 30 years of industry experience, PIE and its subsidiaries (the Group) continue to deliver value to stakeholders through its fully integrated “one-stop” Electronics Manufacturing Services (EMS) and the production of wires and cables serving various industries.

The financial year 2025 has been a challenging period for the Group. The implementation of a 19% tariff by the United States since August 2025 has created concerns among customers regarding the additional cost implications, resulting in more cautious ordering patterns. In addition, rising inflationary pressures and higher operating costs, coupled with the weakening of the USD against the MYR have impacted the Group’s overall profitability margins. Nevertheless, the Company achieved RM879.25 million in revenue.

Looking ahead to 2026, it is noted that the trade relations between China and United States remain tense, and the trend of relocating manufacturing operations out of China is intensifying. PIE has had many encouraging potential new business discussions from the China + 1 activities. PIE is making progress in a business discussion with a big potential new server customer and is highly optimistic that there are opportunities for business growth. PIE is confident of securing new orders as more businesses will likely select Malaysia as a choice and favored manufacturing destination.

FINANCIAL PERFORMANCE REVIEW

For the financial year ended 31 December 2025 (FY2025), the Group achieved a revenue of RM879.25 million, representing a 9.86% decrease from RM975.45 million in FY2024. The decrease was mainly due to the impact of U.S. tariff implementation on a major customer. Malaysian operations remained the primary contributor to the Group’s revenue, generating 95.87% of the Group’s turnover, followed by Thailand (4.13%). The revenue from the Malaysian operations decreased by 11.47% in FY2025 to RM842.94 million, while turnover from operations in Thailand increased by 55.57% to RM36.31 million.

The Group recorded a profit before tax (PBT) of RM31.98 million in FY2025, a 44.71% (RM25.86 million) decrease from RM57.84 million in FY2024. The lower PBT in FY2025 was mainly due to the decrease in revenue (RM96.20 million) and a higher loss on foreign exchange (RM2.63 million), partially offset by lower cost of goods sold (RM64.11 million), higher scrap sales (RM0.57 million), lower interest expenses (RM1.70 million), gain from fair value adjustment of investment properties (RM1.38 million), reversal of allowance of slow-moving inventory (RM2.17 million) and lower provision for impairment loss of trade receivables (RM0.68 million).

In terms of PBT by segment, the profitability of the EMS and manufacturing of wires and cables division in Malaysia decreased by RM25.44 million or 43.07% in FY2025 to RM33.62 million. The cable assembly and wire harness division in Thailand registered a loss before tax (LBT) of RM3.28 million in FY2025.

As a result, the Group achieved a profit after tax (PAT) of RM20.94 million in FY2025, a decrease of RM31.23 million or 59.86% from RM52.17 million in FY2024.

CAPITAL STRUCTURE AND RESOURCES

The Group’s total assets decreased by 6.20%, or RM52.98 million, from RM855.06 million in FY2024 to RM802.08 million. The decrease was mainly attributable to lower trade receivables (RM41.99 million) and inventories (RM24.93 million), in line with lower sales recorded during the financial period. However, there was a slightly increase in short term investment (RM9.10 million) and cash and cash balances, fixed and short-term deposits, (RM7.77 million), reflecting prudent cash management by the Group.

In the financial year under review, the Group incurred capital expenditures (CAPEX) amounting to RM29.15 million, which was lower than the RM90.74 million invested in FY2024. The higher CAPEX in FY2024 arose from the purchase of machinery and equipment as well as the purchase and expansion of the factory building to expand production capacity catering for the increased orders and enhancing better operational efficiency.

The net cash generated from the operating activities of the Group amounted to RM68.40 million in FY2025. The Group’s cash and cash equivalent stood at RM122.91 million in FY2025, representing a healthy liquidity position, providing the Group with the flexibility and ability to quickly seize any good business opportunities that may arise and to quickly adapt to any unforeseen circumstances.

Management Discussion and Analysis (Cont'd)

CAPITAL STRUCTURE AND RESOURCES (CONT'D)

The total equity of the Group increased by 0.16% or RM1.03 million to RM660.61 million in FY2025 compared to RM659.59 million in FY2024. The increase in total equity is mainly attributed to the distributable retained profits as a result of the net profit of RM20.94 million and payment of dividends amounting to RM19.20 million. During the financial period under review, loss in foreign currency translation differences amounting to RM0.72 million was recognised. The Group's net assets per share remained stable at RM1.72 per share in FY2025, consistent with FY2024, while the basic earnings per share for FY2025 and FY2024 are 5.86 sen and 13.85 sen, respectively.

The total liabilities of the Group decreased by 27.63% or RM54.01 million to RM141.47 million in FY2025 from RM195.48 million in FY2024. The decrease was mainly due to lower short-term borrowings (RM7.72 million) and lower trade payables (RM49.10 million) following reduced working capital requirements, partially offset by an increase in deferred tax liabilities (RM3.50 million) recognised during the financial year. Net assets were higher at RM660.61 million in FY2025 compared to RM659.59 million in FY2024.

As of 31 December 2025, the Group's current capital structure is deemed appropriate to safeguard its ability to continue as a viable going concern to generate satisfactory returns for shareholders and to reduce the cost of capital. The main sources of the Group's capital accumulation are earnings generated from core operational activities.

BUSINESS AND OPERATIONAL REVIEW

In FY2025, the EMS division in Malaysia contributed 75.11% of the Group's revenue through its fully vertical integrated manufacturing, providing customers with one-stop turnkey services. During the financial year, the division recorded lower sales orders from existing customers, mainly due to the impact of the imposition of U.S. tariffs. Consequently, the division's revenue decreased by RM102.79 million, or 13.47%, compared with the previous financial year.

The raw wire and cable manufacturing division in Malaysia contributed 20.76% of the Group's revenue. During the financial year, the division's revenue decreased slightly by RM6.37 million, or 3.38%, compared with FY2024. Despite this decline, the division remains committed to strengthening its operational capabilities and will continue to invest in high-speed, high-efficiency machines and equipment to enhance production capacity while delivering high-quality products that meet customers' expectations.

The wire harness and cable assembly division in Thailand contributed 4.13% of the Group's revenue. In FY2025, revenue from this division increased by RM12.97 million, or 55.57%, compared with FY2024, primarily due to higher orders received from both existing and new customers. Revenue from PIT in Thailand is expected to grow further as new business opportunities are now presented in Thailand. With the completion of the new factory block, PIT is expanding its manufacturing capacities in preparation and anticipation of new business opportunities.

RISKS AND MITIGATION

Customer concentration risk

In order to mitigate the risk of customer concentration, PIE has taken the following steps as part of our risk management strategy:

- On-going discussions with a number of new potential customers to undertake manufacturing of various medium to high volume box build products;
- Ongoing dialogue with our customers to capture more new orders and higher business allocation; and
- Investment in plant renovation to uplift overall environment and outlook to gain positive impression from new potential customers.

By doing so, the Group aim to better serve our existing major customers and attract new business opportunities, thereby reducing the impact of losing a major customer on our revenues and earnings.

Management Discussion and Analysis (Cont'd)

RISKS AND MITIGATION (CONT'D)

Foreign currency risk

As a result of its export orientated manufacturing operation, the Group engages in business transactions using various currencies. Thus, the Group may be vulnerable to the fluctuations of foreign currency risk, particularly in the USD/MYR exchange rate.

To manage this risk, the Group employs natural hedging through sales and purchases mainly denominated in USD. Besides, the Group finance team has closely tracked the foreign currency movements and optimized account receivables and payables, as well as total assets and liabilities being denominated in USD to minimize foreign exchange losses. Although the Group conducts transactions in Euros, Thai Baht, Singapore Dollars, Japanese Yen and Renminbi, its exposure to these currencies are limited.

Foreign worker risk

The Group enlisted the services of few reputable labour agencies to provide a steady and reliable workforce, which helped to meet customer orders without any disruptions to our production schedules. The Group also implemented various incentives and trainings to the workforce in order to maintain high productivity and work quality at the production floor.

Environment, Health and Safety

The Group has a dedicated Environmental, Health and Safety (EHS) team to ensure that the overall facility and employees adhere to safety guidelines to avoid potential risks and threats from negligence or faulty facilities. The EHS team and the human resource team regularly engage with external NGOs to organize training and briefing to employees on how to prevent or respond in the event of emergencies such as fire or medical incidents. Employees working in production areas are provided with safety equipment, wherever applicable and are well trained before handling automatic machinery to mitigate safety risks and accidents.

Political, Economic, and Regulatory Risks

The Group operates in a highly globalized industry and is exposed to various political, economic, and regulatory risks. These include changes in US trade policies, trade tensions, geopolitical conflicts, fluctuations in raw material prices, currency volatility, and evolving regulatory requirements. The Group has established a dedicated risk management team to continuously monitor these developments and engage with external consultants to assess potential impacts. Proactive measures include implementing internal controls, conducting regular briefings and training for management and employees, and making operational adjustments to ensure compliance while safeguarding business continuity and financial performance.

Inventory Security Risk

The Group will face higher inventory level due to expansion and increase of its customer base. There will be potential risks such as inventory security risk, fire hazard and internal theft. The Group has improved security measures with the increase in the installation of CCTV, alarms and security check points to prevent unauthorized access to restricted areas and close monitoring of the movement of inventory goods. All plant facilities and warehouses are also equipped with firefighting equipment in compliance with Bomba requirement. The Group also ensures sufficient coverage of insurance to protect the cost of inventory loss due to fire, theft, damage and other risks.

Anti-Counterfeit Risk

With the growing demand for our products and the expansion of our customer base, the Group is also facing the risk of counterfeit goods entering the market. Counterfeit products can undermine our brand reputation, reduce revenue, and compromise consumer safety. To mitigate this risk, the Group has implemented a comprehensive anti-counterfeit policy. This policy aims to safeguard intellectual property, brand integrity, and customer safety by preventing, detecting, and addressing counterfeit products.

The policy applies to all employees, suppliers, and distribution channels. Our legal team actively monitors the registration of intellectual property rights across all jurisdictions where we operate and pursues legal action against any infringement. Additionally, we invest in educating our employees through regular training, ensuring they are well-equipped to identify and prevent counterfeit activities effectively. This collective effort is designed to protect our products and uphold the trust placed in our brand by customers.

Management Discussion and Analysis (Cont'd)

OUTLOOK, PROSPECTS AND FUTURE CHALLENGES

The Group will continue to prioritize long term sustainability in terms of revenue growth and profit margin improvement, following the recent revision of the U.S. tariff rate for Malaysia from 19% to 15%. As trade relation between China and US remains tense, the intention to move manufacturing out from China has intensified. PIE has been having many encouraging potential new business discussions from China + 1 activities. PIE is progressing with good business discussion with a big potential new server customer which will utilize the new Plant 6 for production. Should this opportunity materialize, mass production is expected to commence in Q2 2026. Overall, the Group is well positioned to capture additional new business and achieve strong growth in the financial year ending 31 December 2026 (FY2026).

The Group has completed the installation of solar panels as planned, resulting in a significant reduction in electricity costs. Additional solar panels are expected to be installed in Plant 6 in FY 2026.

The Government has announced an increase in the minimum wage to RM1,700 effective February 2025, along with a 2% EPF contribution for foreign workers starting October 2025. These changes have impacted the Group's overall direct labor costs. In response, the Group has engaged with existing customers to review selling prices to mitigate the impact of higher labor costs, while labor productivity is also expected to remain challenging in 2026.

To further support employees and improve productivity, the Group has renovated an existing building in Plant 2 during FY2026 to serve as a hostel for workers. This initiative reduces travel costs for employees and minimizes absenteeism caused by transportation issues, contributing to overall cost savings and operational efficiency. The Group continues to prioritize investment in automation and process optimization to enhance yield, efficiency, consistency, and product quality while reducing labor dependency. The Group also provides sufficient knowledge transfer and technical know-how to expand into the supercomputer and data center industry.

The Group expect revenue from the EMS industry to increase, driven by contributions from both new and existing customers across diverse industries, including telecommunications, supercomputer, drone devices, medical diagnostic devices, as well as consumer and industrial products. The expansion of Plant 5 (100,000 sq ft) and Plant 6 (280,000 sq ft) has completed and both facilities are now ready to support potential new business opportunities. These expansions position the Group to benefit from potential new business arising from the China + 1 activities, which is expected to play a crucial role in driving the Group's business growth in the coming years.

Revenue in the wire and cable division is expected to pick up once again, with recovery and improvement in local market sentiment. In the event of any volatile fluctuation in copper prices, our revenue will not be impacted as we have mutual arrangements with our customers where the selling price will be pegged to the market price of copper.

The Group remain optimistic about the future prospects of the Group. Based on the developments outlined above and ongoing discussions with existing and new customers about new potential projects, we are confident that the Group will continue to perform well in the coming financial year. With over 30 years of operating experience, we are dedicated to deliver the best value to all stakeholders by enhancing innovation, automation processes, and vertical integration capabilities.

DIVIDEND

In respect of FY2025, the following dividends were declared and paid:

- A special interim single tier dividend of 2.6 sen per share amounting to RM9,985,091.61 was declared on 9 May 2025 and paid on 20 June 2025; and
- An interim single tier dividend of 2.4 sen per share amounting to RM9,217,007.64 was declared on 9 May 2025 and paid of 20 June 2025.

We remain committed to a balanced dividend policy that will ensure the adequacy of funds to support the Group's future investment and expansion programs, while also rewarding our shareholders with satisfactory dividend pay-out in line with our performance.

This statement was made in accordance with a resolution of the Board dated 11 March 2026.

Audit Committee Report

The Board of Directors (the “Board”) is pleased to present the Audit Committee (“AC”) Report for the financial year ended 31 December 2025 (“FY2025”). This report outlines the key activities, responsibilities and findings of the AC throughout the FY2025 highlighting our commitment to robust financial governance and transparent reporting.

COMPOSITION

The composition of the AC is as detailed below:

Chairman: Wong Thai Sun (Independent Non-Executive Director)
Member: Koay San San (Independent Non-Executive Director)
 Dato’ Heng Huck Lee (Independent Non-Executive Director)
(Appointed w.e.f. 6 June 2025)
 Lee Cheow Kooi (Non-Independent, Non-Executive Director)
(Resigned w.e.f. 6 June 2025)

The composition of the AC complies with Paragraph 15.09 of the Listing Requirements of Bursa Securities and the principles and practices set out in the Malaysian Code on Corporate Governance 2021 by virtue of the following:-

- Mr. Wong Thai Sun, serving as the Chairman of the AC, is a Chartered Accountant of the Malaysian Institute of Accountants.
- The Chairman of the AC is not the Chairman of the Board.
- All the AC members are Non-Executive Directors, with majority of them being Independent Directors.
- All the AC members are financially literate and have the relevant experience and capabilities necessary to discharge their duties and responsibilities effectively.
- None of the AC members is an alternate director.

The Company had on 11 March 2026 resolved to merge the Audit Committee and Risk Management Committee as a single Board Committee to be renamed as Audit and Risk Management Committee.

ATTENDANCE OF MEETINGS

During FY2025, the AC had convened a total of five (5) meetings. Details of the attendance of the AC members are as follows:-

Name of Director	Number of Meetings Attended / Held	Percentage of Attendance
Wong Thai Sun	5/5	100%
Koay San San	5/5	100%
Dato’ Heng Huck Lee <i>(Appointed w.e.f. 6 June 2025)</i>	2/2	100%
Lee Cheow Kooi <i>(Resigned w.e.f. 6 June 2025)</i>	2/3	66.67%

The Group Chief Financial Officer were invited to attend all the AC meetings to provide clarification and information on the financial performance, audit issues and relevant issues pertaining to the Group’s operations.

The Internal Control Manager, Finance Manager, External Auditors and Internal Auditors attended the AC meetings as and when invited, where necessary, to provide explanations and answer queries and/ or to present their reports, with the Company Secretary in attendance.

Minutes of each AC Meeting were recorded and subsequently tabled for confirmation at the ensuing meetings.

Audit Committee Report (Cont'd)

SUMMARY OF WORK PERFORMED BY THE AUDIT COMMITTEE

The following activities were undertaken by the AC for FY2025 in discharging their oversight roles, duties and responsibilities:-

1. Financial Reporting

- (a) Reviewed the unaudited quarterly financial results and the audited annual financial statements of the Group as well as the audit findings and issues arising from the audits with the external auditors before recommending to the Board for approval and releasing the announcement to Bursa Securities focusing particularly on:-
- Any changes in or implementation of major accounting policy;
 - Significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters were addressed;
 - Any significant adjustments arising from the audit; and
 - Compliance with all applicable accounting standards and legal requirements.

2. Oversight of Internal Audit

- (a) Reviewed and assessed the suitability of the Internal Auditors, taking into consideration their independence, performance, competence and experience and their resources to ensure the effectiveness of the internal audit function. The AC was satisfied with the competence and independence of Internal Auditors in performing their scope of duties in FYE2025;
- (b) Reviewed internal audit plan proposed by the Internal Auditors to ensure the adequacy of the scope and coverage of work;
- (c) Reviewed the audit reports presented by the Internal Auditors, which included their findings and recommendations on system and control weaknesses;
- (d) Assisted and ensured that the outsourced Internal Auditors had full, free and unrestricted access to all activities, records, properties and personnel necessary to perform their duties; and
- (e) Conducted two (2) private sessions with both External and Internal Auditors, excluding Executive Directors and the Management, to discuss any issues and observations requiring attention. There were no areas of concern that warranted escalation to the AC or the Board.

3. Oversight of External Audit

- (a) Reviewed the Audit Planning Memorandum prepared by the External Auditors, covering the scope and nature of the statutory audit of the Company's and the Group's financial statements prior to the audit engagements;
- (b) Reviewed the Audit Finding Report prepared by the External Auditors in respect of the audit for the financial year ended 31 December 2024 covering updates on the status and findings on the areas of significant risk and audit focus;
- (c) Conducted a private session with the External Auditors to discuss any issues arising from audits without the presence of the Executive Directors and Management; and
- (d) Assessed the independence and objectivity of the External Auditors and the services provided, including non-audit services. The AC undertook an annual assessment to assess the performance, suitability and independence of External Auditors based on, amongst others, the quality of service, sufficiency of resources, communication and interaction as well as independence, objectivity and professional skepticism. Assurance was also obtained from the External Auditors regarding their independence in accordance with the terms of all professional and regulatory requirements.

Following the review of the External Auditors' effectiveness and independence, the AC was satisfied with the performance and the audit independence of the external auditors. Accordingly, it was recommended to the Board on the reappointment of the External Auditors as well as the proposed audit fee for approval.

Audit Committee Report (Cont'd)

SUMMARY OF WORK PERFORMED BY THE AUDIT COMMITTEE (CONT'D)

4. Related Party Transactions and Conflict of Interest ("COI")

- (a) Reviewed the recurrent related party transactions of a revenue or trading nature which were necessary for the day-to-day operations and any related party transactions on a quarterly basis that may arise within the Group or the Company including any transaction, procedure and course of conduct that raises questions of management integrity;
- (b) Reviewed the procedures and processes to ensure that transactions to be entered into are carried out at arm's length and on transaction prices and terms not more favourable to the related parties than those generally available to the public, fair and not detrimental to the minority shareholders of the Company.
- (c) Reviewed the COI and/or potential COI situations that may arise or persist with the Board and Key Senior Management.

During the financial year, the AC noted that there were no updates to the disclosure of COI and potential COI made by the Directors and Key Senior Management.

5. Annual Report

- (a) Reviewed and recommended to the Board the AC Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to Finfield Corporate Services Sdn. Bhd. ("Finfield"), an independent professional firm. Finfield was appointed to review and monitor the effectiveness, adequacy and integrity of the Group's internal control systems throughout FY2025. Its primary role is to provide independent assurance on the adequacy and effectiveness of governance and internal control processes.

At the AC meeting held in 8 November 2024, Finfield presented the internal audit plan for FY2025, which was reviewed and approved by the AC. Throughout the financial year, Finfield conducted four (4) audit examinations, each focusing on distinct areas or business processes, which are outlined below:

- Sustainability
- Inventory management
- Treasury
- Revenue, Accounts receivable & credit control and inventory hold for its key customer.

In addition, Finfield also engaged the following activities throughout the year:

- Completed audits in accordance with the AC's approved annual internal audit plan;
- Identified auditable areas and reviewed the business processes;
- Solicit feedback from the Management on the audit findings;
- Reported the audit findings to the AC including risk ratings, recommendations and management responses;
- Keeping track of the completion date and effectiveness of corrective actions;
- Reviewed the progress updates on the follow-up review of the previous internal audit report; and
- Reviewed the Group's compliance status with established policies, practices and statutory requirements.

The total costs associated with the outsourced internal audit function for FY2025 amounted to RM48,000.

Statement on Risk Management and Internal Control

This statement on risk management and internal control has been prepared in accordance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Main LR"). It outlines the key elements of the risk management and internal control system within P.I.E Industrial Berhad and its subsidiaries ("the Group") for the fiscal year under review.

BOARD RESPONSIBILITY

The Board of Directors ("the Board") is responsible for risk management and internal control systems, with the assistance of the Audit Committee ("AC") and the Risk Management Committee ("RMC"). The Board recognises the importance of maintaining a sound risk management and internal control system within the Group and affirms its overall responsibility to review the adequacy and effectiveness of the system in order to achieve the following objectives:

- a) Safeguarding shareholders' investments and assets of the Group;
- b) The effectiveness and efficiency of the Group's operations;
- c) Compliance with applicable laws and regulation;
- d) Compliance with the Code of Ethics; and
- e) Integrity and reliability of information and reporting.

In acknowledgment of the inherent limitations present in any risk management and internal control system, the systems implemented by Management are strategically designed to effectively manage, though not entirely eliminate, risks that have the potential to hinder the realisation of the Group's business objectives. Consequently, it is crucial to recognise that while the risk management and internal control system diligently strive to mitigate risks, they can only offer reasonable, rather than absolute, assurance against the occurrence of material misstatement, error or loss.

MANAGEMENT RESPONSIBILITY

Management is responsible for implementing risk and internal control policies and procedures which include:

- a) Identifying and assessing risks relevant to the Group's context;
- b) Designing, implementing, monitoring, and reviewing the effective implementation of risk management and internal control systems; and
- c) Reporting to the Board on any key risks or emerging risks, as well as corrective and mitigation actions taken, in a timely manner.

RISK GOVERNANCE & OVERSIGHT

The RMC has duly reviewed and assessed the adequacy and effectiveness of controls and action plans implemented to mitigate the Group's risk exposure. Annual meetings were conducted by the RMC with Senior Management teams from relevant business units to identify potential risk-related issues within the Group. This collaborative effort involved the engagement of an independent professional service firm serving as the internal auditor. The internal auditor provided an unbiased evaluation of the adequacy and effectiveness of the Group's internal controls. With their support on risk measurement methodology, the identified risks were documented and their likelihood and impact were evaluated. Subsequently, a comprehensive risk profile, along with recommended mitigation actions was developed and presented to the AC and reported to the Board for thorough review and assessment of the effectiveness of the risk management system.

Regarding internal controls, the AC reviewed the adequacy and effectiveness of internal controls based on the audits performed by internal auditor. The internal audit engagement is currently headed by Mr. Tan Yen Yeow who is a Certified Internal Auditor. Under his guidance, the internal auditors have diligently conducted audit reviews in strict adherence to the approved annual audit plan. The outcomes of these reviews were thoroughly deliberated with the Senior Management. Following this, the audit findings, management action plans, and the progress in implementing actions for previously audited processes were comprehensively reported to the AC. The Board through the AC received and reviewed the internal audit reports at the scheduled quarterly meetings. Further information on the AC's activities can be found in the section of the AC Report of this Annual Report.

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

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Board defines Enterprise Risk Management (“ERM”) as all measures taken to reduce risk exposure in order to achieve the Group’s business objectives. As a result, ERM is integrated into all corporate and business processes to ensure it is considered in the normal course of business.

The ERM is implemented in accordance with ISO 31000: 2018 Risk Management – Guidelines. In collaboration with various management teams, the RMC identifies, assesses, and evaluates risk as part of our risk management process.

The purpose of ERM is to create, preserve and realise value of the Group. It enhances performance, encourages innovation and aids in achievement of the Group’s objectives. It also assists management in operating effectively, protecting our employees and assets, making informed decisions, and complying with relevant laws and regulations.

RISK MANAGEMENT PROCESS

The risk management process involves applying policies, procedures and practices to communication and consultation activities and establishing the context for identifying, quantifying, responding to, controlling, monitoring, and reviewing risks.

The most recent risk assessment’s key risks and control strategies for mitigating or managing those risks can be found in the section of Management Discussion and Analysis in this Annual Report.

INTERNAL CONTROL SYSTEM

The Group recognises that an internal control system plays a crucial role in ensuring the effectiveness, efficiency and integrity of an organisation’s operations. Therefore, the Group has compiled the key elements as follows:

- **Anti-Bribery, Anti-Corruption Policy and Procedures**

The Group adopts a zero-tolerance approach towards all forms of bribery and corruption in its daily operations. It adheres to the requirements of the Malaysian Anti-Corruption Commission as well as other applicable local laws and regulations. The Group’s Anti-Bribery and Anti-Corruption Policy outlines the principles used to address and manage bribery and corruption risks in all internal and external dealings.

- **Board Committees with Responsive Oversight**

The board committees, which include the AC, RMC and Nomination Committee (“NC”), have specific duties, roles and responsibilities delegated by the Board. The AC and RMC possess the authority to investigate all issues within their scope of reference and make recommendations to the Board. The NC assesses the effectiveness of the Board and the performance of each individual director to ensure that the Board has the right size and mix of skills and experience to meet the Group’s objectives.

- **Group Organizational Structure**

The Board has established a clear organisational structure with defined lines of responsibility and accountability. This structure is communicated throughout the Group and is aligned with the business and operational needs of the organisation.

- **Code of Ethics for Director and Employee Handbook**

The Code of Ethics underscores values such as integrity, professionalism and compliance with laws and regulations. It serves as a guide for establishing an ethical standard for directors.

All employees are required to read and comprehend the Employee Handbook which addresses various aspects of employment in a fair and uniform manner. The Handbook includes ethical values, professionalism in all business practices, workplace respect, protection of assets and adherence to laws, rules and regulations.

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

INTERNAL CONTROL SYSTEM (CONT'D)

- **Human Resource Standard Practices**

We have implemented best practices for human resources, encompassing the hiring and termination of employees along with annual performance evaluations. These evaluations are crucial in making informed decisions about promotions, salary increases, job changes and terminations, thereby enhancing the overall productivity of the Group.

Employees are encouraged to participate in formal training and development programs to acquire the necessary skills required to fulfill their responsibilities and contribute to the achievement of the Group's business objectives.

- **Delegation of Authority**

Management and Executive Directors have been delegated appropriate authority for daily operations, investments, acquisitions and asset disposals. This establishes a robust framework for accountability and responsibility within the Group.

- **Policies, Standard Operating Procedures ("SOPs") and Work Instructions ("WIs")**

Policies, SOPs and WIs have been established to regulate critical business processes including Production, Business Development, Procurement, Finance and Information Technology, amongst others. These documents undergo periodic reviews and updates to ensure compliance with internal controls, relevant laws and regulations and to consistently support the Group's business activities.

- **Periodical Meetings**

Regular management meetings are conducted to review progress toward targeted results and ensure timely corrective actions are taken if necessary. The Board routinely receives and examines reports from management to assess the performance of the Group. These reports include financial information and accounts which are presented for approval. The quarterly financial results are publicly released after thorough review and are approved by the AC and the Board during their quarterly meetings.

The Executive Directors are responsible for ensuring the adoption and application of appropriate accounting policies, and ensuring that the going concern basis used in the Group's financial statements is appropriate. They are also responsible to ensure prudent judgments and reasonable estimates in accordance with the Malaysian Financial Reporting Standards (MFRSs), International Accounting Standards (IASs) and Main LR to ensure that the quarterly financial statements are true and fair.

- **Independent Assurance by Internal Audit**

The internal audit function provides independent assurance that the Group's governance and internal control processes are adequate and effective. The internal audits are conducted by the outsourced professional firm, Finfield Corporate Services ("Finfield"), to ensure compliance with policies and procedures and to report any significant non-compliance.

Finfield prepares Internal Control Review Reports covering the review of two (2) major subsidiaries of the Group, namely Pan-International Electronics (Malaysia) Sdn. Bhd. and Pan-International Wire & Cable (Malaysia) Sdn. Bhd. Audits are performed on the core business processes of the Group to provide independent and objective reports on their operational and management activities. The audit findings, recommendations and management responses are presented to the AC at its regular meetings for review.

The internal control system is audited on regular basis to ensure that its functions are carried out effectively.

- **Whistleblowing Policy**

A whistleblowing policy is in place to provide employees with a safe and confidential avenue to report any suspected fraud, unethical behavior or improper workplace conduct. This policy promotes a culture of transparency and accountability.

The Board confirms that the elements listed above were in place throughout the fiscal year under review and until the date of approval of this annual report and financial statements. The Board is confident that the current risk management and internal control system are sufficient for achieving the Group's business objectives.

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

ASSURANCE FROM MANAGEMENT

The Managing Director and Chief Financial Officer have provided assurance to the Board that the Group's risk management and internal control system have been operating effectively and efficiently in all material aspects during the fiscal year under review.

The Board has taken into account the representations made by the Group's subsidiaries regarding their risk management and internal control systems in issuing this statement. Based on the assurances and representations, the Board believes that the Group's overall risk management and internal control system are adequate for meeting its needs and have not resulted in any material losses, contingencies or uncertainties that necessitate disclosure in the Group's annual report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This statement has been reviewed by the External Auditors pursuant to paragraph 15.23 of the Main LR for inclusion in the annual report of the Group for FY2025. Based on the procedures performed and evidence obtained by the External Auditors, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by section 7 of the SORMIC Guide 2025, nor is this statement factually inaccurate.

CONCLUSION

The Board is committed to sustaining an effective risk management and internal control system and recognises the need for on-going review and adaptation to support the growth of the Group's operations and businesses. The Board will undertake necessary actions and implement plans to enhance the risk management and internal control systems of the Group.

This statement was made in accordance with a Board resolution dated 11 March 2026.

Corporate Governance Overview Statement

The Board of Directors (“Board”) of P.I.E. Industrial Berhad (“PIE” or “the Company”) is dedicated to maintain and implement high standards of corporate governance (“CG”) practices and recognise that upholding CG value goes beyond achieving financial performance goals, but also involves reinforcing ethical and professional behaviour within the Company and its subsidiaries (“the Group”).

This statement aims to provide shareholders and investors an overview of the CG practices adopted by the Company for the financial year ended 31 December 2025 (“FY2025”).

This statement has been prepared in compliance to Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Main LR”) and should be read in conjunction with the Company’s CG Report FY2025 which is available on the Company’s official website at www.pieib.com.my as well as the announcement made via Bursa Securities at <https://www.bursamalaysia.com/>. The CG report highlights detailed application of best practice adopted by the Group as per Malaysian Code on Corporate Governance (“MCCG”) guidelines.

The Board is pleased to disclose the key focus areas that the Group has emphasised during FY2025, as related to the three (3) principles outlined in the Code:

- A. Board Leadership and Effectiveness
 - I. Board Responsibilities
 - II. Board Composition
 - III. Remuneration
- B. Effective Audit and Risk Management
 - I. Audit Committee
 - II. Risk Management and Internal Control Framework
- C. Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.
 - I. Engagement with Stakeholders
 - II. Conduct of General Meetings

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Board’s Leadership, Roles and Responsibilities

The Board is responsible to ensure overall sustainable growth and financial soundness within the Group and exercising reasonable care over the Group’s asset and resources to deliver long-term value to shareholders and other stakeholders. The Board actively engage in formulating and reviewing the strategic business direction, oversees risk management and providing effective oversight over Management’s performance in carrying out delegated duties towards achieving the Company’s goals and objectives.

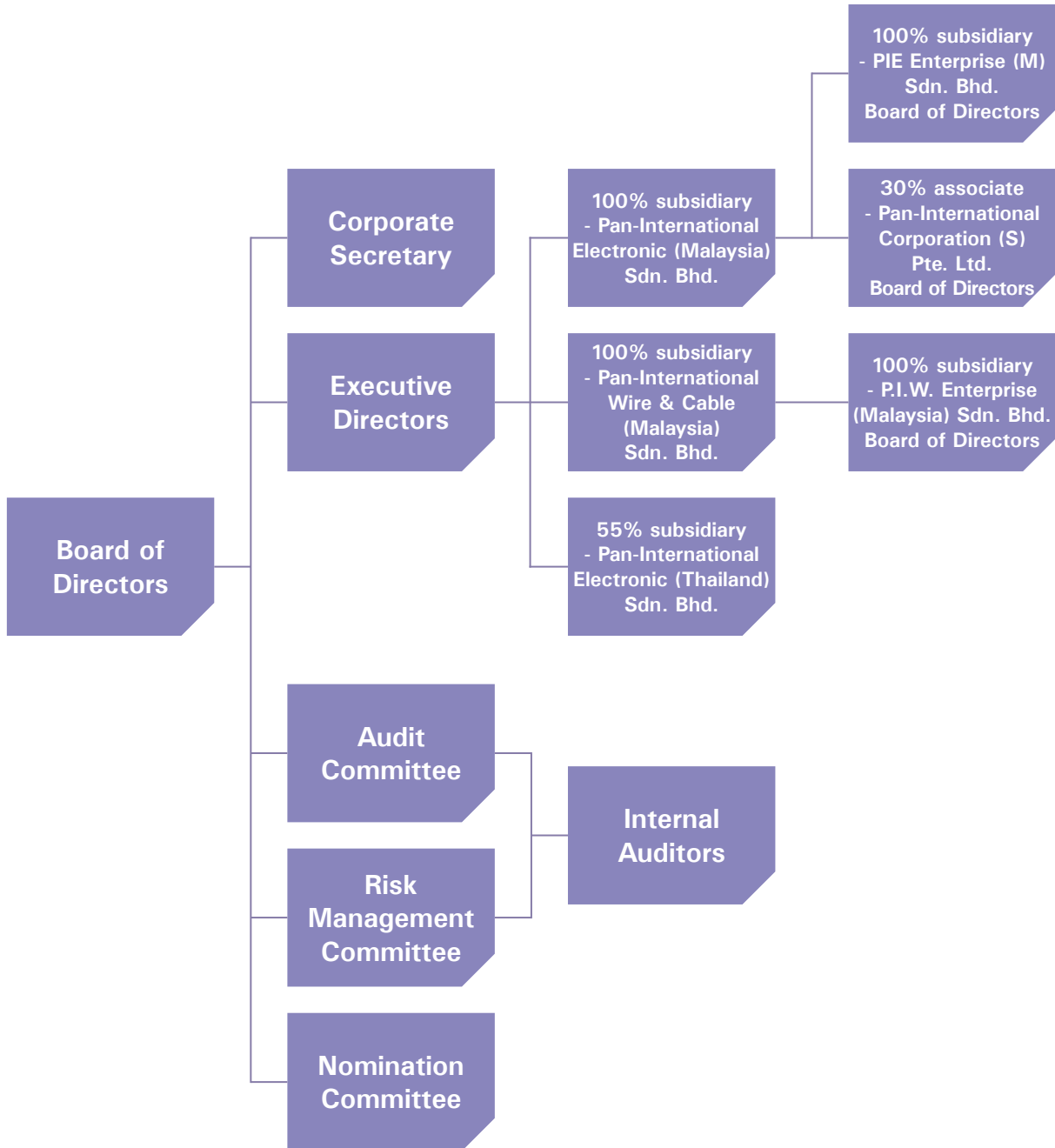
Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Board's Leadership, Roles and Responsibilities (Cont'd)

In order to ensure effective discharge of its duties, the Board has established an internal governance model for delegation of specific powers to the relevant Board Committees i.e., the Audit Committee, Nomination Committee and Risk Management Committee, the Managing Director ("MD") and the Senior Management of the Group, as depicted below:



Notes:

1. After FY2025, the Board approved the establishment of the Remuneration Committee with effect from 13 February 2026, to provide recommendations to the Board on the remuneration of Directors (both executive and non-executive) and Key Senior Management of the Company and its subsidiary(ies) in all its forms such that the remuneration is structured to link rewards to corporate and individual performance.
2. On 11 March 2026, the Board further approved the merging of Audit Committee and Risk Management Committee into one single committee to streamline the operations of the Board and improving its overall efficiency and effectiveness.

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Board's Leadership, Roles and Responsibilities (Cont'd)

Responsibilities between the Board, Board Committees, individual Directors and Management within the Group are segregated to ensure they perform their duties effectively and efficiently. The Board, Management and all employees are expected to understand and comply to PIE's acceptable manner and behaviour practiced in their daily operations to strengthen ethics, integrity and transparency.

In leading and controlling the operations of the Group, the Board is assisted by the Directors of each individual subsidiary that is primarily responsible to carry out decisions made by the Board. The Executive Directors of the Company also participated in the subsidiaries' management meeting to ensure that decisions made by the Board are disseminated and delegated effectively to the Management of the subsidiaries.

The Independent Non-Executive Chairman leads the Board by setting the tone at the top and managing the Board effectiveness by focusing on governance and compliance. During FY2025, the Board continued the practice of conducting Board Committees meetings before Board Meetings.

While specific responsibilities are delegated to the Committees and Management, the Board, as a collective body, retains ultimate responsibility for the direction, control, and overall governance of the Company and the Group. In addition, the Board provides leadership to the Company towards promoting overall business prosperity and corporate accountability and thus, enhancing all shareholders' and stakeholders' value.

The Chairman and the Managing Director

The roles of the Chairman of the Board and the Managing Director of the Company are held by different individuals, that contribute to a system of checks and balances within the Board and enhance the Board's capacity for independent decision making.

The Board is chaired by Mr Lim Chien Ch'eng, an Independent Non-Executive Chairman, who provides effective leadership and necessary governance to the Group. He promotes an open environment for debate and ensures effective that contributions from Non-Executive Directors. The Chairman also exercises control over the quality, quantity and timeliness of information flow between the Board and Management. At a general meeting, the Chairman plays a role in fostering constructive dialogue between shareholders, Board and Management.

The Managing Director, Dato' Mui Chung Meng is to oversee the management of the business and affairs of the Group. He has overall responsibilities over the operating units, organisation effectiveness and implementation of Board's policies and decisions. The role of Managing Director was thereafter replaced by Mr Che Kian Yeap with effect from 25 March 2026 following the retirement of Dato' Mui Chung Meng on the same date.

The Chairman of the Board is not a member of the Audit Committee, Nomination Committee and Risk Management Committee, further ensuring objective review and avoid conflict of interest within the governance structure.

Company Secretaries

The Board is supported by two (2) qualified Company Secretaries, Ms. Hing Poe Pyng and Ms. Wong Yee Lin, both are eligible to act as company secretaries under Section 235(2) of the Companies Act 2016.

The Company Secretaries play an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretaries support the Board by ensuring that all Board meetings are properly conducted and deliberations at the Board and Board Committee meetings are well captured and recorded.

Beyond administrative matters, the Company Secretaries also keep the Board update on new statutes and directives issued by the regulatory authorities, provide valuable guidance on CG issues, compliance with policies and procedures and adherence to laws and regulatory requirements.

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Access to information and advice

The Board recognises that the decision-making process is highly dependent on the quality of information available. All Directors on the Board and Board Committees have full and unrestricted access to Senior Management and the Company Secretaries on all information necessary in furtherance of their duties.

To aid Directors in time planning, an annual meeting calendar is prepared and circulated in advance each year. This calendar outlines scheduled dates for Board meetings, Board Committee meetings and the Annual General Meeting ("AGM").

Agenda and documents relevant to the Board and Board Committee meetings are circulated in advance to the Directors for their review before the meetings to ensure the effectiveness of the Board meetings. Any additional information requested by the Directors will be provided in timely manners. Senior Management is invited to Board meetings as necessary, presenting on significant issues within their areas of responsibility.

Deliberations and decisions at Board and Board Committee meetings are well documented in minutes including instances where Directors abstain from voting or deliberation. The minutes are circulated to the Board and confirmed by the respective Chairman at subsequent meetings.

In addition to Board and Board Committee meetings, Directors receive regular updates via email on developments in laws, regulations and Main LR relevant to their roles and responsibilities.

Board Charter

The Board has adopted a Board Charter that clearly identifies the respective roles and responsibilities of the Board, Board Committees, Chairman, Managing Director and individual Director. The Board Charter is made publicly available on the Company's website at www.pieib.com.my. The Board Charter will be reviewed and updated periodically to ensure their relevance and compliance.

Code of Conduct and Ethics

The Board has established a Code of Ethics for Directors which includes four (4) fundamental ethical principles of sincerity, integrity, responsibility and corporate social responsibility. The Directors are required to observe the ethical codes in conducting their daily duties in Corporate Governance, relationship with stakeholders and social responsibilities with environment. All employees within the Group are bound to the employee handbook which promotes integrity and ethical behavior at all levels and would help to prevent misconduct and unethical practices.

Anti-Bribery and Corruption Policy

The Anti-Bribery and Corruption Policy has been adopted as part of the Group's commitment against all forms of bribery and corruption.

Whistleblowing Policy

PIE has implemented a Whistleblowing Policy to provide an avenue for employees or any external party to disclose any improper conduct or wrongdoing within the Group without fear of reprisal. This policy ensures protection for individuals making allegation and report misconducts with reasonable grounds and the overall process will be treated with high confidentiality.

The reporting channel is directed to the Chairman of the AC. During FY2025, the Group did not receive any such reports.

Further details relating to the Board Charter, Code of Ethics, Whistleblowing Policy and Anti-Bribery and Corruption Policy are available on the Group's corporate website at www.pieib.com.my.

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Sustainability

The Board together with the Management is responsible for promoting good corporate governance culture within the Group and exercising reasonable care of the Company as well as the Group's resources in delivery of long-term value to Shareholders while taking into account economic, environmental, social and governance considerations underpinning sustainability.

In this respect, the Board with the assists by the Sustainability Working Group ("SWG") and Head of Departments overseas the formulation, implementation and effective management of the Company's sustainability strategies.

Stakeholder Engagement and Materiality Assessment were conducted by the SWG to create shared value by staying connected with all the internal and external stakeholders in the ongoing journey to be a more sustainable business entity.

The Company is guided by the Sustainability Pillars of Economic Growth, Environmental Management, Social Contribution and Corporate Governance which are integrated into the Company's strategy. With these Sustainability Pillars, the Company is committed to creating value for our business through innovation with accelerating human capital development while maintaining environmental friendly awareness and exhibiting responsible corporate governance behaviour.

The Company ensures that the information is disseminated to its key stakeholders, namely investors, shareholders, employees, customers, suppliers, regulators, as well as local communities in a comprehensive, timely and transparent manner through effective and constructive engagement.

The Board recognises the importance of sustainability in all its business operations and has included sustainability as one of the criteria in the performance evaluations of board members.

The Board Assessment and Evaluation for FY2025 included an assessment of the Board's understanding of sustainability issues that are relevant to the Group's performance.

The Senior Management ensures the business affairs of the Company are effectively managed and taking into account sustainability considerations.

II. BOARD COMPOSITION

Review of Board Composition

As of 31 December 2025, the Board comprised seven (7) members as below, with a majority of four (4) being the Independent Non-Executive Directors. The current Board composition is in line with the MCCG's recommendation to have at least half of the Board comprise INEDs. The presence of INEDs makes a positive contribution to the development of the Company's strategy and policies through their independent, constructive and informed judgment, safeguarding the interest of the stakeholders in ensuring that the high standard of conduct and integrity is maintained, as well as mitigating any potential conflict of interest concerning related party transactions.

Directorate	Composition
Independent Non-Executive Directors	4
Executive Directors	2
Non-Independent Non-Executive Director	1

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

Tenure of Independent Directors

Notwithstanding the recommendation of the MCCG, the Board is presently of the view that there is no necessity to fix a maximum tenure limit for Independent Non-Executive Directors as there are significant advantages to be gained from the long-serving Directors who possess tremendous insight and knowledge of the Company's businesses and affairs.

During the financial year under review, the Board undertook an assessment and confirmed that all Independent Directors of the Company remain independent and are able to discharge their duties in the best interests of the Company. As of 31 December 2025, none of the Independent Directors have exceeded the nine-year tenure limit.

Appointment/ Re-election of Directors

The composition of the Board and Board Committees is reviewed by the NC on a yearly basis to ascertain whether there is a well-balanced mix of skills, knowledge, experience, diversity and independence that aligns with the Company's objectives and strategic goals.

For the purpose of recommending the re-election of retiring Directors, the NC had assessed the performance and contributions of each retiring Director and having considered factors including fit and proper criteria, knowledge, calibre, quality of input and commitment, the NC was satisfied that they had remained committed to their roles and had continued to be effective and valuable members of the Board.

Based on the NC's recommendation, the Board had endorsed the re-election of the retiring Directors for shareholders' approval at the 2025 AGM, being satisfied that they had consistently demonstrated commitment, proactivity and had provided crucial support to Management in steering the Group forward.

All candidates for appointment are first considered by the NC, taking into account the mix of skills, competencies, experience, professionalism and other relevant qualities required to well manage the business as well as the criteria set out in the Directors' Fit and Proper Policy, with the aim to meet the current and future needs of the Board composition. The NC also evaluates the candidates' character and ability to commit sufficient time to the Group. Other factors considered for appointment of Independent Director will include the level of independence of the candidates.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

Board Diversification

The Board acknowledges that a balanced mix of knowledge, skills, industry experience, gender, ethnicity and age is fundamental to the right board composition to ensure that a diverse perspectives and insights are expressed in the decision-making process for the best interest of the Company.

The skillsets and diversity of the Board as of 31 December 2025 are as follows:

Directors	Nationality	Designation	Industry / Background Experience							By Composition								
			Technology	Marketing	Industrial	Corporate	Accounting / Finance	Governance Risk and Compliance	Law / legal	Age				Ethnic		Gender		
										40 – 49 years	50 – 59 years	60 – 69 years	70 – 79 years	Bumiputra	Chinese	Foreign	Male	Female
Lim Chien Ch'eng	Malaysian	Chairman/ Independent Non-Executive Director	√		√	√		√	√				√		√			
Dato' Mui Chung Meng	Malaysian	Managing Director	√	√	√	√						√		√		√		
Lan, Kuo-Yi	Taiwanese	Executive Director				√	√	√			√				√	√		
Huang, Yi-Ling	Taiwanese	Non-Independent Non-Executive Director				√	√	√		√					√		√	
Wong Thai Sun	Malaysian	Independent Non-Executive Director				√	√	√					√		√		√	
Dato' Heng Huck Lee (Appointed w.e.f. 6 June 2025)	Malaysian	Independent Non-Executive Director	√		√	√		√				√		√		√		
Koay San San	Malaysian	Independent Non-Executive Director					√	√		√				√				√
Lee Cheow Kooi (Resigned w.e.f. 6 June 2025)	Malaysian	Non-Independent Non-Executive Director	√	√	√	√					√			√		√		

Below is the diversity in the age, gender and race of the existing Board as of 31 December 2025:-

Age				Ethnicity		Gender	
40-49	50-59	60-69	70-79	Chinese	Foreign	M	F
2	1	1	3	5	2	5	2

As of 31 December 2025, the diversity in age, ethnicity and gender of Key Senior Management is as follows:

Age				Ethnicity		Gender	
30-39	40-49	50-59	60-69	Chinese	Foreign	M	F
1	1	2	2	4	2	4	2

The profiles of the Directors and Key Senior Management are disclosed in the Annual Report.

The Board acknowledges the best practice of the MCGG that the board should comprise at least 30% women directors. Presently, the women's representation on the Board currently stands at 29%. The Board has complied with the provision of the Main LR of Bursa Securities of at least one (1) woman director on Board.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

Board Diversification (Cont'd)

The Board does not adopt any formal gender diversity policy in selection of new Board members or Key Senior Management as the Board is of the view that the appointment of the Board or Key Senior Management should be based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background as well as gender.

The Board Charter stipulates that “The Board shall at all times promote and welcome diversity and gender mix in its composition and give due recognition to the technical and business experience of the Directors.”

The Board solely rely on recommendations from existing Board members, Management or major Shareholders to identify the candidates for director appointments. The Board and Management of the Company believe that they have better understanding of the Board candidatures, taking into account factors amongst others, qualification, skills, experience and personal attributes of the new directors for the industry in which it operates in.

During FY2025, the appointment of Dato’ Heng Huck Lee was sourced through the network of the existing Board, taking into consideration, amongst others, his qualifications, skills and experience. The NC interviewed Dato’ Heng Huck Lee, reviewed his qualification, experience, skills, independence and any potential conflict of interest and considered the following criteria as set out in the Directors’ Fit and Proper Policy:-

- a. Character and integrity
- b. Experience and competence
- c. Time and commitment

Upon review and deliberation, the NC was of the view that Dato’ Heng Huck Lee met the criteria of the Directors’ Fit and Proper Policy and recommended the appointment of Dato’ Heng Huck Lee as an Independent Non-Executive Director of the Company for the Board’s approval. The Board concurred with the NC’s review and approved the said appointment.

Notwithstanding, apart from referrals from Directors, major Shareholders and Management, the Board is open to utilising independent sources to identify suitably qualified candidates, where necessary.

The profile of each Director is set out in the Annual Report and Company’s corporate website. These include their age, gender, working experience and any conflict of interest as well as their shareholdings.

Nomination Committee

The Nomination Committee comprises three (3) Non-Executive Directors, ensuring an appropriate level of independence and objectivity in the discharge of its duties. The composition of the NC is as follows:-

Name	Designation
Koay San San	Chairperson (Independent Non-Executive Director)
Wong Thai Sun	Member (Independent Non-Executive Director)
Dato’ Heng Huck Lee (Appointed w.e.f. 6 June 2025)	Member (Independent Non-Executive Director)
Lee Cheow Kooi (Resigned w.e.f. 6 June 2025)	Member (Non-Independent Non-Executive Director)

The Nomination Committee meets at least once annually or more frequently as necessary, depending on the needs of the Company.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

Nomination Committee (Cont'd)

During the financial year under review, the Nomination Committee engaged in the following key activities:

- Reviewed the Board Charter of the Company;
- Reviewed the composition of Board Committee;
- Reviewed the structure, size and composition of the Board;
- Reviewed the required mix of skills, experience and other qualities of the Board;
- Reviewed and assessed the performance and effectiveness of the Board as a whole, the Committees of the Board and contributions of each individual Director and Board Committee member;
- Assessed the independence of each INED with each director abstaining from deliberation on his own assessment;
- Discussed the character, experience, integrity and competence of the Directors;
- Reviewed the terms of office and performance of the AC;
- Reviewed and deliberated on the proposed Board composition subsequent to the resignation of former Directors;
- Reviewed the profile of proposed candidates, interviewed the proposed candidates and deliberated before recommending the shortlisted candidate for appointment as new Board member; and
- Reviewed and recommended to the Board the re-election of Directors who retired in accordance with the Constitution.

Based on the evaluation conducted for the FY2025, the NC concluded that the performance of the Board, Board Committees, and individual Directors remained effective and satisfactory.

Board Assessments

The Nomination Committee conducts an annual review of the effectiveness of the Board and Board Committees as well as the performance of each individual Director. The assessment is administered via questionnaires using a self and peer-rating model for continuous improvement. The Nomination Committee reviews annually the required mix of skills and experience for Directors and assesses the contributions of each individual Director and the effectiveness of the Board Committees and the Board as a whole.

Furthermore, the Nomination Committee reviews the size and composition of the Board with particular consideration on the impact on the effective functioning of the Board. Annual assessment on effectiveness of the Board and Board Committees as a whole has been conducted based on specific criteria which include, amongst others, individual Director's knowledge and experience in the Group's core business, personal qualities, professional skills and business development skills.

The Nomination Committee reviewed and assessed the independence of the Independent Directors based on the Directors' professionalism and integrity in the decision-making process, ability to form independent judgments, as well as objectivity and clarity in deliberations in addition to the specific criteria of independence as set out in the Listing Requirements of Bursa Securities. The Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company.

Based on the outcome of evaluation for FY2025, the Nomination Committee and the Board are satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively. The contribution and performance of each individual Director were assessed to be satisfactory, thereby contributing to the overall effectiveness of the Board and Company. The Nomination Committee is of the view that the current Board composition is well balanced, comprising high-calibre individuals with the appropriate mix of skills, qualification, experience, knowledge, credibility, independence and core competencies.

Additionally, the Board is satisfied with the level of time commitment demonstrated by all Directors in discharging their duties and responsibilities throughout the financial year. This is evidenced by their attendance and active participation in Board meetings and relevant Board Committee meetings.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

Board Assessments (Cont'd)

The attendance record of the Directors at Board meetings during the financial year under review is set out in the table below:

Name of Directors	Number of Board Meetings Attended/ Held	%
Lim Chien Ch'eng	7/7	100
Dato' Mui Chung Meng (Retired w.e.f. 25 March 2026)	7/7	100
Lan, Kuo-Yi (Resigned w.e.f. 25 March 2026)	7/7	100
Wong Thai Sun	7/7	100
Koay San San	7/7	100
Huang, Yi-Ling	7/7	100
Dato' Heng Huck Lee (Appointed w.e.f. 6 June 2025)	3/3	100
Lee Cheow Kooi (Resigned w.e.f. 6 June 2025)	2/4	50
Che Kian Yeap (Appointed w.e.f. 25 March 2026)	0/0	0

All the Directors do not hold more than five (5) directorships in other public listed companies as required under Paragraph 15.06 of the Main LR of Bursa Securities to enable the Directors to discharge their duties effectively by ensuring that their commitment, resources and time are more focused. Directors are required to update the Company Secretary on any changes to their directorships and shareholdings. This information enables the Company to monitor the number of directorships held by each Director, in line with governance best practices and to ensure timely notification to the Companies Commission of Malaysia, where applicable.

Training

For the FY2025, the summary of the training programmes/ seminars/ conferences/ briefings/ workshops attended by the Directors are as follows:

Directors	Training Programmes/ Seminars/ Conferences Attended
Lim Chien Ch'eng	The Chairpersons' Circle by Bursa Malaysia
Lan, Kuo-Yi	How to Prepare for SSM Inspection on Company Secretary Competency, BO & AML/CFT Compliance with AI Enhanced Tools
Wong Thai Sun	Latest Updates in 2025 on Employers' Tax Statutory Obligations-Including tax implications on employee related expenses
	Submission of Return Forms 2024 - Information, Implications & Consequences: Forms C, PT, B, E and EA
	Going Concern Audit Approach and Implications - ISA 570
	ISA 530 Audit Sampling - From Theory to Practice: Implementing ISA 530 in the Auditing Process
	Addressing Non-Compliance with Disclosure Requirements in the Financial Statements—A Detailed Guide
Koay San San	Mandatory Accreditation Programme Part II: Leading For Impact (LIP)
	Managing TP for Financial Transactions & Loans
	Post Budget 2026
	Ethical Integrity in an Age of AI
	Exploring AI's Economic Potential-In Conversation with Simon Johson
Huang, Yi-Ling	Overview of OECD Global Anti-Base Erosion Rules
	The Development of Pillar Two globally and its impact on Taiwanese enterprises
	Global Minimum Tax and Supply Chain Restructuring: New Asia-Pacific Tax Challenges for Taiwanese Companies
	Introduction to Transfer Pricing Concepts and Tax Regulations
Dato' Heng Huck Lee	Mandatory Accreditation Programme Part I

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

Training (Cont'd)

Dato' Mui Chung Meng was unable to attend any training in FY2025 due to his tight schedule and travel commitments. Nevertheless, he continues to keep himself abreast with the recent regulatory and corporate governance developments by studying the relevant reading materials published at various professional websites and newsletters from the authorities forwarded by the Management and Company Secretary from time to time. Dato' Mui retired on 25 March 2026 while Mr Che Kian Yeap was appointed on the same date.

III. REMUNERATION

Remuneration Policy

The Board has established a Remuneration Policy and Procedures, applicable to the Directors, including Executive and Non-Executive Directors of the Company. The policy and procedures are periodically reviewed to remain appropriate and fairness. The Remuneration Policy and Procedures for Senior Management are governed by the Company's Human Resource Policy.

Remuneration Committee

As of 31 December 2025, the Board had yet to set up a Remuneration Committee as recommended by the MCCG. The fixing of remuneration packages of each director was based on the Remuneration Policy and Procedures of the Company.

Notwithstanding the above, after FY2025, the Board approved the establishment of the Remuneration Committee with effect from 13 February 2026 to provide recommendations to the Board on the remuneration of Directors (both executive and non-executive) and Key Senior Management of the Company and its subsidiary(ies) in all its forms such that the remuneration is structured to link rewards to corporate and individual performance.

During FY2025, the aggregate remuneration received and receivable by the Executive Directors and Non-Executive Directors of the Company and the Group are set out in the table below.

The Directors have abstained from the deliberation and voting on the agenda item concerning their individual remuneration.

The Key Senior Management's remuneration component in bands of RM50,000 is set out in the CG Report of the Company for FY2025. The detailed remuneration of each Key Senior Management on a named basis will not be disclosed for confidentiality purposes.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Effective and Independent Audit Committee

The Audit Committee comprises three (3) members, all of whom are INEDs and is chaired by an Independent Non-Executive Director, Mr. Wong Thai Sun. To ensure the effectiveness and independence of the Audit Committee, he is not holding the position of Chairman of the Board. The Company complied with the Main LR of which he is a Chartered Accountant of the Malaysian Institute of Accountants. In line with the MCCG, the Terms of Reference of the Audit Committee has been updated to formalise the Company's policy that requires a former audit partner to observe a mandatory cooling-off period of at least three (3) years before being eligible for appointment as a member of the Audit Committee. Nonetheless, there was no former key audit partner being appointed as an Independent Director or member of the Audit Committee.

After FY2025, the Board had on 11 March 2026 approved the merging of Audit Committee and Risk Management Committee into one single committee to streamline the operations of the Board and improving its overall efficiency and effectiveness.

Further details on the composition, key activities and deliberations of the Audit Committee, as well as an overview of the Internal Audit Function for FY2025 are provided in the AC Report within this Annual Report.

Assessment of External Auditor

The Audit Committee has embraced policies and procedures to assess the suitability and independence of the External Auditor to ensure the quality and reliability of audited statements. The Audit Committee adheres to the guidance provided by, amongst others, the External Auditors Evaluation Form recommended by the MCCG Guide and Paragraph 15.21 of the Main LR.

The Audit Committee meets the External Auditors at least twice (2) a year without the presence of the executive Board members to discuss the results and concerns arising from their audit.

The Audit Committee also reviewed the provision of the non-audit services by Messrs. Deloitte Malaysia PLT to the Company for the FY2025 and noted that the provision of the non-audit services did not in any way impair their objectivity and independence as external auditors of the Company.

Based on the above, the Audit Committee was satisfied with the suitability of Messrs. Deloitte Malaysia PLT based on the quality audit processes, adequate technical support and experience and sufficient resources the external audit team provided to the Group and its audit independence and performance throughout its course of audit for FY2025.

Based on the evaluation, the Audit Committee recommended the re-appointment of Messrs. Deloitte Malaysia PLT as the Company's External Auditors for the financial year ending 31 December 2026.

The Board has endorsed the Audit Committee's recommendation and the proposed re-appointment will be tabled for shareholders' approval at the upcoming AGM of the Company.

Corporate Governance Overview Statement (Cont'd)

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Effective Risk Management and Internal Control Framework

The Board meets its responsibilities in the risk governance and oversight functions with support from Risk Management Committee in order to manage the overall risk exposure of the Group. The Risk Management Committee assess and monitor the effectiveness of the risk management framework while Audit Committee reviews the adequacy and effectiveness of the internal control of the Group.

As of 31 December 2025, the Risk Management Committee comprises the following members of which the majority are Independent Non-Executive Directors:-

Name	Designation
Koay San San	Chairperson (Independent Non-Executive Director)
Wong Thai Sun	Member (Independent Non-Executive Director)
Lan, Kuo-Yi	Member (Executive Director)

The Company has engaged an external professional firm to carry out internal audit function and provide independent assurance on the adequacy and effectiveness of the internal control of the Group. The Audit Committee reviews and deliberate on the audit findings including risk rating, recommendations and management responses to those recommendations based on the audit assignment carried out by the Internal Auditors.

Further details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

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

I. ENGAGEMENT WITH STAKEHOLDERS

Communication between Company and Stakeholders

The Board ensure that its engagement with shareholders and various stakeholders are effective, transparent, timeliness and with high-quality disclosures.

The Board communicates with shareholders and stakeholders through various platform including Company's Corporate Website, Investor Relations, Annual Report and AGM.

The Corporate Website provides stakeholders with a centralised platform for accessing up-to-date information, key announcements and various resources that enhance understanding about the Company's strategic direction and performance.

The Investor Relations initiatives undertaken by the Company deliver a proactive stance in keeping investors well-informed about the Company's financial health, operational milestones and strategic imperatives.

The Annual Report serves as a a one-stop information centre on the Company with respect to financial achievements, its Board and Senior Management, the Company's strategies, operations and policies adopted.

The Annual General Meeting (AGM) serves as a crucial avenue for engagement, allowing shareholders to interact directly with the Board, Management and external auditors.

The Company continues to prioritise timely, accurate and accessible disclosures to ensure stakeholders are well informed, while enhancing its Investor Relations function and maintaining active engagement with shareholders. Subsequent to FY2025, the Company adopted a Corporate Disclosure Policy on 11 March 2026 to further strengthen its disclosure practices.

Corporate Governance Overview Statement (Cont'd)

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

II. CONDUCT OF GENERAL MEETINGS

The Board acknowledges that the AGM is an important means of communicating with its shareholders. Therefore, PIE dispatched its notice of the 28th AGM to shareholders at least 28-days before the AGM, which is in line with Practice 12.1 of the MCCG to ensure that shareholders have sufficient time to review proposed resolutions and prepare for active participation.

During the meeting, the Company leveraged technology to facilitate voting for the conduct of a poll on all resolutions, engaging Securities Services (Holdings) Sdn Bhd as Polling Administrator together with Commercial Quest Sdn Bhd as Independent Scrutineer to validate the votes cast. In addition, the Chairman has briefed the members and proxies presented on their right to ask questions and cast votes on resolutions set out in the notice of 28th AGM. All members of the Board, representatives of the Management and external auditors attended the meeting to respond to the questions raised by the shareholders or proxies.

The minutes of the 28th AGM was duly confirmed by the Chairman and uploaded on the Company's corporate website at www.pieib.com.my within 30 business days from the date of the meeting.

The Board will continue to strive for sound standards of corporate governance throughout the Group. Presently, the Board is of the view that the Company has in all material aspects, satisfactorily complied with the principles and practices set out in the MCCG, except for the departures set out in the CG Report.

This Corporate Governance Overview Statement is issued in accordance with a resolution of the Board of Directors dated 11 March 2026.

Sustainability Statement

P.I.E. Industrial Berhad (“PIE” or “the Group”) remains steadfast in its commitment to responsible business practices that address sustainability-related risks and opportunities. This Sustainability Statement reflects our ongoing efforts to confront key environmental and social challenges, guided by stakeholder priorities and material sustainability matters.

Driven by a clear sense of purpose, PIE is dedicated to creating long-term value for businesses, communities, and economies. Our initiatives focus on shaping the future of our industry by fostering innovation, promoting inclusive growth, and embedding sustainability into our core operations. We continue to integrate Environmental, Social, and Governance (ESG) principles across all facets of our organization, with a firm belief that responsible growth is essential to building a better future for generations to come.

Environmental
Social
Governance



ABOUT THIS STATEMENT

This Sustainability Statement thoroughly addresses the operations of PIE, including our Malaysian subsidiaries, Pan-International Electronics (Malaysia) Sdn. Bhd. (PIESB) and Pan-International Wire & Cable (Malaysia) Sdn. Bhd. (PIW), the Thailand subsidiary, Pan-International Electronics (Thailand) Co. Ltd. (PIT). This statement excludes the performance information of PIE’s sales locations, namely PIE Enterprise (M) Sdn. Bhd. (PIEE) and P.I.W Enterprise (Malaysia) Sdn. Bhd. (PIWE) as they have minimal impact on the Group’s economy, environment and social aspects. The reporting period spans from 1 January 2025 to 31 December 2025.

This Statement aligns with the guidelines set forth in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition). Additionally, it adheres to the National Sustainability Reporting Framework (NSRF), which addresses the use of IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), reinforcing transparency and consistency in sustainability reporting. Furthermore, it reflects compliance with the FTSE4Good Bursa Malaysia Index criteria, demonstrating our commitment to responsible and sustainable business practices.

Operating in tandem with the United Nations’ 17 Global Goals, our daily operations reflect a commitment to environmental awareness and sustainable practices. This strategic alignment underscores our dedication to contributing positively to global sustainability efforts. This Statement provides insights into our sustainability journey, governance structure, material sustainability issues and performance data during the specified reporting period.

It’s essential to note that all reporting and performance data presented are confined to information concerning owned and operated facilities of PIE unless explicitly stated otherwise. This ensures clarity regarding the boundaries and context within which the provided information is applicable.

ASSURANCE

The reporting and performance data disclosed in this Statement have been subject to internal validation, assessment, and review by the sustainability working group, internal auditors, and the management team. Moving forward, PIE will consider obtaining external assurance for future sustainability statements.

This Statement has been reviewed and formally approved by the Board of Directors.

Sustainability Statement (Cont'd)

SUSTAINABILITY WITHIN OUR BUSINESS

As a leading Electronics Manufacturing Services (EMS) provider, innovation remains integral to our growth strategy, ensuring alignment with technological advancements and the maintenance of a competitive edge. Strong corporate governance forms the bedrock of our commitment, focusing on understanding and proactively managing material sustainability matters, including climate-related risks and opportunities. Recognizing the impact of climate change on supply chains, operations, and market trends, we embrace sustainable practices to mitigate risks and unlock new growth avenues. Our dedication extends to fostering a healthy and safe work environment, integrating climate resilience into our operational framework while empowering employees, our invaluable assets, to contribute to a more sustainable future.

The fiscal year 2025 marked a period of stabilization as the global economy continued its recovery. While revenue was slightly lower than FY2024, the Group strengthened its long-term resilience through strategic facility upgrades and a sharper focus on high-margin products. These initiatives highlight our commitment to sustaining profitability and enhancing operational efficiency, even in a dynamic market environment. Key to this achievement was the collective efforts of employees, supported by a safe and inclusive workplace, respect for labour rights, and comprehensive personnel systems. As climate change impacts intensified, we proactively educate employees, assessed risks, and developed strategies, underscoring our dedication to environmental stewardship. In a highly competitive industry, our sustainability focus continues to drive investments in research and development, collaborative product innovation, and production efficiency, all contributing to stronger profitability and long-term growth.

At the core of our values is a firm belief in conducting business with integrity and fulfilling Corporate Social Responsibilities. We encourage collaboration among employees, suppliers, customers, and stakeholders to build systems that foster a pragmatic, transparent, and execution-oriented corporate culture. Amid global shifts, including public health events and evolving supply chain models, our commitment to diligence, frugality, and problem-solving remains unwavering. Caring for all stakeholders, including vulnerable groups and the community, aligns with our overarching goal of sustainable corporate operations.

SUSTAINABILITY GOVERNANCE STRUCTURE

The governance structure for sustainability is meticulously designed to ensure effective oversight and integration of sustainable practices throughout our business operations. The structure is outlined as follows:



Board of Directors:

The ultimate responsibility for setting sustainability strategies and overseeing all related management lies with the Board of Directors. As the governing body, the Board plays a pivotal role in steering the Group toward its sustainability goals. This includes managing sustainability initiatives and conducting final reviews on all sustainability matters impacting the Group.

Audit and Risk Management Committee (ARMC)

The ARMC assists the Board of Directors by overseeing sustainability governance, risk management, and compliance. It ensures the integrity of sustainability reporting, internal audits, and the management of sustainability-related risks. The Sustainability Working Group (SWG) reports to the ARMC, enabling effective monitoring and accountability of sustainability initiatives across departments.

Sustainability Statement (Cont'd)

SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)

Sustainability Working Group (SWG):

Established in 2017, the Sustainability Working Group operates under the leadership of the Managing Director. The SWG is tasked with overseeing the practical implementation of sustainability strategies. It evaluates risks and opportunities associated with sustainability, ensuring that initiatives are effectively carried out across the Group. This group acts as a vital link between the Board's strategic decisions and the day-to-day execution of sustainability practices.

Department Heads:

To ensure the comprehensive integration of sustainability, department heads from key functions within the Group play a pivotal role. These functions encompass Human Resources, Finance, Supply Chain, Warehouse, Quality Control, Business Development and Production. Department heads are entrusted with the responsibility of monitoring sustainability initiatives within their domains. They report on the performance of processes and controls related to sustainability, fostering an environment where sustainability becomes an inherent part of every aspect of the Group's operations.

This structured approach reflects our commitment to embedding sustainability in the core of our organizational practices, ensuring that every level of leadership and function actively contributes to our overarching sustainability objectives. Through robust governance mechanisms, we proactively identify, assess, and manage operational risks that may impact efficiency and business continuity, while also addressing climate risks that pose challenges. By integrating these sustainability risk factors into our strategic decision-making, we leverage emerging opportunities to enhance resilience, drive innovation, and safeguard long-term value creation.

STAKEHOLDER ENGAGEMENT

At PIE, fostering a shared sense of value through robust stakeholder engagement is integral to our commitment to sustainability. We recognize the importance of maintaining strong connections with both internal and external stakeholders, ensuring continuous dialogue to enhance our sustainability initiatives. This ongoing communication allows us to understand the diverse interests and concerns of our stakeholders, providing valuable insights into the Group's operations and identifying opportunities for sustainable growth.

The stakeholder landscape is multifaceted, encompassing those who exert a substantial impact on our business and those significantly affected by our operations. Our commitment to stakeholder engagement extends beyond a mere reporting exercise. It is also a dynamic process where we actively seek input, address concerns and collaborate to achieve mutual benefits.

Sustainability Statement (Cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

The following table provides a summary overview of our key stakeholders, reflecting the diverse perspectives and interests that contribute to our collective journey towards sustainability:

Stakeholder	Engagement Methods	Frequency	Areas of Interest	Our Goals
Investors/ Shareholders	<ul style="list-style-type: none"> Annual General Meetings Annual Reports Interim results Public announcement Corporate website and investor relationship channel Press release 	<ul style="list-style-type: none"> Annually Annually Quarterly Ongoing Ongoing As required 	<ul style="list-style-type: none"> Operational and financial performance Shareholder value (e.g., dividend and capital gain) 	To provide reliable disclosures on the interim financial reports that complied with relevant laws and regulatory requirements and timely updates of business performance and corporate developments.
Employees	<ul style="list-style-type: none"> Induction trainings Learning and development programmes Formal meetings and group discussions Corporate organised events Performance appraisals 	<ul style="list-style-type: none"> As required Ongoing Ongoing Ongoing Annually 	<ul style="list-style-type: none"> Equitable remuneration Career development and training opportunities Workplace safety and health Fair employment practices 	To provide a safe and healthy workplace with good employee welfare, equal employment opportunities and job-related training.
Customers	<ul style="list-style-type: none"> Customer audits Customer satisfactory surveys On-site visits at the Group's premises Face-to-face interactions 	<ul style="list-style-type: none"> Ongoing Semi-Annually/Annually Ongoing Ongoing 	<ul style="list-style-type: none"> Product quality Production capacity Customer services 	To build strong relationship with our customers through regularly efficient communication, ensure customer satisfaction with our products and services, seek continuous feedback and adherence to quality performance standards.
Suppliers	<ul style="list-style-type: none"> Supplier selection through pre-qualification Key supplier audits Supplier survey forms Briefings and meetings Scorecards 	<ul style="list-style-type: none"> As required Ongoing Ongoing Ongoing Monthly 	<ul style="list-style-type: none"> Agreeable contracts Terms of payments Maintaining long term partnerships 	To uphold fair and responsible procurement practices across the supply chain.
Government and regulators	<ul style="list-style-type: none"> Official visits and meetings Participation in government programmes 	<ul style="list-style-type: none"> As required As required 	<ul style="list-style-type: none"> Compliance with applicable laws and regulations Economic, Environmental and Social impacts 	To comply with all applicable laws and regulations.
Local communities	<ul style="list-style-type: none"> Donations and sponsorships Participation in local community activities 	<ul style="list-style-type: none"> Ongoing Ongoing 	<ul style="list-style-type: none"> Creation of employment opportunities Community development Environment protection 	To fulfil our responsibility as a responsible corporate citizen.

Sustainability Statement (Cont'd)

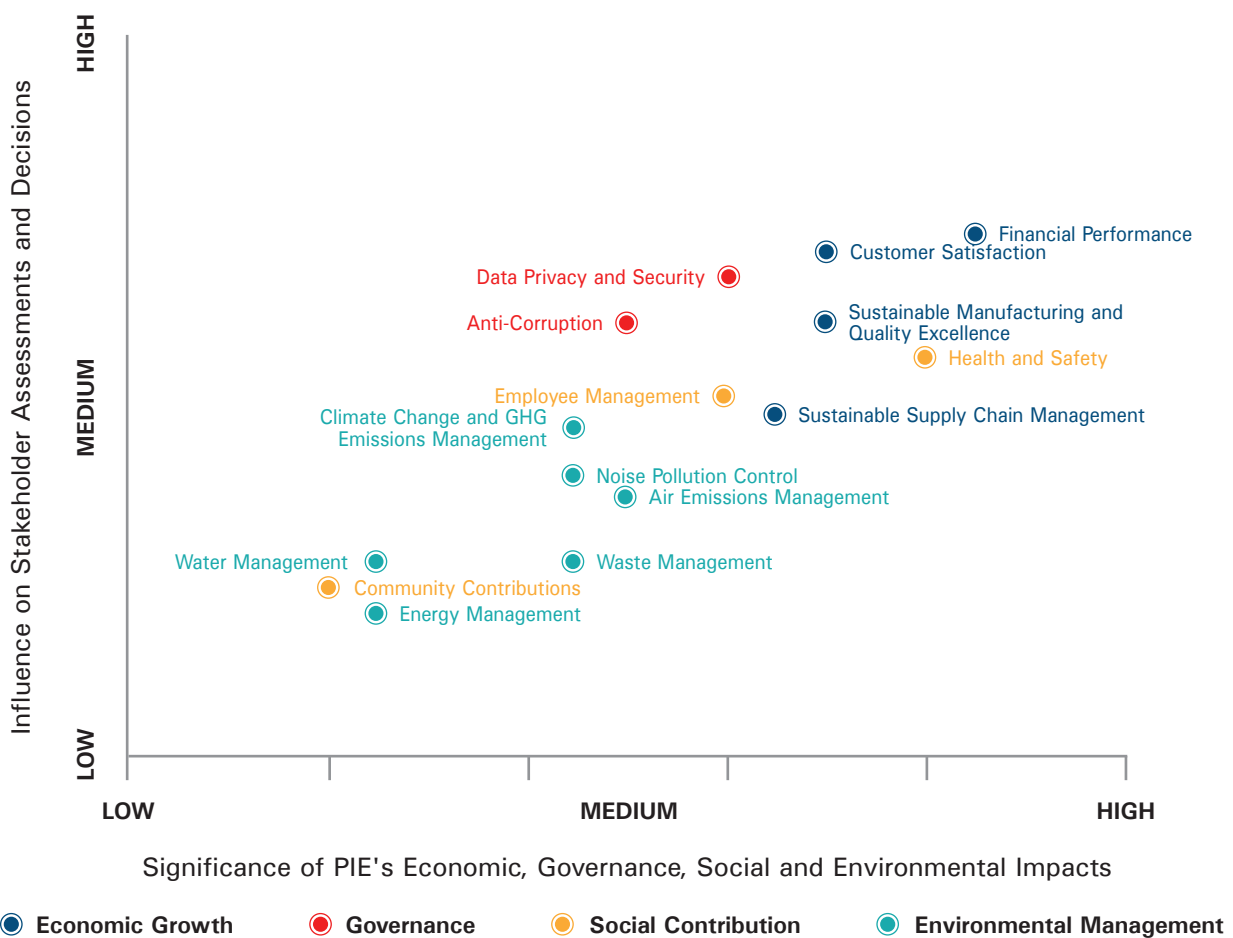
MATERIALITY ASSESSMENT

The materiality assessment process was carried out by the SWG to identify the economic, governance, social, and environmental risks and opportunities (sustainability matters) that have a significant impact on our business. This process provides insights to our stakeholders when making decisions and prioritizing the Group’s best interests and it was conducted with the guidance of the Sustainability Reporting Guide and Toolkits issued by Bursa Securities.

SWG has identified and prioritized various sustainability issues related to the Group’s operations, taking into account both the impact they have and feedback received from stakeholders.

The Matrix reflects that Sustainable Financial Performance, Customer Satisfaction, Sustainable Manufacturing and Quality Excellence, as well as Health and Safety are the top material sustainability matters.

MATERIALITY MATRIX






There are fifteen (15) material matters are categorised across four (4) main sustainability themes i.e., creating value through innovation, corporate governance, human capital development and environmental friendly awareness. Details on our sustainability initiatives towards managing these identified material matters are discussed in the subsequent sections of this Statement.

Sustainability Statement (Cont'd)







MATERIALITY ASSESSMENT (CONT'D)

The Group linked each material matter to the Sustainability Pillars and mapped it against the United Nations Sustainable Development Goals (SDGs) as shown in the table below.

Sustainability Pillars	Themes	Material Matters	Targets	Performance in FY2025
Economic Growth	Creating Value through Innovation 	<ul style="list-style-type: none"> Financial Performance Customer Satisfaction Sustainable Manufacturing and Quality Excellence Sustainable Supply Chain Management 	<ul style="list-style-type: none"> Maintain stable revenue to support long-term sustainability and operational continuity Achieve strong customer satisfaction levels, measured through customer satisfaction surveys Achieve and maintain recognized quality certifications Increase the purchase from local supplier 	<ul style="list-style-type: none"> Total revenue of RM879.25 million PIW and PIT met their customer satisfaction targets, while PIESB achieved success in the 'Service' category Continued compliance with currently held certifications, with no major non-conformities identified Total 35% purchasing from local supplier
Governance	Corporate Governance and Ethical Business Behaviour 	<ul style="list-style-type: none"> Anti-Corruption Data Privacy and Security 	<ul style="list-style-type: none"> Conduct comprehensive corruption risk assessments across all operations to strengthen our anti-corruption practices Maintain zero incidents of corruption Maintain zero cases of privacy and data protection breaches 	<ul style="list-style-type: none"> 100% corruption risks assessment across operations Zero cases incidents of corruption Zero cases of privacy and data protection breaches
Social Contribution	Human Capital Development 	<ul style="list-style-type: none"> Employee Management Health and Safety Community Contributions 	<ul style="list-style-type: none"> Strengthen gender and age diversity in workforce and leadership Uphold zero complaints or reports of human rights violations by fostering a respectful and rights-based workplace culture Maintain zero work related fatality by reinforcing a proactive safety culture Support the local community through CSR programs 	<ul style="list-style-type: none"> Employees and directors are distributed across all gender and age groups, with management and directors represented only in age categories above 30 Zero complaints or reports of human rights violations No incidents of work related fatality have been reported Financial contributions directly benefited 130 individuals

Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

Sustainability Pillars	Themes	Material Matters	Targets	Performance in FY2025
Environmental Management	Environmental Friendly Awareness      	<ul style="list-style-type: none"> Climate Change and Greenhouse Gas (GHG) Management Air Emissions Management Waste Management Noise Pollution Control Energy Management Water Management 	<ul style="list-style-type: none"> Establish baseline GHG emissions Compliant with air emissions laws and regulations Compliant with waste handling and disposal laws and regulations Conduct regular noise monitoring to ensure compliance with regulatory limits and minimize impact on employees Promote efficient use of electricity and renewable energy while ensuring regulatory compliance Promote responsible water usage and ensure full compliance with water-related environmental regulations 	<ul style="list-style-type: none"> Measured and reported 22,522 tCO₂e of GHG emissions Conducted chimney emissions monitoring and verified results against regulatory threshold Achieved zero monetary fines or sanctions for non-compliance with waste management regulations Noise levels were monitored across relevant operations and within permissible limit Total energy consumption was 35,358.51 MWh, of which 18.92% was sourced from solar energy. No monetary fines or sanctions were incurred Total water usage was 170.29 megaliters and no monetary fines or sanctions were incurred

ECONOMIC GROWTH

CREATING VALUE THROUGH INNOVATION

At PIE, innovation is a major factor in both our economic expansion and our ability to compete in the international market. We strive to meet evolving customer needs by leveraging our technical expertise to deliver high-quality, innovative products. Through strategic alignment of our operational procedures and ongoing improvement, we aim to optimize costs, enhance productivity, and generate greater value for our customers. By striking a balance between performance and long-term resilience, this strategy not only improves our market position but also fosters sustainable business growth.

Financial Performance

At PIE, we remain committed to creating long-term value for our stakeholders through sustainable business growth and responsible financial management. Our focus is on strengthening partnerships with customers and suppliers by delivering innovative, high-quality products and maintaining integrity in all our operations. We continue to enhance shareholder value through consistent dividend distributions, supported by investments in machinery and infrastructure. By offering fully integrated one-stop EMS solutions, we reinforce our position as a trusted supplier and ensure that we meet the evolving needs of our customers. Our strategy is designed to drive profitability, resilience, and sustainable growth, enabling us to maintain our leadership in the industry and deliver meaningful returns to stakeholders.

Sustainability Statement (Cont'd)

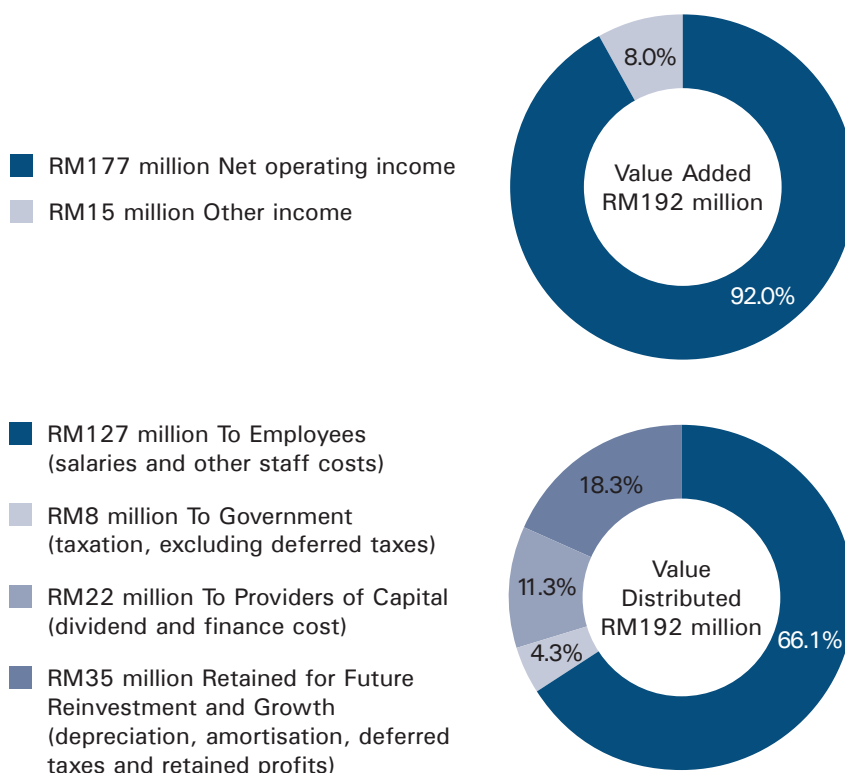
ECONOMIC GROWTH (CONT'D)

CREATING VALUE THROUGH INNOVATION (CONT'D)

Financial Performance (Cont'd)

Financial performance has a direct impact not only on our Group but also on our stakeholders such as employees, investors, and the government. A strong financial performance is a primary goal to ensure sustainable growth and future success of the Group.

In the reporting year under review, the Group recorded revenue of RM 879.25 million, profit before tax of RM 31.98 million, and net profit of RM 20.94 million. Our direct economic value added and the distribution by PIE to stakeholders is shown below.



Further information on our financial performance can be found in Group Financial Highlights and Financial Statements on this Annual Report.

Customer Satisfaction

We understand that customer satisfaction is critical to the success of the Group, and we are committed to ensuring a high level of satisfaction among our customers. To achieve this, we prioritize understanding and meeting our customers' needs. This begins with gathering feedback from our key customers through customer engagement and satisfaction surveys. This feedback helps us improve our services, delivery, and overall customer experience.

In FY2025, we continued our efforts to gather feedback from our customers. PIESB and PIT conducted customer satisfaction surveys on a biannual basis, whereas PIW conducted them annually. These surveys assess our customers' level of satisfaction with our performance in areas such as quality, delivery, cost, and service.

Sustainability Statement (Cont'd)

ECONOMIC GROWTH (CONT'D)

CREATING VALUE THROUGH INNOVATION (CONT'D)

Customer Satisfaction (Cont'd)

Tables below disclose the PIE performance in various performance areas for the reporting year of 2025.

PIESB	Target	2025	2024	2023
<i>Customer feedback</i>				
Quality	A	B	B	C
Delivery	A	B	B	B
Cost	A	B	B	C
Service	A	A	B	B

PIW	Target	2025	2024	2023
Customer satisfaction index	85%	88.30%	86.48%	86.35%

PIT	Target	2025	2024
Customer satisfaction score	> B rank	A (90.31%)	A (91.25%)

Customer feedback in 2025 provided valuable insights into opportunities for PIESB to improve in quality, delivery, and cost. PIESB is leveraging these insights to drive sustainable growth and remains committed to ongoing enhancements that meet evolving customer expectations.

On the other hand, PIW received a customer satisfaction index of 88.30%, which met the target set by management. This indicates that PIW's customers were satisfied with the high-quality wire and cable products, helpful customer service team, and on-time delivery services. Despite the positive feedback, PIW continues to expand its product offerings to better meet customer requirements.

PIT achieved a customer satisfaction score of 90.31% in 2025, meeting the target set. This score reflects customer satisfaction with the punctuality of delivery, communication and services, as well as the corrective and preventive actions delivered by PIT. Although the target was met, PIT remains dedicated to continuous improvement to better fulfil customer requirements, especially in terms of product prices and quality.

The relationships with our customers are further strengthened through adherence to the Responsible Business Alliance (RBA) Code of Conduct, which establishes a set of core requirements in the electronics industry to promote safe working conditions, protect workers' human rights, and adopt environmentally-friendly manufacturing processes. PIESB uses the RBA Self-Assessment Questionnaire (SAQ) to evaluate its own facilities to ensure compliance with the RBA Code of Conduct and operate in a responsible and ethical manner. The SAQ helps identify social, health and safety, environmental, and ethical risks, and develop corrective action plans to manage those risks.

Sustainable Manufacturing and Quality Excellence

The growth of technology and international competition brought about by globalization has continued to drive our manufacturing operations to meet customer demands for innovative and high-quality products. At PIE, we collaborate with our customers to implement continuous improvement strategies that align with their expectations at every stage of product development and provide them with the best experience.

Our Sustainable Manufacturing Programme is not only a commitment to environmental responsibility, it is a strategic driver of product quality and customer satisfaction. The implementation of Lean Manufacturing Program has helped us reduce wasteful processes and materials, quickly detect defects, minimize the need for supervision, and eliminate idle time.

Variability and defects in production have been reduced and this ensures that every product meets stringent quality standards while minimizing resource consumption. In 2025, we continued our focus on achieving sustainability through process automation with the Lean Manufacturing Programme to support consistent output and faster detection of anomalies. We invested further in machines, automation and equipment to increase our productivity and automation.

Sustainability Statement (Cont'd)

ECONOMIC GROWTH (CONT'D)

CREATING VALUE THROUGH INNOVATION (CONT'D)

Sustainable Manufacturing and Quality Excellence (Cont'd)

The 5S workplace organization method is a crucial component of our Lean Manufacturing Program. The five (5) principles of the 5S method, which stand for "Sort," "Set in Order," "Shine," "Standardize," and "Sustain," aim to maximize efficiency and effectiveness in the workplace by creating a clean, organized, and safe environment. We foster the sixth (6th) "S" for "Safety" as an integral part of our operations which emphasizes the importance of reducing workplace hazards and ensuring compliance with regulatory requirements. The 5S methodology, reinforced by our focus on safety, creates an environment where quality is built into every step of the process.

Our Group is also committed to integrating sustainability and quality assurance throughout all levels of our operations. This commitment is reflected in the internationally recognized certifications held by our subsidiaries, which demonstrate our adherence to diligent environmental, safety, and quality standards. PIESB is certified to ISO 14001, ISO 13485, ISO 9001, and IATF 16949, reflecting its commitment to sustainability, medical device quality, general quality assurance, and automotive industry standards respectively. PIW holds ISO 9001 and the Sony Green Partner certification, showing strong quality practices, as well as complying with strict environmental criteria. PIT is certified to ISO 9001, IATF 16949 and ISO 13485, demonstrating compliance with international quality standards across general, automotive, and medical device industries. These certifications reinforce our commitment to responsible operations and continuous improvement across diverse sectors.

Regular audits and operational reviews which are conducted on all production floors ensure that these standards are upheld and continuously improved. By aligning our continuous improvement strategies with customer expectations, we ensure that sustainability and quality are not separate goals, but deeply interconnected pillars of our manufacturing philosophy.

Sustainable Supply Chain Management

Our Supply Chain Management Department plays a vital role in overseeing and optimizing all supply chain activities, including sourcing, purchasing, and procurement control. We recognize that a robust and transparent supply chain system underpinned by ethical procurement practices is essential for building resilient, long-term partnerships with our suppliers. To advance our sustainability goals, we have implemented a range of initiatives aimed at embedding environmental and social responsibility across our supply chain.

In our efforts to be a responsible manufacturer, we take a stringent approach to supplier selection by requiring compliance with the Responsible Business Alliance (RBA) Code of Conduct in PIESB. In PIW, we expect suppliers to commit to excluding substances listed on the REACH Candidate List of Substances of Very High Concern (SVHC) from their materials and processes. Furthermore, we uphold a strict Conflict Minerals Policy, ensuring that tin, tantalum, tungsten, and gold used in our supply chain are sourced responsibly and do not contribute to armed conflict or human rights abuses. Through these measures, we ensure that our suppliers meet high social and environmental standards while maintaining integrity and transparency throughout our supply chain.

While we prioritize local procurement to support the domestic economy and reduce our environmental footprint, certain specialized materials required in our production processes must be sourced from customer-appointed suppliers. These suppliers are predominantly based overseas, with some represented by locally authorized distributors. To ensure cost efficiency and supply continuity, we also collaborate closely with our headquarters' strategic supply chain team in China to leverage volume purchasing and secure competitive pricing. This balanced approach allows us to meet customer specifications while maintaining our commitment to responsible sourcing and sustainable supply chain practices.

As an EMS provider, the majority of our expenditure is allocated to raw materials. For the year 2025, we are currently presenting data exclusively for raw materials.

Table below shows the percentage of local and foreign purchase of raw materials.

Percentage of Local and Foreign Purchases of Raw Materials	2025	2024	2023
Local	35%	33%	23%
Foreign	65%	67%	77%

The Group also urges its suppliers to comply with environmental regulations and advocates for an overall supply chain improvement in green consciousness. This forms an integrated protective chain from top to bottom, aiming to achieve common environmental sustainability goals.

Sustainability Statement (Cont'd)

GOVERNANCE

CORPORATE GOVERNANCE AND ETHICAL BUSINESS BEHAVIOUR

We understand that robust corporate governance and ethical business practices are essential for the sustainable development of the Group. Therefore, we are committed to upholding the highest standards of governance, ethics, professionalism, and business conduct, and acting with integrity in full compliance with relevant laws, rules, and regulations across all our operations. In the context of electronic manufacturing, we have implemented ongoing initiatives and policies to ensure effective corporate governance, including compliance with industry-specific standards, responsible supply chain management, and operational transparency.

Anti-corruption

We strive to comply with the three (3) principles of the Malaysian Code on Corporate Governance 2021 as a framework to enhance shareholders' value and safeguard the interest of other stakeholders. Our Corporate Governance practices are summarized in the Corporate Governance Overview Statement on this Annual Report.

Our Whistleblowing Policy provides employees and external parties with an internal channel to report unethical behaviour, improper business conduct, or any breach or suspected breach of laws, regulations, or the Group's policies and guidelines without fear of retaliation. This policy protects individuals who make such allegations or reports of misconduct. There were no reports received through the whistleblowing channel in 2025.

The Code of Ethics for Directors is based on the principles of honesty, integrity, responsibility, and corporate social responsibility and provides guidance for setting ethical standards for directors and fulfilling their responsibilities and social obligations.

Our Employee Handbook communicates the components of our code of conduct, including compliance with laws and regulations, respect for colleagues, protection of Group property, and professionalism in all business practices, to all employees to ensure they understand and uphold our ethical standards. Additionally, our Business Ethics Policy outlines our obligations and commitments to ethical business practices, and our Labour Policy protects employee human rights and ensures all workers are treated with dignity and respect.

In accordance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Anti-Bribery and Corruption Policy has been adopted as part of our commitment against all forms of bribery and corruption.

We regularly review our policies to ensure they are relevant and compliant with the current business environment, and we encourage our employees to maintain the highest standards of integrity and accountability at all times. With these initiatives and policies in place, there have been no reported breaches of ethics and integrity in 2025.

The assessment on operations for corruption-related risks was done through comprehensive assessment of corruption risk exercise on all operations.

Operations Assessed for Corruption-related Risks	2025	2024	2023
Group	100%	100%	100%

Furthermore, we have conducted the internal anti-corruption training course for all employees, including direct and indirect workers, as well as those in management positions.

Anti-corruption Training	2025	2024	2023
Management	24%	37%	2%
Indirect Workers	38%	84%	6%
Direct Workers	26%	51%	21%

In year 2025, we incurred zero incidents of corruption and action taken.

Number of Confirmed Incidents of Corruption	2025	2024	2023
Group	0	0	0

Further information on our Corporate Governance Report, Whistleblowing Policy, Code of Ethics for Directors, and Anti-Bribery and Corruption Policy can be found on the Group's corporate website at www.pieib.com.my.

Sustainability Statement (Cont'd)

GOVERNANCE (CONT'D)

CORPORATE GOVERNANCE AND ETHICAL BUSINESS BEHAVIOUR (CONT'D)

Data Privacy and Security (Cont'd)

As a responsible electronic manufacturing service provider, we recognize that data privacy and security are essential components of sustainable business operations. Our commitment to protecting sensitive information, whether personal, operational, or customer-related is embedded in our existing Information Use and Data Security Compliance policy, which applies to all employees across the organization.

This policy outlines expectations for responsible data handling, emphasizing the importance of understanding individual roles in maintaining information security. It has provided employees with information regarding the acceptable use of mobile technology, as well as password security and wireless access policies to protect confidential data. Employees are regularly trained to recognize and respond to phishing attempts, scams, and other forms of digital exploitation.

To fortify our digital infrastructure, we deploy industry-standard antivirus and anti-malware software, which are regularly updated to defend against evolving threats such as ransomware, phishing, and malware. Network segmentation had been implemented between our production and office environment to ensure operational integrity. All data entered into our systems is backed up weekly, ensuring business continuity and minimize the risk of data loss. Employees who interact with external suppliers and vendors are trained to uphold customer privacy standards and apply data loss prevention practices.

In year 2025, we incurred zero case of substantiated complaints concerning breaches of customer privacy and losses of customer data.

Number of Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	2025	2024	2023
Group	0	0	0

In line with Malaysia's Personal Data Protection Act 2010 (PDPA) and Thailand's Personal Data Protection Act B.E. 2562 (2019), we continue to operate with full awareness of our responsibilities as a data user. Our established framework incorporates the key principles of these acts, including notice and choice, disclosure, security, retention, and access, ensuring that personal data is managed responsibly and transparently. We remain committed to compliance with applicable laws and will monitor regulatory developments to ensure our practices remain aligned with national expectations.

Our approach to data privacy and security reflects our broader sustainability goals to operate ethically, transparently, and with respect for the rights of our stakeholders. Data privacy and security are not just compliance requirements, they are integral to our long-term sustainability and stakeholder confidence.

SOCIAL CONTRIBUTION

HUMAN CAPITAL DEVELOPMENT

At PIE, we recognize that our employees are integral to the Group's long-term success. We are committed to fostering a healthy and safe work environment, supporting continuous career development, and enhancing overall employee well-being. Our goal is to cultivate a motivated and engaged workforce that drives the delivery of high-quality, innovative products to our customers. Beyond our internal commitments, we also value the importance of nurturing strong relationships with the communities in which we operate. We actively engage in local initiatives and community development programs, striving to build inclusive and mutually beneficial partnerships that contribute to shared prosperity.

Sustainability Statement (Cont'd)

SOCIAL CONTRIBUTION (CONT'D)

HUMAN CAPITAL DEVELOPMENT (CONT'D)

Employee Management

We understand that our employees are the backbone of our success and sustainable growth. Our 3R strategy - "Recruit", "Retain", and "Reinforce" - is designed to create a supportive and engaged work environment where our employees feel valued and respected.

Recruit

In line with our commitment to fair and inclusive employment practices, we adhere to a strict Labour Policy that promotes equality and merit-based recruitment. Our approach is designed to attract a balanced mix of skills and experience, ensuring that candidates are selected based on merit to meet the diverse business needs of the Group. We are not solely focused on hiring experienced professionals, we also actively recruit fresh graduates and younger talent to infuse new perspectives and innovation into our workforce. This inclusive strategy supports long-term growth and strengthens our organisational resilience.

As of 31st December 2025, the Group has a total workforce of 2,637 employees. This reflects a 18.64% decrease from the 3,241 employees in 2024. This reduction reflects deliberate efforts to optimize organizational capacity and align manpower with long-term strategic priorities. Through workforce optimization and improved allocation, PIE has strengthened its ability to meet customer timelines, while effectively managing challenges such as shortages in foreign workers. In addition, the Group does not employ contract or temporary staff in year 2025.

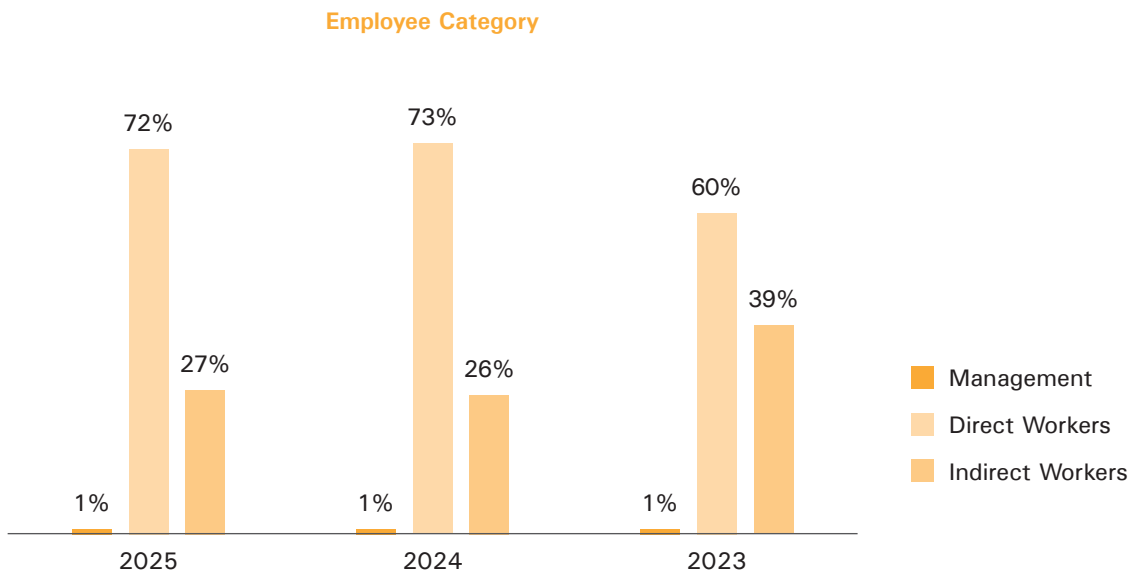
Percentage of Employees That Are Contractors or Temporary Staff	2025	2024	2023
Group	0%	0.2%	0%

As stated in our Labour Policy, we strictly prohibit all forms of discrimination in the workplace. We are committed to fostering an inclusive environment that does not discriminate based on race, age, gender, religion, gender expression, national origin, pregnancy, marital status, or disability. To ensure compliance with relevant local and international regulations concerning child labour and the protection of young workers, we maintain a firm policy of employing individuals aged 18 and above.

In 2025, we did not receive any substantiated complaints or reports related to human rights violations, reaffirming our commitment to ethical labour practices and respect for human dignity.

Number of Substantiated Complaints Concerning Human Rights Violations	2025	2024	2023
Group	0	0	0

As an EMS provider, a significant portion of our workforce comprises direct workers as below.



Sustainability Statement (Cont'd)

SOCIAL CONTRIBUTION (CONT'D)

HUMAN CAPITAL DEVELOPMENT (CONT'D)

Employee Management (Cont'd)

Recruit (Cont'd)

We believe a diverse workforce is the beginning stage for lasting success of our businesses. In 2025, our workforce in PIE was represented by 52% male and 48% female. The largest proportion with 46% of our employees is aged under 30. The demographics of our diverse workforce in year 2025 are as follow:

Employees by Gender	2025		2024		2023	
	Male	Female	Male	Female	Male	Female
Management	76.5%	23.5%	73.3%	26.7%	0.7%	0.3%
Indirect Workers	57.2%	42.8%	59.2%	40.8%	29.2%	10.3%
Direct Workers	50.1%	49.9%	46.0%	54.0%	28.0%	31.5%

Employees by Age	2025			2024			2023		
	Under 30	Between 30-50	Above 50	Under 30	Between 30-50	Above 50	Under 30	Between 30-50	Above 50
Management	0%	47.1%	52.9%	3.3%	50.0%	46.7%	0%	0.5%	0.4%
Indirect Workers	36.7%	49.9%	13.4%	42.3%	44.8%	12.9%	12.6%	10.9%	2.8%
Direct Workers	51.0%	46.2%	2.8%	63.7%	34.0%	2.3%	45.3%	26.7%	0.8%

Tables below disclose the director distributions by gender and age. In year 2025, the majority of directors in PIE were men (71%), while women accounted for 29%. In addition, 71% of directors were above 50 years old.

Director Distribution	Percentage		
	2025	2024	2023
By Gender			
Male	71%	71%	71%
Female	29%	29%	29%
By Age			
Under 30	0%	0%	0%
Between 30-50	29%	29%	29%
Above 50	71%	71%	71%

Retain

We are dedicated to attracting and retaining top talent by providing fair opportunities and an attractive compensation package to enable them to perform their best for the Group's benefit. This approach ensures that our employees are motivated and empowered to perform at their best, ultimately contributing to the Group's success. To achieve this, we have established a comprehensive employee welfare program and our employee benefits package, which is managed by our Human Resources Department to ensure equitable treatment of all employees.

We adhere to the relevant local legal requirements regarding wages and benefits, such as the Minimum Wages Order, Employees' Provident Fund, Social Security, Employment Insurance System, Foreign Workers Hospitalization and Surgical Scheme, and leave provisions. In addition to these, we offer a competitive compensation package and employment benefits. Employees are also eligible for annual increments and bonuses based on their performance, position, and length of service.

Our employees are entitled to weekends off, as well as public holidays. They are also granted annual leave, sick leave, hospitalization leave, wedding leave, maternity leave, and compassionate leave. To strengthen employee retention and foster a vibrant workplace culture, the Group organized a variety of engagement initiatives throughout the year. These activities were thoughtfully designed across four key themes: promoting health and wellness through screenings; social and cultural engagement through festive celebrations; sports and team-building events including sports tournaments; and community-focused efforts like charity events, blood donation drives, and beach clean-up. In addition, we recognized long-serving employees through our Long Service Awards. These collective efforts reflect our commitment to creating a supportive, inclusive, and purpose-driven environment where employees feel valued and connected.

Sustainability Statement (Cont'd)

SOCIAL CONTRIBUTION (CONT'D)

HUMAN CAPITAL DEVELOPMENT (CONT'D)

Employee Management (Cont'd)

Retain (Cont'd)

This data presents the number of employee turnover for the year 2023 to 2025.

Number of Employee Turnover	2025	2024	2023
Management	8	4	6
Indirect Workers	229	181	25
Direct Workers	657	493	535

Reinforce

We recognize that empowering our employees through continuous learning is essential to fostering innovation, enhancing service quality, and meeting evolving customer expectations in the digital age. In line with this belief, we have sustained our commitment to professional growth by offering a wide range of training and development programs throughout 2025. These initiatives collectively amounting to 4,921 hours of structured learning. By investing in our workforce, we aim to build a resilient, future-ready organization that thrives on knowledge, adaptability, and shared success.

Total Hours of Training Attended	2025	2024	2023
Management	275	2,393	145
Indirect Workers	2,753	4,652	2,462
Direct Workers	1,893	10,523	5,049

Throughout the year, our employees participated in a range of training programs focused on technical skills, management development, and the latest industry updates. These initiatives were designed to strengthen occupational competencies, support personal growth, and prepare our workforce for expanded responsibilities as the Group continues to grow.

Technical training was targeted at enhancing the capabilities of our machine operators, ensuring they remain proficient and effective in their roles. Management training focused on developing soft skills such as leadership, communication, and decision-making, equipping employees to take on greater responsibilities within the organization. To keep our workforce informed and agile, we introduced programs that addressed recent changes in industry regulations, standards, and best practices.

In addition, all new hires received comprehensive induction training on their first day, providing them with a clear understanding of the Group's values, policies, and operational procedures. These efforts reflect our ongoing commitment to cultivating a skilled, informed, and future-ready workforce.

Health and Safety

We are dedicated to creating a healthy and safe work environment for all our employees, visitors, customers, suppliers, contractors, and the local community. To achieve this, we have established the Environment, Health, and Safety (EHS) management system to continually improve our performance and ensure a secure, safe, and healthy work environment.

We have implemented a comprehensive Safety and Health Policy across the Group with the aim of enhancing our EHS management system, providing adequate training on environmental protection, workplace safety, and health hazards, minimizing EHS incidents through effective safety management techniques, and achieving the highest level of EHS performance.

Our Safety and Health Committee is responsible for overseeing safety-related matters within the Group, monitoring our EHS performance, and making recommendations for improvement. They are in charge of reviewing the Safety and Health Policy to ensure compliance with the Occupational Safety and Health Act 1994 and environmental requirements, as well as any other applicable regulations. Additionally, the Committee regularly reviews the EHS management system to ensure its effectiveness and relevance.

Sustainability Statement (Cont'd)

SOCIAL CONTRIBUTION (CONT'D)

HUMAN CAPITAL DEVELOPMENT (CONT'D)

Health and Safety (Cont'd)

In the year 2025, our effective EHS management system resulted in no reported work-related fatalities and five cases of work-related injuries. We continue to increase awareness among our employees about health and safety measures and potential risks in our operations to prevent any workplace incidents. The lost time incident rate for 2025 was recorded at 0.2, reflecting our ongoing efforts to safeguard employee well-being and foster a culture of safety.

	2025	2024	2023
Number of work-related fatalities	0	0	0
Lost time incident rate	0.2	0	0

During the year, our efforts to address health and safety issues included but were not limited to:

- All injuries regardless of the severity, any chemical spillage, any finding of unsafe condition must be reported to Safety and Health Committee members for their immediate further investigation;
- Implementation of 5S by removing all unnecessary items, keeping the tools, equipment and facilities in its place when not in use, cleaning the work area before going back home, standardising the safe practices i.e., keep fire escape route, firefighting equipment and walkway free of obstruction and maintaining the 5S procedures at all time;
- Smoke only at designated area;
- All employees have access to utilise the necessary Personal Protection Equipment (PPE) such as safety shoes, safety helmet, safety glasses, ear plugs, respirators, face shields, gloves and etc.;
- Warning signs and labels or signage of chemical substance are posted at production and chemical store;
- Portable extinguisher and sprinkler valves are available and ensure they are in good condition by conducting quarterly internal safety audit and monthly inspection by fire protection contractor respectively;
- Emergency response plans such as annual fire evacuation drill;
- Safety briefings are provided to all visitors or contractors who work temporarily in our premises and educate them on potential hazards and precautionary measures;
- First-aid kits are available for treatment of work-related injuries;
- Weekly 5S and safety audits are conducted by the Safety and Health Committee; and
- Employees are prohibited to use personal electrical equipment and appliances that pose a potential threat to the facility and occupants or consume excessive amounts of electricity.

The Safety and Health Committee is responsible for ensuring that EHS-related training is properly arranged and carried out throughout the Group. Our focus is on increasing our employees' awareness of EHS issues through numerous training sessions. To this end, we continue to provide a safety induction course for new hires upon joining the Group. Firefighting training was provided for members of the Emergency Response Team (ERT) to equip them with the proper knowledge and skills for any possible emergencies. We also conducted 5S and safety awareness training to enhance our employees' safety awareness and emergency response capabilities. In year 2025, 299 employees received training on health and safety standards.

Number of employees trained on health and safety standards	2025	2024	2023
Group	299	1,088	21

Community Contributions

We recognize the importance of Corporate Social Responsibility (CSR) in fostering inclusive, resilient, and sustainable communities. In 2025, we contributed RM1,500 to support 130 beneficiaries. These contributions provided essential resources and offered emotional support to some of the most vulnerable members of our community. By partnering with dedicated care providers and community organizations, we aim to create lasting, positive change and promote a more compassionate and equitable society.

	2025	2024	2023
Total amount invested in the community (RM)	1,500	5,619	800
Total number of beneficiaries	130	4	2

Our CSR efforts in 2025 included organizing a beach cleaning activity to promote environmental awareness and we hosted a blood donation campaign, encouraging employees to contribute to life-saving efforts and support local healthcare needs.

We are committed to progressively strengthening our CSR efforts in meaningful and sustainable ways. While current initiatives are modest, we recognize their potential to drive positive change. Moving forward, we will pursue new opportunities to support our communities and collaborate closely with CSR organizations. Through active CSR engagement, we aim to contribute to societal well-being and create lasting impact in the communities we serve.

Sustainability Statement (Cont'd)

ENVIRONMENTAL MANAGEMENT

ENVIRONMENTALLY FRIENDLY AWARENESS

We are committed to managing our manufacturing operations in an environmentally responsible manner, ensuring full compliance with all relevant environmental laws and local standards. When specific regulatory limits do not exist, we take the initiative to implement practices that meet or surpass widely accepted environmental standards which always aiming to lessen our ecological impact. Our sustainability efforts have led us to improve operational efficiency, boost productivity, and maintain product quality while also reducing our overall effect on the environment. As an electronic manufacturing service provider, we recognize our responsibility to reduce environmental impact across our value chain and are committed to integrating sustainability into every aspect of our operations, driving continuous improvement and contributing to a more resilient, low-carbon future.

Climate Change and Greenhouse Gases (GHG) Management

As a service provider for electronics manufacturing, we are aware of how crucial climate-related risks and opportunities will be in determining the direction of our sector in the future. This marks our first formal disclosure of climate-related information in our sustainability reporting in accordance with the IFRS S2 Climate-related Disclosures Standard.

At this early stage, our efforts remain foundational. We have begun by identifying, assessing, and managing climate-related risks in both physical and transitional, while strengthen internal awareness and gradually integrating climate resilience into our strategic decision-making. We are committed to build a systematic approach for climate risk management and are actively progressing toward establishing clear climate targets and comprehensive mitigation plans.

For now, our priority is to understand how climate change may affect our operations, supply chain, and stakeholders. We view this first step as the beginning of a long-term journey toward integrating climate considerations into our decision-making, operations, and corporate responsibility efforts.

Climate Governance

Climate-related governance is incorporated within our existing sustainability governance structure. Oversight of climate-related risks and opportunities is managed by the same structure that oversees our overall environmental, social, and governance (ESG) initiatives. This integrated approach ensures consistency, efficiency, and alignment across all sustainability-related matters. Climate-related governance is currently led by management through our Sustainability Working Group which is responsible for monitoring climate-related developments and regulatory changes, coordinating internal climate risk assessments and scenario analysis, reporting findings and recommendations to senior management.

The Board is kept informed of sustainability developments, including climate-related risks and opportunities, through regular updates. While formal board responsibilities for climate oversight are still evolving, the Group is committed to progressively enhancing Board involvement. Going forward, climate responsibilities will be embedded into Board mandates and committee terms of reference, with a designated committee or director providing oversight. The Board will in future review and approve climate-related targets, monitor progress against those targets, and ensure directors receive training to strengthen competencies in climate governance.

This staged approach reflects our philosophy of building a strong foundation at the management level while preparing for deeper board engagement. By combining robust management processes with a roadmap for board oversight, we are positioning the Group to meet stakeholder expectations, align with IFRS S2 guidelines, and support the global transition to a low-carbon economy.

Sustainability Statement (Cont'd)

ENVIRONMENTAL MANAGEMENT (CONT'D)

ENVIRONMENTALLY FRIENDLY AWARENESS (CONT'D)

Climate Change and Greenhouse Gases (GHG) Management (Cont'd)

Climate Risk Management (Cont'd)

Our climate risk management approach includes structured, annual assessments with a particular focus on our Malaysia subsidiaries, PIESB and PIW. This assessment evaluates both the likelihood and potential impact of climate-related risks, covering physical and transition risks while also reviewing the effectiveness of existing controls. This process ensures that climate-related risks are evaluated with particular focus on their potential to impact the Group's financial performance and long-term resilience.

Management and department heads will be crucial in reviewing these assessments, ensuring that our mitigation strategies are both practical and aligned with the Group's operational realities, addressing immediate needs while considering long-term sustainability goals. Our climate risk management framework ensures that for every major risk, opportunities are recognized and preliminary strategies are developed to safeguard operations and assets.

By incorporating climate risk assessments into our governance and risk management frameworks, we strive to enhance resilience throughout the organization. This approach enables informed decision-making and ensures our strategies align with enduring sustainability aims and the worldwide shift towards a low-carbon economy. Furthermore, adhering to IFRS S2 guidelines for transparency, we will consistently track, evaluate, and report on climate-related risks to furnish our stakeholders with clear insights about our progress and actions taken.

Climate Related Risk, Opportunity and Strategy

Following our climate risk assessment in 2025, we identified a few climate-related risks across physical and transition categories, across strategic, financial, operational, reputational, and social dimensions. From the assessment results, we selected the most material risks to prioritize. For each significant risk, we have also identified corresponding opportunities and outlined preliminary strategic responses. This marks the foundation of our systematic approach to integrating climate risk management into our governance and long-term planning.

In the short term (1–3 years), acute risks such as extreme weather events drive investment in supply chain resilience and preventive maintenance. In the medium term (3–10 years), chronic risks such as rising energy costs shape our transition to renewable energy and infrastructure upgrades. In the long term (10+ years), systemic changes in global climate policy and technology guide capital allocation toward sustainable innovation and new market opportunities.

Physical risks include acute risks, such as extreme weather events that disrupt operations or damage assets, and chronic risks, such as long-term climate shifts that affect productivity, infrastructure, and employee wellbeing. Transition risks arise from regulatory changes, shifting market expectations, technological developments, and stakeholder pressure in the move toward a low-carbon economy. The risk assessment provides preliminary direction by identifying the key areas the Group should focus on when integrating climate risk into its strategy by reinforcing facilities and supply chain resilience against acute shocks, strengthening financial planning to address chronic cost pressures, and preparing for transitional risks through enhanced compliance.

Sustainability Statement (Cont'd)

ENVIRONMENTAL MANAGEMENT (CONT'D)

ENVIRONMENTALLY FRIENDLY AWARENESS (CONT'D)

Climate Change and Greenhouse Gases (GHG) Management (Cont'd)

Climate Related Risk, Opportunity and Strategy (Cont'd)

The identified risks affect our business model and value chain in several ways:

Type of Risks	Climate Risk Description	Opportunity Identified	Preventive Strategic Response
Acute physical risks	Supply chain and logistics disruptions due to climate events	<ul style="list-style-type: none"> Build agile supply chain networks that adapt quickly to disruptions Strengthen client trust through transparent communication and reliability 	<ul style="list-style-type: none"> Multisourcing and regional diversification of suppliers and logistics partners Maintain buffer stock according to demand forecasts and communicate proactively with clients about inventory levels and delivery timelines
	Physical damage to Group assets caused by climate events, which may impact operations and production	Improve operational efficiency and extended asset lifespan through preventive maintenance	Conduct regular inspections and ongoing maintenance of company buildings, machinery, and equipment to identify vulnerabilities early. Undertaken prompt repairs whenever defects are identified to keep assets resilient
Chronic physical risks	Increased operational and financial risks due to climate change impacts on assets, supply chains, and rising costs	Shift to renewable energy reduces long-term operating costs and exposure to electricity price volatility	Adopt solar energy to reduce reliance on grid electricity and mitigate cost increases. Solar now accounts for 18.92% of our energy consumption, up from 17.88% last year, showing steady progress in reducing reliance on grid electricity
Transitional risks	Transitional risks emerge from regulatory, market, and technological shifts impacting costs and supply chains	Leverage regulatory and technological shifts to gain efficiency, reduce costs, and strengthen market leadership	Always stay alert to updates and new technologies, continuously monitor regulatory developments and integrate compliance into operations

In response, we have developed targeted strategies that not only mitigate these risks but also unlock new opportunities for growth, resilience, and innovation. Our approach is grounded in the principle that climate-related risks can serve as a catalyst for operational improvement, market differentiation, and long-term value creation.

➤ Climate Scenario Analysis

As part of our initial alignment with the IFRS S2 Climate-related Disclosures Standard, we have conducted a preliminary climate scenario analysis focused on our Malaysia subsidiaries, PIESB and PIW. These subsidiaries represent the majority of our revenue and operational footprint, making it the most material location for assessing climate-related risks at this stage.

Sustainability Statement (Cont'd)

ENVIRONMENTAL MANAGEMENT (CONT'D)

ENVIRONMENTALLY FRIENDLY AWARENESS (CONT'D)

Climate Change and Greenhouse Gases (GHG) Management (Cont'd)

Climate Related Risk, Opportunity and Strategy (Cont'd)

We assessed potential physical climate risks to our Malaysia subsidiaries using two representative climate scenarios:

- RCP4.5 (moderate emissions): Assumes successful global mitigation efforts, consistent with international targets to limit warming below 2°C.
- RCP8.5 (high emissions): Assumes limited mitigation and continued high greenhouse gas emissions, leading to stronger warming and elevated physical climate risks.

Regional projections from the Climate Impact Explorer (ISIMIP-Secondary models) indicate that the land area exposed to river flooding in Penang may gradually increase after year 2040, with more pronounced increases under RCP8.5. Flood exposure remains relatively stable under RCP4.5 through mid-century. Notably, exposure begins to rise more sharply once global temperatures exceed approximately 1.5°C to 2.5°C above pre-industrial levels, highlighting the importance of global mitigation efforts to limit long-term risks.

We are in the early stages of developing formal climate adaptation and resilience plans. This initial assessment establishes a baseline understanding of potential flood risks to our operations. The insights from this scenario analysis will support future planning and reporting efforts, helping our Group better understand and prepare for potential climate-related impacts in Penang.

We recognize that this initial scenario analysis represents a foundational step in our approach to climate risk management. As our capabilities continue to evolve, we plan to explore a broader range of climate scenarios, including varying emissions pathways and regional models. We also intend to incorporate quantitative modelling to better understand potential financial impacts. In addition, we aim to expand the scope of our analysis to cover more subsidiaries and geographies, and to integrate scenario insights into both strategic planning and operational decision-making.

Metrics and Targets

To support our climate risk management efforts and align with global sustainability standards, we have established key environmental metrics to monitor and evaluate our performance. These metrics provide a foundation for setting future targets and improving transparency across our operations. The measured metrics included:

- **Greenhouse Gas (GHG) Emissions**
We track Scope 1 and Scope 2 emissions, along with selected Scope 3 categories in tonnes of CO₂ equivalent (tCO₂-e).
- **Energy Consumption**
Total energy usage is measured in megawatt-hour (MWh), covering electricity and other energy sources used across our Group
- **Waste Generation**
Waste produced from operational activities is recorded in metric tonnes (MT), with ongoing efforts to improve waste segregation, recycling and disposal practices
- **Water Consumption**
Water usage is monitored in mega litres (ML) reflecting our commitment to responsible water management and conservation.

Sustainability Statement (Cont'd)

ENVIRONMENTAL MANAGEMENT (CONT'D)

ENVIRONMENTALLY FRIENDLY AWARENESS (CONT'D)

Climate Change and Greenhouse Gases (GHG) Management (Cont'd)

Metrics and Targets (Cont'd)

We are in the process of developing climate targets to reduce our carbon footprint and improve resource efficiency. We will continue to refine our metrics and targets in alignment with international frameworks such as the IFRS S2, GHG Protocol, and Sustainable Development Goals (SDGs), ensuring our climate strategy remains transparent, accountable, and impactful.

➤ Greenhouse Gas (GHG) Emissions Inventory

In 2025, we began disclosing our greenhouse gas (GHG) emissions inventory in alignment with the enhanced sustainability requirements set forth by Bursa Malaysia Securities Berhad. This marks an important step in our journey toward greater environmental accountability and transparency. Our disclosure is guided by the internationally recognized Greenhouse Gas (GHG) Protocol, which provides a standardized framework for measuring and reporting emissions across our operations.

As 2025 marks our first year of greenhouse gas emissions disclosure, this year serves as the baseline for future reporting. We recognize that comparability across years is not yet possible, but beginning with this baseline, we will establish quantified, time-bound reduction targets aligned with the Paris Agreement 1.5°C pathway and Malaysia's Nationally Determined Contributions, and track progress annually. Moving forward, we will implement governance processes for target-setting, annual reviews, and monitoring progress with Board's oversight. We recognize that managing GHG emissions is a critical component of corporate sustainability and long-term resilience, particularly in the electronics manufacturing sector. PIE's greenhouse gas emissions inventory encompasses:

- Scope 1 (direct emissions)
- Scope 2 (indirect emissions from electricity consumption)
- Scope 3 (partial disclosure of indirect emissions, covering business travel and employee commuting only)

This structured approach allows us to better understand the sources of our emissions and lays the foundation for future strategies aimed at reducing our carbon footprint. Greenhouse gas emissions and their proportion for the year 2025 are presented below.

GHG Emissions	Unit	2025
Scope 1	tCO ₂ e	620
Scope 2 (Location Based)*	tCO ₂ e	21,412
Scope 1 + 2	tCO ₂ e	22,032
Scope 3		
Category 6 Business Travel	tCO ₂ e	49
Category 7 Employee Commuting	tCO ₂ e	441
Total Emissions	tCO ₂ e	22,522
Sales	RM mil	879.25
Intensity (Total tCO ₂ e / Sales RM mil)	-	25.62

* For PIESB and PIW, 1 kWh of purchased electricity = 0.000774 tCO₂e, Data based Energy Commission, Grid Emission Factor (GEF) in Malaysia 2017-2022.

* For PIT, 1 kWh of purchased electricity = 0.00039256 tCO₂e, Data refer to Enerdata, Global Energy & CO₂ Database 2023.

Sustainability Statement (Cont'd)

ENVIRONMENTAL MANAGEMENT (CONT'D)

ENVIRONMENTALLY FRIENDLY AWARENESS (CONT'D)

Climate Change and Greenhouse Gases (GHG) Management (Cont'd)

Metrics and Targets (Cont'd)

In our first year of greenhouse gas (GHG) emissions disclosure, we recorded total emissions of 22,522 tCO₂e, with Scope 2 emissions, primarily from purchased electricity accounting for 21,412 tCO₂e. Recognizing the significant impact of energy consumption on our carbon footprint, we are committed to expanding the installation of solar panels across our facilities to promote energy savings and reduce reliance on grid electricity. Looking ahead, Scope 3 coverage will be progressively expanded to include additional categories within our value chain. As part of our proactive approach, we also intend to educate our workforce on GHG-related issues to foster greater awareness and encourage environmentally responsible practices throughout the organization. These efforts underscore our dedication to mitigating environmental impact and advancing climate resilience.

Moving forward, we aim to use the insights gained from this initial inventory to inform future strategies, enhance operational efficiency, and explore pathways toward a low-carbon future. Through responsible emissions management and continuous improvement, we strive to contribute meaningfully to environmental sustainability while supporting the growth and competitiveness of our business.

Air Emissions Management

PIE consistently works to ensure adherence to the local air emission regulatory standards, specifically Malaysia Environmental Quality (Clean Air) Regulations 2014 and the Thailand Industrial Emission Standard B.E. 2549 (2006) issued under Factory Act B.E. 2535 (1992). Our business operations generate minimal air emissions, and to ensure that we meet the national standards set by regulatory authorities, we have engaged an external consultant to conduct cost-effective on-site air emission monitoring.

The consultant is responsible for collecting samples, monitoring parameters and determining air emission quality from our chimneys. Our air emissions are channelled through seven (7) chimneys located at the PIESB plant, one (1) chimney located at PIW plant and four (4) chimneys at PIT plant. The assessments are conducted annually on these chimneys to ensure that we are in compliance to the limits by collecting and analysing the samples from each chimney.

All parameters monitored in PIESB were Particulate Matter, Indium, Tin, Antimony, Copper, Lead, Nickel, Silver, Glycol Ether and IPA. Meanwhile, the monitoring parameters in PIW were Particulate Matter, Tin and Copper. For PIT, the monitoring parameters were Total Suspended Particulate, Carbon Monoxide and Tin.

All the monitored parameters were found to be below limit values as required by the local air emission regulatory standards. Our chimney air emissions are managed in accordance with applicable environmental regulations and internal control procedures. Regular monitoring and reporting ensure that emissions remain within permissible limits, supporting our commitment to environmental compliance and operational transparency. By maintaining consistent oversight of our emission sources, we continue to uphold responsible manufacturing practices and contribute to cleaner air quality in the surrounding community.

Waste Management

As an EMS provider, we acknowledge that our manufacturing processes generate various types of waste, including hazardous waste. We are committed to responsible waste management practices that comply with all relevant environmental laws and regulations. To ensure safe and compliant handling, targeted training on chemical spillage response and scheduled waste procedures was conducted for designated Schedule Waste Handlers. Our waste management activities are overseen by the Safety Officer and guided by our Environmental Policy and Waste Management Procedures, reinforcing our commitment to environmental stewardship and operational integrity.

Waste Management Procedures are in place to standardize waste disposal practices and waste management initiatives. We categorised our waste into two (2) types which are scheduled waste and general waste. All scheduled waste is collected by Department of Environment (DOE) licensed contractor, in accordance with the Environmental Quality (Scheduled Waste) Regulations 2005 of the Malaysian Environmental Quality Act (EQA) 1974. We consistently ensure that scheduled waste is properly packaged, labeled, and stored in designated scheduled waste storage area.

Sustainability Statement (Cont'd)

ENVIRONMENTAL MANAGEMENT (CONT'D)

ENVIRONMENTALLY FRIENDLY AWARENESS (CONT'D)

Waste Management (Cont'd)

Meanwhile, general waste that we generate includes recyclable scrap such as paper, plastic and metal and non-recyclable waste such as food waste. General waste is scrapped or collected by waste collectors for recycling or disposing at the landfills.

This year, we continue to focus our waste management practices by monitoring the Group's waste management performance and recycled activities carried out throughout the Group. We do this by putting effort into 3R Concept-Reuse, Reduce and Recycle waste whenever possible at every stage of our operations. Our ongoing initiatives focus on enhancing our existing waste management practices. These include refining our waste disposal procedures, optimizing designated waste storage areas, and providing comprehensive training to our employees on proper waste management. This effort aims to reduce waste without impacting the quality of our products, ultimately contributing to a more efficient and eco-friendly operation. Moreover, we conduct awareness training on handling and management of waste as well as monitoring waste disposal in interval time to ensure the waste is not over-disposed.

In year 2025, we incurred zero monetary fines and received no non-monetary sanctions for non-compliance with environmental laws and regulations for waste management.

Total waste diverted from disposal refers to recyclable materials, such as paper, plastic and metal, that were sold for recycling in the year 2025 as below.

Total Waste Diverted from Disposal (Tonne)	2025	2024	2023
Paper	356	428	282
Plastic	181	324	231
Metal	12	105	38

The total waste directed to disposal, including hazardous waste collected by licensed contractor for year 2025 as below.

Total Waste Directed to Disposal (Tonne)	2025	2024	2023
Hazardous Waste	52	50	59

Our waste management practices continue to be guided by established procedures and regulatory compliance, ensuring safe handling and disposal across our operations. By maintaining consistent oversight and adherence to environmental standards, we support the long-term sustainability of our manufacturing activities while minimizing potential environmental impact. We remain committed to upholding responsible waste management as part of our broader environmental stewardship.

Noise Pollution Control

As an EMS provider, we recognize that noise emissions are an inherent aspect of our production environment. In line with our commitment to occupational health and environmental responsibility, we have taken proactive measures to mitigate noise pollution and reduce its potential impact on employee well-being.

We conducted on-site noise level measurements at the factory boundary during both daytime and night-time periods. The purpose of this boundary noise monitoring was to ensure compliance with the Environmental Quality Act 1974 by comparing recorded levels against the limits specified in the Guidelines for Environmental Noise Limits and Control – Third (3rd) Edition. Monitoring results indicated that the average noise levels at all sampling points remained within the permissible limits during both day and night.

On-site noise level measurement has conducted within the production areas in PIT. This is to identify noise sources and the potentially affected group, provide a reliable estimate of employees' exposures, and compare these exposures with the limits specified in the pertinent directives issued by the Thailand Minister of Labour and Social Welfare.

We have also carried out annual audiometry tests for production operators to monitor their risk of detrimental noise exposure. This is to determine the possibility of exposure of excessive noise to the employees throughout the production area and to comply with Malaysian Occupational Safety and Health (Noise Exposure) Regulations 2019.

Sustainability Statement (Cont'd)

ENVIRONMENTAL MANAGEMENT (CONT'D)

ENVIRONMENTALLY FRIENDLY AWARENESS (CONT'D)

Noise Pollution Control (Cont'd)

Consequently, we are able to review and adjust our noise control measures as necessary.

Other than the above, we have placed several initiatives to reduce noise pollution including:

- Provide hearing protection personal protective equipment (PPE) such as ear plugs to employees exposed to high noise level;
- Display warning signage at production area that generate noise level at or above the limit;
- Conduct training with a focus on noise safety and hazards to employees;
- Carry out audiometry tests for machine operators to monitor their risk of detrimental exposure to noise; and
- Implement engineering controls to service and maintenance of the machine regularly to keep them in good condition and reduce the noise generated.

Through ongoing monitoring and adherence to regulatory standards, we continue to manage noise emissions responsibly within our production environment. Our efforts reflect a broader commitment to safeguarding employee well-being and maintaining compliance with occupational health requirements. As we advance, we will remain focused on continuous improvement and proactive risk management to ensure a safe and sustainable workplace for all.

Energy Management

As an EMS provider, our main source of energy consumption is from our production machinery and facility equipment. We actively monitor and manage energy consumption across our manufacturing operations to improve efficiency, reduce costs, and support environmental sustainability.

The energy structure utilized is primarily dominated by externally purchased non-renewable electricity. Therefore, the following analysis is based on the disclosure and examination of externally purchased electricity sources. The energy management strategy is primarily focused on reducing electricity consumption. The Group, through a dedicated committee, coordinating and integrating energy-saving initiatives, optimizing equipment performance, reducing unnecessary energy use, and exploring opportunities for renewable energy adoption. Regular meetings are convened to continually introduce various energy-saving plans and strive towards new milestones in energy conservation. These efforts complement our climate-related initiatives and form part of our broader commitment to responsible resource management.

Visible signs, such as “switch off when not in use,” are placed throughout our workplace to remind employees to conserve electricity by turning off lights, air conditioning and machinery when not in use. We also train our employees to turn off all unused equipment during breaks. To prevent energy waste, we maintain and replace all lightings and electrical equipment, and our employees are encouraged to report any issues, such as burned-out light bulbs, faulty switches, tripped circuit breakers or electrical shocks, to the Maintenance Department immediately.

In year 2025, we incurred zero monetary fines and received no non-monetary sanctions for non-compliance with environmental laws and regulations for energy management.

Sustainability Statement (Cont'd)

ENVIRONMENTAL MANAGEMENT (CONT'D)

ENVIRONMENTALLY FRIENDLY AWARENESS (CONT'D)

Energy Management (Cont'd)

We recorded our energy consumption in year 2023 to 2025 as below.

Energy Consumption Item	2025	2024	2023
Non-Renewable Energy - Purchased Electricity			
Electricity Consumption (MWh)	28,669.26	30,301.71	32,071.52
Gigajoules (GJ)*	103,209.32	109,086.15	115,457.47
Carbon Dioxide Emissions (tCO ₂ e)**	21,412.20	23,083.53	25,015.78
Sales (RM mil)	879.25	975.45	1,216.92
Electricity Intensity (GJ/ RM mil)	117.38	111.83	98.34
Renewable Energy - Solar Energy			
Solar Energy Consumption (MWh)	6,689.25	6,596.31	1,170.43
Gigajoules (GJ)*	24,081.30	23,746.71	4,213.56
Total Energy Consumption (MWh)	35,358.51	36,898.02	33,241.95

* 1 kWh = 0.0036 GJ, Data refer to Suruhanjaya Tenaga (Malaysia Energy Statistics Handbook 2020)

** 1) For PIESB and PIW (2023-2024): 1 kWh of purchased electricity = 0.00078 tCO₂e, Data based on United Nations Framework Convention on Climate Change Malaysia Report.

2) For PIESB and PIW (2025), 1 kWh = 0.000774 tCO₂e, Data based on Energy Commission, Grid Emission Factor (GEF) in Malaysia 2017-2022.

3) For PIT (2024): 1 kWh of purchased electricity = 0.0004999 tCO₂e, Data based on Thai National LCI Database, TIISMTEC-NSTDA, AR5 (with TGO electricity 2016-2018)

4) For PIT (2025): 1 kWh = 0.00039256 Carbon Dioxide, Data refer to Enerdata, Global Energy & CO₂ Database 2023.

Energy Performance and Renewable Energy Integration

As industries around the world increasingly adopt sustainable practices, renewable energy plays a crucial role in reducing greenhouse gas (GHG) emissions. While our Group is in the process of defining long-term sustainability targets, we are fully committed to advancing a low-carbon future and actively strengthening our role in this global transition. In support of this transition, we began installing solar panels in 2023 as part of our broader environmental strategy.

Solar energy is well-known for its lesser environmental impact and has already started to show noticeable results. In 2025, solar power accounted for 18.92% of our total energy consumption, compared to 17.88% in 2024, resulting in an annual reduction of approximately 4,896.93 tCO₂e in GHG emissions. This achievement highlights our dedication to cleaner energy options and sets the stage for future sustainability initiatives. Both subsidiaries PIESB and PIW participated in the Net Energy Metering (NEM) program, which strengthens our focus on renewable energy integration by maximizing self-consumption and redirecting excess energy back to the grid.

While our facilities continue to rely on grid electricity to meet overall operational demand, the solar energy generated marks a significant advancement toward reducing our carbon footprint. Our solar investment not only supports our ESG goals but also enhances long-term energy resilience in our manufacturing operations.

Sustainability Statement (Cont'd)

ENVIRONMENTAL MANAGEMENT (CONT'D)

ENVIRONMENTALLY FRIENDLY AWARENESS (CONT'D)

Water Management

In response to increasing climate variability including extreme weather events and irregular rainfall patterns, water scarcity has emerged as a material risk to our operations. Recognizing the strategic importance of water as both a production input and a cost factor, we have prioritized effective water management as part of our broader climate resilience strategy.

To mitigate water-related risks and improve operational efficiency, we have implemented a series of workplace initiatives aimed at reducing water consumption. These include the installation of self-push button taps and spray bidets, as well as the adjustment of toilet flush tank water levels to minimize unnecessary usage. Visual reminders such as “Turn off the taps to save water and our environment” signage are placed near water fixtures to reinforce conservation behaviour among employees. Additionally, we have established a protocol requiring immediate reporting of any water leakage to the Maintenance Department to ensure timely corrective action.

In year 2025, we incurred zero monetary fines and received no non-monetary sanctions for non-compliance with environmental laws and regulations for water management.

Water usage in 2025 showed a slight decrease compared to the previous year. This reduction was primarily achieved through improved efficiency measures and optimized operational practices at PIE facilities. As our business continues to evolve, we remain committed to exploring and implementing strategies that further promote the responsible and efficient use of water across all our operations.

Our recorded water usage from 2023 to 2025 is presented below:

Water	2025	2024	2023
Water Usage (m ³)	170,286.00	220,677.41	195,280.00
Liter	170,286,000.00	220,677,410.00	195,280,000.00
Megaliter	170.29	220.68	195.28
Sales (RM mil)	879.25	975.45	1,216.92
Water Intensity (Megaliter / RM mil)	0.19	0.23	0.16

Water Security and Water Stress Management

According to global water stress mapping tools, our Group operates primarily in regions with low water stress. Both PIESB and PIW located in areas classified as having low water scarcity risk while PIT is identified as being in a region of extremely high water stress. Despite this, the majority of our operations remain in low-stress regions, and we continue to implement water management practices across all facilities to ensure resilience and efficiency. Both PIESB and PIW receive their water supply from *Perbadanan Bekalan Air Pulau Pinang (PBA)*, a reliable municipal provider. Meanwhile, our Thailand subsidiary, PIT operates as a licensed user of underground water under Thailand Ministry of Natural Resources and Environment, in compliance with local regulations and sustainable extraction practices.

We recognize the importance of proactive water management. Climate change, population growth, and industrial expansion can alter water availability over time. Therefore, we remain vigilant and committed to responsible water stewardship. Our approach includes monitoring water usage across all operations and regularly reporting to management to identify opportunities for conservation and efficiency. We remain attentive to regional water policies and risks, consistently taking note of the latest changes to ensure our practices adapt accordingly. We remain mindful of potential water shortages and take proactive measures such as identifying critical operations, assessing alternative water sources, and implementing measures for reduced usage or temporary adjustments to ensure business continuity.

Through a forward-looking strategy, we strive to safeguard water resources not only for the continuity of our operations but also for the well-being of the communities we serve. As part of our ongoing commitment, we will continue to explore and implement appropriate measures in future reporting cycles to deepen our understanding of water-related risks and enhance our resilience across all sites.

This statement was made in accordance with a resolution of the Board dated 11th March 2026.

Sustainability Statement (Cont'd)

P.I.E Industrial Berhad
BMLR Transition Period

Date & Time: 2026-03-30_11:07:48
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	24	—	Internal
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Direct Workers	Percentage	26	—	Internal
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Indirect Workers	Percentage	38	—	Internal
Bursa (Anti-corruption)	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	Conduct comprehensive corruption risk assessments across all operations to strengthen our anti-corruption practices	Internal
Bursa (Anti-corruption)	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	Maintain zero incidents of corruption	Internal
Bursa (Community/Society)	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,500	Support the local community through CSR programs	Internal
Bursa (Community/Society)	Bursa C2(b) Total number of beneficiaries of the investments in communities	Number	130	Support the local community through CSR programs	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Male	Percentage	76.5	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Female	Percentage	23.5	Strengthen gender and age diversity in workforce and leadership	Internal

Sustainability Statement (Cont'd)

P.I.E Industrial Berhad
BMLR Transition Period

Date & Time: 2026-03-30 11:07:48
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Direct Workers Male	Percentage	501	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Direct Workers Female	Percentage	49.9	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Indirect Workers Male	Percentage	572	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Indirect Workers Female	Percentage	42.8	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Under 30	Percentage	0.0	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Between 30-50	Percentage	471	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Above 50	Percentage	52.9	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Direct Workers Under 30	Percentage	510	Strengthen gender and age diversity in workforce and leadership	Internal

Sustainability Statement (Cont'd)

Date & Time: 2026-03-30_11:07:48
FYE 31/12/2025

P.I.E Industrial Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Direct Workers Between 30-50	Percentage	46.2	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Direct Workers Above 50	Percentage	2.8	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Indirect Workers Under 30	Percentage	36.7	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Indirect Workers Between 30-50	Percentage	49.9	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Indirect Workers Above 50	Percentage	13.4	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Male	Percentage	71	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Female	Percentage	29	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Under 30	Percentage	0	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Between 30-50	Percentage	29	Strengthen gender and age diversity in workforce and leadership	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Above 50	Percentage	71	Strengthen gender and age diversity in workforce and leadership	Internal

Sustainability Statement (Cont'd)

P.I.E Industrial Berhad
BMLR Transition Period

Date & Time: 2026-03-30_11:07:48
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Energy Management)	Bursa C4(a) Total energy consumption	Megawatt	35,358.51	Promote efficient use of electricity and renewable energy while ensuring regulatory compliance	Internal
Bursa (Health and safety)	Bursa C5(a) Number of work-related fatalities	Number	0	Maintain zero work related fatality by reinforcing a proactive safety culture	Internal
Bursa (Health and safety)	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.2	—	Internal
Bursa (Health and safety)	Bursa C5(c) Number of employees trained on health and safety standards	Number	299	—	Internal
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Management	Hours	275	—	Internal
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Direct Workers	Hours	1,893	—	Internal
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Indirect Workers	Hours	2,753	—	Internal
Bursa (Labour practices and standards)	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0	—	Internal
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Management	Number	8	—	Internal
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Direct Workers	Number	657	—	Internal
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Indirect Workers	Number	229	—	Internal

Sustainability Statement (Cont'd)

P.I.E Industrial Berhad
BMLR Transition Period

Date & Time: 2026-03-30 11:07:48
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Labour practices and standards)	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	Uphold zero complaints or reports of human rights violations by fostering a respectful and rights-based workplace culture	Internal
Bursa (Supply chain management)	Bursa C7(a) Proportion of spending on local suppliers	Percentage	35	Increase the purchase from local supplier	Internal
Bursa (Data privacy and security)	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	Maintain zero cases of privacy and data protection breaches	Internal
Bursa (Water)	Bursa C9(e) Total volume of water used	Megalitres	170.29	Promote responsible water usage and ensure full compliance with water-related environmental regulations	Internal

Sustainability Statement (Cont'd)

P.I.E Industrial Berhad
IFRS S2

Date & Time: 2026-03-30_11:07:48
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Emissions management)	Scope 1 emissions in tonnes of CO2e	Metric tonnes	620	Establish baseline GHG emissions	Internal
Bursa (Emissions management)	Scope 2 emissions in tonnes of CO2e	Metric tonnes	21,412	Establish baseline GHG emissions	Internal
Bursa (Emissions management)	Scope 3 emissions in tonnes of CO2e (categories of business travel and employee commuting)	Metric tonnes	490	Establish baseline GHG emissions	Internal

Statement On Directors' Responsibilities In Respect Of The Audited Financial Statements

The Board has the overall responsibility to prepare the financial statements for each financial year as required by the Companies Act 2016.

The financial statements should be prepared in accordance with Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia and the relevant provisions of the Bursa Malaysia Securities Berhad Main Market Listing Requirements so as to present a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and statements of cash flows for the year then ended.

In this regard, the Directors will, with the assistance of the Audit and Risk Management Committee:

- Ensure that suitable accounting policies are used and applied consistently;
- Ensure that new and revised MFRSs and Issues Committee Interpretations issued by Malaysian Accounting Standards Board that are relevant to the Group's operations and effective for accounting are fully adopted;
- Ensure proper accounting records are kept;
- Ensure adequate system of risk management and internal control exist to safeguard the assets of the Group to prevent and detect fraud and other irregularities;
- Ensure that the financial statements present a balanced and understandable assessment of the financial position of the Group and of the Company;
- Make appropriate enquiries to the senior management of the Group to ensure that the Group have adequate resources to continue in operational existence in the foreseeable future; and
- Ensure that the accounting estimates included in the financial statements are reasonable and prudent.

The financial statements for the year ended 31 December 2025 had been approved by the Board on 11 March 2026.

This statement was made in accordance with a resolution of Board dated 11 March 2026.

Disclosure Requirements Pursuant to the Bursa Malaysia Securities Berhad Main Market Listing Requirements

UTILISATION OF PROCEEDS

During the financial year, there were no proceeds raised by the Company from any corporate proposals.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered to the Company and its subsidiaries for the Financial Year Ended 31 December 2025 (FY2025) by the Company's Auditors or a firm or company affiliated to the Auditors' firm are as follow:

Category	Audit Fees (RM)	Non-Audit Fees (RM)
Company	45,000	50,800
Subsidiaries	230,940	119,700
Total	275,940	170,500

¹ Non-audit fees were mainly paid for the advisory services on review of quarterly financial information, Statement on Risk Management and Internal Control and tax advisory services.

EMPLOYEE SHARE SCHEME

There was no Employee Share Scheme implemented by the Company during the financial year.

MATERIAL CONTRACT

There was no material contract entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS

The details of Recurrent Related Party Transactions and their actual amount entered into during the FY2025 are disclosed on page 121 of the Annual Report.

Directors' Report

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

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and provision of management services. The principal activities of the subsidiaries are as stated in Note 13 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit for the year	<u>20,941,624</u>	<u>20,334,787</u>
Profit/(Loss) attributable to:		
Owners of the Company	22,520,829	20,334,787
Non-controlling interests	<u>(1,579,205)</u>	-
	<u>20,941,624</u>	<u>20,334,787</u>

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

DIVIDENDS

The dividends declared and paid in respect of the current financial year were as follows:

	RM
In respect of the financial year ended December 31, 2025:	
A single tier interim dividend of RM0.024 per share	9,217,008
A special single tier interim dividend of RM0.026 per share	<u>9,985,091</u>
	<u>19,202,099</u>

The directors do not recommend the payment of any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

Directors' Report (Cont'd)

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

- (a) which would require the writing off of bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

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

No contingent or other liability 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, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

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

Dato' Mui Chung Meng
Koay San San
Wong Thai Sun
Lan Kuo-Yi
Lim Chien Ch'eng
Huang, Yi Ling
Dato' Heng Huck Lee (Appointed on 06.06.2025)
Lee Cheow Kooi (Resigned on 06.06.2025)

Directors' Report (Cont'd)

DIRECTORS (Cont'd)

The directors who held office in the subsidiaries of the Company during the financial year and up to the date of this report are:

Direct subsidiaries

Pan-International Electronics (Malaysia) Sdn. Bhd.

Directors of the subsidiaries

Tsai, Ming-Feng
Liu, Yu-Keng
Chang, Meng-Chang
Phang Sook Chan (Appointed on 01.12.2025)
Law Tong Han (Resigned on 01.12.2025)

Pan-International Wire & Cable (Malaysia) Sdn. Bhd.

Liao, Yueh-Chen
Tsai, Ming-Feng
Lan, Kuo-Yi
Liu, Yu-Keng
Chang, Meng-Chang

Pan-International Electronics (Thailand) Co., Ltd.

Tsai, Ming Feng
Lee Yu Hsien
Tai Chih-Hao

Indirect subsidiaries

PIE Enterprise (M) Sdn. Bhd.

Directors of the subsidiaries

Dato' Mui Chung Meng
Cheah Heng Lye
Tsai, Ming-Feng
Chang, Meng-Chang
Liu, Yu-Keng

P.I.W. Enterprise (Malaysia) Sdn. Bhd.

Liao, Yueh-Chen
Tsai, Ming-Feng
Lan, Kuo-Yi
Liu, Yu-Keng
Chang, Meng-Chang

Directors' Report (Cont'd)

DIRECTORS' INTERESTS

The interest in shares in the Company and in related companies of those who were directors at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

Shares in the Company	Balance as of 1.1.2025	Number of ordinary shares		Balance as of 31.12.2025
		Bought	Sold	
Direct interests:				
Dato' Mui Chung Meng	10,000	-	-	10,000
Indirect interests:				
Dato' Mui Chung Meng ⁽ⁱ⁾	2,460,000	-	-	2,460,000

⁽ⁱ⁾ Deemed interest through spouse.

By virtue of his interests in the shares of the Company, Dato' Mui Chung Meng is also deemed to have interests in the shares of all the subsidiaries to the extent that the Company has an interest.

None of the other directors held shares or have beneficial interest in the shares of the Company or of related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company have received or become entitled to receive a benefit (other than those disclosed as directors' remuneration amounting to RM3,155,176 in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of transactions mentioned in Note 28 to the financial statements. Certain directors have also received remuneration from related companies in their capacities as directors or executives of those related companies as disclosed in Note 7 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains directors' liability insurance for the purpose of Section 289 of the Companies Act, 2016 throughout the financial year, which provides appropriate insurance cover for the directors and officers of the Company. The amount of insurance premium paid or payable during the financial year, which was borne by the Company are amounted to RM17,290.

Other than disclosed above, there was no indemnity given to or insurance effected for auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

AUDITORS' REMUNERATION

The amount paid/payable as remuneration of the auditors of the Group and of the Company for the financial year ended December 31, 2025 are RM198,000 and RM45,000 respectively.

HOLDING COMPANY

The Company's immediate and ultimate holding companies are Pan Global Holding Co. Ltd., a company incorporated in British Virgin Islands and Pan-International Industrial Corp., a company incorporated in Taiwan and listed on the Taiwan Stock Exchange Corporation respectively.

Directors' Report (Cont'd)

AUDITORS

The auditors, Deloitte Malaysia PLT (formerly known as Deloitte PLT), have indicated their willingness to continue in office.

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

DATO' MUI CHUNG MENG

Penang,
March 11, 2026

LAN, KUO-YI

Independent Auditors' Report To The Members Of P.I.E. Industrial Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of P.I.E. INDUSTRIAL BERHAD, which comprise the statements of financial position of the Group and of the Company as of December 31, 2025, 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 79 to 132.

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 of December 31, 2025, and of their financial performance and of their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Group and 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, are 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.

Independent Auditors' Report To The Members Of P.I.E. Industrial Berhad (Cont'd)

Key Audit Matters (Cont'd)

Key audit matter	Our audit performed and responses thereon
<p>Valuation of inventories</p> <p>The Group has significant balance of inventories as at December 31, 2025 which mainly comprised of raw materials amounting to RM95,938,265, work-in-progress amounting to RM42,462,128, and finished goods amounting to RM40,268,770 as disclosed in Note 17 to the financial statements. There is a risk to the valuation of inventories due to possible slow moving and obsolete inventories given that significant management estimation is involved in identifying slow moving or obsolete inventories with reference to the condition of the inventories, historical, current and future sales information as well as the ageing of inventories.</p> <p>The cost of inventories recognised in profit or loss include RM1,530,473 in respect of net reversal of inventories written down.</p> <p>There is also a risk to the valuation of work-in-progress and finished goods due to incorrect absorption of labour and overhead. Management judgment is involved in determining an appropriate costing basis for the inventories, particularly in regards to work-in-progress and finished goods.</p>	<p>To address the risk of slow moving and obsolete inventories, we obtained an understanding of the controls relevant to estimating, approving and recording of allowance for slow moving and obsolete inventories and tested the design and implementation of the controls.</p> <p>We reviewed the terms and conditions of supply agreements with customers and ascertained that provision for slow moving and obsolete inventories is in line with the Group's policies and supply agreements with customers.</p> <p>We tested the accuracy of the ageing profile of inventory items by checking to the underlying procurement documents, invoices and production records (e.g. job orders) and also assessed if each inventory category has been classified into the correct ageing buckets.</p> <p>We tested the movement of slow moving inventories for raw materials to subsequent usage and also assessed whether the raw materials are still in use for production or are in good working condition.</p> <p>We assessed and challenged management's basis in determining slow moving inventories with regards to the completeness of the inventory provisions and made an assessment of its adequacy, considering the age and volumes relative to expected usage.</p> <p>We assessed if there were work-in-progress or finished goods inventories, which needed to be provided for as slow moving/obsolete items with reference to future sales demand/forecast for the related finished goods (e.g. where such finished goods are expected to be discontinued or replaced in the near future).</p> <p>We performed a retrospective review on the provision for excess and obsolete inventories and assessed whether judgments have been applied consistently, by comparing the actual inventories written down against the general provision based on the Group's policies.</p> <p>To address the risk of inaccurate absorption of labour and overhead of work-in-progress and finished goods, we obtained an understanding of the controls relevant to estimating, calculating, approving and recording of labour and overhead absorption and tested the design and implementation of the controls.</p> <p>We reviewed the Group's methodology for calculating the labour and overhead absorption rate for reasonableness, consistency with prior years and then recomputed the absorption rate for the selected work-in-progress and finished goods samples for accuracy.</p> <p>We also obtained the inventory listing at the detailed-product level and the Bill of Material ("BOM") which indicated the cost of raw materials as well as labour and overhead cost absorbed to each unit of work-in-progress and finished goods.</p> <p>We agreed the labour and overhead cost indicated in the BOM for work-in-progress and finished goods to the actual direct expenses for the year. We also agreed selected quantities of the work-in-progress and finished goods samples to production records.</p>

The key audit matters referred to above are in respect of P.I.E. Industrial Berhad at the Group level. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company.

Independent Auditors' Report To The Members Of P.I.E. Industrial Berhad (Cont'd)

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 Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report which is expected to be made available to us after that date.

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

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

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

Responsibility of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- (d) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Independent Auditors' Report To The Members Of P.I.E. Industrial Berhad (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that in the case of consolidated financial statements, the name of the subsidiary companies, of which we have not acted as auditors, are indicated in Note 13 to the financial statements.

Other Matters

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

DELOITTE MALAYSIA PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

Penang,
March 11, 2026

ADRIAN LAM KEEN LEONG
Partner – 03553/02/2027 J
Chartered Accountant

Statements of Profit or Loss and Other Comprehensive Income

For The Year Ended December 31, 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	5	879,249,133	975,445,306	25,800,953	34,203,460
Cost of sales		(830,321,985)	(894,430,229)	-	-
Gross profit		48,927,148	81,015,077	25,800,953	34,203,460
Other operating income		21,470,279	11,938,122	24,598	24,049
Administrative expenses		(23,951,781)	(24,371,091)	(5,043,948)	(5,965,634)
Selling and distribution expenses		(5,771,041)	(5,395,915)	-	-
Other operating expenses		(8,816,114)	(3,605,634)	(125,521)	-
Share of loss in associated company		(70,399)	(1,844)	-	-
Operating profit		31,788,092	59,578,715	20,656,082	28,261,875
Interest income		2,611,719	2,384,219	-	-
Interest expense		(2,422,948)	(4,119,981)	-	-
Profit before tax	6	31,976,863	57,842,953	20,656,082	28,261,875
Tax expense	8	(11,035,239)	(5,674,749)	(321,295)	(243,540)
Profit for the year		20,941,624	52,168,204	20,334,787	28,018,335
Other comprehensive income, net of income tax					
Items that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences		(714,258)	(942,308)	-	-
Income tax relating to remeasurement gains on defined benefit plan		-	(59,245)	-	-
Total comprehensive income for the year		20,227,366	51,166,651	20,334,787	28,018,335
Total profit/(loss) attributable to:					
Owners of the Company		22,520,829	53,179,747	20,334,787	28,018,335
Non-controlling interests		(1,579,205)	(1,011,543)	-	-
		20,941,624	52,168,204	20,334,787	28,018,335
Total comprehensive income/(loss) for the year attributable to:					
Owners of the Company		22,127,987	52,602,237	20,334,787	28,018,335
Non-controlling interests		(1,900,621)	(1,435,586)	-	-
		20,227,366	51,166,651	20,334,787	28,018,335
Earnings per share:					
Basic/Diluted (sen per share)	9	5.86	13.85		

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

Statements Of Financial Position

At December 31, 2025

	Notes	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Assets					
Non-current assets					
Property, plant and equipment	10	254,133,420	255,212,765	-	-
Investment properties	11	24,270,624	22,447,914	-	-
Right-of-use assets	12	19,697,867	20,713,963	-	-
Investment in subsidiaries	13	-	-	79,918,805	79,918,805
Investment in associates	14	92,907	163,306	25,000	25,000
Goodwill on consolidation	15	1,721,665	1,721,665	-	-
Deferred tax assets	16	2,208,192	1,416,197	827,120	827,120
Total non-current assets		302,124,675	301,675,810	80,770,925	80,770,925
Current assets					
Inventories	17	188,371,337	213,303,325	-	-
Trade and other receivables	18	172,117,948	214,106,179	22,495,711	21,892,138
Current tax assets		5,334,789	8,713,810	1,723,922	1,807,252
Short-term investments	19	10,701,524	1,604,263	342,369	1,604,263
Cash and bank balances, fixed and short-term deposits	20	123,428,199	115,660,119	1,563,149	305,381
Total current assets		499,953,797	553,387,696	26,125,151	25,609,034
Total assets		802,078,472	855,063,506	106,896,076	106,379,959
Equity and liabilities					
Capital and reserves					
Share capital	21	83,202,902	83,202,902	83,202,902	83,202,902
Reserves	22	9,412,459	9,805,301	16,408,221	16,408,221
Retained earnings	23	545,575,484	542,256,754	4,684,813	3,552,125
		638,190,845	635,264,957	104,295,936	103,163,248
Non-controlling interest	13	22,421,966	24,322,587	-	-
Total equity		660,612,811	659,587,544	104,295,936	103,163,248
Non-current liabilities					
Retirement benefit obligations	24	1,097,959	1,726,786	-	-
Deferred tax liabilities	16	6,463,366	2,963,809	-	-
Total non-current liabilities		7,561,325	4,690,595	-	-
Current liabilities					
Trade and other payables	25	82,814,222	131,910,210	2,600,140	3,216,711
Borrowings	26	48,840,000	56,561,400	-	-
Tax liabilities		2,250,114	2,313,757	-	-
Total current liabilities		133,904,336	190,785,367	2,600,140	3,216,711
Total liabilities		141,465,661	195,475,962	2,600,140	3,216,711
Total equity and liabilities		802,078,472	855,063,506	106,896,076	106,379,959

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

Statements of Changes in Equity

For The Year Ended December 31, 2025

The Group	Notes	Non-distributable		Distributable		Equity attributable to owners of the Company	Non-Controlling Interest	Total
		Share capital	Foreign currency translation reserve	Revaluation reserve	Retained earnings			
Balance as of January 1, 2024		83,202,902	13,877,354	2,659,578	509,054,977	608,794,811	-	608,794,811
Profit/(loss) for the year		-	-	-	53,179,747	53,179,747	(1,011,543)	52,168,204
Other comprehensive loss for the year, net of income tax		-	(518,265)	-	(59,245)	(577,510)	(424,043)	(1,001,553)
Total comprehensive income/(loss) for the year		-	(518,265)	-	53,120,502	52,602,237	(1,435,586)	51,166,651
Change in ownership interest of a subsidiary	13	-	(6,213,366)	-	6,964,214	750,848	25,758,173	26,509,021
Dividends paid	27	-	-	-	(26,882,939)	(26,882,939)	-	(26,882,939)
Balance as of December 31, 2024		83,202,902	7,145,723	2,659,578	542,256,754	635,264,957	24,322,587	659,587,544

Statements of Changes in Equity (Cont'd)

For The Year Ended December 31, 2025

The Group	Notes	Non-distributable		Distributable		Equity attributable to owners of the Company	Non-Controlling Interest	Total
		Share capital	Foreign currency translation reserve	Revaluation reserve	Retained earnings			
Balance as of January 1, 2025		83,202,902	7,145,723	2,659,578	542,256,754	635,264,957	24,322,587	659,587,544
Profit/(loss) for the year		-	-	-	22,520,829	22,520,829	(1,579,205)	20,941,624
Other comprehensive loss for the year, net of income tax		-	(392,842)	-	-	(392,842)	(321,416)	(714,258)
Total comprehensive income/(loss) for the year		-	(392,842)	-	22,520,829	22,127,987	(1,900,621)	20,227,366
Dividends paid	27	-	-	-	(19,202,099)	(19,202,099)	-	(19,202,099)
Balance as of December 31, 2025		83,202,902	6,752,881	2,659,578	545,575,484	638,190,845	22,421,966	660,612,811

Statements of Changes in Equity (Cont'd)

For The Year Ended December 31, 2025

The Company

	Notes	Share capital RM	Non-distributable Merger reserve RM	Distributable Retained earnings RM	Total RM
Balance as of January 1, 2024		83,202,902	16,408,221	2,416,729	102,027,852
Profit for the year		-	-	28,018,335	28,018,335
Other comprehensive income for the year, net of income tax		-	-	-	-
Total comprehensive income for the year		-	-	28,018,335	28,018,335
Dividends paid	27	-	-	(26,882,939)	(26,882,939)
Balance as of December 31, 2024		83,202,902	16,408,221	3,552,125	103,163,248
Balance as of January 1, 2025		83,202,902	16,408,221	3,552,125	103,163,248
Profit for the year		-	-	20,334,787	20,334,787
Other comprehensive income for the year, net of income tax		-	-	-	-
Total comprehensive income for the year		-	-	20,334,787	20,334,787
Dividends paid	27	-	-	(19,202,099)	(19,202,099)
Balance as of December 31, 2025		83,202,902	16,408,221	4,684,813	104,295,936

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

Statements Of Cash Flows

For The Year Ended December 31, 2025

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities				
Profit before tax	31,976,863	57,842,953	20,656,082	28,261,875
Adjustments for:				
Depreciation of property, plant and equipment	29,661,687	21,994,380	-	-
Interest expense	2,422,948	4,119,981	-	-
Unrealised loss/(gain) on foreign exchange, net	1,839,692	(123,736)	125,521	31,898
Amortisation of right-of-use assets	1,016,096	1,016,098	-	-
Bad debts written off	236,799	-	-	-
Provision for retirement benefits obligations	136,550	186,157	-	-
Share of loss in associated company	70,399	1,844	-	-
Property, plant and equipment written off	10	118,365	-	-
Interest income	(2,611,719)	(2,384,219)	-	-
Fair value gain on investment properties (Reversal of)/Inventories written down, net	(1,880,000)	(500,000)	-	-
(Reversal of)/Provision for expected credit loss of trade receivables, net	(1,530,473)	634,677	-	-
Fair value gain on financial assets at fair value through profit or loss	(397,403)	283,201	-	-
(Gain)/Loss on disposal of property, plant and equipment	(355,397)	(55,946)	(24,597)	(55,946)
Investment income earned on financial assets at fair value through profit or loss	(295,394)	65,960	-	-
Dividend income	(953)	(3,460)	(953)	(3,460)
	-	-	(19,000,000)	(27,000,000)
	<u>60,289,705</u>	<u>83,196,255</u>	<u>1,756,053</u>	<u>1,234,367</u>
Movements in working capital:				
Decrease/(Increase) in receivables	77,926,735	61,525,626	(603,573)	(254,687)
Decrease in inventories	26,257,656	63,082,068	-	-
Decrease in payables	(87,818,124)	(31,968,213)	(616,571)	(492,674)
Cash generated from operations	<u>76,655,972</u>	<u>175,835,736</u>	<u>535,909</u>	<u>487,006</u>
Retirement benefits paid	(748,060)	(110,018)	-	-
Interest paid	(2,422,948)	(4,119,981)	-	-
Income tax paid, net	(5,081,856)	(19,371,987)	(237,965)	(674,664)
Dividend received	-	-	19,000,000	27,000,000
Net cash from operating activities	<u>68,403,108</u>	<u>152,233,750</u>	<u>19,297,944</u>	<u>26,812,342</u>
Cash flows from investing activities				
Interest received	2,611,719	2,384,219	-	-
Proceed from disposal of property, plant and equipment	584,112	41,949	-	-
Withdrawal of cash and bank balances pledged	6,800	15,600	-	-
(Placement)/Withdrawal in short-term investments, net	(8,866,432)	(89)	1,161,923	(89)
Acquisition of property, plant and equipment	(27,915,395)	(90,735,557)	-	-
Net cash (used in)/from investing activities	<u>(33,579,196)</u>	<u>(88,293,878)</u>	<u>1,161,923</u>	<u>(89)</u>

Statements Of Cash Flows (Cont'd)

For The Year Ended December 31, 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from financing activities					
Changes in bank borrowings		(6,999,400)	(11,093,200)	-	-
Dividends paid		(19,202,099)	(26,882,939)	(19,202,099)	(26,882,939)
Proceeds from the change in ownership interest in a subsidiary	13	-	26,488,578	-	-
Net cash used in financing activities		(26,201,499)	(11,487,561)	(19,202,099)	(26,882,939)
Net increase /(decrease) in cash and cash equivalents					
		8,622,413	52,452,311	1,257,768	(70,686)
Effect of foreign exchange rate changes		(847,533)	367,817	-	-
Cash and cash equivalents at the beginning of the year		115,138,119	62,317,991	305,381	376,067
Cash and cash equivalents at the end of the year	20	122,912,999	115,138,119	1,563,149	305,381

Reconciliation of acquisition of property, plant and equipment arising from investing activities

During the financial year, property, plant and equipment was acquired by the following means:

The Group

	2025 RM	2024 RM
Cash payments	27,915,395	90,735,557
Outstanding in other payables	1,230,538	-
Total acquisitions of property, plant and equipment during the year (Note 10)	29,145,933	90,735,557

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were or, future cash flows will be, classified in the Group's statements of cash flows as cash flows from financing activities:

The Group

	01.01.2025 RM	Cash flows used in financing activities RM	Unrealised gain on foreign exchange RM	31.12.2025 RM
Borrowings	56,561,400	(6,999,400)	(722,000)	48,840,000
	01.01.2024 RM	Cash flows used in financing activities RM	Unrealised loss on foreign exchange RM	31.12.2024 RM
Borrowings	67,539,600	(11,093,200)	115,000	56,561,400

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

Notes To The Financial Statements

For The Year Ended December 31, 2025

1. GENERAL INFORMATION

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

The Company is principally involved in investment holding and provision of management services. The principal activities of the subsidiaries are as stated in Note 13.

The registered office of the Company is located at 51-8-A, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang, Malaysia.

The principal place of business of the Company is located at Plot 4, Jalan Jelawat Satu, Seberang Jaya Industrial Estate, 13700 Seberang Jaya, Seberang Perai, Penang, Malaysia.

The Company's immediate and ultimate holding companies are Pan Global Holding Co. Ltd., a company incorporated in British Virgin Islands and Pan-International Industrial Corp., a company incorporated in Taiwan and listed on the Taiwan Stock Exchange Corporation respectively.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the directors on March 11, 2026.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Adoption of new and revised MFRSs

In the current year, the Group and the Company has applied revised MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for an accounting period that begins on or after January 1, 2025.

Amendments to MFRS 121	Lack of Exchangeability
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The adoption of the new and revised MFRSs has not had any material impact on the disclosures or on the amounts reported in the financial statements.

New and revised standards in issue but not yet effective

The Group and the Company has not applied the following new and revised MFRSs that have been issued but are not yet effective:

Amendments to MFRS 7 and MFRS 9	Classification and Measurement of Financial Instruments ^(a)
Amendments to MFRS 7 and MFRS 9	Contracts Referencing Nature-dependent Electricity ^(a)
Amendment to MFRSs	Annual Improvements to MFRS Standards - Volume 11 ^(a)
MFRS 18	Presentation and Disclosure in Financial Statements ^(b)
MFRS 19	Subsidiaries without Public Accountability: Disclosures ^(b)
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures ^(b)
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency ^(b)
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ^(c)

^(a) Effective for annual periods beginning on or after January 1, 2026, with earlier application permitted.

^(b) Effective for annual periods beginning on or after January 1, 2027, with earlier application permitted.

^(c) Effective for annual periods beginning on or after a date to be determined.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Cont'd)

New and revised standards in issue but not yet effective (Cont'd)

The directors anticipate that the above-mentioned new and revised amendments to MFRSs will be adopted in the financial statements of the Group and the Company when they become effective and that the adoption of these new and revised amendments to MFRSs will have no material impact on the financial statements of the Group and the Company in the period of initial application except as discussed below:

MFRS 18 Presentation and Disclosures in Financial Statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*, carrying forward many of the requirements in MFRS 101 unchanged and complementing them with new requirements. In addition, some MFRS 101 paragraphs have been moved to MFRS 108 *Accounting Policies, Change in Accounting Estimates and Errors* and MFRS 7 *Financial Instruments: Disclosures*. Furthermore, the MASB has made minor amendments to MFRS 107 *Statement of Cash Flows* and MFRS 133 *Earnings per Share*.

MFRS 18 introduces new requirements to:

- (a) present specified categories and defined subtotals in the statement of profit or loss.
- (b) provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements.
- (c) improve aggregation and disaggregation.

An entity is required to apply MFRS 18 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to MFRS 107 and MFRS 133, as well as the revised MFRS 108 and MFRS 7, become effective when an entity applies MFRS 18. MFRS 18 requires retrospective application with specific transition provisions.

The Group and the Company are currently assessing the impact of the application of MFRS 18 since the effects would only be observable for the future periods.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of accounting

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for certain assets that are measured at fair values at the end of each reporting period as indicated in the summary of material accounting policy information.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of MFRS 16 *Leases* and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value in use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Basis of accounting (Cont'd)

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition and other operating income

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's and the Company's customary business practices.

Revenue is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimate the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- (i) the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- (ii) the Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) the Group's and the Company's performance does not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

(a) Revenue from contracts with customers

Manufacturing of industrial products

The Group is in the business of manufacturing industrial products and revenue from manufacturing of industrial products is recognised at a point in time when control of the goods are transferred to the customer. The Group has generally concluded that it is the principal in its revenue arrangement.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Manufacturing of industrial products (Cont'd)

(b) Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(c) Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

(d) Interest income

Interest income is recognised using the effective interest method.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(e) Management fee and other income

Management fee and other income are recognised on an accrual basis.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiary and associate, except where the Group and the Company are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Taxation

(b) Deferred tax

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or to settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis.

(c) Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Employee benefit expenses

(a) Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by the employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Group and the Company have no further payment obligations once these contributions have been paid.

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees' Provident Fund ("EPF"). The Group's foreign subsidiaries also make contributions to their respective country's statutory pension schemes. The Group and the Company have no legal or constructive obligation to pay contribution in addition to its fixed contributions which are recognised as an expense in the period that relevant employee services are received.

(c) Defined benefit plan

The Group operates an unfunded, defined benefit plan - Retirement Benefit Scheme ("the Scheme") for eligible employees in Thailand in accordance with the Labour Law Act of Thailand. Under the Scheme, eligible employees are entitled to retirement benefits upon attaining their retirement age.

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

(c) Defined benefit plan (Cont'd)

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan. When the formal terms of the plan specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- (i) If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit asset or liability.
- (ii) If contributions are linked to services, they reduce service cost. For the amount of contribution that is dependent on the number of years of service, the Group reduces service cost by attributing the contributions to periods of service using the attribution method required by MFRS 119 *Employee Benefits*. For the amount of contributions that is independent of the number of years of service, the Group reduces service cost in the period in which the related service is rendered or reduces service cost by attributing to the employees' periods of service in accordance with MFRS 119 *Employee Benefits*.

The calculation for defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined liability or asset, taking into account any changes in the net defined liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when settlement occurs.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia ("RM"), which is the functional currency of the Group and of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Foreign currencies (Cont'd)

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- (a) exchange differences arising on the retranslation of non-monetary items carried at fair value in respect of which gain and losses are recognised in other comprehensive income. For such non-monetary items, the exchange component of that gain or loss is also recognised in other comprehensive income; and
- (b) exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore, forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated in RM using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary company that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary company that does not result in the Group losing control over the subsidiary company, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Property, plant and equipment

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

Freehold land and capital work in progress are not depreciated. Leasehold land was measured at cost less accumulated depreciation and any accumulated impairment losses where leasehold land was depreciated over its lease term of 60 years.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Buildings and structures	2.22% - 10%
Plant and machineries	10% - 33.3%
Production tools and equipment	10% - 50%
Furniture, fixtures and office equipment	10% - 33.3%
Mechanical and electrical installation	10% - 20%
Motor vehicles	20%
Computer and software	10% - 16.67%

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Property, plant and equipment (Cont'd)

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any impairment loss. Depreciation of these assets in progress, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

All items of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment Properties

(a) Investment properties carried at fair value

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(b) Reclassification to/from investment properties

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Impairment of tangible assets

At the end of each reporting period, the Group and the Company review the carrying amounts of their tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Impairment of tangible assets (Cont'd)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, includes an appropriate portion of fixed and variable overhead expenses that have been incurred in bringing the inventories to their present location and condition. Cost is determined based on the weighted average basis.

Cost of raw materials consists of purchase price plus the cost of bringing the inventories to their present location. Cost of work-in-progress and finished goods consists of the cost of raw materials, direct labour and an appropriate proportion of factory overheads. Goods-in-transit is stated at cost.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Classification of financial assets (Cont'd)

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit and loss ("FVTPL").

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group and the Company recognise interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "interest income" line item.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- (i) Investments in equity instruments are classified as at FVTPL, unless the Group and the Company designate an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Financial assets at FVTPL (Cont'd)

- (ii) Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group and the Company have not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other operating income" or "other operating expenses" line item. Fair value is determined in the manner described in Note 31.

Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables and amounts due from customers. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company always recognise lifetime expected credit loss ("ECL") for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group and the Company compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group and the Company consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's and the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's and the Company's core operations.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Significant increase in credit risk

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- (i) an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- (ii) existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- (iii) an actual or expected significant deterioration in the operating results of the debtor;
- (iv) an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group and the Company presume that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 120 days past due, unless the Group and the Company have reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group and the Company assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group and the Company consider the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- (i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group and the Company, in full (without taking into account any collaterals held by the Group and the Company).

Irrespective of the above analysis, the Group and the Company consider that default has occurred when a financial asset is more than 180 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Group and the Company write off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's and the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Measurement and recognition of expected credit losses (Cont'd)

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group and the Company in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the original effective interest rate.

If the Group and the Company have measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determine at the current reporting date that the conditions for lifetime ECL are no longer met, the Group and the Company measure the loss allowance at an amount equal to 12 months ECL at the current reporting date, except for assets for which simplified approach was used.

The Group and the Company recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss.

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group and the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group and the Company, and commitments issued by the Group and the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Segment information

For management purpose, the Group is organised into operating segments based on their business segment which is regularly reviewed by the Group's chief operation decision officer for the performance of the respective segments under their charge. The segment chief operation officer reports directly to the chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance.

Cash and cash equivalents

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents comprise cash and bank balances, demand deposits which are not pledged and highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's and Company's accounting policies, which are described in Note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, the directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Impairment of goodwill on consolidation

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable growth rate and discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the end of the reporting period is disclosed in Note 15.

(ii) Inventories

The Group makes an allowance for slow moving and/or obsolete inventories based on the assessment of future sales demand and/or forecast. If there are no future demand or forecast expected for the raw material, work-in-progress or finished goods inventories (e.g. where such finished goods are expected to be discontinued or replaced in the near future and there is no reuse opportunities for the raw materials, work-in-progress or finished goods), an allowance for slow moving and/or obsolete inventory will be made.

The Group also writes down its slow moving and obsolete inventories based on assessment of their net realisable value less costs to sell. Inventories are written down when events and circumstances indicate that the carrying amounts may not be recoverable. The actual write down in value can only be confirmed in any subsequent sales of those inventories and this may differ from the estimates made earlier. This may affect the Group's financial position and results.

The Group values its work-in-progress and finished goods by determining an absorption rate for direct labor and an appropriate portion of factory overheads. Management judgment is involved in determining an appropriate costing basis for the work-in-progress and finished goods.

Further details of the above are disclosed in Note 17.

(iii) Impairment of receivables

When measuring ECL, the Group and the Company use reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group and the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. Further details are given in Note 31(c)(iii).

(iv) Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of other deductible temporary differences of the Group and the Company are disclosed in Note 16.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

5. REVENUE

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Segment revenue				
Revenue from contract with customers:				
Manufacturing of industrial products	879,248,180	975,441,846	-	-
Investment income earned from financial asset at fair value through profit or loss	953	3,460	953	3,460
Management fees	-	-	6,800,000	7,200,000
Dividend income from subsidiaries	-	-	19,000,000	27,000,000
Total revenue	<u>879,249,133</u>	<u>975,445,306</u>	<u>25,800,953</u>	<u>34,203,460</u>
Timing of revenue recognition				
At a point in time	879,249,133	975,445,306	19,000,953	27,003,460
Transferred over time	-	-	6,800,000	7,200,000
Total revenue	<u>879,249,133</u>	<u>975,445,306</u>	<u>25,800,953</u>	<u>34,203,460</u>
Geographical markets				
Malaysia	220,275,971	380,071,181	25,800,953	34,203,460
Other Asia Pacific countries	375,054,507	309,174,761	-	-
Canada	128,967,817	198,517	-	-
United States of America	80,241,161	170,544,510	-	-
Europe	74,452,588	115,455,241	-	-
Other countries	257,089	1,096	-	-
Total revenue	<u>879,249,133</u>	<u>975,445,306</u>	<u>25,800,953</u>	<u>34,203,460</u>

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

6. PROFIT BEFORE TAX

Profit before tax has been arrived at:

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
After charging:				
Employee benefit expenses (Note 7)	126,865,698	129,236,791	4,697,130	5,621,588
Depreciation of property, plant and equipment (Note 10)	29,661,687	21,994,380	-	-
Loss on foreign exchange, net:				
Realised	6,057,289	5,391,102	-	-
Unrealised	1,839,692	-	125,521	31,898
Interest expense	2,422,948	4,119,981	-	-
Amortisation of right-of-use assets (Note 12)	1,016,096	1,016,098	-	-
Expenses relating to short-term and low value leases:				
Premises	692,655	603,672	-	-
Office equipment	97,617	19,417	-	-
Bad debts written off	236,799	-	-	-
Statutory audit fees:				
Deloitte Malaysia PLT	198,000	187,000	45,000	42,000
Other auditors	77,940	64,750	-	-
Provision for retirement benefits (Note 24)	136,550	186,157	-	-
Non-statutory audit fees:				
Deloitte Malaysia PLT and its affiliates	122,500	193,430	50,800	60,000
Other auditors	-	64,000	-	-
Share of loss in associated company	70,399	1,844	-	-
Property, plant and equipment written off	10	118,365	-	-
Inventories written down, net (Note 17)	-	634,677	-	-
Provision for expected credit loss of trade receivables, net (Note 31)	-	283,201	-	-
Loss on disposal of property, plant and equipment	-	65,960	-	-
And crediting:				
Rental income from investment properties (Note 11)	5,358,210	3,778,020	-	-
Interest income on fixed and short-term deposits	2,611,719	2,384,219	-	-
Fair value gain on investment properties (Note 11)	1,880,000	500,000	-	-
Reversal of inventories written down, net (Note 17)	1,530,473	-	-	-
Reversal of provision for expected credit loss of trade receivables, net (Note 31)	397,403	-	-	-
Fair value gain on financial assets at fair value through profit or loss	355,397	55,946	24,597	55,946
Gain on disposal of property, plant and equipment	295,394	-	-	-
Unrealised gain on foreign exchange, net	-	123,736	-	-

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

7. EMPLOYEE BENEFIT EXPENSES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Wages, salaries and others	118,297,982	123,949,208	4,358,009	5,165,861
Defined contribution plan	8,397,966	5,101,426	339,121	455,727
Defined benefits plan	136,550	186,157	-	-
Benefit-in-kind	33,200	-	-	-
Total employee benefit expenses	<u>126,865,698</u>	<u>129,236,791</u>	<u>4,697,130</u>	<u>5,621,588</u>

Included in the employee benefit expenses of the Group and of the Company is directors' remuneration as shown below:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company:				
Executive:				
Salaries, allowance and bonus	2,264,599	2,734,841	2,264,599	2,734,841
Defined contribution plan	732,977	481,283	732,977	481,283
Benefits-in-kind	22,100	-	-	-
Non-executive:				
Fee	90,000	90,000	90,000	90,000
Allowance	67,600	29,200	67,600	29,200
	<u>3,177,276</u>	<u>3,335,324</u>	<u>3,155,176</u>	<u>3,335,324</u>
Directors of subsidiaries:				
Executive:				
Salaries, allowance and bonus	2,150,011	1,895,822	858,178	831,878
Defined contribution plan	407,035	213,586	102,986	99,831
Defined benefits plan	1,885	-	-	-
Benefits-in-kind	11,100	12,979	-	-
	<u>2,570,031</u>	<u>2,122,387</u>	<u>961,164</u>	<u>931,709</u>
	<u>5,747,307</u>	<u>5,457,711</u>	<u>4,116,340</u>	<u>4,267,033</u>

There are no key management personnel, other than the directors of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

8. TAX EXPENSE

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Current tax expense	8,815,171	8,057,248	326,614	282,530
Deferred tax:				
Origination and reversal of temporary differences (Note 16)	187,580	(7,235,852)	-	-
	9,002,751	821,396	326,614	282,530
(Over)/Under provision in prior years:				
Current tax	(481,758)	5,993,353	(5,319)	(38,990)
Deferred tax (Note 16)	2,514,246	(1,140,000)	-	-
	11,035,239	5,674,749	321,295	243,540

The Group is operating in the jurisdictions of Malaysia and Thailand.

Malaysia income tax is calculated at the statutory tax rate of 24% (2024: 24%). Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company is as follows:

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Profit before tax	31,976,863	57,842,953	20,656,082	28,261,875
Income tax at Malaysian tax rate of 24% (2024: 24%)	7,674,447	13,882,309	4,957,460	6,782,850
Effect of expenses that are not deductible in determining taxable profit	2,124,709	2,608,925	90,296	(19,490)
Effect of income that are not taxable in determining taxable profit	(796,405)	(1,439,759)	(4,721,142)	(6,480,830)
Utilisation of reinvestment allowances	-	(1,940,417)	-	-
Unutilised reinvestment allowances recognised as deferred tax assets*	-	(12,289,661)	-	-
	9,002,751	821,397	326,614	282,530
(Over)/Under provision in prior years:				
Current tax	(481,758)	5,993,352	(5,319)	(38,990)
Deferred tax	2,514,246	(1,140,000)	-	-
	11,035,239	5,674,749	321,295	243,540

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

8. TAX EXPENSE (Cont'd)

A subsidiary in Thailand was enjoying investment promotion incentive in the manufacturing of certain goods according to the Investment Promotion Act of Thailand B.E. 1977. Under this incentive, the subsidiary was entitled to full corporate tax exemption on certain sources of income, a tax reduction of 10% on certain sources of income and full corporate tax exemption on certain sources of income not exceeding the capital investment (excluding land), as well as other rights and privileges as prescribed by the Board of Investment of Thailand. For income which was derived from non-qualifying investment promotion incentive, tax was charged at 20%. The investment promotion incentive expired on Oct 9, 2025. The corporate tax rate applicable upon expiry of the investment promotion incentive is 20%.

9. EARNINGS PER SHARE

Basic earnings per ordinary share

The net profit and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	The Group	
	2025	2024
Profit for the year attributable to owners of the Company (RM)	22,520,829	53,179,747
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (units)	384,041,985	384,041,985
Basic earnings per ordinary share (sen)	5.86	13.85

Diluted earnings per ordinary share

The Group has no dilution in its earnings per ordinary share as there are no potential dilutive ordinary shares during the financial year.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

10. PROPERTY, PLANT AND EQUIPMENT		The Group							Total	
Cost	Freehold land	Land improvements, buildings and structures	Plant and machineries	Production tools and equipment	Furniture, fixtures and office equipment	Mechanical and electrical installation	Motor vehicles	Computer software	Capital work in progress	RM
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
2025:										
At cost										
Balance at beginning	1,160,454	147,506,043	288,341,683	34,082,084	5,126,888	3,349,244	3,385,625	1,844,129	12,321,099	497,117,249
Additions	-	8,624,945	2,988,798	2,352,871	310,379	62,352	21,260	71,037	14,714,291	29,145,933
Disposals/Write offs	-	(266,667)	(2,890,152)	(175,805)	(11,199)	-	(20,000)	-	-	(3,363,823)
Reclassification	-	9,312,341	1,400,515	58,200	-	-	-	-	(10,771,056)	-
Effects of movements in exchange rates	(15,217)	(137,540)	(160,941)	(3,641)	(17,140)	(12,561)	(11,640)	(3,432)	(41,906)	(404,018)
Balance at end	1,145,237	165,039,122	289,679,903	36,313,709	5,408,928	3,399,035	3,375,245	1,911,734	16,222,428	522,495,341
Accumulated depreciation										
Balance at beginning	-	28,112,215	184,230,944	19,195,978	4,454,621	2,905,616	2,602,331	402,779	-	241,904,484
Charge for the year	-	9,950,462	15,170,791	3,562,336	175,152	216,712	267,278	318,956	-	29,661,687
Disposals/Write offs	-	(22,055)	(2,850,277)	(173,010)	(9,753)	-	(19,999)	-	-	(3,075,094)
Effects of movements in exchange rates	-	(9,678)	(85,629)	(1,906)	(11,820)	(8,711)	(8,273)	(3,139)	-	(129,156)
Balance at end	-	38,030,944	196,465,829	22,583,398	4,608,200	3,113,617	2,841,337	718,596	-	268,361,921
Carrying amount	1,145,237	127,008,178	93,214,074	13,730,311	800,728	285,418	533,908	1,193,138	16,222,428	254,133,420

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Group

Cost	Freehold land RM	Land improvements, buildings and structures RM	Plant and machineries RM	Production tools and equipment RM	Furniture, fixtures and office equipment RM	Mechanical and electrical installation RM	Motor vehicles RM	Computer and software RM	Capital work in progress RM	Total RM
2024:										
At cost										
Balance at beginning	1,195,371	85,701,218	247,520,068	23,465,246	4,494,128	3,106,112	3,043,155	980,049	39,327,460	408,832,807
Additions	-	3,159,097	40,910,126	11,553,460	517,747	-	358,732	864,080	33,372,315	90,735,557
Disposals/Write offs	-	-	(1,026,671)	(933,188)	(39,786)	-	-	-	(3,916)	(2,003,561)
Reclassification	-	58,655,411	1,191,060	-	179,662	260,866	-	-	(60,286,999)	-
Effects of movements in exchange rates	(34,917)	(9,683)	(252,900)	(3,434)	(24,863)	(17,734)	(16,262)	-	(87,761)	(447,554)
Balance at end	1,160,454	147,506,043	288,341,683	34,082,084	5,126,888	3,349,244	3,385,625	1,844,129	12,321,099	497,117,249
Accumulated depreciation										
Balance at beginning	-	23,060,738	171,966,631	17,418,281	4,214,506	2,667,655	2,369,694	214,043	-	221,911,548
Charge for the year	-	5,057,798	13,346,661	2,596,559	303,352	251,895	249,379	188,736	-	21,994,380
Disposals/Write offs	-	-	(921,065)	(816,631)	(39,591)	-	-	-	-	(1,777,287)
Effects of movements in exchange rates	-	(6,321)	(161,283)	(2,231)	(23,646)	(13,934)	(16,742)	-	-	(224,157)
Balance at end	-	28,112,215	184,230,944	19,195,978	4,454,621	2,905,616	2,602,331	402,779	-	241,904,484
Carrying amount	1,160,454	119,393,828	104,110,739	14,886,106	672,267	443,628	783,294	1,441,350	12,321,099	255,212,765

The carrying amount of the Group's freehold land and buildings charged to a licensed bank as securities for banking facilities granted to the Group (as disclosed in Note 26) amounted to RM13,496,801 (2024: RM6,115,564).

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

11. INVESTMENT PROPERTIES

	The Group	
	2025	2024
	RM	RM
At fair value		
Balance at beginning	22,447,914	22,079,346
Change in fair value recognised in profit or loss	1,880,000	500,000
Effects of movements in exchange rates	(57,290)	(131,432)
	<u>24,270,624</u>	<u>22,447,914</u>
Balance at end		
The investment properties are represented by:		
Freehold land and buildings	4,340,624	4,397,914
Leasehold land and buildings	19,930,000	18,050,000
	<u>24,270,624</u>	<u>22,447,914</u>

The carrying amount of the Group's investment properties charged to a licensed bank as securities for banking facilities granted to the Group (as disclosed in Note 26) amounted to RM1,442,256 (2024: RM1,461,292).

Group as lessor

The Group has entered into operating leases on its investment properties. These leases have terms of between 1 to 3 years.

The following are recognised in profit or loss in respect of investment properties:

	The Group	
	2025	2024
	RM	RM
Rental income from investment properties	5,358,210	3,778,020
Direct operating expenses:		
Income generating investment properties	154,416	149,134
	<u>5,512,626</u>	<u>3,927,154</u>

Future minimum rentals receivable under non-cancellable operating leases as at December 31 are as follows:

	The Group	
	2025	2024
	RM	RM
Not later than one year	4,281,492	3,448,980
Later than one year and not later than five years	5,018,959	11,700
	<u>9,300,451</u>	<u>3,460,680</u>

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

11. INVESTMENT PROPERTIES (Cont'd)

Fair value measurement information

Fair value of investment properties are categorised as follows:

	The Group Level 3	
	2025 RM	2024 RM
Freehold land and buildings	4,340,624	4,397,914
Leasehold land and buildings	19,930,000	18,050,000
	24,270,624	22,447,914

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and input used	Significant unobservable inputs		Inter-relationship between significant used unobservable inputs fair value measurement RM
	2025	2024	
Comparison method of valuation: Comparing the subject site with similar industrial lands and industrial buildings which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, market conditions, size, terrain of land, tenure and restrictions if any, availability of infrastructure, vacant possession and other relevant characteristics.	Price per square foot (RM38-RM63)	Price per square foot (RM34-RM60)	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower)

Valuation process applied by the Group for Level 3 fair value

At December 31, 2025, the fair value of the Group's investment properties have been arrived at on the basis of a valuation carried out on March 30, 2025 and January 20, 2026 by independent valuers, which have appropriate qualifications and recent experience in the valuation of properties in the relevant locations, by reference to market evidence of transaction prices for similar properties. Changes in Level 3 fair value are analysed by the management after obtaining the valuation reports from the valuation company.

Highest and best use

The Group's investment properties comprise of factory land and buildings located within an area designated for industrial use. Accordingly, industrial use has been adopted as the highest and best use for the valuation purpose.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

12. RIGHT-OF-USE ASSETS

	The Group 2025 RM	2024 RM
Leasehold land		
At cost		
Balance at beginning/end	<u>27,375,009</u>	<u>27,375,009</u>
Accumulated amortisation		
Balance at beginning	6,661,046	5,644,948
Charge for the year	<u>1,016,096</u>	<u>1,016,098</u>
Balance at end	<u>7,677,142</u>	<u>6,661,046</u>
Carrying amount	<u>19,697,867</u>	<u>20,713,963</u>

Leasehold land of the Group is with unexpired lease period of ranging between 10 to 26 years (2024: 11 to 27 years).

13. INVESTMENT IN SUBSIDIARIES

	The Company 2025 RM	2024 RM
Unquoted shares, at cost	<u>79,918,805</u>	<u>79,918,805</u>

Details of the subsidiaries are as follows:

Name of companies	Country of incorporation and operation	Proportion of ownership interest (%)		Principal activities
		2025	2024	
Held by the Company:				
Pan-International Electronics (Malaysia) Sdn. Bhd.	Malaysia	100	100	Contract electronics manufacturing, cable assemblies and Printed Circuit Board ("PCB") assemblies and manufacture of fixed and handheld barcode readers ad its related sub-assembly
Pan-International Wire & Cable (Malaysia) Sdn. Bhd.	Malaysia	100	100	Manufacture of cables and wires for electronic devices and cable moulding compounds
Pan-International Electronics (Thailand) Co., Ltd.*	Thailand	55	55	Manufacture and distribution of cable assembly and wire harness, plastic parts for electrical appliances and electronics parts and PCB assembly for computer, communication and consumer electronics industry

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

13. INVESTMENT IN SUBSIDIARIES (Cont'd)

Name of companies	Country of incorporation and operation	Proportion of ownership interest (%)		Principal activities
		2025	2024	
Indirectly held through Pan-International Electronics (Malaysia) Sdn. Bhd.:				
PIE Enterprise (M) Sdn. Bhd.	Malaysia	100	100	Dormant
Indirectly held through Pan-International Wire & Cable (Malaysia) Sdn Bhd.:				
P.I.W. Enterprise (Malaysia) Sdn. Bhd.	Malaysia	100	100	Dormant

* Not audited by Deloitte Malaysia PLT

On January 12, 2024, the Group's ultimate holding company, Pan-International Industrial Corp. subscribed to 4,090,900 newly issued ordinary shares of Pan-International Electronics (Thailand) Co., Ltd. ("PIT") at an issue price of THB50 per ordinary share for a total cost of THB204,545,000 (equivalent to RM26,488,578) in cash. The shareholding of the Company in PIT was reduced from 100% to 55% subsequent to this. The change in ownership interest of PIT resulted in a non-controlling interest of RM22,421,966 as at December 31, 2025 (2024: RM24,322,587).

The non-controlling interests ("NCI") in PIT is as follows:

	2025	2024
NCI percentage of ownership interest and voting interest (%)	45%	45%
Carrying amounts of NCI (RM)	22,421,966	24,322,587
Total comprehensive loss for the financial year attributable to NCI (RM)	1,900,621	1,435,586

Summarised financial information of PIT is set out below. The summarised financial information below represents amounts before intra-group eliminations.

	2025 RM	2024 RM
Non-currents assets	24,763,064	19,436,389
Current assets	35,989,013	48,938,643
Non-current liabilities	(1,097,959)	(1,726,786)
Current liabilities	(9,573,195)	(12,380,763)
Net assets	50,080,923	54,267,483
Revenue	51,049,229	42,214,064
Loss for the year	(3,509,345)	(2,247,873)
Total comprehensive loss for the year	(4,223,603)	(3,190,191)
Net cash used in operating activities	(4,367,134)	(3,921,821)
Net cash used in investing activities	(7,762,224)	(9,014,402)
Net cash from financing activities	-	26,488,578
Net (decrease)/increase in cash and cash equivalents	(12,129,358)	13,522,355

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

14. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unquoted shares, at cost	200,000	200,000	25,000	25,000
Share of post-acquisition reserves	(107,093)	(36,694)	-	-
	<u>92,907</u>	<u>163,306</u>	<u>25,000</u>	<u>25,000</u>

Details of the associates are as follows:

Name of companies	Country of incorporation and operation	Proportion of ownership interest (%)		Principal activities
		2025	2024	
Held by the Company:				
12 Skyway Sdn. Bhd.*	Malaysia	49	49	Provision of consultancy services and trading of artificial grass
Indirectly held through Pan-International Electronics (Malaysia) Sdn. Bhd.:				
Pan-International Corporation (S) Pte. Ltd.*	Singapore	30	30	Marketing and trading of electronic and telecommunication components and equipment

* Not audited by Deloitte Malaysia PLT

The following table summarises the information of the Group's associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate.

	The Group	
	2025 RM	2024 RM
12 Skyway Sdn. Bhd.		
As at December 31		
Non-current assets	15,277	38
Current assets	40,253	11,572
Current liabilities	<u>(312,888)</u>	<u>(103,486)</u>
Net liabilities	<u>(257,358)</u>	<u>(91,876)</u>
Year ended December 31		
Loss from continuing operations	<u>(165,482)</u>	<u>(14,291)</u>
Pan- International Corporation (S) Pte. Ltd.		
As at December 31		
Current assets	1,344,125	1,398,008
Current liabilities	<u>(123,197)</u>	<u>(84,584)</u>
Net Assets	<u>1,220,928</u>	<u>1,313,424</u>
Year ended December 31		
Profit/(Loss) from continuing operations	<u>35,624</u>	<u>(6,147)</u>

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

15. GOODWILL ON CONSOLIDATION

	The Group 2025 RM	2024 RM
At cost	<u>1,721,665</u>	<u>1,721,665</u>

At end of the reporting period, the Group assessed the recoverable amount of goodwill and determined that no impairment was necessary.

Goodwill has been allocated for impairment testing purposes to the manufacturing activities of a foreign subsidiary.

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a period of 5 years with a terminal growth rate of 1% (2024: 1%) and a pre-tax discount rate of 10.80% (2024: 11.60%) per annum.

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of the cash-generating unit.

16. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Balance at beginning	(1,547,612)	(9,854,532)	827,120	827,120
Recognised in profit or loss (Note 8)	(187,580)	7,235,852	-	-
Recognised in other comprehensive income	-	(59,245)	-	-
Effects of movements in exchange rates	(5,736)	(9,687)	-	-
	<u>(1,740,928)</u>	<u>(2,687,612)</u>	<u>827,120</u>	<u>827,120</u>
(Under)/Overprovision in prior year (Note 8)	(2,514,246)	1,140,000	-	-
	<u>(4,255,174)</u>	<u>(1,547,612)</u>	<u>827,120</u>	<u>827,120</u>

The recognised deferred tax assets and liabilities, after appropriate offsetting, are as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax assets	2,208,192	1,416,197	827,120	827,120
Deferred tax liabilities	(6,463,366)	(2,963,809)	-	-
	<u>(4,255,174)</u>	<u>(1,547,612)</u>	<u>827,120</u>	<u>827,120</u>

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

16. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

The movement in deferred tax assets/(liabilities) during the year before offsetting are as follows:

	Opening balance RM	Recognised in profit or loss RM	Recognised in other comprehensive income RM	Currency Translation Difference RM	Closing balance RM
The Group					
2025					
Deferred tax assets					
Unutilised reinvestment allowances	12,289,661	(763,509)	-	-	11,526,152*
Other deductible temporary difference	7,101,902	(2,585,764)	-	(5,736)	4,510,402
	19,391,563	(3,349,273)	-	(5,736)	16,036,554
Deferred tax liabilities					
Property, plant and equipment	(20,939,175)	647,447	-	-	(20,291,728)
Net	(1,547,612)	(2,701,826)	-	(5,736)	(4,255,174)
2024					
Deferred tax assets					
Unutilised reinvestment allowances	-	12,289,661	-	-	12,289,661*
Other deductible temporary difference	5,674,979	1,495,855	(59,245)	(9,687)	7,101,902
	5,674,979	13,785,516	(59,245)	(9,687)	19,391,563
Deferred tax liabilities					
Property, plant and equipment	(15,529,511)	(5,409,664)	-	-	(20,939,175)
Net	(9,854,532)	8,375,852	(59,245)	(9,687)	(1,547,612)

* The unused reinvestment allowances of RM48,025,635 (2024: RM51,206,920) will expire in the financial year ending December 31, 2031.

	Opening balance RM	Recognised in profit or loss RM	Currency Translation Difference RM	Closing balance RM
The Company				
2025				
Deferred tax assets				
Other deductible temporary difference	827,120	-	-	827,120
2024				
Deferred tax assets				
Other deductible temporary difference	827,120	-	-	827,120

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

16. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

Certain deferred tax assets and deferred tax liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offsetting):

	The Group	
	2025	2024
	RM	RM
Deferred tax assets (before offsetting)	16,036,554	19,391,563
Offsetting	<u>(13,828,362)</u>	<u>(17,975,366)</u>
Deferred tax assets (after offsetting)	<u>2,208,192</u>	<u>1,416,197</u>
Deferred tax liabilities (before offsetting)	(20,291,728)	(20,939,175)
Offsetting	<u>13,828,362</u>	<u>17,975,366</u>
Deferred tax liabilities (after offsetting)	<u>(6,463,366)</u>	<u>(2,963,809)</u>

17. INVENTORIES

	The Group	
	2025	2024
	RM	RM
At Cost:		
Raw materials	85,625,305	93,519,001
Work-in-progress	35,843,567	34,913,893
Finished goods	39,261,967	30,738,935
Goods-in-transit	9,702,174	10,447,235
At net realizable value:		
Raw materials	10,312,960	31,289,818
Work-in-progress	6,618,561	10,524,876
Finished goods	<u>1,006,803</u>	<u>1,869,567</u>
	<u>188,371,337</u>	<u>213,303,325</u>
	The Group	
	2025	2024
	RM	RM
Recognised in profit or loss:		
Inventories recognised as cost of sales	830,321,985	894,430,229
(Reversal of inventories)/Inventories written down, net	<u>(1,530,473)</u>	<u>634,677</u>

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

18. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Trade				
Third parties	139,489,746	200,325,981	-	-
Less: Provision for expected credit loss	(220,239)	(619,199)	-	-
	139,269,507	199,706,782	-	-
Related parties	11,919,047	3,446,655	-	-
Ultimate holding company	8,455,923	1,496,751	-	-
	159,644,477	204,650,188	-	-
Non-trade				
Amount owing by subsidiaries	-	-	22,479,421	21,879,421
Other receivables	5,907,312	3,179,740	-	-
Deposits	451,211	458,519	2,000	2,000
Prepayments	6,114,948	5,817,732	14,290	10,717
	12,473,471	9,455,991	22,495,711	21,892,138
	172,117,948	214,106,179	22,495,711	21,892,138

The normal credit terms granted on the trade receivables balances of the Group range from 30 to 120 days (2024: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair value on initial recognition.

The trade amount due from related parties and ultimate holding company are subject to normal trade terms from 30 to 120 days (2024: 30 to 120 days). Related parties refer to entities within the Pan-International Industrial Corp group of companies.

Included in non-trade amount owing by subsidiaries of the Company is dividend receivable amounting to RM10 million (2024: RM10.5 million) owing from a subsidiary. The remaining balance arose mainly from unsecured advances which are interest free and are repayable on demand.

The ageing analysis of the Group's third parties trade receivable balances are disclosed in Note 31(c)(iii) (a).

19. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Financial assets at fair value through profit or loss				
Investment in unit trusts	10,701,524	1,604,263	342,369	1,604,263

The effective interest rate for the short-term investments of the Group and the Company at the end of reporting period range from 2.20% to 3.50% (2024: 2.80%) and 3.50% (2024: 2.80%) per annum respectively and can be redeemed at any time upon notice given to the financial institution. The unit trusts are invested in Islamic money market instruments.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

20. CASH AND BANK BALANCES, FIXED AND SHORT-TERM DEPOSITS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	55,023,587	97,424,465	1,563,149	305,381
Fixed deposits with licensed banks	14,589,612	14,235,654	-	-
Short-term money market deposits	53,815,000	4,000,000	-	-
	<u>123,428,199</u>	<u>115,660,119</u>	<u>1,563,419</u>	<u>305,381</u>
Less: Cash and bank balances pledged	<u>(515,200)</u>	<u>(522,000)</u>	<u>-</u>	<u>-</u>
	<u>122,912,999</u>	<u>115,138,119</u>	<u>1,563,419</u>	<u>305,381</u>

Included in the Group's cash and bank balances is RM515,200 (2024: RM522,000) pledged to licensed banks as securities for banking facilities granted to the Group (as disclosed in Note 26).

The effective interest rate and maturity period of the fixed deposits with licensed banks of the Group as at the end of the reporting period range from 2.00% to 3.20% (2024: 2.00% to 3.50%) per annum and 1 to 3 months (2024: 1 to 3 months) respectively.

The effective interest rate and maturity period of the short-term money market deposits of the Group as at the end of the reporting period is at 2.70% to 2.90% (2024: 2.70% to 2.90%) per annum and 1 to 3 months (2024: 1 month) respectively.

21. SHARE CAPITAL

	The Company			
	2025		2024	
	No. of shares	RM	No. of shares	RM
Issued and fully paid:				
Ordinary shares	<u>384,041,985</u>	<u>83,202,902</u>	<u>384,041,985</u>	<u>83,202,902</u>

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. All ordinary shares rank equally with regard to the Company's residual assets.

22. RESERVES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable:				
Foreign currency translation reserve	6,752,881	7,145,723	-	-
Revaluation reserve	2,659,578	2,659,578	-	-
Merger reserve	-	-	16,408,221	16,408,221
	<u>9,412,459</u>	<u>9,805,301</u>	<u>16,408,221</u>	<u>16,408,221</u>

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

22. RESERVES (Cont'd)

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising on translation of foreign subsidiary companies' financial statements. Exchange differences relates to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (Ringgit Malaysia) and are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Revaluation reserve

Revaluation reserve represents increase in the value of property, plant and equipment and right-of-use assets, net of tax, as a result of change in use of the Group's owner-occupied property to investment property that was carried at fair value at the date of change in use.

Merger reserve

Merger reserve represents the difference between the cost of investment in subsidiaries and the nominal value of shares issued as consideration plus cash consideration.

23. RETAINED EARNINGS

The entire retained earnings of the Company as of December 31, 2025 is available for the distribution as single-tier dividends to the shareholders of the Company.

24. RETIREMENT BENEFIT OBLIGATIONS

	The Group 2025 RM	2024 RM
Present value of retirement benefit obligations, representing net liabilities	<u>1,097,959</u>	<u>1,726,786</u>
Analysed as:		
Non-current	<u>1,097,959</u>	<u>1,726,786</u>

The amount recognised in the profit or loss of the Group are as follows:

	The Group 2025 RM	2024 RM
Current services costs	<u>136,550</u>	<u>186,157</u>

The following table sets out the reconciliation of the retirement benefit obligations of the Group:

	The Group 2025 RM	2024 RM
Balance at beginning	1,726,786	1,699,371
Recognised in the profit or loss:		
Employee benefit expenses (Note 7)	136,550	186,157
Benefit paid	(748,060)	(110,018)
Effects of movements in exchange rates	<u>(17,317)</u>	<u>(48,724)</u>
	<u>1,097,959</u>	<u>1,726,786</u>

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

24. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

The principle actuarial assumptions used are as follows:

	The Group	
	2025	2024
Discount rate	2.52%	2.52%
Long term salary increment rate	4.00%	4.00%

The following table demonstrates the sensitivity analysis of the Group if significant actuarial assumptions at the end of each reporting period changed with all other variables held constant period:

	The Group			
	2025		2024	
	%	RM	%	RM
Discount rate increase	1	(134,948)	1	(70,626)
Discount rate decrease	(1)	157,439	(1)	79,132
Long-term salary increment rate increase	1	44,983	1	100,134
Long term salary increment rate decrease	(1)	(33,737)	(1)	(90,556)

The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years (2024: 9 years).

25. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Trade				
Third parties	52,282,072	98,821,123	-	-
Amount due to ultimate holding company	3,111,999	2,817,093	-	-
Related parties	1,026,996	791,136	-	-
	<u>56,421,067</u>	<u>102,429,352</u>	<u>-</u>	<u>-</u>
Non-trade				
Other payables	14,317,859	14,955,198	-	-
Accruals	12,075,296	14,525,660	2,600,140	3,216,711
	<u>26,393,155</u>	<u>29,480,858</u>	<u>2,600,140</u>	<u>3,216,711</u>
	<u>82,814,222</u>	<u>131,910,210</u>	<u>2,600,140</u>	<u>3,216,711</u>

The normal credit terms granted on the trade payables balances of the Group range from 30 to 90 days (2024: 30 to 90 days).

The normal credit terms granted on the trade amounts due to related parties of the Group range from 30 to 60 days (2024: 30 days).

The normal credit terms granted on the trade amounts due to ultimate holding company of the Group is 90 days (2024: 90 days)

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

26. BORROWINGS

	The Group	
	2025	2024
	RM	RM
Current liabilities		
Multi-currency trade loan	20,350,000	34,116,400
Revolving credit	28,490,000	22,445,000
	48,840,000	56,561,400

The effective interest rates per annum are as follows:

	2025	2024
	%	%
Multi-currency trade loan	4.43	4.97
Revolving credit	4.32	4.97

These banking facilities are secured by legal charges over the freehold land and buildings (as disclosed in Note 10) amounting to RM13,496,801 (2024: RM6,115,564), investment properties (as disclosed in Note 11) amounting to RM1,442,256 (2024: RM1,461,292), cash and bank balances (as disclosed in Note 20) amounting to RM515,200 (2024: RM522,000) of the Group and corporate guarantee by the Company.

27. DIVIDENDS

	The Group and the Company	
	2025	2024
	RM	RM
In respect of the financial year ended December 31, 2025:		
Single tier interim dividend of RM0.024 per share	9,217,008	-
Special single tier interim dividend of RM0.026 per share	9,985,091	-
In respect of the financial year ended December 31, 2024:		
Single tier interim dividend of RM0.05 per share	-	19,202,099
Special single tier interim dividend of RM0.02 per share	-	7,680,840
	19,202,099	26,882,939

The directors do not recommend the payment of any final dividend in respect of the current financial year.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

28. RELATED PARTY TRANSACTIONS

The following details of transactions between the Group and the Company with related parties were carried out under terms and conditions negotiated amongst the related parties.

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
With subsidiaries:				
Management fees received	-	-	6,800,000	7,200,000
Dividend received	-	-	19,000,000	27,000,000
With immediate holding company:				
Sales to	2,970,548	6,546,044	-	-
Purchases from	12,646,734	2,704,087	-	-
Purchase of machinery and equipment	-	32,640	-	-
Dividend paid	9,872,999	13,822,199	9,872,999	13,822,199
With related parties:				
Sales to:				
Cloud Network Technology Pte. Ltd.	33,658,059	33,941	-	-
Hon Hai Precision Industries Co., Ltd.	2,087,719	13,599,812	-	-
Pan- International (USA), Inc.	1,395,231	-	-	-
Pan-International Precision Electronics Co Ltd.	776,559	5,460,552	-	-
Fulian System Integration Electronics (Haining) Co., Ltd	81,346	-	-	-
Pan-International Corporation (S) Pte. Ltd.	58,715	169,444	-	-
Foxconn Technology Co., Ltd	16,009	5,362,979	-	-
Sharp North Malaysia Sdn. Bhd.	-*	67,181,307	-	-
Sharp Appliances (Thailand) Co., Ltd	-*	3,204,509	-	-
Purchases from:				
Futaihua Industrial (ShenZhen) Co Ltd	1,721,505	1,388,256	-	-
Cloud Network Technology Pte. Ltd.	954,729	-	-	-
Hon Hai Precision Industries Co., Ltd.	790,747	5,843,892	-	-
Pan-International Corporation (S) Pte. Ltd.	407,754	-	-	-
Foxconn Technology Co., Ltd	-	129,057	-	-
Foxconn Interconnect Technology Singapore Pte. Ltd.	-	102,125	-	-

* Ceased to be a related party in the current financial year.

Compensation of key management personnel

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

There were no transactions with any key management personnel during the year other than key management personnel compensation as disclosed in Note 7.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

29. CAPITAL COMMITMENTS

	The Group 2025 RM	2024 RM
Contracted and not provided for:		
Property plant and equipment	<u>805,000</u>	<u>3,572,596</u>

30. OPERATING SEGMENTS

The Group has three 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 reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- (a) manufacturing of industrial products (includes cables and wires for electronic devices, cable moulding compounds and PCB assemblies, cable and wire harness for computer, communication, consumer electronic industry and cable assemblies);
- (b) trading of electronic materials (includes peripheral products of computers, telecommunication, consumer electronics and cable assembly products); and
- (c) investment holding.

Segment profit

Performance is measured based on segment profit before tax, interest income and expense and rental income as included in the internal management reports that are reviewed by the Group's Managing Director (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets of a segment, excluding income producing assets, current and deferred tax assets and investment in unit trusts as included in the internal management reports that are reviewed by the Group's Managing Director. Segment total asset is used to measure the return of assets of each segment.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

	Manufacturing of industrial products RM	Trading of electronics materials RM	Investment holding RM	Elimination RM	Total RM
2025					
Revenue					
External revenue	976,090,204	-	953	(96,842,024)	879,249,133
Inter-segment revenue	-	-	25,800,000	(25,800,000)	-
Total revenue	<u>976,090,204</u>	<u>-</u>	<u>25,800,953</u>	<u>(122,642,024)</u>	<u>879,249,133</u>
Results					
Segment profit/(loss)	25,571,488	(21,150)	20,656,082	(19,776,538)	26,429,882
Rental income					5,358,210
Interest income					2,611,719
Interest expense					<u>(2,422,948)</u>
Profit before tax					31,976,863
Income tax expense					<u>(11,035,239)</u>
Profit for the year					<u>20,941,624</u>

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

30. OPERATING SEGMENTS (Cont'd)

	Manufacturing of industrial products	Trading of electronics materials	Investment holding	Elimination	Total
2024					
Revenue					
External revenue	975,441,846	-	3,460	-	975,445,306
Inter-segment revenue	<u>74,862,980</u>	<u>-</u>	<u>34,200,000</u>	<u>(109,062,980)</u>	<u>-</u>
Total revenue	<u>1,050,304,826</u>	<u>-</u>	<u>34,203,460</u>	<u>(109,062,980)</u>	<u>975,445,306</u>
Results					
Segment profit/(loss)	54,821,566	(19,276)	28,261,875	(27,263,470)	55,800,695
Rental income					3,778,020
Interest income					2,384,219
Interest expense					<u>(4,119,981)</u>
Profit before tax					57,842,953
Income tax expense					<u>(5,674,749)</u>
Profit for the year					<u>52,168,204</u>
Segment assets and liabilities					
	Manufacturing of industrial products RM	Trading of electronics materials RM	Investment holding RM		Total RM
2025					
Assets					
Segment assets	319,852,449	174,455	1,604,439		321,631,343
Income producing assets					462,202,624
Current and deferred tax assets					7,542,981
Investment in unit trusts					<u>10,701,524</u>
Total assets					<u>802,078,472</u>
2024					
Assets					
Segment assets	353,601,340	179,745	318,098		354,099,183
Income producing assets					489,230,053
Current and deferred tax assets					10,130,007
Investment in unit trusts					<u>1,604,263</u>
Total assets					<u>855,063,506</u>

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

30. OPERATING SEGMENTS (Cont'd)

Other segment information

	Manufacturing of industrial products RM	Trading of electronics materials RM	Investment holding RM	Total RM
2025				
Other information				
Additions to non-current assets	29,145,933	-	-	29,145,933
Depreciation of property, plant and equipment and amortisation of right-of-use assets	30,677,783	-	-	30,677,783
Rental income	5,358,210	-	-	5,358,210
Interest income	2,611,719	-	-	2,611,719
Interest expense	2,422,948	-	-	2,422,948
Fair value gain on investment properties	1,880,000	-	-	1,880,000
Unrealised loss on foreign exchange, net	1,713,771	400	125,521	1,839,692
Reversal of inventories written down, net	1,530,473	-	-	1,530,473
Reversal of provision for expected credit loss of trade receivables, net	397,403	-	-	397,403
Fair value gain on financial assets at fair value through profit or loss	330,800	-	24,597	355,397
Gain on disposal of property, plant and equipment	295,393	-	-	295,393
Bad debts written off	236,799	-	-	236,799
Property, plant and equipment written off	10	-	-	10
2024				
Other information				
Additions to non-current assets	90,735,557	-	-	90,735,557
Depreciation of property, plant and equipment and amortisation of right-of-use assets	23,010,478	-	-	23,010,478
Interest expense	4,119,981	-	-	4,119,981
Rental income	3,778,020	-	-	3,778,020
Interest income	2,384,219	-	-	2,384,219
Inventories written down, net	634,677	-	-	634,677
Fair value gain on investment properties	500,000	-	-	500,000
Provision for expected credit loss of trade receivables, net	283,201	-	-	283,201
Property, plant and equipment written off	118,365	-	-	118,365
Loss on disposal of property, plant and equipment	65,960	-	-	65,960
Unrealised gain on foreign exchange, net	(154,745)	(889)	31,898	(123,736)
Fair value gain on financial asset at fair value through profit or loss	-	-	55,946	55,946

Geographical information

The Group's manufacturing activities are located in Malaysia and Thailand and trading activities are located in Malaysia.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of the customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments (including investment in an associate), goodwill on consolidation and deferred tax assets.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

30. OPERATING SEGMENTS (Cont'd)

Geographical information (Cont'd)

	Revenue RM	Non-current assets RM
2025		
Malaysia	220,275,972	273,693,472
Other Asia Pacific countries	375,054,507	24,408,439
Canada	128,967,817	-
United States of America	80,241,161	-
Europe	74,452,588	-
Other countries	257,088	-
	<u>879,249,133</u>	<u>298,101,911</u>
2024		
Malaysia	380,071,181	277,036,295
Other Asia Pacific countries	309,174,761	21,338,347
Canada	198,517	-
United States of America	170,544,510	-
Europe	115,455,241	-
Other countries	1,096	-
	<u>975,445,306</u>	<u>298,374,642</u>

Information about major customers

The following are major customers with revenue equal or more than 5% of the Group's total revenue:

	Revenue		Segments
	2025 RM	2024 RM	
Customer A	204,466,353	158,041,499	Manufacturing of industrial products
Customer B	187,710,335	116,105,347	Manufacturing of industrial products
Customer C	89,502,345	99,836,071	Manufacturing of industrial products
Customer D	44,024,345	71,380,257	Manufacturing of industrial products
Customer E	72,785,121	52,163,563	Manufacturing of industrial products
	<u>598,488,499</u>	<u>497,526,737</u>	

31. FINANCIAL INSTRUMENTS

a. Capital risk management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. Management monitors capital based on ability of the Group and of the Company to generate sustainable profits. The Group's and the Company's overall strategy remains unchanged from 2024.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

31. FINANCIAL INSTRUMENTS (Cont'd)

b. Categories of financial instruments

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial assets				
At amortised cost:				
Trade and other receivables, excluding prepayments	166,003,000	208,288,447	22,481,421	21,881,421
Cash and bank balances, fixed and short-term deposits	123,428,199	115,660,119	1,563,149	305,381
At fair value through profit or loss:				
Short-term investments	<u>10,701,524</u>	<u>1,604,263</u>	<u>342,369</u>	<u>1,604,263</u>
Financial liabilities				
At amortised cost:				
Trade and other payables	82,814,222	131,910,210	2,600,140	3,216,711
Borrowings	48,840,000	56,561,400	-	-
Retirement benefit obligations - non-current	<u>1,097,959</u>	<u>1,726,786</u>	<u>-</u>	<u>-</u>

c. Financial risk management objectives and policies

The operations of the Group and of the Company are subject to a variety of financial risks, including market risk, foreign currency risk, credit risk, interest rate risk, liquidity risk and cash flow risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

Various risk management policies are made and approved by the directors for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

i. Market risk management

The Group has in place policies to manage the Group's exposures to fluctuation in the prices of the raw materials used in the operations.

There has been no change to the Group's exposure to market risk or the manner in which these risks are managed and measured.

ii. Foreign currency risk management

The Group and the Company have exposure to foreign exchange risk as a result of transactions, receivables and payables in foreign currencies arising from normal operating activities.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

31. FINANCIAL INSTRUMENTS (Cont'd)

c. Financial risk management objectives and policies (Cont'd)

ii. Foreign currency risk management (Cont'd)

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Assets				
United States Dollars	144,350,229	234,107,779	1,186,715	1,276,250
Euro	330	16,337,886	-	-
Singapore Dollars	823,270	732,457	-	-
Others	16,593	18,433	-	-
Liabilities				
United States Dollars	101,537,028	171,926,678	-	-
Euro	8,143	542,720	-	-
Singapore Dollars	-	7,431	-	-
Chinese Renminbi	650,232	2,473,470	-	-
Others	101,662	-	-	-

The following table details the Group's and the Company's sensitivity to a 10% (2024: 10%) strengthening of the RM against the relevant foreign currencies. 10% (2024: 10%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% (2024: 10%) change in foreign currency rates. A positive number below indicates an increase in profit for the year (2024: an increase in profit for the year) and a negative number indicates a decrease in profit for the year (2024: a decrease in profit for the year) where the RM strengthens 10% (2024: 10%) against the relevant currency. For a 10% (2024: 10%) weakening of the RM against the relevant currency, it would have had equal but opposite effect on the below currencies to the amounts shown below.

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Impact on profit or loss				
United States Dollar	(4,281,320)	(6,218,110)	(118,672)	(127,625)
Euro	781	(1,579,516)	-	-
Singapore Dollar	(82,327)	(72,502)	-	-
Chinese Renminbi	650,232	247,347	-	-
Others	8,507	(1,843)	-	-

iii. Credit risk management

Credit risk refers to the risk that a third party counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group and the Company use its own trading records to rate its major third party customers. The Group's and the Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

31. FINANCIAL INSTRUMENTS (Cont'd)

c. Financial risk management objectives and policies (Cont'd)

iii. Credit risk management (Cont'd)

Third party trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

At the end of the reporting period, approximately 53% (2024: 72%) of the Group's third party trade receivables were due from 5 (2024: 5) major customers. Apart from these major customers, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

(a) Ageing analysis – maximum exposure to credit risk

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The Group maintains an ageing analysis in respect of third party trade receivables only. The ageing of third party trade receivables of the Group as at the end of the reporting period is as follows:

	Gross RM	Loss allowance RM	Net RM
2025			
Not past due	120,004,114	-	120,004,114
1 to 30 days past due	16,896,768	-	16,896,768
31 to 60 days past due	1,857,042	(66,854)	1,790,188
61 to 90 days past due	133,791	(8,830)	124,961
Past due more than 90 days	598,031	(144,555)	453,476
	<u>139,489,746</u>	<u>(220,239)</u>	<u>139,269,507</u>
2024			
Not past due	153,439,529	-	153,439,529
1 to 30 days past due	32,048,960	-	32,048,960
31 to 60 days past due	11,590,517	(340,847)	11,249,670
61 to 90 days past due	2,743,111	(132,098)	2,611,013
Past due more than 90 days	503,864	(146,254)	357,610
	<u>200,325,981</u>	<u>(619,199)</u>	<u>199,706,782</u>

The ECL allowance is calculated based on expected loss rate ranging from 0.3% to 100% (2024: 0.3% to 100%).

The provision for expected credit loss of trade receivables as at December 31, 2025 reconciles to the opening loss allowance for that provision as follows:

	2025 RM	2024 RM
At January 1	619,199	338,746
(Reversal of provision)/Provision for expected credit loss, net	(397,403)	283,201
Effects of movements in foreign exchange rates	(1,557)	(2,748)
At December 31	<u>220,239</u>	<u>619,199</u>

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

31. FINANCIAL INSTRUMENTS (Cont'd)

(b) 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 up to a limit of RM331,195,000 (2024:RM 248,058,020). The maximum exposure to credit risk is RM52,771,956 (2024: RM60,002,243) as there was outstanding facilities utilised by the said subsidiaries as at the end of the reporting period.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment.

Financial guarantees have not been recognised as the fair value on initial recognition was not material since no consideration was paid.

iv. Interest rate risk management

The Group's fixed rate fixed deposits with licensed banks, short-term money market deposits placed with licensed banks and bank borrowings are exposed to a risk of change in their fair value due to changes in interest rates.

The interest rate profile of the Group's significant interest-earning financial instruments, based on carrying amounts as at the end of the reporting period is as follows:

	The Group	
	2025	2024
	RM	RM
Fixed rate instruments		
Fixed deposits with licensed banks	14,589,612	14,235,654
Short-term money market deposits	53,815,000	4,000,000
Borrowings	48,840,000	56,561,400

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on fixed interest bearing financial instruments at the end of reporting period.

v. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's and Company's funding and liquidity management requirements. The Group and the Company remain focused on ensuring sufficient access to money markets to finance business growth and to meet its debt obligations. The Group and the Company seek to align the maturity profile of its financial obligations with its forecasted cash flow generation. Furthermore, strong cost and cash management policies are in place to preserve cash and protect the Group's and the Company's liquidity.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

31. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial guarantees – risk management objectives, policies and processes for managing the risk (Cont'd)

v. Liquidity risk management (Cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Weighted average effective interest rate %	Carrying amount RM	On demand or within 1 year RM	2 - 5 years RM	Total RM
The Group					
2025					
Financial liabilities					
Trade and other payables	-	82,814,222	82,814,222	-	82,814,222
Borrowings	-	48,840,000	48,840,000	-	48,840,000
Retirement benefit obligations	2.52%	1,097,959	-	1,339,846	1,339,846
Financial guarantee contracts*	-	52,771,956	52,771,956	-	52,771,956
		<u>185,524,137</u>	<u>184,426,178</u>	<u>1,339,846</u>	<u>185,766,024</u>
2024					
Financial liabilities					
Trade and other payables	-	131,910,210	131,910,210	-	131,910,210
Borrowings	-	56,561,400	56,561,400	-	56,561,400
Retirement benefit obligations	2.52%	1,726,786	-	2,160,309	2,160,309
Financial guarantee contracts*	-	60,002,243	60,002,243	-	60,002,243
		<u>250,200,639</u>	<u>248,473,853</u>	<u>2,160,309</u>	<u>250,634,162</u>
	Weighted average effective interest rate %	Carrying amount RM	On demand or within 1 year RM	Total RM	
The Company					
2025					
Financial liabilities					
Trade and other payables	-	2,600,140	2,600,140	2,600,140	
2024					
Financial liabilities					
Trade and other payables	-	3,216,711	3,216,711	3,216,711	

* The carrying amount of financial guarantee contracts as at the reporting date is RM Nil (2024: RM Nil) as there was no indication that the subsidiaries would default on repayment. The disclosure represents the maximum amount that is required to be settled in the event that the subsidiaries default on the banking facilities granted.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

31. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial guarantees – risk management objectives, policies and processes for managing the risk (Cont'd)

vi. Cash flow risk management

The Group and the Company review its cash flow position regularly to manage its exposures to fluctuations in future cash flows associated with its monetary financial instruments.

d. Fair value measurement

This note provides information about how the Group and the Company determines fair values of various financial assets and financial liabilities.

i. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's and the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined, in particular the valuation techniques and inputs used.

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Financial assets at fair value through profit or loss				
Investment in unit trusts	10,701,524	1,604,263	342,369	1,604,263
Fair value hierarchy	Level 1			
Valuation technique and key input	The investment in unit trusts which are quoted in an active market are carried at fair value by reference to their quoted closing bid price at the end of the reporting period.			
Significant unobservable input	Not applicable			
Relationship of unobservable input to fair value	Not applicable			

There was no transfer between Levels 1 and 2 during the period.

ii. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values due to the short term maturity of these financial instruments.

32. MATERIAL LITIGATION

Indirect tax dispute with the Royal Malaysian Customs ("RMC")

In 2015, a subsidiary of the Company, Pan-International Electronics (Malaysia) Sdn. Bhd. ("PIESB"), received demand letters from the RMC regarding unpaid import duties and sales tax amounting to RM8,432,283 and RM841,342 respectively.

In the same year, the RMC had blacklisted all the directors of PIESB from leaving and entering Malaysia and arising from this, the external legal counsel of PIESB had filed a judicial review application in the High Court of Malaya to challenge the condition imposed by the RMC. The RMC had subsequently withdrew the blacklisting of all directors with the condition that PIESB remit a payment of 20% of the disputed sum (amounting to RM1,854,725) and placed a bank guarantee with the RMC for the remaining sum. PIESB had complied with the instructions of the RMC without prejudice.

Notes To The Financial Statements (Cont'd)

For The Year Ended December 31, 2025

32. MATERIAL LITIGATION (Cont'd)

The RMC then had not filed any suit against PIESB for the above said claim. PIESB then filed an appeal with the Malaysia Ministry of Finance ("MOF") regarding the alleged unpaid import duties and sales tax of which its application was verbally rejected by the MOF on October 31, 2017. Subsequent to the rejection, the external legal counsel of PIESB had applied for a judicial review on the decision of the MOF with the High Court of Penang. The High Court of Penang dismissed PIESB's application for a judicial review. Following the dismissal by the High Court of Penang, PIESB had submitted an appeal application against the decision of the High Court of Penang to the Court of Appeals of which hearing of the case was fixed on June 24, 2019.

The Court of Appeal however decided that the appeal was premature as there was no documentary proof that the MOF had issued a letter to dismiss PIESB appeal for remission of the custom duties and sales tax. As such, the solicitor had advised PIESB to write a fresh letter of appeal to the MOF to request the Minister of Finance to reconsider and allow its appeal for the remission of the custom duties and sales tax. In December 2023, an additional payment of RM741,889 was made by PIESB based on a notice of demand received from the RMC.

Due to certain changes in the policy making in the MOF resulting from the change in government in 2023, PIESB was requested to resubmit another new letter of appeal to the MOF. This new letter of appeal was submitted to the MOF on February 27, 2024. The MOF on May 22, 2024 rejected PIESB's new letter of appeal and instructed PIESB to bring the appeal up to the court. As such, PIESB engaged its solicitors to file a judicial review against the MOF and the RMC in relation to the above matter.

On February 19, 2024, the High Court of Penang ruled in favour of PIESB and set aside the demand letters received by PIESB from the RMC in 2015. On March 18, 2024, the MOF and RMC filed an appeal in the Court of Appeals against the decision made by the High Court of Penang on February 19, 2024. Subsequently on February 24, 2025, the MOF and RMC withdrew their appeal without cost. Given that the decision of the High Court of Penang was consistent with PIESB's assessment of its chances of success made in prior years and the subsequent withdrawal of the appeal by the MOF and RMC, no adjustments were made to the financial statements of PIESB in the current financial year.

On December 10, 2025, the RMC acknowledged a request from PIESB for a refund amounting to RM2,596,615, representing the total amount of payments made by PIESB during the course of the dispute. Subsequently, on January 19, 2026, PIESB received the full refund from the RMC. With this, the dispute has been deemed as being completely resolved.

Statement by Directors

The directors of **P.I.E. INDUSTRIAL BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of December 31, 2025 and of the financial performance and the cash flows of the Group and of the Company for the year then ended on that date.

Signed in accordance with
a resolution of the Directors,

DATO' MUI CHUNG MENG

March 11, 2026

LAN, KUO-YI

Declaration by the Director Primarily Responsible for the Financial Management of the Company

I, **LAN, KUO-YI**, the director primarily responsible for the financial management of **P.I.E. INDUSTRIAL BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by

the abovenamed **LAN, KUO-YI** at

GEORGETOWN in the State of **PENANG**

on March 11, 2026

Before me,

COMMISSIONER FOR OATHS

Disclosure of Financial Data for Shariah Screening

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

(a) Group Total Income and Total Assets

	Group	
	2025	2024
	RM'000	RM'000
Total Income		
Revenue	879,249	975,445
Other Operating Income	21,470	11,938
Interest Income	2,612	2,384
Total	903,331	989,767
Total Assets	802,078	855,064

(b) Business Activities

Shariah Non-Compliant Activities

	Group	
	2025	2024
	RM'000	RM'000
Interest Income	2,612	2,384
Total	2,612	2,384

(c) Component of Financial Position

	Group	
	2025	2024
	RM'000	RM'000
(i) Cash Component		
Islamic Account / Instruments		
Cash and bank balances	14,453	2,579
	14,453	2,579

Conventional Account / Instruments

Short-term investment	10,702	1,604
Cash and bank balances	40,570	94,845
Fixed deposits with licensed banks	14,590	14,236
Short-term money market deposits	53,815	4,000
	119,677	114,685
Total Cash component	134,130	117,264

(ii) Debt Component

	Group	
	2025	2024
	RM'000	RM'000
Islamic Financing		
Current		
- Revolving credits	28,490	22,445
	28,490	22,445

Conventional Financing

Current		
- Revolving credits	20,350	34,116
	20,350	34,116
Total Debt Component	48,840	56,561

Analysis of Shareholdings

SHARE CAPITAL AS AT 31 MARCH 2026

Total Number of Issued Shares	: 384,041,985
Class of Shares	: Ordinary Shares with equal voting rights
Number of Shareholders	: 4,634

DISTRIBUTION OF SHAREHOLDERS AS AT 31 MARCH 2026

Holdings	No. of Holders	%	Shareholding	%
1 - 99	40	0.86	792	0.00
100 - 1,000	915	19.75	624,920	0.16
1,001 - 10,000	2,512	54.21	12,077,202	3.14
10,001 - 100,000	1,031	22.25	29,995,780	7.81
100,001 - 19,202,098	135	2.91	143,883,306	37.47
19,202,099 and above	1	0.02	197,459,985	51.42
Total	4,634	100.00	384,041,985	100.00

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2026

	Name	Shareholdings	%
1	PAN GLOBAL HOLDING CO. LTD	197,459,985	51.42
2	WONG YOKE FONG @ WONG NYOK FING	17,468,200	4.55
3	LEMBAGA TABUNG HAJI	14,926,300	3.89
4	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	14,837,600	3.86
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	6,575,800	1.71
6	GOH THONG BENG	5,600,000	1.46
7	AMANAHRAYA TRUSTEES BERHAD AMANAHA SAHAM BUMIPUTERA 3 - DIDIK	5,500,000	1.43
8	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)	4,381,800	1.14
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	3,968,995	1.03
10	PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR WONG YOKE FONG @ WONG NYOK FING (M)	3,845,100	1.00
11	AMANAHRAYA TRUSTEES BERHAD PUBLIC STRATEGIC SMALLCAP FUND	3,564,800	0.93
12	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPPORTUNITIES FUND	3,308,900	0.86
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	2,758,500	0.72
14	CHUNG LEAN HWA	2,460,000	0.64
15	WONG YOKE FONG @ WONG NYOK FING	2,135,500	0.56
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA FAMILY TAKAFUL BERHAD (FAMILY)	1,958,000	0.51
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NIAM EQ)	1,774,000	0.46
18	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	1,728,400	0.45
19	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)	1,671,400	0.44
20	WONG YOON TET	1,656,000	0.43
21	AMANAHRAYA TRUSTEES BERHAD PUBLIC SELECT TREASURES EQUITY FUND	1,591,700	0.41
22	PERMODALAN NASIONAL BERHAD	1,580,500	0.41

Analysis of Shareholdings (Cont'd)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2026 (CONT'D)

	Name	Shareholdings	%
23	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	1,499,506	0.39
24	LIM SOON HUAT	1,448,500	0.38
25	OUTSTANDING GROWTH TECHNOLOGY LIMITED	1,240,700	0.32
26	WONG YOON CHYUAN	1,195,000	0.31
27	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	1,136,300	0.30
28	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	979,601	0.26
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (EASTSPRING)	916,000	0.24
30	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK DANA UNGGUL	900,600	0.23

SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2026

	Name	Direct		Indirect	
		No. of Shares Held	%	No. of Shares Held	%
1	Pan Global Holding Co. Ltd	197,459,985	51.42	-	-
2	Pan-International Industrial Corporation	-	-	197,459,985*	51.42

Note:

* *By virtue of its substantial interest in Pan Global Holding Co. Ltd*

DIRECTOR SHAREHOLDING AS AT 31 MARCH 2026

	Name	Direct		Indirect	
		Shareholding	%	Shareholding	%
1	Lim Chien Ch'eng	-	-	-	-
2	Che Kian Yeap	-	-	-	-
3	Huang, Yi-Ling	-	-	-	-
4	Wong Thai Sun	-	-	-	-
5	Dato' Heng Huck Lee	-	-	-	-
6	Koay San San	-	-	-	-

Top 10 Properties Owned by P.I.E. Industrial Berhad Group of Companies

As At December 31, 2025

Location/Title	Tenure	Approximate Area	Description	Net Book Value as at 31.12.2025 (RM)	Age of Building (Years)	Year of Acquisition (A)/ Revaluation (R)
H.S.(D) 31755, Lot No. 5019, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang #	Leasehold – 60 years (expire on 11.11.2050)	Land: 4.0 acres Built up: 22,918 sq. meters	Industrial complex - 1 storey factory A - Annexed 2 storey office - 1 storey factory B - guard house and canteen - 1 unit 1 storey warehouse	22,989,654	35	2021 (R)
H.S.(D) 37959, P.T. No. 3188, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang #	Leasehold – 60 years (expire on 5.6.2050)	Land: 5.780 acres Built up: 14,177 sq. meters	Industrial complex - 2 storey detached office cum factory - guard house and other outbuildings	19,930,000	35	2025 (R)
H.S.(D) 4628, P.T. No. 3205, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang #	Leasehold – 60 years (expire on 11.11.2050)	Land: 7.0 acres Built up: 31,205 sq. meters	Industrial complex - 2 storey office - 1 storey factory - Annexed 3 storey production areas - 3 units 1 storey warehouse - Guardhouse and canteen	14,118,874	33	1990 (A) & 2010 (R)
H.S.(D) 4634, P.T. No. 3211, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang. #	Leasehold – 60 years (expire on 3.12.2050)	Land: 3.08 acres Built up: 15,677 sq. meters	Industrial complex - 2 storey detached office cum factory - 1 storey and rooftop warehouse	19,352,286	33	2021 (R)
H.S.(D) No. 38146, P.T. No. 3227, Mukim 1, Seberang Perai Tengah, Pulau Pinang. #	Leasehold – 60 years (expire on 5.2.2051)	Land: 4.0 acres Built up: 17,110 sq. meters	Industrial complex - 3 storey office - 2 storey factory complex - guard house	12,160,198	30	2012 (R)
H.S.(D) 31801, P.T. No. 3245, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang ^	Leasehold – 60 years (expire on 3.6.2051)	Land: 5.54 acres Built up: 8,300 sq. meters	Industrial complex - 1 storey detached factory building	7,922,605	35	2010 (A) & 2010 (R)
H.S.(D) 46251, Plot 6, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang #	Leasehold – 60 years (expire on 12.12.2035)	Land: 4.0 acres Built up: 34,699 sq. meters	Land - 3 storey factory - Annex 3 storey factory with a connecting bridge - Guardhouse	52,046,009	49	2020 (A)

Top 10 Properties Owned by P.I.E. Industrial Berhad Group of Companies (Cont'd)

As At December 31, 2025

Location/Title	Tenure	Approximate Area	Description	Net Book Value as at 31.12.2025 (RM)	Age of Building (Years)	Year of Acquisition (A)/ Revaluation (R)
H.S.(D) 4633, P.T. No. 3210, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang *	Leasehold-60 years (expire on 3.12.2050)	Land: 5.0 acres Built up: 12,257 sq. meters	Industrial complex - 2 storey office - 1 storey factory	3,510,833	31	1990 (A) & 2021 (R)
T/D No. 10832, No.101/47/15 Moo 20 Navanakorn I.E.Zone 1, Phaholyothin Road, Klongnueng Subdistrict, Klongluang Distric, Pathumtani, Thailand @	Freehold	Land: 0.64 acres Built up: 2,251 sq. meters	Industrial complex - 2 storey office - 1 storey factory - 1 storey store	2,648,772	36	2020 (R)
T/D No. 10051, No.101/4/1 Moo 20 Navanakorn I.E.Zone 1, Phaholyothin Road, Klongnueng Subdistrict, Klongluang Distric, Pathumtani, Thailand @	Freehold	Land: 0.44 acres Built up: 1,183 sq. meters	Industrial complex - 1 storey office - 1 storey factory - 1 storey store	1,691,852	35	2020 (R)

Note:

* The land is owned by Pan-International Electronics (Malaysia) Sdn. Bhd. whilst the industrial building on the land is owned by Pan-International Wire & Cable (Malaysia) Sdn. Bhd.

^ All the land and buildings are owned by Pan-International Wire & Cable (Malaysia) Sdn. Bhd.

All the land and buildings are owned by Pan-International Electronics (Malaysia) Sdn. Bhd.

@ All the land and buildings are owned by Pan International Electronics (Thailand) Co., Ltd.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE TWENTY-NINTH ANNUAL GENERAL MEETING (“29TH AGM”) OF THE COMPANY WILL BE HELD AT ROOM 4, LEVEL 1, IXORA HOTEL, JALAN BARU, BANDAR PERAI JAYA, 13600 PULAU PINANG, MALAYSIA ON FRIDAY, 22 MAY 2026 AT 9.00 A.M. FOR THE FOLLOWING PURPOSES:-

AGENDA

- | | | |
|----|--|-------------------------------------|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2025 together with the Reports of the Directors and of the Auditors thereon. | (Please refer to Explanatory Notes) |
| 2. | To approve the payment of Directors’ fees of up to RM200,000 for the financial year ending 31 December 2026. | (Ordinary Resolution 1) |
| 3. | To approve the benefits payable (excluding Directors’ fees) to the Non-Executive Directors up to an amount of RM120,000 from 23 May 2026 until the next Annual General Meeting (“AGM”) of the Company. | (Ordinary Resolution 2) |
| 4. | To approve the payment of Directors’ fees of up to RM90,000 for financial year ended 31 December 2024. | (Ordinary Resolution 3) |
| 5. | To re-elect the following Directors retiring by rotation in accordance with the Company’s Constitution and being eligible, have offered themselves for re-election: | |
| | a) Ms Koay San San – Article No. 102(1) | (Ordinary Resolution 4) |
| | b) Dato’ Heng Huck Lee – Article No. 107(2) | (Ordinary Resolution 5) |
| | c) Che Kian Yeap – Article No. 107(2) | (Ordinary Resolution 6) |
| 6. | To re-appoint Messrs. Deloitte Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | (Ordinary Resolution 7) |

SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolutions with or without modifications:

- | | | |
|----|--|-------------------------|
| 7. | AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016
“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 (the “Act”), Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and subject always to the approval of all the relevant regulatory authorities, the Board of Directors of the Company be and is hereby authorised to issue and allot from time to time such number of shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being. | (Ordinary Resolution 8) |
|----|--|-------------------------|

AND THAT the Directors are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so 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.”

Notice of Annual General Meeting (Cont'd)

8. **AUTHORITY TO PURCHASE ITS OWN SHARES**

(Ordinary
Resolution 9)

"THAT subject to the Act, provisions of the Company's Constitution and the requirements of the Bursa Securities and other relevant governmental and regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to purchase its own shares through Bursa Securities, subject to the following:-

- i. The maximum aggregate number of shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued shares in the ordinary share capital of the Company at any point in time;
- ii. The maximum fund to be allocated by the Company for the purpose of purchasing the Company's shares shall not exceed the retained profits of the Company. As at the latest financial year ended 31 December 2025, the audited retained profits of the Company stood at RM4,684,813;
- iii. The authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue to be in force until the conclusion of the next AGM of the Company, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions or the expiration of the period within which the next AGM is required by law to be held or unless revoked or varied by ordinary resolution passed by the shareholders in a general meeting, whichever occurs first;
- iv. Upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner:-
 - to cancel the shares so purchased; or
 - to retain the shares so purchased in treasury; or
 - retain part of the shares so purchased as treasury shares and cancel the remainder; or
 - in any other manner as maybe prescribed by the Act, the Listing Requirements and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary and entering into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluation, variations and/or amendments, if any, as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares in accordance with the Act, provisions of the Company's Constitution, the Listing Requirements and any other regulatory authorities, and other relevant approvals.

9. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")**

(Ordinary
Resolution 10)

"THAT subject always to the provisions of the Act, the Company's Constitution, Listing Requirements or other regulation authorities, approval be and is hereby given to the Company and its group of companies to enter into any of the recurrent related party transactions of a revenue or trading nature which are necessary for its day-to-day operations as listed in Section 3 of the Circular to the shareholders dated 22 April 2026 provided that such transactions are carried out in the ordinary course of business, at arm's length, on normal commercial terms and on terms not more favourable to the Mandated Related Parties than those generally available to the public, are not to the detriment of the minority shareholders and disclosures on the breakdown of the aggregate value of these transactions conducted pursuant to the shareholders' mandate shall be made available in the Annual Report for the year ended 31 December 2025 ("the Mandate") and the Directors of the Company are hereby authorised to give effect to the various arrangements and/or transactions related to the above transactions and this shareholders' mandate.

Notice of Annual General Meeting (Cont'd)

9. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE") (CONT'D)** (Ordinary Resolution 10)

AND THAT the approval given above shall continue in force until:

- a. the conclusion of the next AGM of the Company following the general meeting at which the Mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed;
- b. the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- c. revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier."

10. To transact any other business of which due notice shall have been given in accordance with the Act.

By Order of the Board,

WONG YEE LIN (MIA15898)
SSM PC NO. 201908001793

HING POE PYNG (MAICSA 7053526)
SSM PC NO. 202008001322
Joint Company Secretaries

Penang
Date: 22 April 2026

Notes:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 14 May 2026. Only a depositor whose name appears on the Record of Depositors as at 14 May 2026 shall be entitled to attend, speak and vote at the said meeting as well as for appointment of proxy(ies) to attend, speak and vote on his/ her stead.
2. A member of the Company entitled to attend, speak and vote at the meeting is entitled to appoint up to two (2) proxies to attend and to vote in his/her place. If a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointer or of his attorney duly authorised in writing. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office, 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang, not less than 24 hours before the time appointed for holding the meeting.

Notice of Annual General Meeting (Cont'd)

Explanatory Notes on Ordinary Business:

- 1. Agenda 1 – To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2025 together with the Reports of the Directors and of the Auditors thereon.**

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act and the Company's Constitution do not require a formal approval of the shareholders and hence, is not put forward for voting.

- 2. Ordinary Resolutions 1 and 2 – Directors' Fees for the financial year ending 31 December 2026 and Benefits Payable**

The proposed Ordinary Resolution 1 is to seek shareholders' approval on Directors' fees payable to Directors for the financial year ending 31 December 2026 ("FYE 2026"). The payment of the proposed Directors' fees for FYE 2026 shall be payable quarterly in arrears.

The Directors' benefits (other than Directors' fees) comprise of attendance allowances calculated based on the number of scheduled Board and Board committee meetings from 23 May 2026 until the next AGM.

In the event the Directors' fees and Directors' benefits proposed are insufficient (e.g. due to additional unscheduled Board/Board Committee meetings or enlarged Board size), approval will be sought at the next AGM for the additional fees and benefits to meet the shortfall.

- 3. Ordinary Resolution 3 – Directors' Fees for the financial year ended 31 December 2024**

The Company had inadvertently omitted to obtain the approval from shareholders for Directors' fees for financial year ended 31 December 2024. The said Directors' fees will only be payable to Directors upon obtained shareholders' approval at this 29th AGM.

- 4. Ordinary Resolutions 4 to 6 – Re-election of retiring Directors**

Ms. Koay San San is to retire in accordance with Article 102(1) of the Company's Constitution. Meanwhile, Dato' Heng Huck Lee and Mr Che Kian Yeap are to retire under Article 107(2) of the Company's Constitution. The retiring Directors are standing for re-election as Directors of the Company and being eligible for re-election, have offered themselves for re-election at the 29th AGM.

The Nomination Committee ("NC") had reviewed and assessed each of the retiring Directors from the annual assessment and evaluation of the Board, Board Committees, Independent Directors and individual Directors for FYE 2025.

The Board, through the NC's recommendation, being satisfied with the performance/contribution of the retiring Directors and the independence of the Independent Directors. Therefore, the Board would like to recommend the same be tabled to the shareholders for approval at the 29th AGM under Ordinary Resolutions 4, 5, and 6 respectively.

No individual is seeking for election (other than re-election of Directors) as Director at the 29th AGM of the Company.

Detailed profile of each retiring Director, including their career history, competencies and experience can be found in the "Board of Directors" section of the Annual Report 2025.

Notice of Annual General Meeting (Cont'd)

Explanatory Notes on Special Business:

1. **Ordinary Resolution 8 - Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 8 is for the purpose of granting a renewed general mandate (the "Mandate"), if passed, will give authority to the Directors to issue and allot shares up to ten per centum (10%) of the total number of issued 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 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.

The 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.

As at the date of this Notice, there were no new shares issued pursuant to the mandate granted to the Directors at the 28th AGM held on 16 May 2025 and which will lapse at the conclusion of the 29th AGM.

2. **Ordinary Resolution 9 - Authority to Purchase its own Shares**

The proposed Ordinary Resolution 9, if passed, will give the Directors of the Company authority to purchase its own shares up to ten per centum (10%) of the total number of issued shares of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM.

3. **Ordinary Resolution 10 – Renewal of Proposed Shareholders' Mandate**

The proposed Ordinary Resolution 10, if passed, will enable the Company and/or its subsidiaries ("Group") to enter into recurrent transactions involving the interest of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transaction being carried out in the ordinary course of business at arm's length basis and on normal commercial terms not more favourable than those generally available to the public and not to the detriment of the minority shareholders of the Company.

Further information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 22 April 2026.

PERSONAL DATA POLICY

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.

Statement Accompanying Notice of Annual General Meeting **(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)**

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming AGM.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements. Please refer to the proposed Ordinary Resolution 8 as stated in the Notice of AGM of the Company for the details.

Share Buy-Back Statement

1. DISCLAIMER STATEMENT

This Share Buy-back Statement ("Statement") is important and if you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused this Statement prior to its issuance, takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

2. INTRODUCTION

At the last Annual General Meeting ("AGM") of P.I.E. Industrial Berhad ("PIE" or "the Company") held on 16 May 2025, the shareholders of the Company had approved the renewal of the authority for the Company to purchase up to 10% of its own ordinary shares ("Shares") ("Proposed Share Buy-Back").

The above shareholders' approval for the Proposed Share Buy-Back is subject to annual renewal and will lapse at the conclusion of the forthcoming 29th AGM unless such authority is renewed by an ordinary resolution passed at the forthcoming 29th AGM.

On 11 March 2026, the Board of Directors of the Company ("the Board") had announced its intention to seek the approval of the shareholders of the Company for the Proposed Share Buy-Back.

The purpose of this statement is to provide you with details of the Proposed Share Buy-Back, to set out the recommendation of the Board and to seek your approval for the ordinary resolution to be tabled at the 29th AGM. The Notice of the 29th AGM and the Form of Proxy are enclosed in the Annual Report for the financial year ended 31 December 2025.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AT THE FORTHCOMING AGM.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if exercised, would potentially benefit the Company and its shareholders as follows:

- i) The Proposed Share Buy-Back will help stabilise the market price as well as the supply and demand of the Company's shares and this is expected to enhance investors' confidence in the performance and the price of the Company's shares traded. The Company would utilise its surplus financial resources to purchase Shares when appropriate, and at prices which the Board view as favourable to the Company;
- ii) The Proposed Share Buy-Back would effectively reduce the number of Shares carrying voting and participation rights (unless the Shares to be purchased ("Purchased Shares") are resold on Bursa Securities or distributed as share dividends). Consequently, all else being equal, the Earnings Per Share ("EPS") of the PIE Group ("the Group") may be enhanced as the earnings of the Group would be divided by a reduced number of Shares; and
- iii) The Purchased Shares which will be retained as treasury shares may potentially be resold on Bursa Securities at a higher price and therefore realising a potential gain in reserves without affecting the total number of issued shares of the Company. The treasury shares may also be distributed to shareholders as dividends and, if undertaken, would serve to reward the shareholders of the Company.

Share Buy-Back Statement (Cont'd)

4. QUANTUM

The maximum number of Shares which may be purchased or held as treasury shares by the Company shall not exceed 10% of the total number of issued Shares at any point in time.

As at 31 March 2026, being the latest practicable date prior to the printing of this Statement ("LPD"), the total issued Shares of the Company is 384,041,985 Shares. For illustrative purposes, the maximum number of shares that may be purchased by the Company is 38,404,198 Shares, representing ten percent (10%) of the total number of issued Shares of PIE as at LPD.

The approval from the shareholders for the Proposed Share Buy-Back shall be effective immediately upon passing of the ordinary resolution for the Proposed Share Buy-Back at the 29th AGM and will continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditional or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

The approval from the shareholders for the Proposed Share Buy-Back does not impose an obligation on the Company to purchase its own Shares but rather it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the above time period.

5. SOURCE OF FUNDING

Pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Proposed Share Buy-Back must be made wholly out of retained profits of the listed company. Based on the audited financial statements of PIE as at 31 December 2025, the retained profits of the Company stood at RM4,684,813. The maximum fund to be allocated by the Company for the purpose of Proposed Share Buy-Back shall not exceed the retained profits of the Company.

The actual number of Shares which may be purchased and the timing of the purchase(s) will depend on, inter-alia, the market conditions, the availability of retained earnings and financial resources of the Company as well as the requirement of Bursa Securities to maintain the necessary shareholding spread and minimum issued share capital.

The Proposed Share Buy-Back will be funded from internally generated funds. The Company has adequate resources to undertake the Proposed Share Buy-Back in view that the Company has net cash and cash equivalent balance of approximately RM1,563,149 based on the audited financial statements of PIE as at 31 December 2025.

The amount of funds to be utilised for the Proposed Share Buy-Back will only be determined later depending on the actual number of PIE Shares to be purchased, the availability of funds at the time of purchase(s) and other relevant cost factors. Any funds utilised by PIE for the Proposed Share Buy-Back will consequentially reduce the resources available to PIE for its operations by a corresponding amount for shares bought back.

Share Buy-Back Statement (Cont'd)

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDER(S) AND PERSONS CONNECTED TO THEM

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the shareholders in the Company as a consequence of the Proposed Share Buy-Back, none of the Directors and Major Shareholders of PIE nor persons connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back and, if any, the resale of the treasury shares.

Based on the Register of Directors and the Register of Substantial Shareholders of PIE as at 31 March 2026 and assuming that PIE implements the Proposed Share Buy-Back in full, the effects of the Proposed Share Buy-Back on the shareholdings of the Directors, Substantial Shareholders and Person Connected to Director of PIE are as follows:

Directors

Name	Existing as at 31 March 2026				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%*	No. of Shares	%*	No. of Shares	%^	No. of Shares	%^
Lim Chien Ch'eng	-	-	-	-	-	-	-	-
Che Kian Yeap	-	-	-	-	-	-	-	-
Huang, Yi-Ling	-	-	-	-	-	-	-	-
Wong Thai Sun	-	-	-	-	-	-	-	-
Dato' Heng Huck Lee	-	-	-	-	-	-	-	-
Koay San San	-	-	-	-	-	-	-	-

Substantial Shareholders

Name	Existing as at 31 March 2026				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%*	No. of Shares	%*	No. of Shares	%^	No. of Shares	%^
Pan Global Holding Co. Ltd.	197,459,985	51.42	-	-	197,459,985	57.13	-	-
Pan-International Industrial Corporation	-	-	197,459,985 ¹	51.42	-	-	197,459,985 ¹	57.13

Note:

* Percentage shareholding computed based on 384,041,985 PIE Shares in issue

^ Percentage shareholding computed based on 345,637,787 PIE Shares assuming that the Proposed Share Buy-Back is carried out in full and all the shares so purchased are held as treasury shares

¹ By virtue of its substantial interest in Pan Global Holding Co. Ltd.

7. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

7.1 Potential Advantages of the Proposed Share Buy-Back

The potential advantages of the Proposed Share-Buy Back are as set out in Section 3 of this Statement.

7.2 Potential disadvantages of the Proposed Share Buy-Back

The potential disadvantages of the Proposed Share Buy-Back are as follows:

- i) The Proposed Share Buy-Back, if implemented, would reduce the financial resources of the Group. This may result in the Group having to forego better future investment or business opportunities and/or any interest income that may be derived from the deposit of such funds in interest bearing instruments; and
- ii) The Proposed Share Buy-Back may also result in a reduction of financial resources available for distribution in the form of cash dividends to shareholders of PIE in the immediate future.

However, the financial resources of the Group may increase pursuant to the resale of the Purchased Shares held as treasury shares at prices higher than the purchase price. In this connection, the Board will be mindful of the interests of the Group and shareholders of PIE in implementing the Proposed Share Buy-Back and in subsequent resale of the treasury shares on Bursa Securities, if any.

Share Buy-Back Statement (Cont'd)

8. MATERIAL FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

The material financial effects of the Proposed Share Buy-Back on the share capital, consolidated Net Tangible Assets ("NTA"), working capital, earnings, dividends and the substantial shareholders' shareholdings in PIE are set out below:

8.1 Share Capital

As at 31 March 2026, the total number of issued shares was 384,041,985 Shares. In the event that the 38,404,198 Shares representing 10% of the total number of issued shares of the Company are purchased and cancelled, the effect on the share capital of the Company are illustrated as follows:

	No. of Shares
Total number of issued shares as at 31 March 2026	384,041,985
Assumed maximum number of shares that may be purchased and cancelled	<u>(38,404,198)</u>
Resultant total number of issued shares	<u>345,637,787</u>

If the Shares so purchased are retained as treasury shares, the total number of issued shares of the Company will not be reduced but the rights attaching to the treasury shares as to voting, dividends and participation in other distributions or otherwise will be suspended. While these Shares remain as treasury shares, the Companies Act 2016 prohibits the taking into account of such Shares in calculating the number of percentage of Shares for a purpose whatsoever including substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

8.2 NTA

The effects of the Proposed Share Buy-Back on the consolidated NTA of the Group would depend on the purchase price and number of Purchased Shares, the effective funding cost to PIE to finance the Purchased Shares or any loss in interest income to PIE.

The Proposed Share Buy-Back will reduce the consolidated NTA per Share at the time of purchase if the purchase price exceeds the consolidated NTA per Share and conversely will increase the consolidated NTA per Share at the time of purchase if the purchase price is less than the consolidated NTA per Share.

Should the Purchased Shares be resold, the consolidated NTA will increase if the Company realises a capital gain from the resale, and vice-versa. However, the quantum of the increase in NTA will depend on the selling prices of the Purchased Shares and the number of Purchased Shares resold.

8.3 Working Capital

The Proposed Share Buy-Back is likely to reduce the working capital and cash flow of the Group, the quantum of which would depend on the purchase price of the Purchased Shares, the number of Purchased Shares and any associated costs incurred in making the purchase.

For the Purchased Shares which are kept as treasury shares, upon their resale, the working capital and the cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the treasury shares and the number of treasuries shares resold.

8.4 Earnings

The effects of the Proposed Share Buy-Back on the earnings of the Group would depend on the purchase price and number of Purchased Shares and the effective funding cost to PIE to finance the Purchased Shares or any loss in interest income to PIE.

Assuming the Purchased Shares would be retained as treasury shares, the reduction in the number of Shares applied in the computation of the EPS pursuant to the Proposed Share Buy-Back may generally, all else being equal, have a positive impact on the EPS for the financial year ending 31 December 2026.

Should the Purchased Shares be resold, the extent of the impact to the EPS of the Group will depend on the actual selling price, the number of treasuries shares resold and any effective funding cost from the Proposed Share Buy-Back.

Share Buy-Back Statement (Cont'd)

8. MATERIAL FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK (CONT'D)

8.5 Dividends

Assuming the Proposed Share Buy-Back is implemented in full, dividends would be paid on the remaining total number of issued shares of PIE (excluding the Purchased Shares). The Proposed Share Buy-Back may have an impact on the Company's dividend policy for the financial year ending 31 December 2026 as it would reduce the cash available which may otherwise be used for dividend payments. Nonetheless, the treasury shares purchased may be distributed as dividends to shareholders of the Company, if the Company so decides.

Any dividends to be declared by PIE in the future would depend on, *inter-alia*, the profitability and cash flow position of the Group.

8.6 Substantial Shareholders

Shares bought back by the Company under the Proposed Share Buy-Back that are retained as treasury shares will result in a proportionate increase in the percentage shareholdings of the Substantial Shareholders in the Company. Please refer to Section 6 of this Statement for further details.

9. IMPLICATIONS OF THE PROPOSED SHARE BUY-BACK RELATING TO THE RULES ON TAKE-OVERS, MERGER AND COMPULSORY ACQUISITIONS (THE RULES)

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory offer under the Rules by any of the Company's shareholders and/or parties acting in concert with them, the Board will ensure that only such number of Shares are purchased, retained as treasury shares, cancelled or distributed such that the Proposed Share Buy-Back would not result in triggering of any mandatory offer obligation on the part of its shareholders and/or parties acting in concert with them.

In this connection, the Board will be mindful of the Rules when making any purchase of the Shares pursuant to the Proposed Share Buy-Back.

10. PURCHASES, RESOLD, TRANSFER AND CANCELLATION MADE BY THE COMPANY OF ITS OWN SHARES IN THE PRECEDING 12 MONTHS

There was no treasury share held and the Company had not purchased, resold, transferred or cancelled any shares in the preceding 12 months.

11. PROPOSED INTENTION OF THE DIRECTORS TO DEAL WITH THE SHARES SO PURCHASED

In accordance with the Companies Act 2016, the Board may at its discretion, deal with any of the Purchased Shares in the following manner:-

- (a) to cancel the Purchased Shares; or
- (b) to retain the Purchased Shares in treasury for:-
 - (i) distribution as share dividends to the shareholders; or
 - (ii) resell on the market of Bursa Securities in accordance with the relevant rules of Bursa Securities; or
 - (iii) transfer the treasury shares for the purposes of or under an employees' share scheme; or
 - (iv) transfer the treasury shares as purchase consideration; or
 - (v) in any other manner as maybe prescribed by the Companies Act 2016, the Listing Requirements and any other relevant authorities for the time being in force.
- (c) to retain part of the Purchased Shares as treasury shares and cancel the remainder.

Share Buy-Back Statement (Cont'd)

12. PUBLIC SHAREHOLDING SPREAD

According to the Record of Depositors maintained by Bursa Malaysia Depository Sdn. Bhd. as at 31 March 2026, approximately 186,527,000 Shares representing 48.57% of the total number of issued shares of the Company were held by the public shareholders. In this regard, the Board undertakes to purchase Shares only to the extent that the public shareholding spread of PIE shall not fall below 25% of the total number of issued shares of the Company (excluding treasury shares) at all times pursuant to the Proposed Share Buy-Back, in accordance with Paragraph 8.02(1) and 12.14 of the Bursa Securities Main Market Listing Requirements.

13. DIRECTORS' STATEMENT

After taking into consideration all relevant factors, the Board is of the opinion that the Proposed Share Buy-Back described above is in the best interest of the Company.

14. DIRECTORS' RECOMMENDATION

The Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 29th AGM.

15. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of PIE Shares traded on Bursa Securities for the preceding twelve (12) months are as follows:

	High RM	Low RM
2025		
April	4.24	3.28
May	4.72	3.90
June	4.50	3.93
July	4.47	3.70
August	3.90	3.11
September	3.25	2.82
October	3.71	3.02
November	3.14	2.53
December	2.86	2.60
2026		
January	2.74	2.17
February	2.22	1.50
March	1.50	1.10

Last transacted market price as at 31 March 2026 (being the LPD) was RM1.16.

(Source: Bursa Malaysia)

16. RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

Share Buy-Back Statement (Cont'd)

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang during normal office hours from Monday to Friday (except for public holidays) from the date of this Statement up to and including the date of the forthcoming AGM:

- (i) Constitution of PIE; and
- (ii) The audited consolidated financial statements of PIE for the past two (2) financial years ended 31 December 2024 and 2025 respectively.

18. FURTHER INFORMATION

There is no other information concerning the Proposed Share Buy-Back that shareholders and other professional advisers would reasonably require and expect to find in this Statement for the purpose of making informed assessment as to the merits of approving the Proposed Share Buy-Back and the extent of the risks involved in doing so.

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PROXY FORM



P. I. E. INDUSTRIAL BERHAD

Registration No.: 199701008590 (424086-X)
(Incorporated in Malaysia)

No. of Ordinary Shares held		CDS Account No.	
Contact No.		Email Address	

I/We, _____ (NRIC no. / Passport No. _____)
of _____
being a member of P.I.E. Industrial Berhad hereby appoint (Proxy 1) _____
(NRIC no. / Passport No. _____) of _____
and*/or failing him* (Proxy 2), _____
(NRIC no. / Passport No. _____) of _____
and*/or failing him*, the Chairman of the Meeting, as my/our proxy(ies), to vote for me/us on my/our behalf at the TWENTY-NINTH ANNUAL GENERAL MEETING of the Company to be held at Room 4, Level 1, Ixora Hotel, Jalan Baru, Bandar Perai Jaya, 13600 Pulau Pinang, Malaysia on Friday, 22 May 2026 at 9.00 a.m. and at any adjournment thereof as indicated below:

The proportions of *my/our holdings to be represented by *my/our proxy(ies) are as follows:

Proxy 1	%	Proxy 2	%
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In case of a vote by show of hands, Proxy 1*/Proxy 2* shall vote on my/our behalf. *I/We hereby indicate with an "X" in the spaces provided how *I/we wish *my/our votes to be cast. (Unless otherwise instructed, the proxy may vote, as he thinks fit)

* Strike out whichever is inapplicable

AGENDA			
To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2025 together with the Reports of the Directors and of the Auditors thereon.			
RESOLUTIONS			
	For	Against	
Ordinary Resolution 1	To approve the payment of Directors' fees of up to RM200,000 for the financial year ending 31 December 2026.		
Ordinary Resolution 2	To approve the benefits payable (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM120,000 from 23 May 2026 until the next Annual General Meeting of the Company.		
Ordinary Resolution 3	To approve the payment of Directors' fees of up to RM90,000 for the financial year ended 31 December 2024.		
Ordinary Resolution 4	To re-elect Ms Koay San San who retires by rotation in accordance with Article 102(1) of the Company's Constitution.		
Ordinary Resolution 5	To re-elect Dato' Heng Huck Lee who retires by rotation in accordance with Article 107(2) of the Company's Constitution.		
Ordinary Resolution 6	To re-elect Mr Che Kian Yeap who retires by rotation in accordance with Article 107(2) of the Company's Constitution.		
Ordinary Resolution 7	To re-appoint Messrs. Deloitte Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 8	To authorise Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		
Ordinary Resolution 9	To approve the authority to purchase Company's own share.		
Ordinary Resolution 10	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

Signed this _____ day of _____, 2026. Signature / Common Seal of Shareholder _____

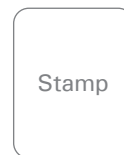
Notes:

- For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 14 May 2026. Only a depositor whose name appears on the Record of Depositors as at 14 May 2026 shall be entitled to attend, speak and vote at the said meeting as well as for appointment of proxy(ies) to attend, speak and vote on his/ her stead.
- A member of the Company entitled to attend, speak and vote at the meeting is entitled to appoint up to two (2) proxies to attend and to vote in his/ her place. If a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointer or of his attorney duly authorised in writing. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office, 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang, not less than 24 hours before the time appointed for holding the meeting.



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The Company Secretaries
P.I.E. INDUSTRIAL BERHAD
Registration No.: 199701008590 (424086-X)
(Incorporated in Malaysia)

51-8-A, Menara BHL
Jalan Sultan Ahmad Shah
10050 George Town
Pulau Pinang, Malaysia.

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P. I. E. INDUSTRIAL BERHAD

Registration No.: 199701008590 (424086-X)

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13700 Prai, Pulau Pinang, Malaysia.

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