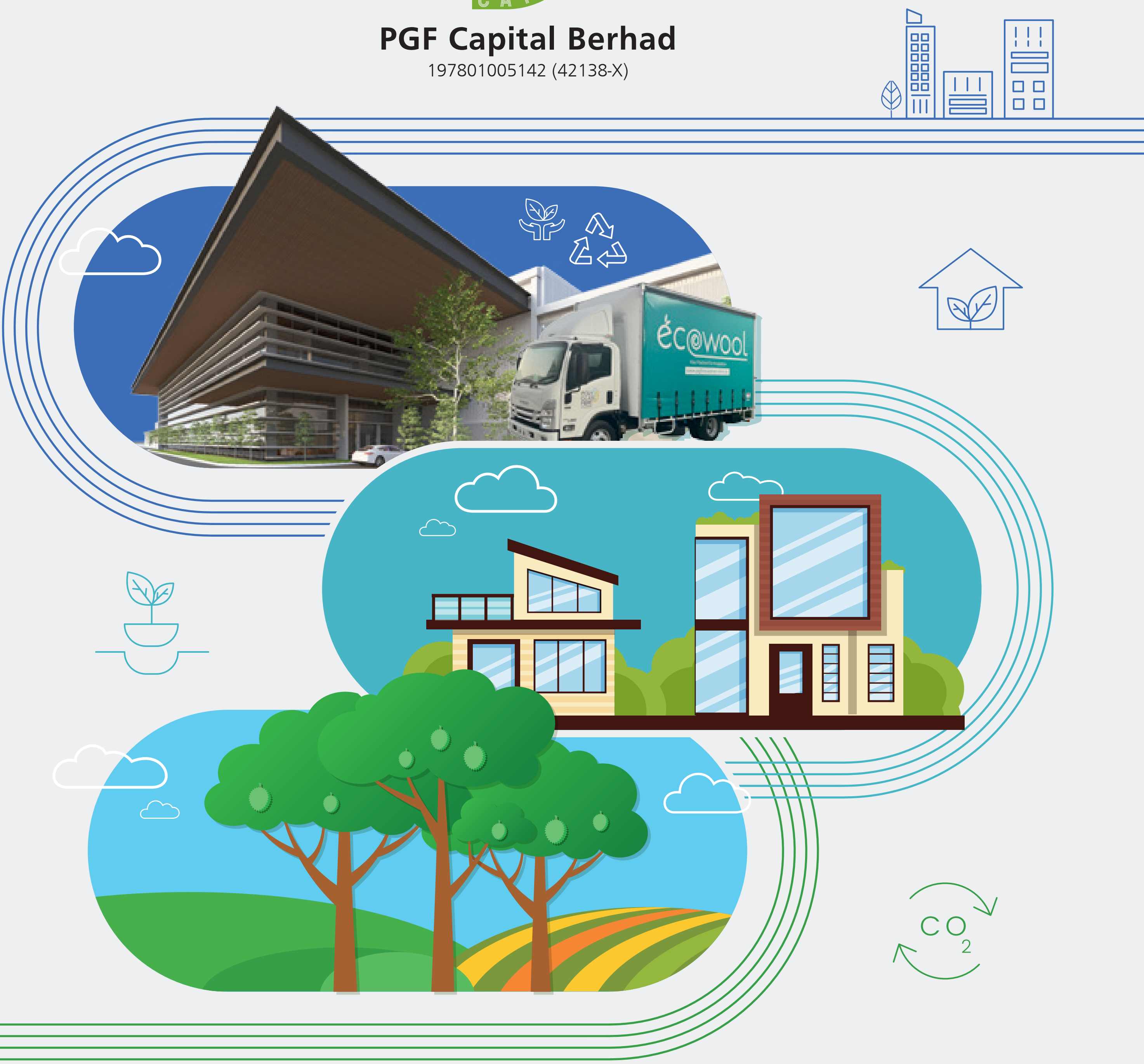
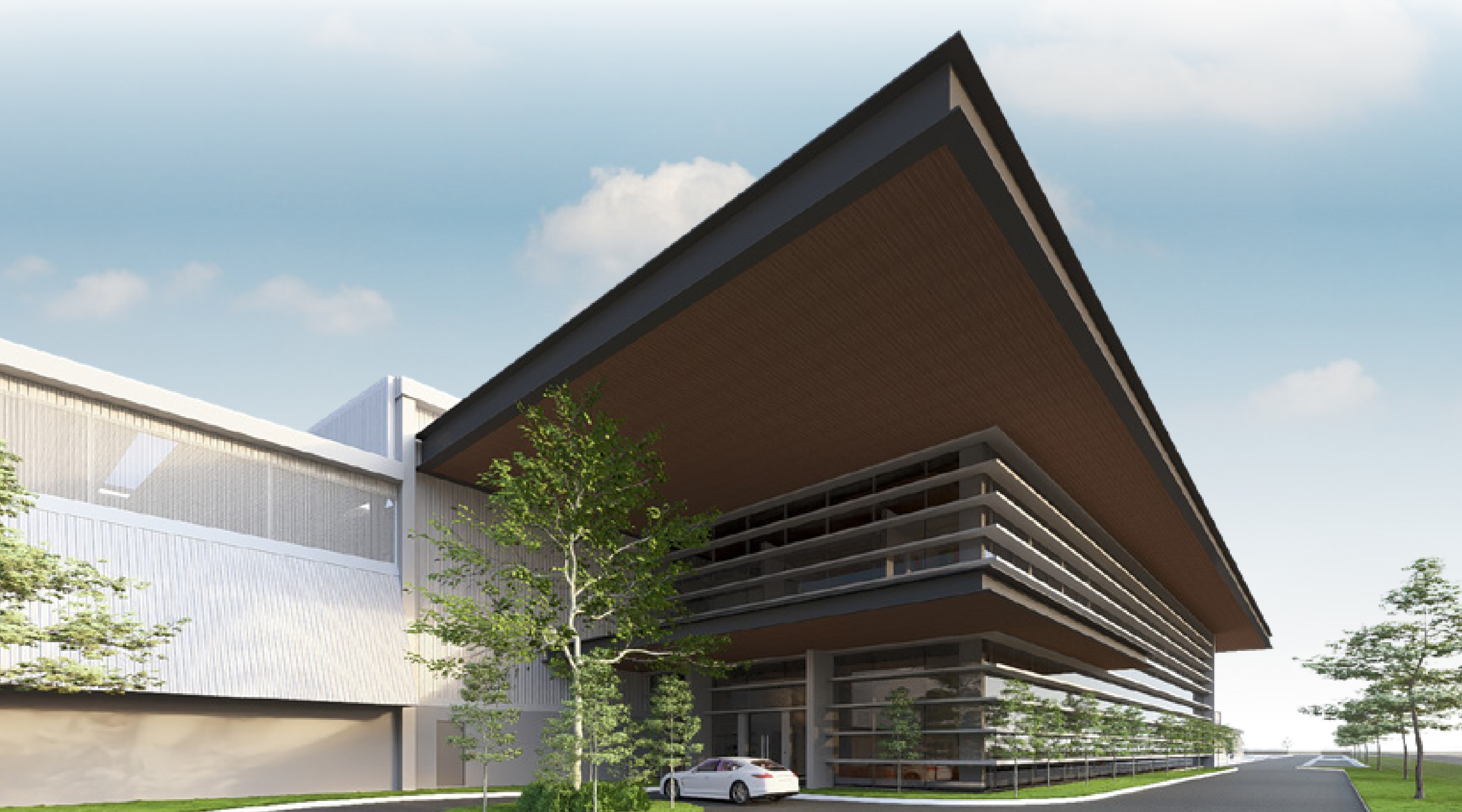
PGF Capital Berhad

197801005142 (42138-X)



BUILDING SUSTAINABLE COMMUNITIES

ANNUAL REPORT 2025



Environmental Architecture Embracing Japanese-style aesthetics and Shading

CONTENTS

35TH

Annual General Meeting
of PGF Capital Berhad

Monday,
28 July 2025
at 10.00 a.m.

Bayu Hall 3, Level 2,
Ascott Gurney Penang,
No. 18 Gurney Drive,
10250 Georgetown, Penang

For more information,
visit our website
www.pgfcapital.com.my

Cover Rationale

BUILDING SUSTAINABLE COMMUNITIES

The cover of PGF Capital Berhad's ("PGF" or the "Company") 2025 Annual Report reflects the Company's purpose-driven vision: "*Building Sustainable Communities.*"

The design integrates elements of nature, innovation, and infrastructure—symbolising PGF's diverse and evolving portfolio in manufacturing, agriculture, and property development.

A vibrant horizon evokes growth and optimism, while the blend of greenery and urban structures illustrates the balance between environmental responsibility and industrial progress.

The imagery of modern infrastructure alongside natural landscapes represents PGF's transformation from an insulation manufacturer to a diversified, sustainability-focused investment holding company.

Textured lines and soft gradients express PGF's adaptability and multifaceted identity, rooted in its core values of teamwork, integrity, and excellence. The use of green tones and home visuals reinforces the Company's commitment to long-term impact, resilient communities, and ethical business practices.

About Us

PGF CAPITAL BERHAD

is a Malaysian investment holding company listed on the Main Market of Bursa Malaysia. The Company has diverse interests across multiple industries, primarily focusing on Manufacturing, Real Estate, and Plantation.

The Group has 3 major business segments:

Manufacturing: The manufacturing and selling of glass mineral wool is the main core business of PGF. This segment is highly focused on integrating technology and innovation into its business model, particularly in industries with high growth potential and sustainable practices. Glass mineral wool, known for its excellent insulation properties, plays a crucial role in energy conservation and sustainable building practices.

Real Estate: PGF has a significant presence in the real estate sector. The Company is set to develop a new township in Diamond Creeks Country Retreat ("DCCR"), engaging in the development of residential properties and exploring new business opportunities that add value to its landbank, such as eco-tourism. The Company's aspiration is to build sustainable living environments, integrating green spaces and innovative urban planning.

Plantation: The Company is also involved in the plantation sector, focusing on the cultivation of tropical fruits, primarily durian. In addition, PGF engages in the cultivation of various other crops, which supports the agricultural economy. The company promotes sustainable land use through the hatchery of freshwater aquaculture activities, contributing to biodiversity and sustainable agricultural practices.

Corporate Information

Board Of Directors

Fong Wah Kai
Executive Chairman

Fong Wern Sheng
Group Chief Executive Officer

Tan Ming Chong
Group Chief Operating Officer

Tan Jin Sun
Senior Independent Non-Executive Director
Chairman of Audit & Risk Management Committee

Ofelia Cheah Loo Ee
Independent Non-Executive Director
Chairman of Nominating Committee

Poh Heem Heem
Independent Non-Executive Director
Chairman of Remuneration Committee
(appointed on 31 July 2024)

Tan Suat Hoon
Independent Non-Executive Director
Chairman of Remuneration Committee
(resigned on 31 July 2024)

COMPANY SECRETARY

Ch'ng Lay Hoon
(SSM PC No: 201908000494)
(MAICSA 0818580)

AUDITORS

Crowe Malaysia PLT
Chartered Accountants
Level 6, Wisma Penang Garden
42 Jalan Sultan Ahmad Shah
10050 Penang
Tel: 604-227 7061

SHARE REGISTRAR

Boardroom Share Registrar Sdn. Bhd.
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor, Malaysia.
Tel: 603-7890 4700
Fax: 603-7890 4670
Email: bsr.helpdesk@boardroom.limited.com

REGISTERED OFFICE

Suite 12-A, Level 12
Menara Northam
No. 55, Jalan Sultan Ahmad Shah
10050 Georgetown, Penang
Tel: 604-228 0511
Fax: 604-228 0518
Email: general@enetcorpsb.com

HEAD OFFICE

No. 2449, Lorong Perusahaan Sepuluh
Kawasan Perusahaan Perai
13600 Perai, Penang
Tel: 604-390 8460
Website: www.pgfcapital.com.my

BANKERS

Affin Bank Berhad
Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
AmBank (M) Berhad
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
Public Bank Berhad
Standard Chartered Bank Malaysia Berhad
MBSB Bank Berhad
Commonwealth Bank of Australia
Maybank Islamic Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Corporate Structure

PGF Capital Berhad
197801005142 (42138-X)

Manufacturing

100%
PGF Insulation Sdn Bhd
199101018594 (228905-M)

100%
Concrete Energy Sdn Bhd
200801012631 (813919-M)

100%
PGF Global Distribution Sdn Bhd
199001016980 (208649-A)

100%
PGF Technical Textile Sdn Bhd
202201032363 (1478060-H)

100%
NetZero Technology Sdn Bhd
202401018251 (1564100-H)

100%
PGF Insulation Pty Ltd
659 498 889

- 50%
  Select Insulation Pty Ltd
  665 353 006

- 50%
  Britestar Australia Pty Ltd
  669 314 265

20%
Ecowool Insulation Pty Ltd
624 672 475

Real Estate

100%
Golden Approach Sdn Bhd
199301013005 (267743-W)

100%
Clover Sdn Bhd
198901001846 (179152-D)

50.1%
Nexel Group Sdn Bhd
202301044609 (1538525-V)

- 100%
  Nexel Development KHTP Sdn Bhd
  (formerly known PGF Malvest (Kelantan) Sdn Bhd)
  202301045283 (1539198-W)

Plantation

100%
Diamond Creeks Eco Farm Sdn Bhd
202001039298 (1395619-W)

50%
Diamond Creeks Aquatech Sdn Bhd
202001020498 (1376818-A)

Profile of The Board of Directors

FONG WAH KAI

Executive Chairman

78 | Male | Malaysian

Appointed to the Board as an Executive Director of the Company on 25 March 1989. He served as an Executive Director in his family business for the past thirty (30) years. He was re-designated on 31 May 2023 as the Executive Chairman of the Company.

Mr. Fong has attended five (5) Board Meetings held during the financial year ended 28 February 2025.

FONG WERN SHENG

Group Chief Executive Officer

44 | Male | Malaysian

Appointed to the Board as an Executive Director of the Company on 7 October 2003 and re-designated on 26 October 2017 as the Executive Chairman of the Company. He was re-designated on 31 May 2023 as the Chief Executive Officer of the Company.

He holds a Hon. Bachelor of Management & Information Technology degree from University of Manchester Institute of Science & Technology. He began his career in the Company as a Risk Management Manager in 2003.

He has attended all the five (5) Board Meetings held during the financial year ended 28 February 2025.

TAN MING CHONG

Group Chief Operating Officer

45 | Male | Malaysian

Appointed to the Board as an Executive Director of the Company on 17 May 2010 and re-designated as the Chief Operating Officer of the Company on 18 January 2012.

He holds a Master Degree in Economics from University of Warwick and a Bachelor in Economics from London School of Economics.

Prior to joining the Company, he was a Manager in the business advisory division of Ernst & Young where he was involved in various types of organisation improvement projects with clients in different industries.

He has attended all the five (5) Board Meetings held for the financial year ended 28 February 2025.

TAN JIN SUN

Senior Independent Non-Executive Director
Chairman of Audit & Risk Management Committee

56 | Male | Malaysian

Appointed to the Board as an Independent Non-Executive Director and the Chairman of the Audit & Risk Management Committee of the Company on 17 January 2023. He is currently the Chief Executive Officer of DK Leather Seats Sdn Bhd since 2 January 2019.

He obtained his Associate membership of the Chartered Institute of Management Accountants (CIMA) in 1996 and was admitted as the Chartered Accountant with the Malaysian Institute of Accountants in the same year.

He started his career in 1992 with more than 20 years of senior management experience in Accounts & Management, and Development of Business Operation. He was instrumental in the successful listing of Boon Koon Group Berhad and Pecca Group Berhad in 2004 and 2016 respectively.

Mr. Tan is also a member of the Remuneration Committee and the Nominating Committee. He has attended all the five (5) Board Meetings held for the financial year ended 28 February 2025.

Profile of The Board of Directors (Cont'd)

OFELIA CHEAH LOO EE

Independent Non-Executive Director
Chairman of Nominating Committee

46 | Female | Malaysian

Appointed to the Board as an Independent Non-Executive Director and the Chairman of the Nominating Committee of the Company on 9 September 2022. She holds a Doctor of Philosophy (PhD) and a Bachelor of Engineering (Hons) from Manchester Institute of Science and Technology. She started her career in Genting Power Sdn Bhd, where she spent 9 years in the power industry before making a career transition into the real estate industry.

Ms. Ofelia is currently the Senior Vice President, Investment, in TRX City Sdn. Bhd. where she leads the commercialisation unit at Tun Razak Exchange, Malaysia's international financial centre.

She brings nearly 20 years of experience in business development, where her core expertise spans value creation, conducting viability and bankability assessments, investment analysis, structuring deals, negotiating contracts, and managing risk.

Ms. Ofelia is also a member of the Audit & Risk Management Committee and the Remuneration Committee. She has attended all the five (5) Board Meetings held for the financial year ended 28 February 2025.

POH HEEM HEEM

Independent Non-Executive Director
Chairman of Remuneration Committee

50 | Female | Malaysian

Appointed to the Board as an Independent Non-Executive Director and the Chairman of the Remuneration Committee of the Company on 31 July 2024. She is currently the Managing Director of the House of Hope Penang, a non-profit organisation.

She has a total 27 years of work experience, specialising in Finance & Economics, Business & Strategic Development and Corporate Communications. Holds a Bachelor's Degree in Banking & Finance from Monash University, Australia and a Masters in Applied Finance from the University of Melbourne.

Ms. Poh is also a member of the Audit & Risk Management Committee and the Nominating Committee. She has attended two (2) Board Meetings held for the financial year ended 28 February 2025.

Notes:
1. All the Directors do not have any conflict of interest with the Group.
2. All the Directors have not been convicted for any offences within the past five years other than for traffic offences, if any.
3. All the Directors have no family relationship with any other Directors or major shareholders of the Group with the exception of Mr. Fong Wah Kai, the Executive Director and substantial shareholder of the Company is the father of Mr. Fong Wern Sheng, the Company's Executive Chairman and Chief Executive Officer and a substantial shareholder of the Company.
4. The Directors' shareholdings are as disclosed in page 139 of this Annual Report.

Profile of Key Senior Management

FONG WERN SHENG

Group Chief Executive Officer

44 | Male | Malaysian

The profile of Mr. Fong Wern Sheng is listed in the Profile of Directors on page 6.

TAN MING CHONG

Group Chief Operating Officer

45 | Male | Malaysian

The profile of Mr. Tan Ming Chong is listed in the Profile of Directors on page 7.

Mr. Loo graduated with Bachelor's Degree in Accounting from university of Malaya. He is a member of the Malaysian Institute of Accountants since 1997 and a member of the Australian Society of Certified Practicing Accountants since 2008.

He is an Accountant by profession and has a garnered more than 30 years of experience from local and international commercial companies in the area of accounting and financial management.

Mr. Loo joined our Group as the Chief Financial Officer on 18 May 2020. He has the overall the responsibility for overseeing the Groups' financial matters, including financial planning, financial reporting and administration.

Notes:

1. Save as disclosed in the Directors' Profile for Mr. Fong Wern Sheng, none of the key senior management has any family relationship with any other Directors and/or substantial shareholders of the Company.
2. None of the key senior management has any conflict of interest with the Company.
3. None of the key senior management has been convicted for any offences against the law other than traffic offences (if any) within the past five (5) years.
4. The Director's & key senior managements' shareholding are as disclosed in page 139 of this Annual Report.

Corporate Milestones

1978
Incorporated Company - Poly Glass Fibre (M) Sdn Bhd

1984
Manufacturing activities started at Penang facility

1985
Exporting activities started

1990
Listed on the Second Board of KLSE

1991
Expansion and improvement of production facility with technology from Jhons Manville

1993
Replacement of production technology with a spinner disc for a rotary fiberisation process

1995
New Product Release :
Rigid Pipe Insulation

1997
Acquired Golden Approach Sdn Bhd - with a land of more than 1000 arces

2002
New Product Release :
HVAC Ducting System

2005
Expansion of existing warehouse

2006
Accredited to ISO9001, and Expanded into the Australia & New Zealand markets

2007
Accredited to AS/NZ 4859.1

2009
Listed on the Main Board of KLSE

2010
Green Building Certified by U.S. Green Building Council

2011
Launch ecowool
Unveiled the new brand identity

2012
Launch Brownie ANTI-FORMALDEHYDE FORMULA,
"Formaldehyde Free" Insulation

2020
Incorporated Diamond Creek Eco Farm Sdn Bhd to diversify into tropical fruit plantation activities

2021
Completed Furnace Rebuilt to increase insulation manufacturing capacity

2022
Changed name - PGF Capital Berhad

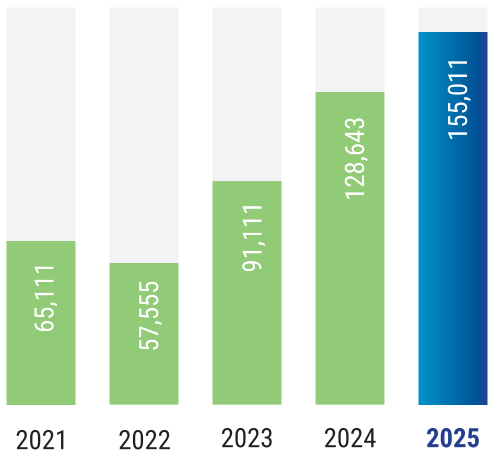
Incorporated PGF Australia to expand Oceania Market

2024
Accredited to ISO14001

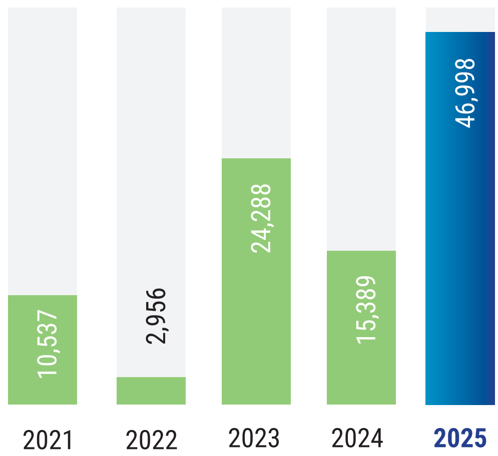
Financial Highlights

Year Ended 28 February	2021 RM '000	2022 RM '000	2023 RM '000	2024 RM '000	**2025 RM '000**
Turnover	65,111	57,555	91,111	128,643	**155,011**
Profit Before Taxation	10,537	2,956	24,288	15,389	**46,998**
Profit After Taxation	8,069	1,946	16,272	10,456	**33,937**
Profit Attributable to Shareholders	8,069	1,946	16,272	10,456	**33,937**
As at 28 February					
Total Assets	241,959	264,737	289,406	316,413	**413,711**
Shareholders' Funds	175,008	184,953	202,212	211,816	**262,722**
Net Earnings Per Share (Sen)	5.04	1.22	10.10	6.39	**18.26**
Net Assets Per Share (RM)	1.09	1.16	1.26	1.30	**1.41**

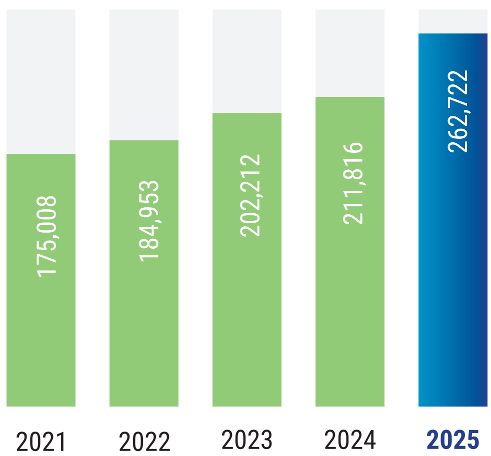
Turnover (RM'000)



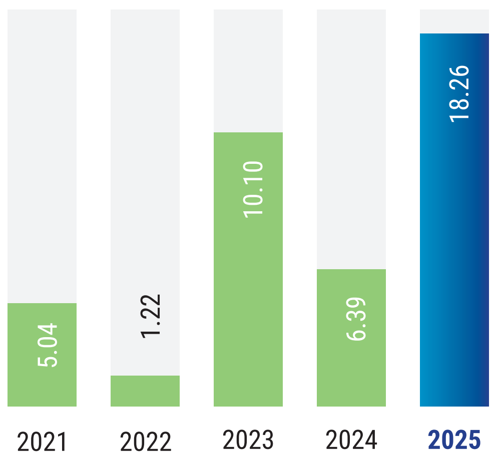
Profit Before Taxation (RM'000)



Shareholders' Funds (RM'000)



Net Earnings Per Share (Sen)



Management Discussion and Analysis

Dear valued shareholders,

The financial year ended 28 February 2025 ("FY25") began on a strong note for PGF Capital Berhad ("PGF" or the "Company"), reflecting the positive momentum from our focused strategic efforts in recent years. Our targeted approach to key markets—particularly in the Oceania region, Singapore, and Malaysia—is bearing fruit, with the Company seeing tangible benefits, especially from our enhanced presence in the Australian market. The Oceania region emerged as a significant growth driver, with robust demand for insulation materials underpinned by structural changes and proactive government initiatives.

To support this growth and better serve our customers, we have strengthened our operational capabilities in Australia, one of our core markets, by establishing our own warehouses in major cities and deploying a dedicated delivery fleet. These enhancements have enabled us to capture rising demand more effectively while improving our responsiveness and service standards.

As the financial year drew to a close, the global political landscape experienced notable shifts, introducing a degree of uncertainty that inevitably impacted our operating environment. Despite these headwinds, we remained steadfast in our commitment to performance and resilience.

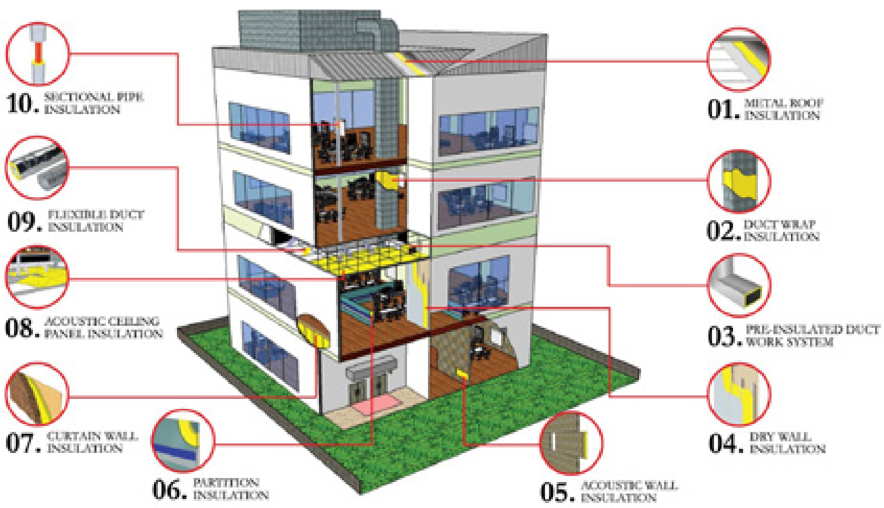
Through disciplined execution and operational agility, we successfully navigated these challenges and are pleased to deliver a solid set of results. FY25 marked a significant milestone for the Company, as we once again surpassed our previous revenue record, achieving a new all-time high of RM155.0 million, exceeding the RM128.6 million recorded in the previous corresponding financial year ("FY24"). Meanwhile, our profit after tax ("PAT") also reached a commendable RM33.9 million, reflecting our sustained momentum and operational resilience.

On that note, it is our pleasure to present you PGF's Annual Report for FY25.

BUSINESS OVERVIEW

Fibre Glasswool and Related Products ("Insulation") Segment

PGF, through its wholly owned subsidiary PGF Insulation Sdn Bhd ("PGFI"), is primarily engaged in the production and distribution of glass mineral wool ("GW"). This versatile insulation material, known for its fibrous and flexible properties, is widely used for both thermal and acoustic insulation across various applications. The following diagram highlights the main uses of GW:



BUSINESS OVERVIEW (CONT'D)

Fibre Glasswool and Related Products ("Insulation") Segment (Cont'd)

Located in Perai, Penang, the Company's main operations centre includes integrated manufacturing and warehousing facilities spanning around 38,614 square metres. The site is staffed by approximately 304 employees and is capable of producing up to 25,000 metric tonnes of GW-related products each year.

Our products are sold under our in-house brand, Ecowool, which features two main variants: Classic and Brownie.

ecowool

Classic
Glass Mineral Wool

Ecowool Classic

- Represents the Group's conventional range of glass mineral wool products, manufactured using thermosetting resin.
- It covers the full spectrum of products produced at our facility.

Brownie
ANTI-FORMALDEHYDE FORMULA

Ecowool Brownie

- Introduced in 2013 in response to growing demand for products that meet more stringent environmental standards. It is manufactured using an alternative binder technology that features low volatile organic compounds and ultra-low formaldehyde content.
- Currently, Ecowool Brownie is available in a selected range of products and is primarily distributed in Malaysia, Australia, and New Zealand.

PGFI has obtained the following certifications:

No	Certifications
1	ISO 9001:2015 Quality Management Systems
2	MS 1020:2010 Thermal Insulation Products or Buildings – Factory Made Mineral Wool (Mw) Products – Specification
3	AS/NZS 4859.1:2018 Thermal insulation materials for buildings, General and technical provisions
4	New Zealand Codemark Product Certificate ELIMENT® Insulation – Glass Mineral Wool Insulation
5	Singapore Green Building Product Certification
6	Construction Industry Development Board ("CIDB") Perakuan Pematuhan Standard (Bahan Binaan)
7	Belgian Construction Certification Association NPO EUCEB Certification of mineral wool products
8	FM Approvals Certificate of Compliance
9	TÜV SÜD Certificate of Conformity
10	ISO 14001:2015 Environmental Management System
11	Global Greentag Certified: Level A for PGF Glasswool Insulation products

BUSINESS OVERVIEW (CONT'D)

Fibre Glasswool and Related Products ("Insulation") Segment (Cont'd)

GW product plays a central role in supporting energy-efficient construction, particularly in developed countries with seasonal climates such as Australia and New Zealand. These markets, which represent our main export destinations, have increasingly adopted stricter building regulations aimed at reducing energy consumption in residential and commercial buildings. New Zealand implemented its revised building code in May 2023, followed by Australia in May 2024, with both raising baseline standards for energy-efficient design. Among the changes introduced was a requirement for higher R-values in ceiling and wall insulation, reinforcing the importance of high-performance insulation materials like GW.

Beyond its application in walls and roofs, GW is also widely used in mechanical systems, such as air-conditioning and ventilation ducts, to improve thermal control, reduce condensation, and suppress operational noise. A smaller, yet important, portion of our GW products also serves industrial uses, including in the manufacture of acoustic panels, fire-resistant doors, silencing equipment for power generators, and noise barriers along transport infrastructure.

Property Development Segment

Golden Approach Sdn Bhd ("GASB"), the Group's wholly owned subsidiary and property development arm, owns approximately 1,311 acres of unencumbered leasehold land in Tanjong Malim, Perak, known as the Diamond Creeks Country Resort ("DCCR"). The land is strategically located next to Proton City and the Automotive High Tech Valley ("AHTV"), approximately 15 kilometres from the Tanjong Malim Electric Train Station.

PGF is positioning DCCR to complement the national agenda of transforming Tanjong Malim into a leading centre for advanced automotive manufacturing, with a strong focus on new energy vehicles. This vision is aligned with the plans of Proton Holdings Berhad ("Proton") to consolidate its manufacturing operations in Tanjong Malim by 2027, relocating from its long-established facility in Shah Alam, Selangor.

In line with our broader growth strategy and commitment to capturing opportunities in high potential locations, we are also extending our footprint into other emerging economic corridors. PGF, through our indirect joint venture company, Nexel Development KHTP Sdn. Bhd. ("NDK"), had on 10 December 2024 announced the proposed acquisition of approximately 9.6 acres of freehold land in Kulim Hi-Tech Park, Kedah from Kulim Technology Park Corporation Sdn. Bhd. ("KTPC") for RM12.7 million in cash and consideration in kind.

NDK is a wholly-owned subsidiary of Nexel Group Sdn. Bhd. ("Nexel"), a joint venture company in which PGF holds a 50.1% stake; alongside Penang-based award-winning property developer Malvest Group Sdn. Bhd. ("Malvest") with a 10.0% stake; and three individuals affiliated with Malvest holding the remaining shares.

Others

To unlock greater value from our land assets, we have dedicated approximately 228 acres to plantation activities under our wholly-owned subsidiary, Diamond Creeks Eco Farm Sdn Bhd ("DCEF"). Of this, 208 acres are planned for the cultivation of up to 10,000 durian trees, while the remaining 20 acres are used for cultivating a mix of tropical fruits and crops, including Japanese mangosteen, papaya and Panama Rose Gold passion fruits.

Our agricultural segment continues to gain traction, with encouraging consumer demand for our passion fruits and papaya. Although still a modest contributor to the Company's overall revenue, these crops are generating positive returns and demonstrate the long-term potential of this venture.

FY25: Resilient Growth in an Uncertain Global Economic Environment

FY25 began on a strong footing for PGF, with the Oceania region continuing to drive growth. Demand for insulation materials remained robust, supported by a surge in construction activity and regulatory tailwinds. Notably, the revision to Australia's building code—implemented in May 2024—introduced higher energy efficiency standards, leading to increased use of insulation in residential and commercial developments. This created a favourable market environment for our products and reaffirmed the value of our strategic focus on key markets such as Australia.

As the financial year progressed, however, we faced several external challenges. The appreciation of the Malaysian Ringgit against the Australian Dollar impacted our export performance. Additionally, temporary labour shortages, elevated freight costs, and disruptions from construction worker strikes in Australia posed operational hurdles. Despite these headwinds, we remained resilient and agile in our response.

Encouragingly, business conditions improved toward the end of the year. Demand recovered, and our manufacturing plant in Penang operated at full capacity to meet market needs. Although the global environment remained uncertain, marked by shifting international policies and economic volatility, our strategic focus on stable, growth-oriented markets largely shielded us from broader disruptions. We are encouraged that our deliberate decision to deepen our presence in select geographies continues to yield positive results.

OPERATIONAL REVIEW: NEW VENTURES AHOY

Insulation Segment

Strategic Collaboration

On 17 July 2024, we entered into a five-year distributorship agreement with Centria Building Material Manufacturing (Shanghai) Co., Ltd. ("Centria International"), a global leader in advanced building materials and solutions with 20-year track record in providing design, supply, and installation solutions for insulated metal panels. Their solutions have been adopted by various industrial and commercial buildings including data centres, some of which are owned by Fortune 500 companies, as well as hospitals, schools and hotels.

These high-performance panels, commonly used in industrial buildings such as data centres, offer excellent thermal insulation, fire resistance, and soundproofing, while also streamlining the construction process and reducing installation time. To date, the new mineral wool sandwich panels have successfully passed Standards and Industrial Research Institute of Malaysia ("SIRIM") certification. We are currently awaiting certification by the Fire Department of Malaysia ("BOMBA") before commercialising the panels, with approval expected in calendar year 2025.

This strategic collaboration positions PGF to capitalise on Malaysia's growing industrial activities, particularly in the data centre sector, and includes the potential establishment of a local manufacturing facility. The partnership is expected to strengthen PGF's market presence and unlock new growth opportunities for the Group.

OPERATIONAL REVIEW: NEW VENTURES AHOY (CONT'D)

Insulation Segment (Cont'd)

<u>New Plant and Capacity Expansion</u>

Building on our strong momentum and with our existing manufacturing plant in Prai, Penang ("Plant 1") already operating full capacity amid sustained demand, we are moving forward to expand our manufacturing capabilities. Through our wholly owned subsidiary, NetZero Technology Sdn. Bhd., we have entered into a Sale and Purchase Agreement ("SPA") on 13 September 2024 to acquire a 23.9 acres freehold industrial plot in Pekan Padang Meha, Kulim, Kedah from Senam Jaya Sdn. Bhd. for a total cash consideration of RM40.0 million to develop our second manufacturing facility ("Plant 2").

Plant 2 shall increase our annual production capacity by 160%, from 25,000 to 65,000 metric tonnes ("mt"). The development of Plant 2 is progressing on schedule with commercial operations expected to commence by mid-2026.

Additionally, Plant 2 has been granted the Northern Corridor Economic Region ("NCER") Tax Incentive Package, which provides five-year corporate tax holiday, with an additional five-year extension, contingent upon achieving profitability.

<u>Operational Enhancements in Australia</u>

Owning our own fleet of trucks has significantly enhanced our logistics capabilities in Australia, enabling us to respond more swiftly and reliably to the customer demands. To further strengthen this advantage, we are expanding our fleet by adding three new trucks. As at 30 April 2025, two of these trucks have already been delivered, with the remaining one scheduled for delivery in June 2025. Upon completion, our total fleet will comprise five trucks, enhancing our operational efficiency and service responsiveness.

We are also progressing with the planned relocation of the new distribution warehouse in Perth. The current warehouse space is 1,334 m^2, and we aim to move to a larger facility with approximately 2,000 m^2 by early 2026 to better accommodate our increasing market demands.

Property Development Segment

<u>Tanjong Malim, Perak</u>

We have set out a long-term vision to transform our land adjacent to Proton City into a vibrant and self-sustaining township. Planned over a 10-to-15-year horizon, the development will span more than 400 acres and is expected to deliver over 6,000 residential and commercial units, with an estimated total Gross Development Value ("GDV") of RM3.0 billion. The remaining areas will be allocated for complementary uses including agricultural plantations, ecotourism, and lifestyle components such as a retirement and wellness village.

Undertaken in partnership with Malvest, this initial development phase is aimed at supporting the national objective of positioning Proton City as a key hub within AHTV. With an estimated GDV of RM600.0 million, this phase will comprise 1,808 residential and commercial units designed to serve the needs of a growing and diverse community.

As at 30 April 2025, the Company is in the process of addressing certain infrastructure-related matters, including water supply requirements, to support the township's development. Engagements with relevant stakeholders and authorities are ongoing to ensure timely and effective resolution, paving the way for the first development project in this land.

Management Discussion and Analysis (Cont'd)

OPERATIONAL REVIEW: NEW VENTURES AHOY (CONT'D)

Property Development Segment (Cont'd)

Kulim Hi-Tech Park, Kedah

The planned development on our newly acquired land in Kulim Hi-Tech Park will feature a well-integrated mix of condominiums, a hotel, serviced residences, and commercial spaces. The mixed-use project, with planned GDV of RM600 million, is designed to meet the rising demand for quality residential and commercial offerings in the fast-growing tech hub. It aims to support the increasing number of skilled professionals and expatriates drawn to the area by its strategic location and well-established ecosystem.

Currently, Kulim Hi-Tech Park supports a workforce of approximately 45,000, a figure expected to grow as more multinational corporations establish a presence in the area. In response, KTPC, the park's developer and manager has announced plans to expand the industrial zone from 5,557 acres to 12,000 acres, underscoring the need for supporting infrastructure, particularly in housing and commercial development.

Anchored by global technology leaders such as Intel, Infineon, Celestica, and First Solar to name just a few, the park continues to attract significant investment. Its appeal is bolstered by strategic connectivity, a mature industrial base, and a favourable business environment. Broader shifts in global business practices, supply chain strategies, and trade policy have further positioned Kulim Hi-Tech Park as an attractive destination for international firms seeking resilient and diversified operational bases.

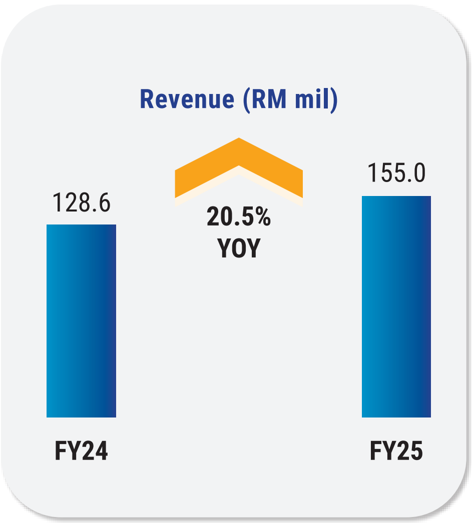
The project is currently in the planning phase, with a targeted launch set for the 2026 calendar year.

FINANCIAL RESULTS

Revenue

The continued strength in demand for insulation products across both the Oceania region and Malaysia has propelled the Group to a record revenue of RM155.0 million, marking a 20.5% year-on-year ("YoY") increase from RM128.6 million in FY24.

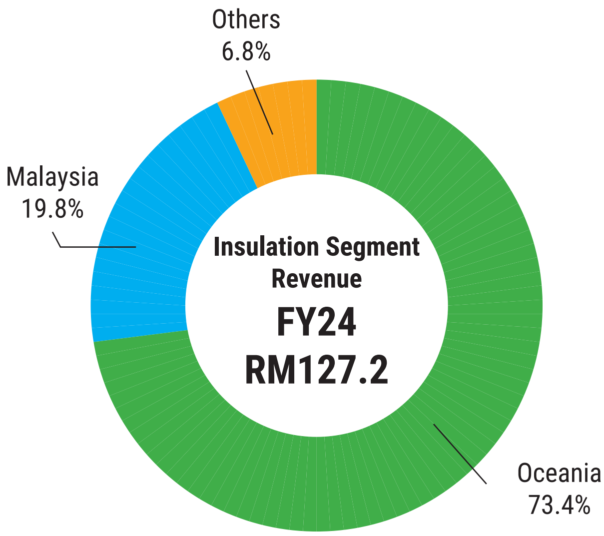
Central to this performance, the Insulation Segment continued to be the Company's main pillar, contributing RM153.8 million, or 99.2% of total revenue in FY25. This marks a 20.9% YoY growth from RM127.2 million in FY24, driven by a significant rise in demand. The remaining RM1.2 million, representing 0.8% of total revenue, was derived from the Property Development, Investment Holding, and Other segments.

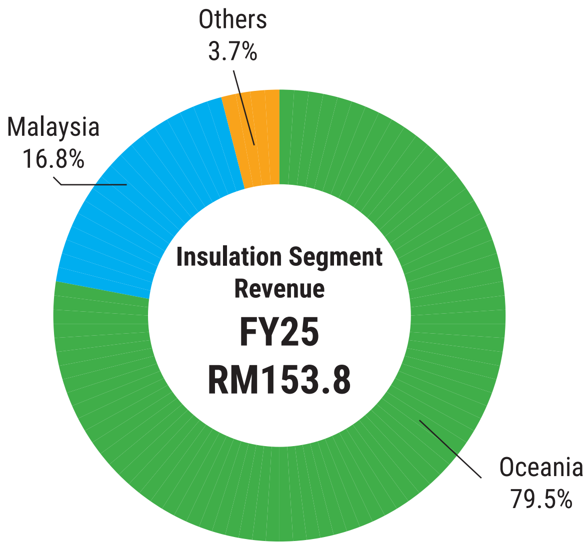


Management Discussion and Analysis (Cont'd)

FINANCIAL RESULTS (CONT'D)

Revenue (Cont'd)





***Note**: 'Others' refers to Southeast Asia countries excluding Malaysia.*

Geographically, the Oceania markets contributed 79.5% or RM122.2 million to PGF Capital's Insulation segment revenue. Malaysia accounted for 16.8% or RM25.9 million, while the balance 3.7% or RM5.7 million was derived from the Others region.

Profitability

Financial Year Ended 28 February	FY24 RM mil	FY25 RM mil	YoY Changes / ppt
Profit before tax ("**PBT**")	15.4	47.0	205.2%
PAT	10.5	33.9	222.9%
PBT margins	12.0%	30.3%	+18.3ppt
PAT margins	8.1%	21.9%	+13.8ppt
Adjustments:			
Adjusted PBT	15.4	27.4^	77.9%
Adjusted PBT margins	12.0%	17.7%^	+5.7ppt

***Note:** ppt = percentage point. ^excludes the reversal of impairment loss on land held for property development.*

FY25's results included a reversal of an impairment loss on land held for property development, amounting to RM19.6 million. Excluding this non-recurring and non-operating item, the Company reported an adjusted PBT of RM27.4 million, reflecting a 77.9% YoY increase from RM15.4 million in FY24, outpacing the YoY revenue growth of 20.5%. This led to an adjusted PBT margin of 17.7%, compared to 12.0% in the previous year. The margin improvement was driven by revenue growth exceeding the increase in operating expenses, demonstrating our ability to enhance operational efficiency and maintain effective cost management.

Balance Sheet

As of 28 February 2025, our total assets increased significantly to RM413.7 million, representing a 30.8% YoY rise from RM316.4 million recorded in FY24. The growth was primarily driven by an increase in property, plant, and equipment that resulted from our acquisition of a piece of land in Kulim for Plant 2, rise in inventories as well as higher trade and other receivables. Total cash and cash equivalents, including short-term deposits, reached RM37.9 million in FY25, marking a 45.2% increase from RM26.1 million in the preceding year.

Our shareholders' equity also grew by 24.0% YoY to RM262.7 million at the end of FY25 from RM211.8 million in the preceding year. This was on the back of higher share capital from the conversion of irredeemable convertible preference shares, and higher retained earnings along with reversal of an impairment loss on land for property development.

Total liabilities for FY25 stood at RM151.0 million, vis-à-vis RM104.6 million a year ago. The increase in borrowings, which rose to RM68.2 million from RM29.5 million in FY24, was mainly due to drawdown in long-term loans and borrowings to fund expansion. Consequently, net gearing ratio rose to 0.12 times as of end-FY25, compared to 0.02 times in the previous year, but remained well within a comfortable and prudent level.

Balance Sheet and Key Ratio Highlights as of 28 February 2025

Total Asset
RM413.7 million
(FY24: RM316.4 million)

Total Equity
RM262.7 million
(FY24: RM211.8 million)

Total Liabilities
RM151.0 million
(FY24: RM104.6 million)

Cash and Cash Equivalents
RM37.9 million
(FY24: RM26.1 million)

Net Gearing
0.12 times
(FY24: 0.02 times)

Cash Flow

Financial Year Ended 28 February	FY24 RM mil	FY25 RM mil
Profit before tax	15.4	47.0
Net cash from operating activities	25.1	19.6
Net cash used in investing activities	(6.6)	(57.8)
Net cash (used in) / from financing activities	(12.6)	49.9
Net increase in cash and cash equivalents	5.9	12.0

We recorded an increase in net cash and cash equivalents of RM12.0 million in FY25 after taking account of:

- Lower net cash generated from operating activities, following a RM10.8 million increase in trade and other receivables in tandem with higher revenue, alongside the non-cash reversal of an impairment loss on land held for property development amounting to RM19.6 million.
- Cash outflow for investing activities surged to RM57.8 million, compared to RM6.6 million outflow a year earlier. This notable increase was primarily attributed to the purchase of a new land in Kulim for the Company's second insulation manufacturing plant, amounting to RM41.8 million *(see Operational Review section for details)*.
- Net cash from financing activities turned positive at RM49.9 million in FY25. This shift was mainly due to term loan drawdowns and proceeds received from the conversion of irredeemable convertible preference shares.

RISKS AND MITIGATIONS

The business landscape in which we operate in presents various risks that could significantly impact our business operations and financial performance. We remain fully committed to minimising these risks from negatively impacting our business goals and ensuring the Group continues to create sustainable value for our shareholders.

Outlined below are the key anticipated or known risks that our Company faces, which may materially affect our operations, performance, financial condition, and liquidity. We also detail our strategies to mitigate these risks.

Geographical Limitations in Key Markets

Operating from Malaysia while serving markets across Oceania naturally presents a unique set of challenges. Manufacturers based in Australia and New Zealand are often able to leverage their proximity to customers, resulting in quicker delivery times, lower shipping costs, and more agile supply chain operations. As a result, we may be at a competitive disadvantage against local producers with more immediate access to their end markets.

To mitigate this risk, we remain focused on optimising our operational efficiency and strengthening supply chain management. We now have existing warehouses in Melbourne, Perth, Brisbane and Sydney. Our presence in the region is further supported by a team of 32 full-time professionals based in Australia, dedicated to serving the Oceania markets.

In parallel with the strengthening of our operational footprint, we remain deeply focused on understanding and meeting the specific needs of our target customers. Through consistent engagement, we gather valuable insights that allow us to tailor our support and solutions effectively. This customer-first approach not only enhances the overall experience but also sets us apart from local competitors, helping us build strong, long-term relationships in the markets we serve.

Exposure to Changing Regulatory Frameworks

Government policies play a pivotal role in shaping the construction industry and directly impact our business. In Oceania—particularly Australia—strict building regulations, including the Nationwide House Energy Rating Scheme ("NatHERS"), require new residential buildings to meet minimum energy efficiency standards. Non-compliance can lead to approval delays, increased costs, or even occupancy restrictions.

As insulation is a core component in meeting these standards, our product demand is closely aligned with regulatory requirements. Consequently, changes to building codes or energy efficiency policies have a significant influence on market dynamics and purchasing behaviour.

We take a proactive and forward-looking approach to managing compliance risk by closely tracking regulatory developments and policy shifts across all our key operating regions. This allows us to stay ahead of emerging requirements and integrate necessary adjustments into our operations in a timely and effective manner.

RISKS AND MITIGATIONS (CONT'D)

Key risks	Mitigations
Raw Material Supply and Sustainability Risk The use of virgin raw materials such as silica sand, which is used in the production of glass wool products, presents both environmental and supply-related risks. Silica sand is a non-renewable resource, and continued extraction contributes to the depletion of natural reserves. The processes involved in obtaining silica sand, including extraction, transportation and refining, require large amounts of energy. These activities result in significant greenhouse gas emissions, increase our carbon footprint, and may cause environmental harm such as land degradation and disruption to surrounding ecosystems.	Instead of relying on silica sand, we use glass waste as our key raw material. In essence, we adopt a closed-loop manufacturing system that transforms waste into a valuable input for managing both thermal and condensation performance. At the core of this system is the use of glass cullet (i.e. broken or crushed glass waste), which makes up approximately 80% of our raw materials input, with the balance being additives added to the glass cullet during the production process. This significantly reduces, and in some cases eliminates, the need for virgin silica sand. By reducing dependence on finite resources, this approach also helps lower the environmental impact stemming from the extraction, processing, and end-of-life management.
Operational Disruptions from Workplace Health and Safety Risks At PGF, safety is a cornerstone of our manufacturing and warehousing operations, where our people are central to everything we do. We are committed to cultivating a strong safety culture through rigorous protocols and proactive practices that protect our workforce and support seamless operations. A secure work environment reduces disruptions, upholds product quality, and reinforces our reputation as a reliable partner. In turn, this commitment to safety drives stronger financial outcomes by enabling timely deliveries, reducing defects, and embedding operational excellence throughout the organisation.	Ensuring a safe and healthy working environment is fundamental to our operations. We are committed to protecting not only our employees but also contractors and other stakeholders present at our sites. To support this, we have developed comprehensive health and safety procedures that are clearly communicated across the organisation and to all relevant external parties. New employees receive structured training during their induction to ensure full awareness and compliance with our safety expectations. This commitment to preventive action allows us to maintain high safety standards and minimise risk across all areas of our business.

OUTLOOK

As we enter into the new financial year, we do so with confidence, supported by strong regulatory momentum and rising demand across the insulation and property development businesses. Sustainability and energy efficiency continue to shape global construction and industrial trends, positioning the Company to benefit from these long-term shifts.

In addition to our core insulation operations, the Group's planned property development projects present promising opportunities. These projects are set to tap into growing demand for quality residential and commercial spaces in strategic, fast-growing locations, further strengthening the Company's future growth trajectory.

Insulation Segment

Since the full enforcement of the National Construction Code ("NCC") 2022 in Australia from May 2024, which mandates a 7-Star energy efficiency standard, the adoption of insulation materials has gained significant momentum, driving strong demand across the market. PGF will continue to support this shift by expanding its insulation offerings, strengthening its on-ground presence, and working closely with partners to provide compliant and sustainable solutions for the evolving construction landscape.

At the state level, Victoria's incentive scheme is set to further boost demand for insulation solutions. The Victorian Government's decision to reduce ceiling insulation installation costs under the Victorian Energy Upgrades ("VEU") programme, effective early 2026, presents significant growth opportunities in Australia's most densely populated state, with over 7 million residents. With Plant 2 scheduled for completion in the first half of 2026, alongside its reputable Ecowool brand and established Australian distribution network, the Company is well positioned to meet rising market demand.

On the local front, the Energy Efficiency and Conservation Act 2024, which came into effect on 1 January 2025, is anticipated to stimulate further domestic demand for energy-efficient products. As a key pillar of the National Energy Transition Roadmap, the Act marks a significant step towards Malaysia's low-carbon future. Leveraging our extensive industry experience and well-established operational platform, the Company is confident in its ability to capitalise on emerging opportunities by introducing innovative insulation solutions that address evolving regulatory and market needs.

Separately, PGF does not anticipate any material impact on operations resulting from the recent tariff announcements by the United States Government. Export activities remain focused on the Oceania region, representing over 70% of export volume in FY25, complemented by approximately 20% domestic sales. Importantly, PGF currently has no direct exports to the United States.

Property Development Segment

Tanjong Malim continues to gain prominence as Proton advances the construction of its RM82 million electric vehicle plant, part of its broader commitment to AHTV initiative. The facility, slated to be operational by the end of 2025, will produce next-generation electric vehicle ("EV") models and marks a significant milestone for Malaysia's automotive industry.

Meanwhile, investment momentum is accelerating at Kulim Hi-Tech Park. Austrian firm, AT&S Austria Technologie & Systemtechnik ("AT&S") began operations at its EUR1.7 billion advanced electronics facility in January 2024, which is expected to generate up to 6,000 employment opportunities as it scales up. In November 2024, a Japanese machinery manufacturer, CKD Corporation opened a 80,000 square metre manufacturing facility, further boosting the park's industrial profile.

Adding to this growth, Maxland Data Sdn Bhd had signed a 60-year lease agreement in December 2024 for a 4.6 acres parcel, where it plans to develop a data centre to support the nation's expanding digital infrastructure. To accommodate rising investor interest, the Kedah State Development Corporation has also announced plans to expand the park's industrial area from 5,557 acres to 12,000 acres.

These large-scale developments in Tanjong Malim and Kulim are expected to drive sustained demand for integrated residential and commercial spaces. Our strategic property projects in both locations are well positioned to capture this demand, with the Kulim development on track for launch in early 2026 and the Tanjong Malim township poised to benefit from the growth surrounding the AHTV.

OUTLOOK (CONT'D)

Others

Other than residential and commercial development, we are actively exploring opportunities to unlock the full potential of the land in Tanjong Malim. This includes initiatives in sustainable sectors such as agriculture and ecotourism.

DIVIDEND

The Board of Directors (the "Board") of PGF has proposed a final dividend of 1.0 sen per ordinary share for FY25, subject to shareholder approval at the forthcoming Annual General Meeting. This follows the distribution of the first interim dividend of 2.0 sen per ordinary share, bringing the total dividend for FY25 to 3.0 sen per ordinary share, representing a total payout of RM5.8 million.

The Company remains committed to delivering shareholder value through consistent dividend distributions, with a target payout of no less than 25% of annual net profit. The final dividend amount takes into account a range of considerations, including the availability of distributable reserves, operational cash flow requirements, existing financial commitments, and the Company's strategic growth initiatives. These factors are carefully assessed to ensure the long-term financial strength and sustainability of PGF.

APPRECIATION

On behalf of the Board, I would like to express our sincere appreciation to the management team and all employees of PGF for their unwavering commitment and dedication throughout the year. Their consistent efforts have been vital in driving the Company's progress, and their strong alignment with our core values continues to underpin our success.

We would also like to sincerely thank all stakeholders including our shareholders, customers, suppliers, business partners, financiers, and others for the trust and support they have placed in us. We look forward to strengthening these relationships further and delivering mutually rewarding outcomes in the years ahead.

The Board extends a warm welcome to Miss Poh Heem Heem, who was appointed as an Independent Non-Executive Director effective 31 July 2024. The Board is confident that her extensive experience and expertise will contribute meaningfully to its effectiveness and enhance the breadth of perspectives at the Board level. On the same note, I wish to record the Board's appreciation to Miss Tan Suat Hoon for her valuable contributions during her tenure as an Independent Non-Executive Director and extends our best wishes to her in her future endeavours.

Lastly, I wish to convey my deep gratitude to my fellow members of the Board. Their steadfast leadership, wealth of experience, and active contributions have played a crucial role in shaping the Group's strategic direction. Together, we have faced challenges, embraced opportunities, and laid the groundwork for future growth. The collective strength and insight of the Board remain a cornerstone of our confidence as we continue to move forward and reach new milestones.

Yours sincerely,

Mr Fong Wern Sheng
Executive Director and Group Chief Executive Officer

SUSTAINABILITY STATEMENT
FY2025

Sustainability Statement is all about

Our Sustainability Commitment reflects our dedication to integrating key aspects of environmental stewardship, economic growth, social responsibility, and strong governance to safeguard the well-being of future generations. We believe that effective resource management, ethical governance, social equity, and active community engagement are essential to building truly sustainable communities. Our goal is to provide eco-friendly solutions that contribute to a safe, comfortable, and sustainable living environment.

This report follows the guidelines set by Bursa Malaysia Securities Berhad for Sustainability Statements in Annual Reports and supports the Malaysian Code on Corporate Governance. Our reporting is based on the Global Reporting Initiative (GRI) Standards 2021, the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations, and the FTSE4Good Bursa Malaysia Index. We focus on important issues for our stakeholders, highlighting value creation and our support for the United Nations Sustainable Development Goals (UN SDGs).

INTRODUCTION

PGF Capital Berhad ('PGF' or the 'Group') is an investment holding company operating commercially in 1984, and Public Listed on Bursa Malaysia in 1990. Main operation hub is located in Perai, Penang with manufacturing and warehousing facilities operating on a 9.54-acres land.

To construct a new operations hub in Kulim, Kedah (~30 minutes from existing plant) featuring manufacturing and warehousing facilities on a 23.9-acres land with completion expected in the first half of 2026.

ABOUT PGF AUSTRALIA

Distribution hubs and delivery fleet in Austrialia commercially in 2023. Main Office and distribution hub is located in Campbellfield, Melbourne, Victoria

Second distribution hub is located in Willawong, Brisbane, Queensland

Sustainability Statement (Cont'd)

Partnership distribution with SELECT INSULATION located in Wangara, Perth, Western Australia

Partnership distribution with BRITESTAR located in Prestons, Sydney, New South Wales

SUSTAINABILITY KEY HIGHLIGHTS

Environment

SCOPE 1
13,851
FY2024:12,693

SCOPE 2
9,061
FY2024:8,795

5.93 kWh
FY2024:5.95

103,427m³
FY2024:99,508m³

0.06MT
waste to landfill

ZERO
Water & Environmental Fine & Penalty

Social

ZERO
case reported on: Discrimination, Harrassment, Grievance, Labour & Human Rights

ZERO
case reported on: Workplace Fatality and DOSH

Governance

ZERO
breaches in Data Privacy & Security

ZERO
case reported on: Bribery & Corruption, Whistleblowing, Political Donation

PGF GOVERNANCE STRUCTURE

The Group has established an effective governance structure to oversee and manage the Group's sustainability management, including clear definitions of accountability, roles, and responsibilities of those involved, and this is important for PGF to ensure that progress is made in line with our sustainability goal to support the Group's long-term value creation. Our sustainability governance structure is summarised as follows:

Board Of Directors	The Board is ultimately responsible for incorporating sustainability considerations, including climate change, in the Company's business strategies. The Board is responsible for the Group's sustainability strategy and performances, including financial and non-financial reporting. Amongst others, this comprises identifying and ensuring compliance and managing matters pertaining to ESG matters, particularly where ESG risks may affect the company's performance. The Board's responsibilities include setting the Group's aspirations in relation to its sustainability matters and performing regular reviews of the Group's sustainability progress.
Senior Management (Executive Committee)	The Senior Management ("SM") is responsible for the execution of the Group's sustainability strategy, which includes the handling of mandatory reporting obligations, overseeing the management of ESG risks and developing action plans to achieve aspirations set by the Board. The SM is assisted by the Sustainability Committee. Some of the SM's key responsibilities include managing the planning and integration of sustainability initiatives into the Group's business strategies and operations to ensure key sustainability decisions are made in accordance with the Group's business strategies and to ensure the availability of adequate resources for the successful implementation of sustainability strategies and initiatives.
Operation Management (Sustainability Committee)	The Operation Management ("OM") is comprised of key working-level representatives from each division and department, and they also include members of the Sustainability Committee. The Sustainability Committee is responsible for implementing action plans and pursuing sustainability targets set by the SM. In addition, the OM also collects and reports relevant data for the Group's non-financial reporting, monitoring of sustainability performance, and complying with the non-financial reporting obligations. The OM provides execution support and oversees the daily management of sustainability matters in their respective division and functions, towards effective integration of sustainability throughout the Group.

Addressing Climate Change

Recognizing the necessity of managing the natural environment, the Board has established a Sustainability Committee ("OM") with the sole objective of supervising the Group's efforts to address climate change within its business operations. The OM oversees the implementation of the Group's sustainability framework, which is central to our commitment to environmental stewardship and responsible business practices.

We adopt a proactive stance across all our business units to address climate-related issues. Mr. Fong Wern Sheng serves as the Chairperson of the Executive Committee, overseeing the management of the Group's climate change risks.

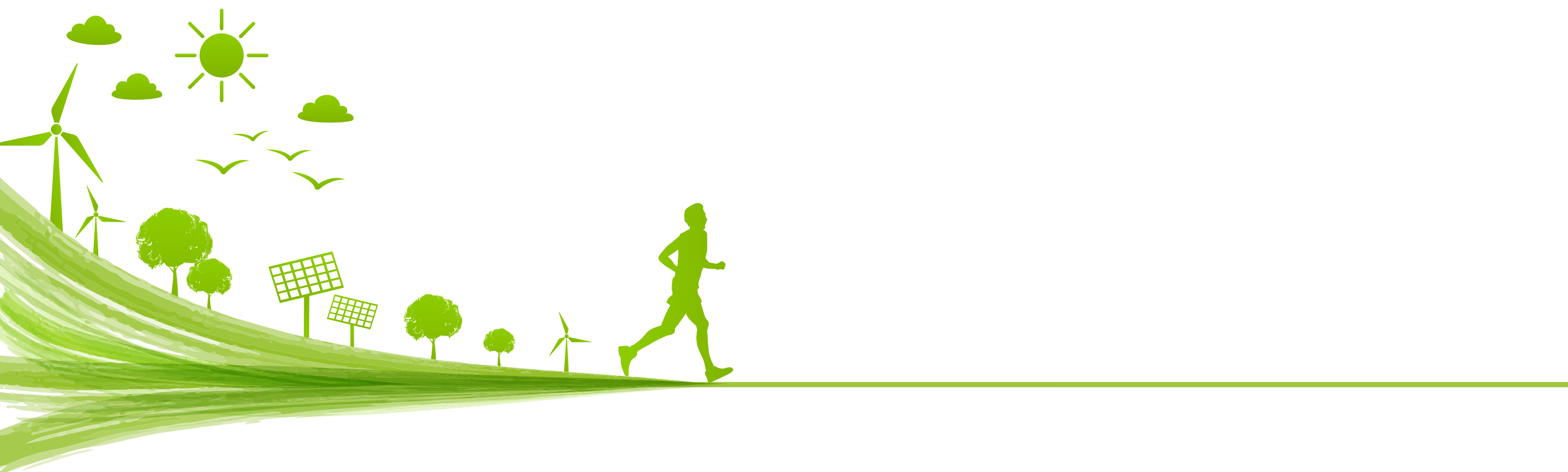
Our climate risk assessment focuses on key areas including governance frameworks, regulatory compliance, waste, energy, emissions, and water management. PGF remains firmly committed to addressing climate-related challenges and transitioning toward a low-carbon future through the following initiatives:

- Improving energy efficiency in buildings to reduce energy consumption and emissions
- Utilising solar photovoltaic systems to lower greenhouse gas emissions from energy production
- Planting trees and restoring forests to absorb carbon dioxide from the atmosphere
- Reducing waste generation and promoting recycling to decrease methane emissions from landfills

PGF STAKEHOLDER ENGAGEMENT

Engagement with key stakeholders plays a vital role in our sustainability journey. We believe that stakeholder engagement is crucial for identifying room for improvement, setting our sustainability expectations, and communicating our sustainability priorities, targets, and performance. We continue to form, strengthen and maintain valuable connections with stakeholders through various engagement channels.

Should any of our stakeholders have questions, suggestions, or concerns related to sustainability matters, we encourage them to reach out to us via email at mail@pgfcapital.com.my. Our aim is to facilitate a platform where all relevant parties have ample time and opportunity to partake in meaningful discussions, gain insights, and integrate each project milestone or process improvement step into their understanding. This inclusive approach underscores our dedication to fostering collaboration and ensuring that the perspectives and input of all stakeholders are valued and considered in our decision-making processes.



PGF STAKEHOLDER ENGAGEMENT (CONT'D)

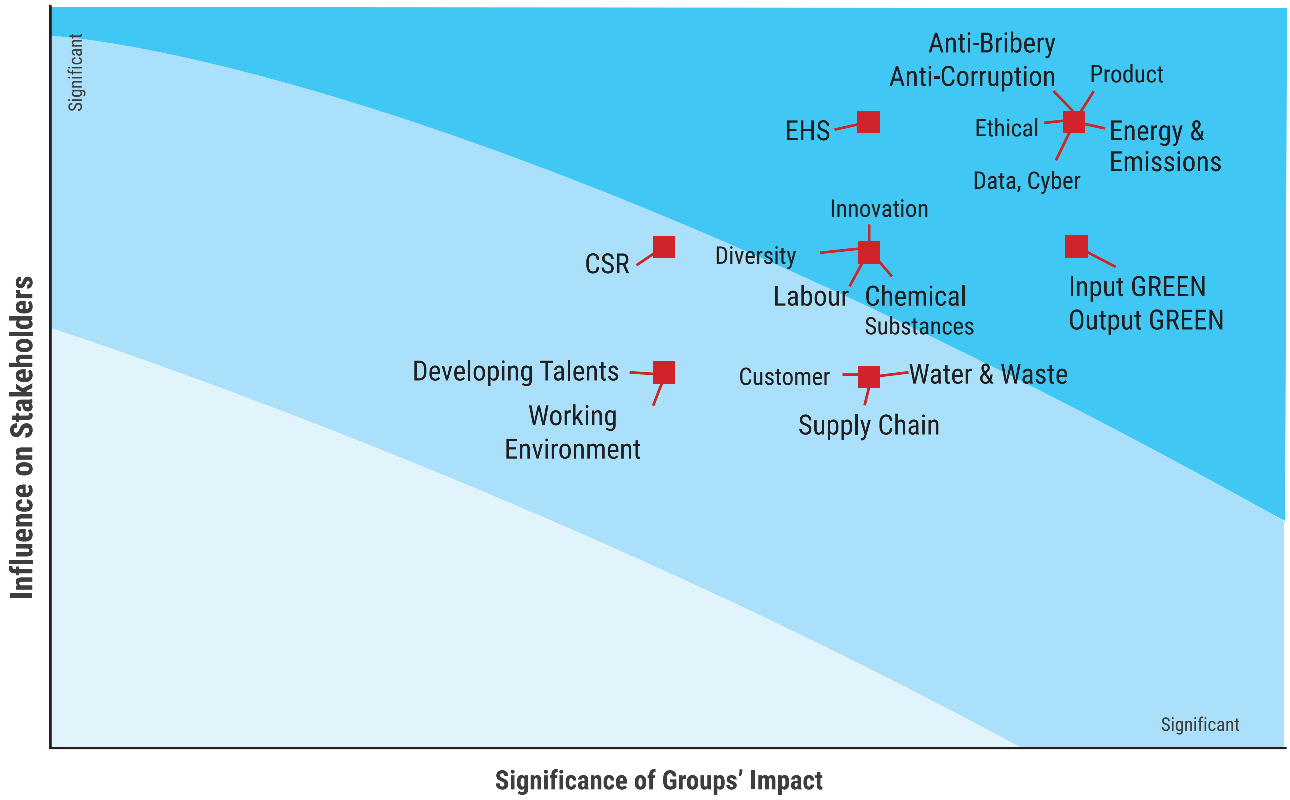
Our key engagement mechanisms is to ensure our business continue to be relevant and add value for each stakeholder during FY2025 are summarised in the table below.

Stakeholder	Engagement	Areas of Expectations
EMPLOYEE By annually/ and/or As and when needed	• Performance reviews • Educational/ Training programmes • Conferences/ Seminars/ Workshops • Safety inspections • Code of Ethics • Community development programmes • Interviews • Face-to-face meetings • PGF's Library	• Knowledge and skill enhancement • Career development • Occupational Health & safety • Environment, Health & Safety ("EHS") practices • Fair & competitive remuneration benefit • Employee wellbeing and a conducive work environment • Employee engagement • Job security • Equal opportunity
CUSTOMER As and when needed	• Customer satisfaction survey • Suggestion box • Social media	• Pricing • Quality, Green & Sustainable products and services • Timely project delivery • Customer service and experience • Property design • Defect rectification • EHS practices
VENDOR As and when needed	• Supplier assessment • Surveys • Face-to-face meetings	• Supply chain management • Legal compliance and contractual commitments • Product, service quality and delivery • Fair and transparent procurement process • Cost effectiveness • EHS practices • Payment schedule
MEDIA As and when needed	• Interviews • Press releases • Advertising	• Corporate news • Industry outlook • Brand image • Reputation
REGULATOR BODIES As and when needed	• Audit • Presentations • Site visit • Survey	• Certifications • Corporate governance • Regulatory compliance • Anti Bribery & Corruption compliance • Environmental management and compliance
INVESTOR / SHAREHOLDER As and when needed	• Company's website • Bursa Announcement • Annual report • Annual General Meeting • Fund/analyst briefing • Press releases • Face-to-face meetings • Site visits • Survey	• Financial performance • Corporate developments • Growth plans • ESG practices • Risk management • Corporate governance • Transparent disclosure • Dividend policy
COMMUNITY As and when needed	• Community programme • Internships • Press releases • Social media	• Community engagement • Job creation and internship opportunities • Local welfare • Social Contribution

PGF MATERIALITY ASSESSMENT

We conduct annual assessments of material issues to improve how we manage sustainability risks and opportunities. This helps us prioritise matters with the greatest impact on the economy, society, and the environment. The results are mapped in a materiality matrix, reflecting their significance to both our Group and our stakeholders, as shown below.

PGF'S Material Matrix



ENVIRONMENT

- input GREEN output GREEN
- Managing & Reducing Chemical Substances
- Energy & Emissions Management
- Water & Waste Management
- Innovation
- Product Quality & Certifications

SOCIAL

- Labour Practices & Standards
- Workplace Diversity
- Promoting Conducive Working Environment
- Developing Talents
- Health & Safety
- Customer Satisfaction
- Supply Chain
- Corporate Social Responsibility

GOVERNANCE

- Ethical Business Practice
- Anti-Bribery & Anti-Corruption
- Data Privacy & Cybersecurity

Sustainability Statement (Cont'd)

ENVIRONMENTAL

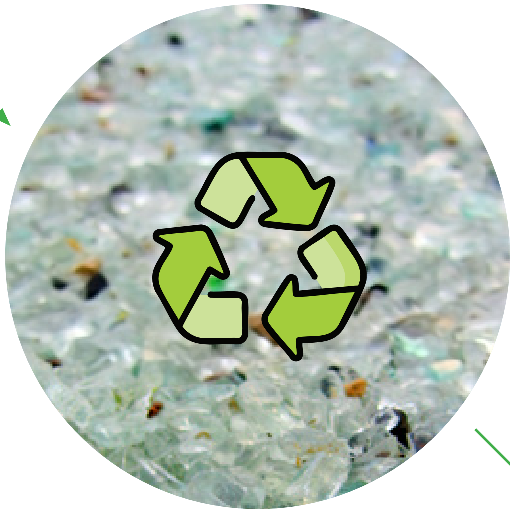
Green Energy for Green Products – Redefining Sustainability in Our Manufacturing

One of our most significant environmental initiatives is increasing the use of recycled glass as a raw material. We demonstrate our recycling efforts by collecting industrial glass waste needed to produce Ecowool glass mineral wool insulation. Reducing waste, Saving energy, and Protecting the Planet - this is what our insulation product is all about: transforming waste into impact.

PGF has also set itself goals which are linked to the sustainability and efficiency of our operations, driving operational efficiency, resource efficiency, and cost management. These efforts are in addition to Environmental, Social and Governance compliance which we view as fundamental and basic for our business. Our goals and their performance for FY2025 are as follows:

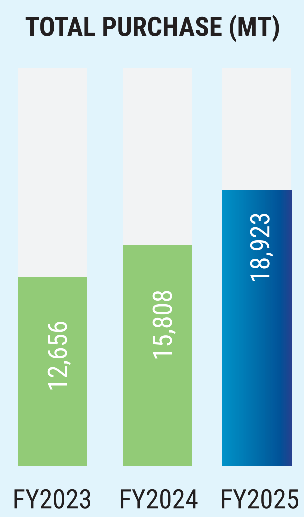
INPUT GREEN

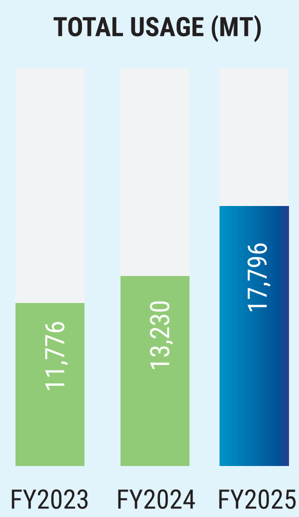
- Uses industrial glass waste.
- Used glass wool can potentially be reused.
- Recycling reduces the need for virgin materials and the energy required to produce new insulation products.



OUTPUT GREEN

- Products are used to **prevent heat transfer** between the interior and exterior of building. Reduces heat loss lower energy bills and carbon emissions.
- Leads to a **healthier indoor environment**, as well as preventing damage to building materials.





INPUT GREEN AND OUTPUT GREEN (Cont'd)

Using recycled materials in production is a significant step towards sustainability and reducing environmental impact. By incorporating recycled glass, we are not only reducing the need for raw materials but also minimising waste and lowering the energy consumption associated with production processes.

Ecowool's contents are made up of more than 80% recycled glass. The glass cullet is melted to form lava-like molten glass. This molten glass is then converted into fibers through a rotary process that combines centrifugal drawing through a rotating device drilled with thousands of tiny holes and is further attenuated by high-temperature gas jet streams.

By using 20,000 metric tons of recycled glass to produce 25,000 metric tons of new glass wool products per month, PGF is making a substantial contribution to environmental sustainability. This practice not only benefits the environment but can also enhance company's reputation as a responsible and eco-friendly business.

In collaboration with the Penang Green Council, PGF is excited to invite recycling collectors to donate automotive windscreen glass through our eco-friendly recycling program. This joint initiative is more than just waste reduction, it's about repurposing glass waste into a glass wool insulation product that will help benefit the planet through energy conservation. Join us in creating a cleaner, greener, and brighter future for all.

MANAGING AND REDUCING CHEMICAL SUBSTANCES

Did you know that volatile organic compounds ("VOC") are synthetic chemicals produced during the manufacturing of products like paint, adhesives, and furniture? In the construction world, the materials we choose not only for structural integrity but also for the quality of indoor air, given the extensive time people spend indoors.

Ecowool insulation sets itself apart with its commitment to environmental responsibility and occupant well-being. With impressively low VOC content, recognised by international certifications, Ecowool goes beyond providing excellent thermal performance. It ensures the resilience of your building designs while prioritising both your health and the planet's well-being.

Apart from our insulation products which are environmentally sustainable, we also place efforts in achieving sustainable packaging, in addition to their function to protect our products. Packaging waste management is an area of major concern for society. We are working toward a future where none of our packagings ends up in landfill or as litter in the environment. Traditional packaging printing processes involve using a wide range of colours to create vibrant designs. However, this can lead to excessive waste of ink, as well as more energy consumption during the printing process.

By minimising the number of colours used in our packaging, we significantly reduce our environmental impact. Our insulation packaging only consists of two colours which will make it easier and more efficient to recycle, on top of reducing the amount of waste that ends up in landfills.

ENERGY AND EMISSION MANAGEMENT

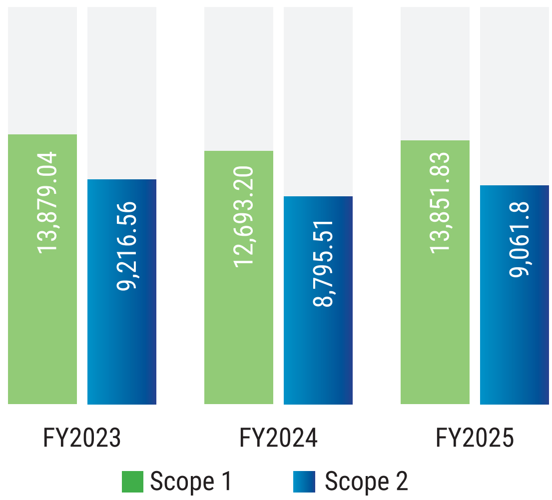
Our alignment with the United Nations Sustainable Development Goals ("SDGs") is a testament to our deep-rooted company values, and we couldn't be more thrilled to be driving positive change in line with these global objectives.

With the adoption of electric vehicle ("EV") forklifts in our manufacturing plant last year, we proudly showcase our unwavering commitment to reducing our carbon footprint and actively shaping a greener future. We have replaced 2 units of petrol cars with 2 pure electric company cars, which produce no carbon dioxide emissions. With the recent government announcement on the reduction of diesel subsidies and the subsequent initial price surge, businesses are expected to face significant cost increases. As of 28 February 2025, a diesel cost saving of nearly RM100k is anticipated.

This transition not only significantly lowers emissions, fostering improved air quality and a healthier work environment for our dedicated employees, but also eliminates the use of fossil fuels, making a profound impact in our fight against climate change.

In our efforts to minimise our environmental footprint, we also estimate our impact in relation to greenhouse gas ("GHG") emissions. For FY2025, our GHG emissions based on our energy sources, i.e. natural gas, diesel, and purchased electricity, which are also sources of our Scope 1 (Direct) and Scope 2 (Indirect) emissions for the Manufacturing segment are as follows:

GHG Emissions - Manufacturing Segment (tCO2e)



The total emissions for Scope 3 are 22,931.46 tons of carbon dioxide equivalent ("tCO2e"). This number comes from looking at how much money was spent with suppliers and using that to estimate the emissions linked to those purchases.

ENERGY CONSERVATION

Alongside our energy management efforts, we will continue to identify ways to enhance the emissions efficiency of our operations, towards a lower carbon footprint operation in the future.

2,330,955 kW/h

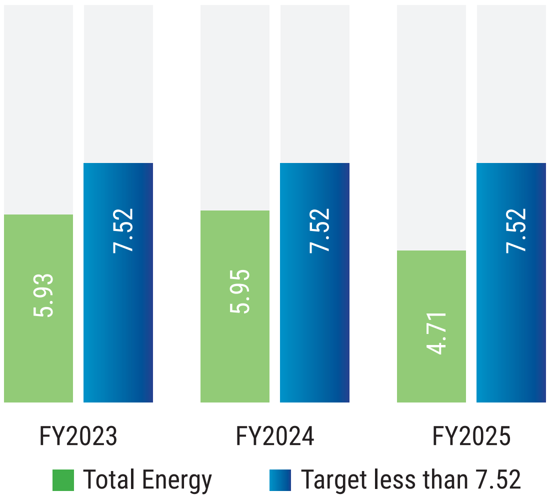
Generated from solar panel system

With the successful commissioning of our solar energy project, PGF is taking a significant step towards advancing our mission to manufacture sustainable insulation. This initiative aligns seamlessly with our commitment to environmental principles. As a results, we managed to save over RM947k worth in electricity consumption in FYE2025.

By harnessing renewable energy sources, we're not just reducing our carbon footprint; we are reaffirming our dedication to fostering a more sustainable and responsible future. Our unwavering support for energy efficiency ("EE") and renewable energy ("RE") initiatives further solidifies this commitment.

ENERGY AND EMISSION MANAGEMENT (CONT'D)

Unit Consumption of Energy

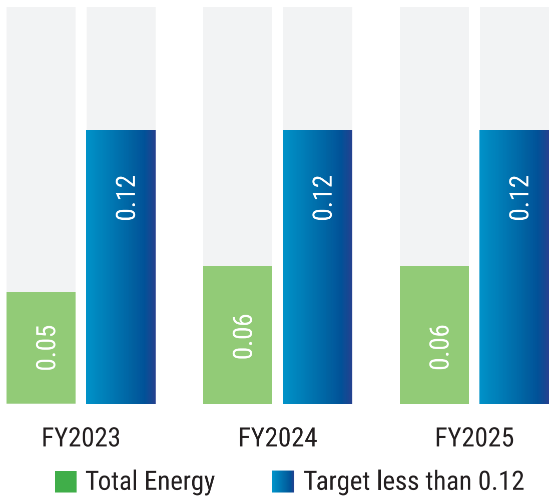


With EE as a vital part of the roadmap for a carbon neutral economy, our innovative insulation solutions are built to offer significant energy savings while attaining thermal and acoustic comfort at the same time. Our commitment in quality gives us the confidence to provide 70 years of product warranty on the glass mineral wool that we offer. The energy savings offered by Ecowool insulation products throughout its warranted 70 years performance is so significant, that they easily outweigh the energy needed for their production, transportation and installation.

WASTE MANAGEMENT

PGF Manufacturing operations generate both hazardous and non-hazardous waste. We have strict processes to ensure hazardous waste is managed and handled in accordance with the applicable environmental laws and regulations, including ensuring that they are managed by licensed contractors. On the other hand, non-scheduled waste mainly comprises reject fibres which cannot be further re-used. Industrial scraps and salvageable materials are either sold to licensed scrap vendors, recycled, or reused in the production line to minimise environmental waste.

Quantity of waste products send to landfill

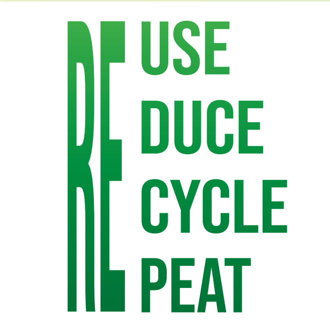


WASTE MANAGEMENT (CONT'D)

In FY2025, scheduled waste generation increased significantly by approximately nine times, reaching 131.20 metric tons compared to 14.26 metric tons in FY2024. This surge was primarily due to the identification and formal declaration of accumulated fibers collected from forming suction boxes during plant maintenance cleaning activities. Previously, this waste stream had gone unrecorded but was properly accounted for in FY2025, reflecting more comprehensive waste management reporting. The increase highlights the Company's commitment to transparency and continuous improvement in tracking and documenting waste across its operations.

By enhancing our waste management practices, we are ensuring that we not only meet regulatory requirements but also contribute to a more sustainable and environmentally responsible future.

PGF's goal is to maximise resource efficiency, maximise waste generation, and promote recycling and reuse, contributing to a circular economy and sustainable development. The motto 'Reduce, Reuse, Recycle, Repeat' underscores a circular approach to waste management.

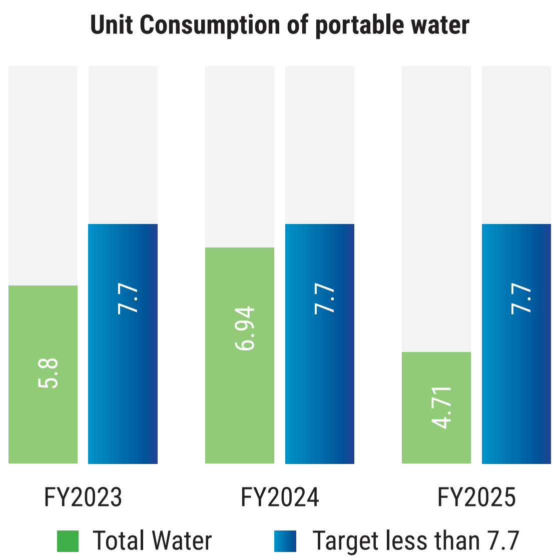


- Avoid single-use, print ony when necessary.
- Refill, repurpose or donate instead of discarding
- Recycle paper, plastic, and glass into new process to avoid waste
- REPEAT these actions consistently as part of daily life.

Reduce what you use, Reuse what you can, Recycle what you must, and Repeat every day

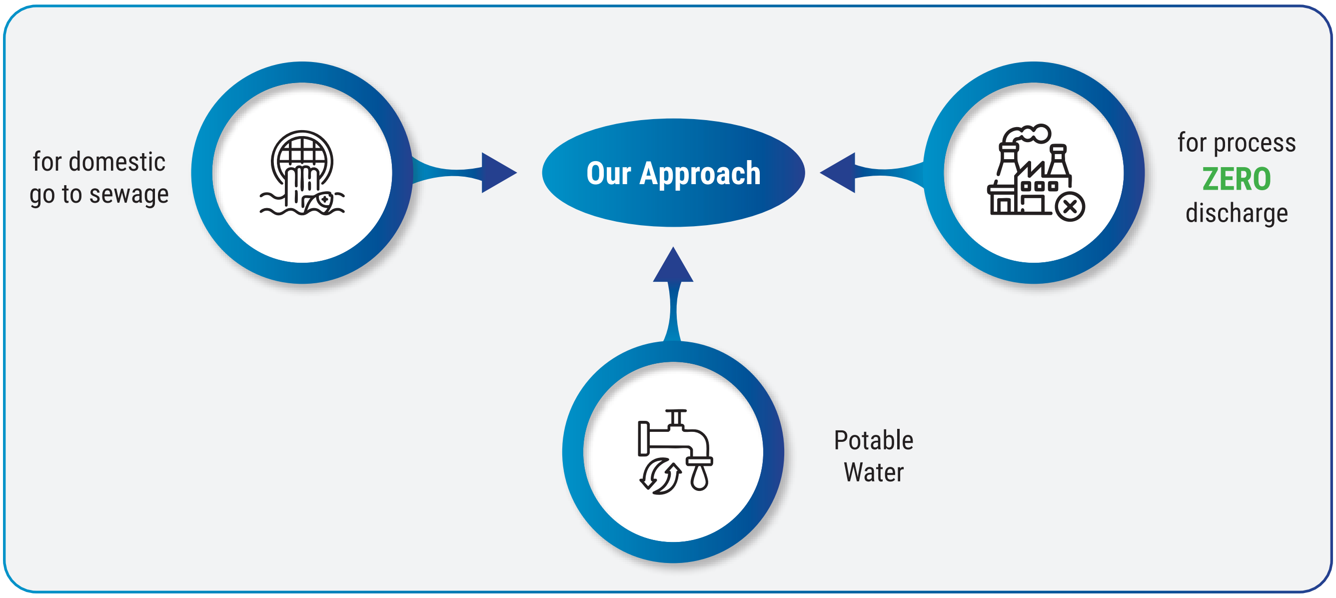
WATER MANAGEMENT

Effective water management practices aim to optimise water usage, minimise waste, prevent pollution, and mitigate the risks of water-related challenges such as scarcity, contamination, and flooding. During the financial year under review, we consumed approximately 103,427m3 of water in our operations. Processes are currently being developed to further analyse water consumption in our operations.



WATER MANAGEMENT (CONT'D)

Our production process have minimal water usage, and they do not result in significant water discharge or water pollution. All our source water from municipal water supply, therefore we do not draw water from surface sources like river, lakes, natural ponds, groundwater from wells and boreholes, quarry water, or seawater, neither release wastewater into the ocean and surface sources as there is **ZERO** water discharge from our operational process and domestic is directed to the sewage system.



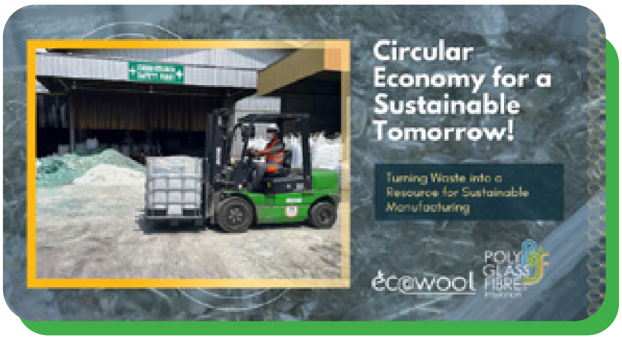
Furthermore, PGF does not operate in water-stressed regions, and has **ZERO** incidents of non-compliance with water quality standards and regulations. We will gather data from water bills to ensure responsible water usage, as well monitor and explore environmentally friendly methods to enhance water efficiency.

We utilise water resources responsibly by monitoring and effectively managing our water consumption, which includes water conservation and the recycling of wastewater.

	FY2025	FY2024	FY2023
Water withdrawal			
municipal water	PBA	PBA	PBA
Total water withdrawal	103,427m3	99,508m3	90,310m3
Water discharged			
[NIL]	-	-	-
Total water discharged	-	-	-
Water consumed	**103,427m3**	**99,508m3**	**90,310m3**

In conclusion, there were no significant spills into water sources, and we upheld full compliance with water quality standards and regulations. **NO** environmental fines or penalties were incurred.

INNOVATION



The principal products of the Group's Manufacturing segment are insulation products made from glass mineral wool. They provide thermal and acoustic insulation benefits. In Malaysia, over 30% of the energy consumption of buildings is used to cool down human-occupied spaces. Glasswool can retard heat flow when installed on building envelopes and thereby reducing the use of energy. Glasswool, which is a key material for our products, is also a sustainable material.

We're thrilled to highlight our collaboration with Karex, one of the largest condom manufacturers globally, which recently provided their glass formers for PGF to repurpose into raw materials for our glasswool. This partnership not only benefits the environment but also fosters innovation in manufacturing. Working together encourages circularity, as their glass, once a manufacturing tool, now finds new life as Ecowool's raw material. Looking ahead, we are excited to continue these collaborations, making waste contribution a norm and shaping a greener future.

Through sustainable manufacturing practices, the Company strives to develop and bring to market products and solutions that support the construction sector in delivering a low-energy and sustainable built environment. A sustainable built environment is designed for longevity, flexibility, adaptability, reuse and recoverability, and considers future climate risks. It uses low-carbon, low-impact, non-toxic materials and it recovers used resources.

We offer a wide product range with different specifications to suit the different requirements of our customers. We also continuously monitor the market needs and develop new products, such as **Permeable Membrane (CLIMAWRAP)**- a durable 3-layer and highly vapour-permeable membrane designed to minimise condensation risk in buildings. Protected on both faces by non-woven structures against corrosive environment and engineered to meet the demands of the Australian climate conditions.

Project Highlight: PGFI's Climawrap ("CW"). This innovative triple-layer wrap is built for excellent durability and is your go-to solution for addressing condensation concerns. With its Class 4 Vapour Permeable technology, it functions as a powerful water, air, and vapor control membrane, putting an end to moisture issues. This building wrap is further enhanced with the superior sealing of EcoSeal 201 Cloth Tape, designed to withstand a wide range of temperatures across Australia.

Sustainability Statement (Cont'd)

INNOVATION (CONT'D)

By applying both products together, Climawrap CW and EcoSeal 201 Cloth Tape work harmoniously to improve overall building performance, ensuring long-lasting results and fostering a healthy living or working environment.

Our newly launched CozyRoll ceiling insulation can be easily installed on existing ceiling structures to combat rising temperatures at home due to climate change. By acting as a shield against external heat penetration, homeowners can enjoy lower electricity bills and a naturally cooler home.

PRODUCT QUALITY AND CERTIFICATIONS

From the manufacturing floor to your building, PGF Ecowool insulation is engineered to be safe for everyone involved. Our commitment to excellence goes beyond delivering top-notch thermal and acoustic performance; it extends to ensuring the well-being of our manufacturing workers, insulation installers, and ultimately, the building's occupants.

Addressing health and safety misconceptions is crucial to providing accurate information and ensuring customers make informed decisions about their building materials. The safety of our products is reinforced by the International Agency for Research on Cancer ("IARC")'s classification of our mineral wool as Group 3, confirming its non-carcinogenic nature. Ecowool has also been thoroughly tested for bio solubility, meaning that if glass wool dust is inhaled, it can be naturally digested by the biological system.

PGF glasswool insulation products are also certified by Global GreenTag under the GreenRate Level A certification. This certification applies to a range of PGF Glasswool products, including Ecowool Wall Batts, NZ Eliment Insulation Wall Slabs, Ecowool Ceiling Batts, and various other insulation materials.

They also comply with international standards such as AS/NZS 4859.1 for thermal insulation and ASTM D5116-17 for low VOC emissions. Additionally, PGFI operates under an ISO 14001 certified Environmental Management System and is undergoing a Life Cycle Assessment to further track its environmental footprint.

This certification demonstrates PGFI's commitment to sustainability and provides assurance to stakeholders regarding the environmental performance of their products.

PRODUCT QUALITY AND CERTIFICATIONS (CONT'D)

PROJECT HIGHLIGHTS: AT&S, a leading electronics manufacturer, has recently completed a new manufacturing plant in Kulim Hi-Tech. Featured alongside the roof is our Ecowool Brownie V2 insulation, optimizing roof and building performance.

EVENT HIGHLIGHTS: Penang Green Conference 2024, hosted by the Penang Green Council. The event brought together people and organizations committed to sustainability, giving us a great platform to showcase our eco-friendly insulation products. Looking forward to more events like this that inspire us to keep delivering high-performance, eco-friendly solutions that help reduce carbon footprints.

SOCIAL

LABOUR PRACTICES AND STANDARDS

Labor practices and standards refer is the principles and guidelines that govern the treatment of workers within an organization or supply chain. These practices are essential for ensuring fair and ethical treatment of employees and contractors, promoting safe working conditions, and upholding fundamental human rights. Our labor practices and standards include:

Non-Discrimination:
Ensuring equal opportunities and fair treatment for all employees and job applicants regardless of race, color, gender, religion, nationality, age, disability, or other characteristics protected by law.

Ethical and Workplace Respect
To maintaining a workplace environment free from harsh and inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, and verbal abuse of workers. We prohibit the threat of such treatment and have implemented a clearly defined disciplinary policy to uphold these standards and a platform to support staff in addressing and managing bullying or harassment cases.

Child Labor:
Prohibiting the use of child labor, which refers to any work performed by children under the legal minimum age, as defined by national laws or international standards such as the International Labour Organization ("ILO") conventions.

Forced Labor:
Prohibiting any form of forced or compulsory labor, including slavery, bonded labor, or human trafficking.

Working Hours and Compensation:
Setting limits on working hours, ensuring compliance with legal overtime requirements, and providing fair compensation that meets or exceeds minimum wage standards and industry norms.

Health and Safety:
Providing a safe and healthy work environment, implementing measures to prevent accidents and occupational hazards, and providing appropriate training and protective equipment for employees.

Training and Development:
Providing opportunities for skills development, training, and career advancement to enhance employee capabilities and job satisfaction.

Grievance Mechanisms:
Establishing procedures for handling employee grievances fairly and promptly, ensuring transparency in disciplinary actions, and protecting whistleblowers from retaliation. PGF grievance mechanism is formalised in our Employee Handbook, which is provided to all employees and accessible via intranet.

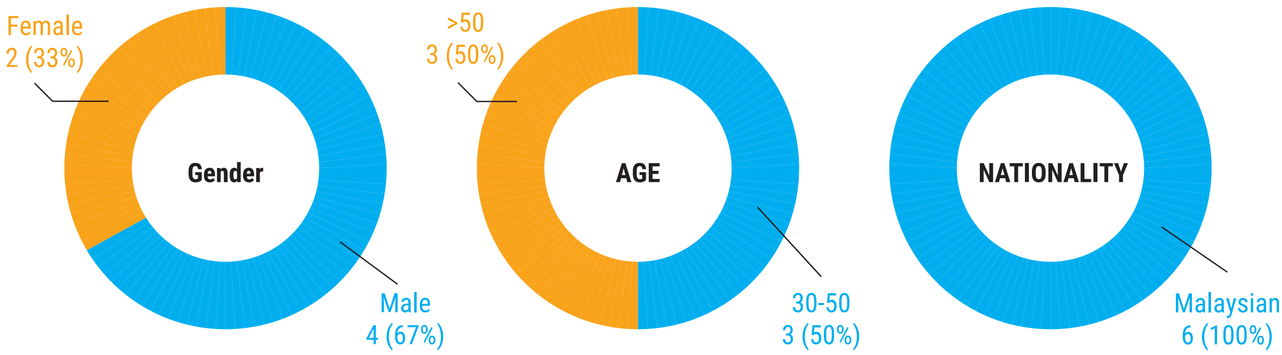
Labor practices and standards not only promotes ethical behavior and social responsibility but also enhances employee morale, productivity, and retention. It helps build trust and credibility with stakeholders, including employees, customers, investors, and communities, contributing to sustainable business growth and positive social impact. In FY2025, PGF achieved **100%** written commitment from its employess & directors regarding to the adherence on PGF's Code of Conduct, and received **ZERO** complaints concerning human rights violations (forced or child labour, discrimination, harassment or other breach of human and labour rights).

WORKPLACE DIVERSITY

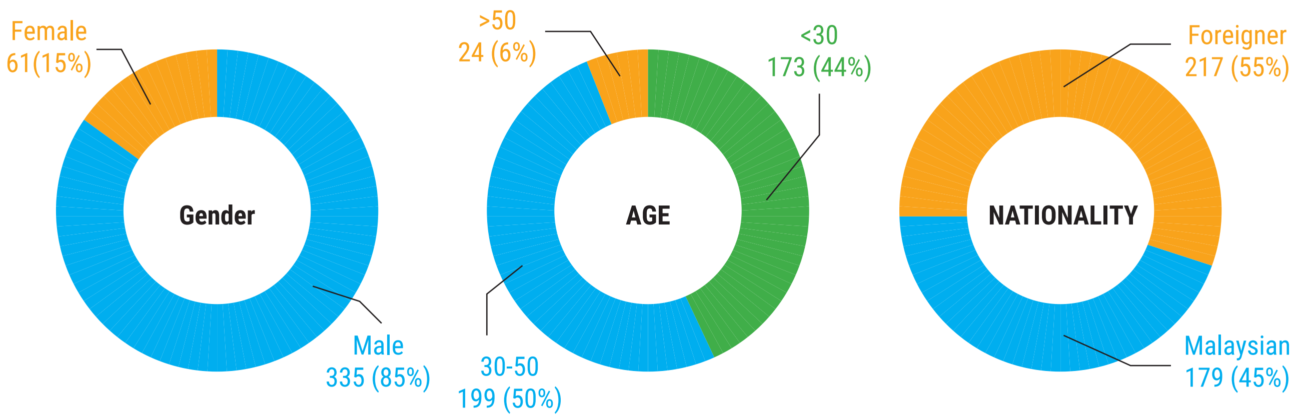
At PGF, we are committed to fostering an inclusive and diverse workplace that respects and values the unique contributions of each individual. We believe that diversity drives innovation and creativity, and we strive to create an environment where everyone feels welcomed, respected, and empowered to contribute to their fullest potential.

The breakdown of the Group's employee demographics, including all business segments in Malaysia and Oceania, is as follows.

DIRECTOR'S DEMOGRAPHIC



WORKFORCE'S DEMOGRAPHIC



By upholding these principles of workplace diversity and labor practices and standards, PGF not only enhances the well-being of our employees but also strengthens our organisation as a whole, driving us towards greater innovation, productivity, and success.

PROMOTING CONDUCIVE WORKING ENVIRONMENT

We are dedicated to creating a supportive and productive working environment that fosters the growth and development of our employees. We believe that a positive workplace culture is essential for both individual and organisational success. Here's how we promote a conducive working environment and develop talents:

We promote a healthy **work-life balance** by offering flexible working hours, remote work options, and encouraging employees to take their entitled leave. A **positive workplace culture** cultivates a culture of respect, inclusivity, and open communication. We encourage teamwork, recognise and celebrate achievements, and foster an environment where employees feel valued and motivated.

PROMOTING CONDUCIVE WORKING ENVIRONMENT (CONT'D)

EVENT HIGHLIGHTS: PAINTBALL TOURNAMENT @ USM MAIN CAMPUS PENANG

EVENT HIGHLIGHTS: FRUIT FIESTA @ PGF PRAI PENANG

PROMOTING CONDUCIVE WORKING ENVIRONMENT (CONT'D)

EVENT HIGHLIGHTS: SHARING COOKIES FOR EVERY FESTIVE CELEBRATION

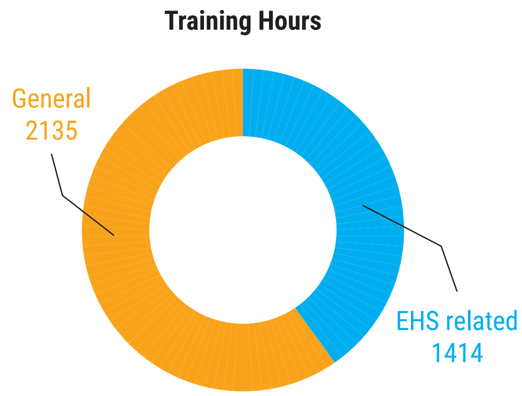
EVENT HIGHLIGHTS: PGF MONTHLY BIRTHDAY CELEBRATION

EVENT HIGHLIGHTS: PGF FOOD, FUN, AND GOOD VIBES!

TALENT DEVELOPMENT

Talent development also an important element to maintain the Group's human capital and ensure there is a successive pipeline of required skills and talents to enable the ongoing leadership and sustainable management of the business. We provide ongoing training and development opportunities to help employees enhance their skills and advance their careers. This includes workshops, seminars, online courses, and professional development programs.

During the financial year under review, the Group recorded a total of 3,549 training hours amongst its employees, translating to 11.6 training hours per person. The breakdown of the training hours attended based on General and EHS Related is as follows. We are committed to investing in our people, recognising that they are our most valuable asset.



We recognise and reward outstanding performance for talent recognition and retention. By valuing our employees' contributions each year to be the recipients of the Core Values Award that embodies the Company's core values of Accountability, Excellence, Agility, Integrity, Quality and Unity.

In celebrating this remarkable achievement, we firmly believe that success goes hand in hand with upholding the core values that define us as a company. Recognising employees is not a mere formality; it is a fundamental part of our journey as a glass wool manufacturer. Congratulations, En. Mohamad Izzarfahmy Idrus and En. Amru Fauzi, on this well-deserved award.

By promoting a conducive working environment and focusing on talent development, PGF not only enhances employee satisfaction and retention but also drives organizational growth and excellence. We are committed to investing in our people, recognising that they are our most valuable asset.

HEALTH AND SAFETY

At PGF, we prioritise EHS to ensure a safe, healthy, and sustainable working environment for our employees, stakeholders, and the communities we serve. Our commitment to EHS is integral to our operations and is reflected in our policies, practices, and culture.

The Group has established a Safety, Health & Environment Committee ("SHEC") with dedicated officers responsible for health, safety, and environmental matters. The SHEC is chaired by the Manager and supported by both employer and employee representatives. The committee evaluates and analyses the risks that can affect our employees and manages them responsibly as per below principles:

Environmental Management
We implement sustainable practices to minimize our environmental footprint, including waste reduction, recycling programs, and energy-efficient processes as part of our sustainability initiatives. Our resource conservation efforts focus on using resources efficiently, reducing emissions, and promoting the use of renewable energy sources.

HEALTH AND SAFETY (CONT'D)

Health Management
We offer comprehensive occupational health programs that include regular health screenings, audiometry tests, and wellness initiatives to promote the well-being of our employees, and clear health and safety policies that outline procedures for ensuring a healthy workplace.

Safety Management
We conduct regular safety training sessions and drills to prepare employees for emergency situations and ensure they understand safety protocols. We also perform thorough risk assessments to identify potential hazards and implement measures to mitigate them. Through a robust system for reporting and investigating incidents, we aim to prevent reoccurrences and continuously improve our safety practices. All employees have access to and are trained in the proper use of Personal Protective Equipment ("PPE") to protect them from workplace hazards.

PGF is committed to EHS excellence. We encourage active participation from all employees in EHS initiatives, fostering a culture of safety and responsibility. We regularly review and update our EHS policies and procedures to incorporate best practices as part of our continuous improvement efforts. Additionally, we engage with stakeholders to promote EHS awareness and collaboration.

By prioritising EHS, PGF aims to create a safer, healthier, and more sustainable workplace. Our comprehensive EHS program not only protects our employees but also contributes to the well-being of the wider community and the environment.

	No. of employee	Training Programme
1	222	Chemical Handling and Spillage Management
2	56	Hearing Conservation Programme
3	284	Schedule Waste Training
4	234	PGF Safety Induction
5	28	Handling High Pressure Waterjet
6	42	LoTo Awareness
7	17	Safe Forklift Operating
8	36	Safe Practice when Driving Forklift

Hence, we provide ongoing education and training for employees to enhance their awareness and responsibility towards environmental conservation.

EVENT HIGHLIGHTS: FIRE DRILL ACTIVITIES

HEALTH AND SAFETY (CONT'D)

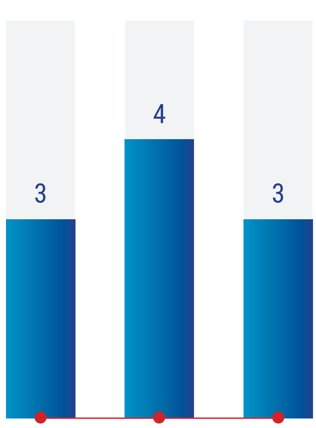
EVENT HIGHLIGHTS: HANDLING HIGH-PRESSURE WATER JET

Safety data is a key indicator we collect to monitor the safety performance of our operations. It is also part of our annual goals and key performance indicators.

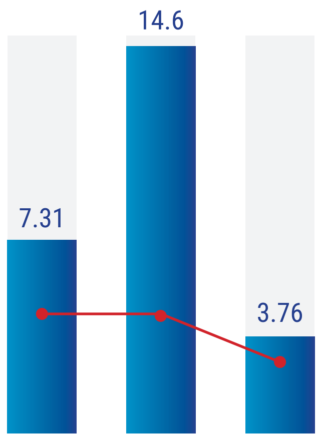
In FY2025, the lost time incident rate was recorded at 3.76%, with three major injuries, marking the lowest rate in the past three years. This reflects significant improvement, indicating that effective corrective actions were implemented such as policy enforcement, enhanced preventive measures, and increased awareness training.

Despite a spike in FY2024, the FY2025 rate is almost half of the 2023 figure, showing a clear net improvement over time. We will continue to monitor safety data consistently and maintain regular tracking and reporting to ensure sustained improvement.

MAJOR SAFETY INCIDENTS IN THE WORKPLACE



	FY2023	FY2024	FY2025
Case Reported	3	4	3
Target	0	0	0



	FY2023	FY2024	FY2025
Incidence Rate	7.31	14.6	3.76
Total Case	4	4	3

HEALTH AND SAFETY (CONT'D)

There were **ZERO** cases of fatalities recorded over the past three (3) years, occupational poisoning and occupational disease reported in connection with work, and **ZERO** penalties or imprisonment from Department of Occupational Safety and Health ("DOSH"). We believe that by executing our strategy devised to improve workplace safety, we will continue to improve our safety performance in line with our **zero-harm vision**.

By prioritising EHS, PGF aims to create a safer, healthier, and more sustainable workplace. Our comprehensive EHS program not only protects our employees but also contributes to the well-being of the wider community and the environment.

CUSTOMER SATISFACTION

Customer satisfaction is a measure of how well a company's products or services. It reflects the overall contentment of customers with their purchasing experience and the quality of the goods or services received. Customer satisfaction typically result in customer loyalty, repeat business, and positive word-of-mouth, while low levels can lead to customer churn and negative reviews.

We are committed to building enduring relationships with our customers by enhancing our product quality and services that fully meet the expectations of interested parties through a balanced approach and with on-time, defect-free delivery. To achieve this, we will commit to the continuous implementation of the ISO9001 Quality Management System and adhere to applicable requirements.

In the current financial year, PGF achieved **total customer satisfaction**, and we will continue to strive to Exceed Customers' Expectations through Continuous Improvement plan.

EVENT HIGHLIGHTS: PGF hosted our valued Malaysian business partners for the Strategic Alignment 2024 event and a tour of our manufacturing site where they saw how Ecowool is made by transforming glass waste into high-quality glass wool. These visits are important to us, as they support our ongoing drive for excellence and innovation.

CUSTOMER SATISFACTION (CONT'D)

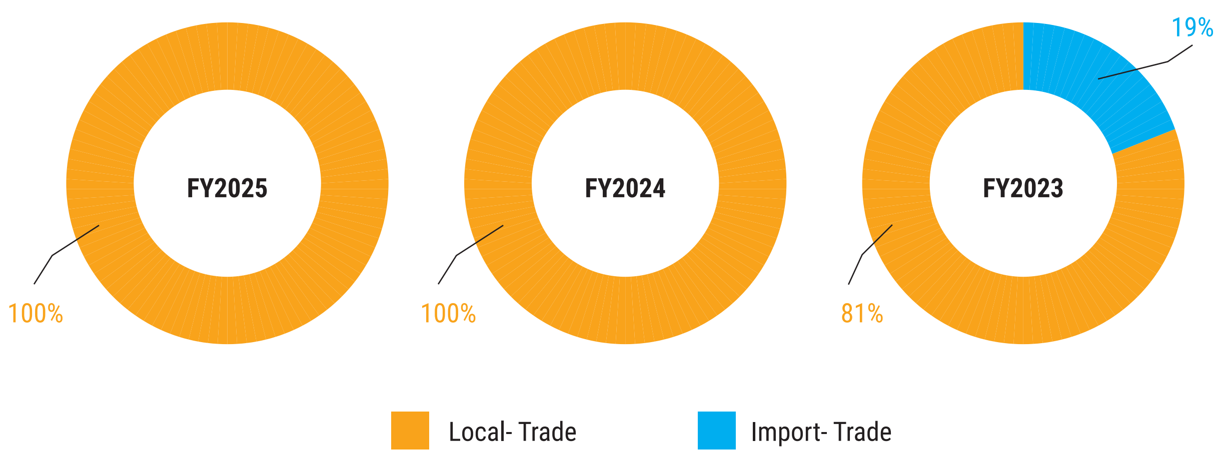
EVENT HIGHLIGHTS: PGF Australia was proud to take part in Coral Homes' Key Supplier Function, one of Queensland's biggest builder and supplier events! Representing PGF were Mike Gibson, Executive GM for Oceania, and Andrew Valek, Queensland Operations Manager.

SUPPLY CHAIN

Supply chain management involves overseeing the flow of goods, services, information, and finances as they move from suppliers to manufacturers to wholesalers to retailers and finally to consumers. It encompasses planning, procurement, production, inventory management, logistics, and distribution.

One of the key measures to safeguard our product quality is ensuring the quality of our input materials. We use uncontaminated, non-tinted glass as input materials, and we work together with selected suppliers to provide consistent supplies which meet our specifications. These supplies are largely industrial glass waste and through our purchases, we also play a part in enabling a circular economy. Hence, 100% of our trade expenses for input material are from local suppliers in FY2025.

TRADE EXPENSES



SUPPLY CHAIN (CONT'D)

PGF Supplier's Code of Conduct outlines the expectations and standards that a company expects its suppliers to adhere to when conducting business. No code can be all inclusive, but PGF expects its suppliers to act reasonably in all respects and to ensure that no abusive exploitative or illegal conditions exist at their workplaces.

Compliance with Laws and Regulations:
Suppliers must comply with all applicable laws and regulations related to their business operations, and maintain a **ZERO-**tolerance stance towards bribery and corruption.

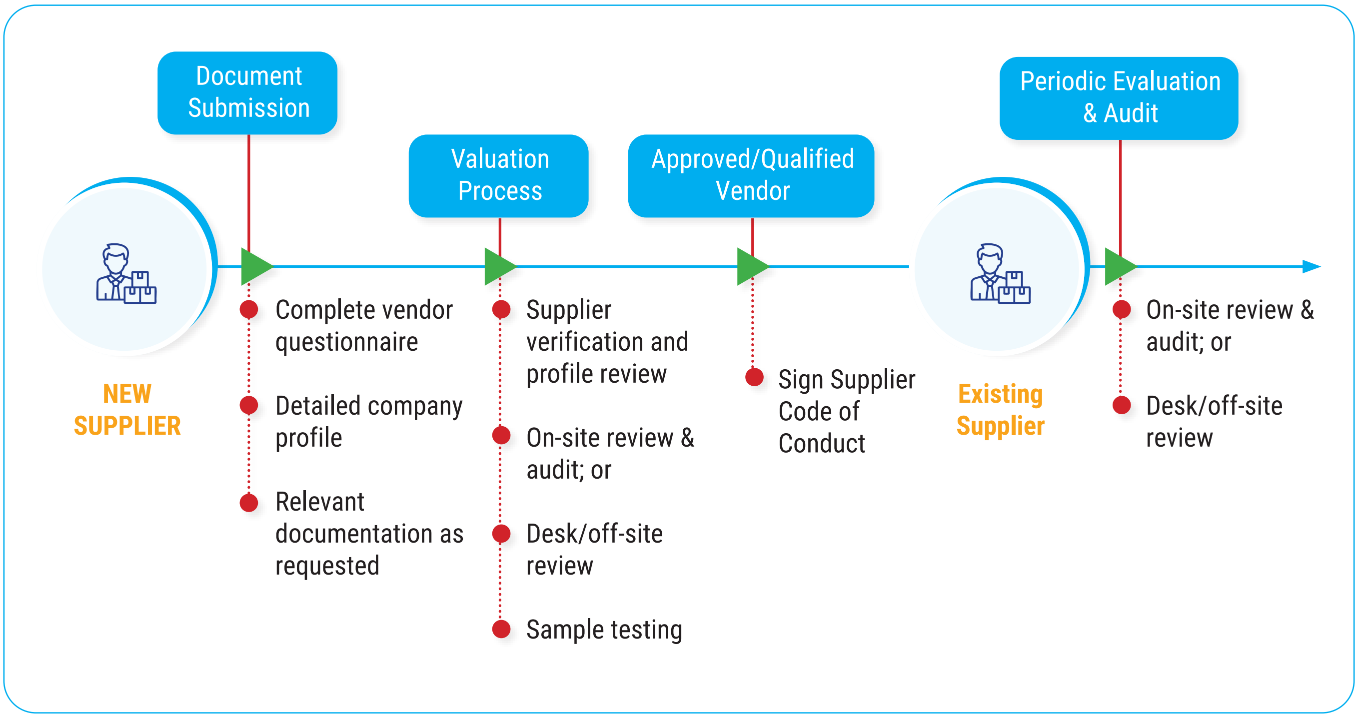
Business Ethical:
Suppliers are expected to conduct their business ethically, with integrity, honesty, and fairness in all dealings. Suppliers should encourage their own suppliers to adhere to similar standards and promote responsible practices throughout their supply chain.

Health, Safety, and Environment:
Suppliers should comply with applicable health, safety, and environmental laws and regulations, strive to minimise their environmental impact, and promote sustainability.

Confidentiality and Intellectual Property:
Suppliers should respect the confidentiality of proprietary information and intellectual property rights.

Continuous Improvement:
PGF and suppliers are encouraged to continuously improve their practices and collaborate with the company to address any areas of concern.

As part of our supplier management strategy, we implement a rigorous evaluation process for all new suppliers and contractors. While each business unit may have slight variations in their specific procedures, the overall process is designed to reduce operational risks, and it reflects our dedication to responsible procurement, ensuring that our suppliers uphold the same high standards in their business practices.



SUPPLY CHAIN (CONT'D)

PROJECT HIGHLIGHTS: PGF's brightly coloured brand-new trucks with our logo making waves on the highways. These are not just any trucks – they represent our progress, reliability, and growing presence. We are excited to share that PGF is now on the move, delivering top-quality Ecowool insulation materials to our customers. If you see us in town or on the highway, give us a wave!

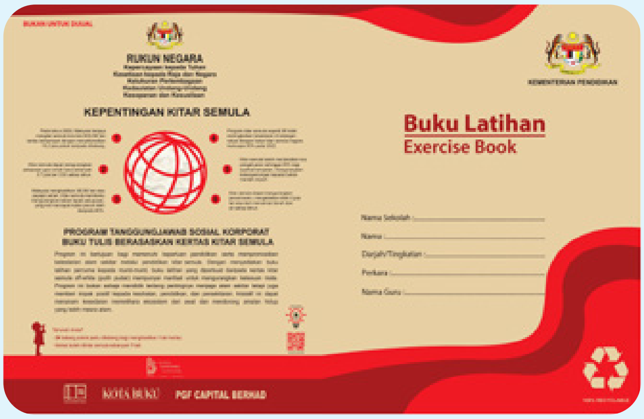
CORPORATE SOCIAL RESPONSIBILITY

At PGF, Corporate Social Responsibility ("CSR") is a fundamental aspect of our business strategy and operations. We are committed to making a positive impact on society and the environment through responsible and sustainable practices. Our commitment to CSR is driven by our core values of integrity, accountability, excellence, and sustainability. By integrating CSR into our business operations, we aim to create long-term value for our stakeholders and contribute to a better, more sustainable world.

PGF is committed to cultivating a healthy relationship with employees, shareholders, partners, customers, vendors, stakeholders and the communities. Community surrounding the business premises is one of the key foundations of our existence, success and survival. The community provides the market, human capital and a range of supporting services and activities crucial to our business growth and operations. Hence, we take every opportunity to build rapport with people in the communities around us. This includes developing our human capital, making a difference in the community and sustainable practices a way of life.

We are committed to supporting local communities through educational programs, healthcare initiatives, and community development projects, with active involvement from our Senior Management.

CORPORATE SOCIAL RESPONSIBILITY (CONT'D)



Event Highlights: The One Million Recycled Exercise Books Aid Programme, a CSR initiative managed by Perbadanan Kota Buku, provides recycled paper-based exercise books in collaboration with the National Book Council of Malaysia.

Event Highlights: Beach Cleaning activies @ Pantai Bersih Butterworth

We are contributing to and supporting organizations that align with our values and mission. As PGF reaches its remarkable 40th anniversary in 2024, we embark on a special mission to make a lasting impact on our Malaysian community and beyond. We are delighted to be giving away 100,000 square feet of our Ecowool insulation products to enhance the comfort and safety of our local community.

Project Highlights: We supported the construction of LJD Corporation's recycling center in Kota Kinabalu, Sabah, an inspiring social enterprise that transforms plastic waste into opportunities for underserved communities. Our double-layered Classic insulation blanket helps keep the center cooler and more comfortable, reducing energy use and creating a better space for recycling and upcycling activities.

Project Highlights: Project Highlights: Partnered with European Profiles on YTL Foundation's Yellow House KL project to support underprivileged communities.

GOVERNANCE

ETHICAL BUSINESS PRACTICE

PGF upholds ethical business practices in its business and operations. This involves conducting business in a manner that is honest, transparent, and fair while respecting the rights and dignity of all stakeholders, including employees, customers, suppliers, and the broader community.

Ethical business practices encompass a wide range of activities, including business ethics, which focus on external conduct and the relationship between the organization and its stakeholders, and core values, which focus on the internal culture and principles of the organization. These core values include:

Our Core Value

Accountability

We take ownership of our work, do what we say and take full responsibility for our actions.

Unity

We are strongest when we work together as a team.

Excellence

We pursue the highest standards and challenge the status quo with open minds in all that we do. We continually learn and innovate for better outcomes.

Quality

We pay attention to every detail; we strive to do the right thing right, the first and every time.

Agility

We adapt to ever-changing environments with focus and speed.

Integrity

We are trustworthy and act in good faith.

Core values are about what an organisation believes in and strives for internally, while Business Ethics are about how an organisation conducts itself externally in relation to laws, regulations, and societal expectations. Both are essential for building a reputable and sustainable business. By adhering to these principles, businesses can build trust and credibility, foster long-term relationships, and contribute to the overall well-being of society.

Our Ethical Business Practice set the foundation for the Group's Code of Conduct, which is applicable for all employees, including Directors. It recognises the Company's roles in contributing towards the social and environmental growth of the surroundings in which PGF operates. The Code of Conduct was adopted by the Board and addresses matters including conflict of interest, compliance, anti-corruption and anti-bribery, safe and healthy work environment, and protection of the environment. Violations of the Code of Conduct can be reported via the Whistle Blowing Policy which available on PGF's website at www.pgfcapital.com.my

ANTI-BRIBERY AND ANTI-CORRUPTION

PGF CODE OF CONDUCT

PGF has adopted a **zero-tolerance** stance towards all forms of corruption and bribery, as formalised in our Code of Conduct. We conduct all our business in an honest, ethical, and transparent manner and are committed to acting professionally, fairly, and with integrity in all relationships and business dealings, in accordance with our Code of Conduct and Ethical Business Practices. We comply with all relevant laws on anti-corruption and bribery, including the Malaysian Anti-Corruption Commission Act 2009 and any of its amendments or re-enactments made by the relevant authorities, both in Malaysia and internationally. Our anti-corruption efforts are comprehensive, reflecting our firm commitment to ethical business conduct and integrity.

All new employees are briefed on the Company's zero-tolerance policy against bribery and corruption, together with the Code of Conduct which is provided during employee orientation. External parties such as key suppliers and business partners are also communicated on these ethical business expectations, as necessary. We endeavour to promote ethical business practices within our business environment as well as our value chain through raising awareness among our employees and business associates. As of 28 February 2025, **100%** of written consent was obtained from all employees in the Group, and there were **ZERO** recorded incidents of bribery & corruption, whistleblowing and political donation across our operations.

SUPPLIER CODE OF CONDUCT

In alignment with the Company's commitment in enhancing the social responsibility of our supply chain practices, we have established the Supplier Code of Conduct, which all suppliers are required to adhere to **100%** full compliance and written consent was obtained from our suppliers with all the anti-corruption principles, conducting all business dealings with utmost transparency.

As indicated in the Supplier Code of Conduct, all suppliers shall committing and strictly adherence to promote values of integrity, transparency, accountability and good corporate governance. Fighting any form of corrupt practice and supporting corruption prevention initiatives by the Government and the local authorities.

DATA PRIVACY AND CYBER SECURITY

PGF data privacy and cyber security encompasses a comprehensive set of principles and practices aimed at protecting computing assets and online information from various threats. It involves measures to secure systems, networks, and data from unauthorised access, cyberattacks, and other forms of digital harm. By implementing robust data and cybersecurity protocols, employees and organisation are to ensure the integrity, confidentiality, and availability of the digital resources.

AWARENESS RULING FOR EMPLOYEES

End-users are the last line of defense in cybersecurity framework. It is crucial to adhere to the following guidelines to ensure the security of our systems and data:

1. **Create and Maintain Strong Passwords and Passphrases**
   Use complex and unique passwords for different accounts, and regularly update the passwords and avoid using easily guessable information.

2. **Manage Your Account and Password Effectively**
   Do not share your passwords with anyone.

3. **Secure Your Computer**
   Install and update antivirus software regularly. Enable firewalls and use secure connections [e.g. virtual private networks ("VPN")] when accessing the network.

4. **Protect the Data You Handle**
   Encrypt sensitive data and store it securely and regularly back up important data and ensure it is stored safely.

5. **Assess Risky Behavior Online:**
   Be cautious of phishing emails, suspicious links, and untrusted websites, void downloading or installing software from unknown sources.

6. **Equip Yourself with Knowledge of Security Guidelines, Policies, and Procedures:**
   Familiarise with the organisation's cybersecurity policies and best practices. Participate in regular cybersecurity training and awareness programs that conducted by Management Information System ("MIS") Department.

By following these guidelines, overall security of our organisation's digital assets you contribute significantly to the. Stay vigilant and proactive in protecting our information and systems. In FYE2025, there were **ZERO** reports of major cybersecurity violations, and **ZERO** cases related to data breaches or complaints were received from external stakeholders.

CONCLUSION

At PGF, sustainability is not merely a goal, it is a guiding principle that informs every decision we make. As this report demonstrates, our commitment to environmental stewardship, social responsibility, and sound governance is both strategic and deeply rooted in our corporate values.

As we move forward, we will continue to strengthen our ESG initiatives, guided by transparency, accountability, and a shared vision for a more resilient and sustainable future. Together with our employees, partners, and communities. We are building a better world for generations to come.

BURSA SUSTAINABILITY INDICATORS

The table below includes the common and specific sustainability indicators required by Bursa Malaysia, based on their Enhanced Sustainability Guide (3rd edition). It follows the format shown in Bursa Malaysia's Illustrative Sustainability Report published in September 2023. This demonstrates our strong commitment to providing stakeholders with accurate, up-to-date information and reporting our sustainability performance to the best of our ability.

Indicator	Measurement Unit	2025
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	100.00
General Workers	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Disclosure of total amount of political contributions made	MYR	0.00
Disclosure of number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies	Number	0
Disclosure of cost of fines, penalties or settlements in relation to corruption	MYR	0.00
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	6,350.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3
Annual General Meeting: Number of days between the date of notice and date of meeting	Number	31
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	78.00
Management Above 50	Percentage	23.00
Executive Under 30	Percentage	43.00
Executive Between 30-50	Percentage	49.00
Executive Above 50	Percentage	8.00
Non-executive/Technical Staff Under 30	Percentage	46.00
Non-executive/Technical Staff Between 30-50	Percentage	49.00
Non-executive/Technical Staff Above 50	Percentage	5.00
General Workers Under 30	Percentage	52.00
General Workers Between 30-50	Percentage	46.00
General Workers Above 50	Percentage	2.00
Gender Group by Employee Category		
Management Male	Percentage	72.00
Management Female	Percentage	28.00
Executive Male	Percentage	52.00
Executive Female	Percentage	48.00
Non-executive/Technical Staff Male	Percentage	89.00
Non-executive/Technical Staff Female	Percentage	11.00
General Workers Male	Percentage	100.00
General Workers Female	Percentage	0.00

Internal assurance   External assurance   No assurance   (*)Restated

Sustainability Statement (Cont'd)

Indicator	Measurement Unit	2025
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	67.00
Female	Percentage	33.00
Under 30	Percentage	0.00
Between 30-50	Percentage	67.00
Above 50	Percentage	33.00
Number of Board Directors	Number	6
Number of independent Directors on the board	Number	3
Number of women on the board	Number	2
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	92,092.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	3.76
Bursa C5(c) Number of employees trained on health and safety standards	Number	919
Number of work-related employee fatalities, over last 3 years	Number	0
Number of work-related contractor fatalities, over last 3 years	Number	0
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	686
Executive	Hours	1,029
Non-executive/Technical Staff	Hours	168
General Workers	Hours	252
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	4
Executive	Number	11
Non-executive/Technical Staff	Number	2
General Workers	Number	13
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	103.000000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	2,233.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	1,025.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	1,208.00
Total costs of environmental fines and penalties during financial year		0.00
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	13,851.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	9,061.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	22,931.00

Internal assurance | External assurance | No assurance | (*)Restated

Statement on Corporate Governance

The Board of Directors fully appreciates the importance of adopting high standards of corporate governance within the Group. The Board views corporate governance as synonymous with three key concepts, namely transparency, accountability and integrity.

The Board evaluates the status of the Group's corporate governance practices with a view to adopt and apply, where practicable, the Principles of Malaysian Code on Corporate Governance (the "Code"). As such, the Board is fully committed to the maintenance of high standards of corporate governance in its quest to enhance shareholders' value.

The comprehensive Corporate Governance Report ("CG Report") is published on the Company's corporate website at www.pgfcapital.com.my

The Board is pleased to provide the following statement, which outlines the main corporate governance practices that were in place throughout the financial year under review unless otherwise stated.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Board Composition and Balance

The Board currently has six (6) members, comprising of three (3) Executive Directors and three (3) Independent Non-Executive Directors. This complies with the Listing Requirements of Bursa Malaysia Securities Berhad that one third of its Board consists of Independent Directors.

The Board comprises a mixture of businessmen and professionals. The current composition of the Board brings the required mix of skills and experience required for the Board to function effectively. A brief write-up of the background of the Board members as at the date of this statement is set out in the Directors' profile section of this Annual Report.

Board Roles and Responsibilities

The Board has adopted a Board Charter that sets out the functions that are reserved for the Board.

The Board had delegated the management of the Group to Executive Directors and management team. The Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing day to day operations as well as coordinating the development and implementation of business and corporate strategies.

The Non-Executive Directors ensure that the strategies proposed by the Management are fully deliberated and examined, taking into account the long-term interest of the stakeholders including contributing to the formulation of policy and other decision-making process through their expertise and experience.

The Board of Directors regularly review the strategic direction of the Company and the progress of the Group's operations taking into account the changes in business environment and risk factors.

Board Charter and Code of Conduct/ Ethics

The Board has adopted a Board Charter which sets out the role, functions, compositions, operations and processes of the Board. The Charter provides guidance to the Board in relation to the Board's role, duties and responsibilities and authority.

The Board appreciates the need for a Code of Conduct for Directors and employees which governs the standards of ethics and good conduct expected of Directors and employees.

The Board will review the Board Charter regularly to ensure it remains consistent with the Board's objectives and responsibilities.

The Board Charter is posted on our website at www.pgfcapital.com.my

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Supply of Information

The Chairman, with the assistance of the Company Secretary, ensures that all Directors have full and timely access to information with Board papers distributed in advance of meetings. Every Director also has unhindered access to the advice and services of the Company Secretary. The Company Secretary circulates relevant guidelines and updates on statutory and regulatory requirements from time to time for the Directors' reference.

Prior to the meetings of the Board and all Board's Committee, appropriate documents which include the agenda and reports relevant to the issues of the meetings covering the areas of strategic, financial, operational and regulatory compliance matters, are circulated to all the members to obtain further explanation, where necessary, in order to be properly briefed before the meeting. The Company Secretary ensures that all Board and Committee meetings are properly convened and that deliberations, proceedings and resolutions are properly minuted and documented.

The Directors review and approve all quarterly financial results and announcements before releasing them to Bursa Securities.

The Directors collectively determine, whether as a full Board or in their individual capacity, to take independent professional advice, where necessary and under appropriate circumstances, in furtherance of their duties, at the Group's expense.

Corporate Social Responsibility

The Board is aware of the importance of the practice of Corporate Social Responsibility. The Company is committed to support the nation's energy efficiency agenda and the Malaysian Prime Minister's carbon emission target commitment made in the Copenhagen Summit 2009. This could be achieved through educating policy makers and general public on the need for better passive insulation of Malaysian buildings. The Company, either individually or through the Malaysian Insulation Manufacturers Group under the Federation of Malaysian Manufacturers (FMM), contributes actively towards this end. The Group has also provided free insulation to schools to improve occupants comfort and raise awareness of energy efficiency.

The manufacturing arm of the Group has continued to take initiatives to reduce carbon footprints in all areas of its operations, e.g. adopting energy efficient equipment to lower energy consumption and increase the use of recycled materials in its manufacturing process. With the recent upgrades and expansion of production, the Company has started collection of industrial glass waste from sheet glass fabricators and solar panel companies to use as raw material. These glass waste would otherwise been sent to landfill. Within the working environment, in the face of growing demand for energy and depleting natural resources, employees are encouraged to reduce the use of paper, recycle any recyclable items and reduce wastages.

PRINCIPLE 2: STRENGTHEN COMPOSITION

The Group strives to have a balanced Board comprising member with suitable qualifications, skills, expertise and exposures.

Board Committees

The Board has established the following Committees to assist the Board to discharge its fiduciary duties:

(a) Audit and Risk Management Committee

The Audit and Risk Management Committee comprises three (3) Independent Directors. A full report of the Audit and Risk Management Committee with details of its membership and a summary of the work performed during the financial year are set out in the Audit and Risk Management Committee Report of this Annual Report.

PRINCIPLE 2: STRENGTHEN COMPOSITION (CONT'D)

Board Committees (Cont'd)

(b) Nominating Committee

The Nominating Committee is primarily responsible for identifying and recommending new nominees to the Board. Besides this, the Committee shall also assess the effectiveness of the Board, the committees of the Board and contributions of each director on an ongoing basis and annually review the required mix of skills, experiences and other qualities including core competencies. The recommendations of the Committee will be subject to the approval of the Board.

The Nominating Committee comprises three (3) Independent Non-Executive Directors, namely:

Ms. Ofelia Cheah Loo Ee	Independent Non-Executive Director
Mr. Tan Jin Sun	Independent Non-Executive Director
Ms. Poh Heem Heem	Independent Non-Executive Director

All members of the Nominating Committee are Non-Executive Independent Directors.

For the financial year ended 28 February 2025, the Nominating Committee met twice with full attendance of its members and has carried out the following key activities:

- Reviewed and recommended the re-election of Members of the Board at the AGM for shareholders' approval, pursuant to the Constitution of the Company;
- Reviewed the annual assessment of the required mix of skills and experience of the individual Board members and the Board committees;
- Assessed the annual effectiveness of the Board as a whole, the committees of the Board, the contribution of each individual director, including Independent Non-Executive Directors and Executive Directors;
- Assessment of the independence of the Independent Directors based on the criteria set out in the Main Market Listing Requirements of Bursa Securities;
- Reviewed and assessed the effectiveness of the Audit and Risk Management Committee in carrying out its duties as set out in the terms of reference;

The Board supports non-discrimination on gender, ethnicity and age group of candidates to be appointed as Board members although no formal policy has been formed. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with skills, experience, time commitment and other qualities in meeting the future needs of the Group.

(c) Remuneration Committee

The Remuneration Committee comprises three (3) Independent Non-Executive Directors, namely:

Ms. Poh Heem Heem	Independent Non-Executive Director
Ms. Ofelia Cheah Loo Ee	Independent Non-Executive Director
Mr. Tan Jin Sun	Independent Non-Executive Director

The Remuneration Committee shall be responsible for developing the remuneration policy and determining the remuneration packages for Executive Directors of the Company.

PRINCIPLE 2: STRENGTHEN COMPOSITION (CONT'D)

Board Committees (Cont'd)

(c) Remuneration Committee (Cont'd)

The Company's policy on Directors' remuneration is to attract and retain the Directors of caliber needed to manage the business of the Company and to align the interest of the Directors to those of the shareholders.

The performance of the Executive Directors is measured based on the achievements of their annual Key Performance Indicators (KPIs). These KPIs comprise not only quantitative targets, such as revenue and profit growth, but also qualitative targets which include strategic milestones and initiatives that need to be achieved.

The determination of the remuneration of each Non-Executive Director is decided by the Board as a whole, with individual Directors abstaining from decisions in respect of their individual remuneration.

The Company pays each Non-Executive Directors an annual fee and benefits, which is approved by the shareholders at the Annual General Meeting. The Board, as a whole, determines the remuneration of the Executive Directors, with the individual Directors concerned abstaining from decision in respect of their individual remuneration. The Directors' remuneration for the financial year is under review as follows:

Directors	Remuneration RM	Fees RM	Other emoluments RM	Benefits-in-kind RM
Executive	1,065,227	-	-	41,554
Non-Executive	-	55,000	15,000	-

The number of Directors whose remuneration falls into the following bands comprises:

Range of remuneration	Number of Directors	
RM	*Executive*	*Non-Executive*
0 – 50,000	-	4
200,001 – 300,000	1	-
300,001 – 400,000	1	-
400,001 – 500,000	1	-

In compliance with Practice 8.1 of the MCCG, there is detailed disclosure on named basis for the remuneration of individual Directors and it is disclosed in the Corporate Governance Report, which can be downloaded from the Group's corporate website at www.pgfcapital.com.my or Bursa Announcement website.

PRINCIPLE 3: REINFORCE INDEPENDENCE OF THE BOARD

The Board consists of three Non-Executive Directors, all of them are Independent Directors and they are able to express their independent views without any constraint. The Independent Directors remain objective and independent in decision making, actively participated at meetings of the Board and Board Committees and provided constructive feedback.

Re-election of Directors

The Constitution provides that all Directors of the Company are subject to retirement. At least one-third of the Directors for the time being, of if their number is not three (3) or a multiple of three (3), then the number nearest to, but not more than one-third (1/3) of the total shall retire from office at the Annual General Meeting, provided always that all Directors shall retire from office at least once in every three (3) years. A retiring Director shall be eligible for re-election. This provides an opportunity for shareholders to renew their mandates.

The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, attendance of meetings and the shareholdings in the Group of each Director standing for election are furnished in the Annual Report accompanying the Notice of the Annual General Meeting.

The Company Secretary ensures that all the necessary information is obtained and that all legal and regulatory obligations are met before the appointments are made.

PRINCIPLE 4: FOSTER COMMITMENT

Each Director does not hold more than five directorships in public listed companies to ensure that they have sufficient time to focus and discharge their duties and responsibilities. The Board is satisfied with the level of the time commitment given by the Non-Executive Directors toward fulfilling their roles and responsibilities as Directors of the Company during the financial year ended 28 February 2025.

Board Meetings

The Board meets at least four times a year at quarterly intervals, with additional meetings convened as necessary. There were five (5) meetings held during the financial year ended 28 February 2025 and details of the attendance of the Directors were as follows:

Director	No. of Meetings Attended
Mr. Fong Wah Kai	5/5
Mr. Fong Wern Sheng	5/5
Mr. Tan Ming Chong	5/5
Ms. Ofelia Cheah Loo Ee	5/5
Mr. Tan Jin Sun	5/5
Ms. Tan Suat Hoon	3/3
Ms. Poh Heem Heem	2/2

Directors' training

Directors are encouraged to attend any form of training to enhance their knowledge and expertise in relations to the industry, laws and regulations, business environment, etc. The Directors continue to attend relevant seminars and programmes to keep their knowledge and expertise updated.

PRINCIPLE 4: FOSTER COMMITMENT (CONT'D)

Directors' training (Cont'd)

In FY2025, training programme attended by directors of the Company are as follows:

Training Programme		Attended by
1.	Chinaplas 2024- World's Biggest Plastics Expo	Fong Wern Sheng
2.	33rd China Glass 2024	Fong Wern Sheng
3.	Webinar: Hays Salary Guide Exclusive	Fong Wern Sheng
4.	The National Investment Seminar: Re-energising Domestic Investment	Fong Wern Sheng
5.	Thermal Insulation Expo Shanghai	Fong Wern Sheng
6.	MAP Part II: Leading for Impact	Fong Wern Sheng
7.	Affin Bank Market Outlook 2024 – propelling Malaysia Forward – Penang Series	Fong Wern Sheng
8.	The Outreach Session on Trade Remedies Measures 2024	Tan Ming Chong
9.	FMM: MITI & DagangNet: Introduction of RCEP & Understanding the Rules of Origin (ROO) Cumulation in RCEP & ePCO Your Gateway for Exports	Tan Ming Chong
10.	MalaysiaGBC webinar: Environmental Sustainability	Tan Ming Chong
11.	MalaysiaGBC webinar Series: Reducing Embodied Carbon In The Built Environment & Structures	Tan Ming Chong
12.	MAP Part II: Leading for Impact	Tan Ming Chong
13.	MAP Part II: Leading for Impact	Tan Jin Sun
14.	MAP Part II: Leading for Impact	Ofelia Cheah Loo Ee
15.	Finance And E-Invoicing for Non-Finance Managers & Executive	Ofelia Cheah Loo Ee
16.	Mandatory Accreditation Programme (MAP)	Poh Heem Heem

In addition to the above, Directors are updated on the recent developments in the areas of statutory and regulatory requirements from briefings by the External Auditors; Company Secretary and the Internal Auditors during the Audit and Risk Management Committee and Board Meetings.

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

Financial reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcement of the results to shareholders and the Chairman's statement in the Annual Report. The Board is assisted by the Audit and Risk Management Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONT'D)

Relationship with External Auditors

The Company has established transparent and appropriate relationship with the external auditors through the Audit and Risk Management Committee of the Company. From time to time, the external auditors will highlight matters that require further attention of the Audit and Risk Management Committee and the Board of Directors.

Audit and Risk Management Committee meets with external auditors at least twice annually or whenever deemed necessary to discuss their audit plans, audit findings and their reviews of the Company's financial results/financial statements.

In addition, the external auditors will be attending the Annual General Meeting of the Company and are available to clarify and answer shareholders' questions on their conduct of the audit.

PRINCIPLE 6: RECOGNISE AND MANAGE RISKS

The Board regards risk management and internal controls as an integral part of the overall management processes. Recognising the importance of having risk management processes and practices, the Board has established an Audit & Risk Management Committee ("ARMC"), which is chaired by an Independent Non-Executive Director, to oversee the identification, evaluation, control, monitoring and reporting of the critical risks faced by the Group.

Information on internal control and internal audit function of the Group is detailed in the Statement of Risk Management and Internal Control set out on pages 65 to 68.

PRINCIPLE 7: ENSURE TIMELY AND HIGH-QUALITY DISCLOSURE

The Company recognizes the importance of transparency and accountability to its shareholders and investors. The Board endeavours to keep its shareholders and investors informed of its progress through Annual Report, Annual General Meeting ("AGM") and Extraordinary General Meeting. It is the Company's practice to send the Notice of AGM and related papers to shareholders at least twenty-one (21) working days before the meeting. At the AGM, the shareholders are encouraged to ask questions both about the resolutions being proposed or about the Group's operations in general.

The Group also maintains a corporate website at www.pgfcapital.com.my whereby shareholders as well as members of the public may access for the latest information on the Group. Alternatively, they may obtain the Company's latest announcements via the website of Bursa Malaysia Securities Berhad at www.bursamalaysia.com .

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Annual General Meeting ("AGM") is the principal forum for dialogue and interaction with the shareholders of the Company. Shareholders are encouraged to attend the Company's AGM and use the opportunity to actively participate in the proceedings. They are encouraged to ask questions both about the resolutions being proposed or any issues pertaining to the Company. Members of the Board and the external auditors of the Company are present to answer questions raised at the meeting as and when appropriate.

Poll Voting

Pursuant to the Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, the Company is required to ensure that any resolution set out in the notice of general meeting is voted by poll. All resolutions set out in the notice of AGM will be voted by way of poll.

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS (CONT'D)

Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board is responsible for ensuring that the financial statements of the Group give 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 cashflows for the year then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016 have been applied.

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

The Directors also have a general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("Board") of PGF Capital Berhad ("PGF" or the "Company") is pleased to present this Statement on Risk Management and Internal Control ("Statement") to provide information about the current state of PGF's risk management and internal control system as a group (PGF and its subsidiaries but excluding associate and joint venture companies, or the "Group",). This Statement has been prepared in accordance with paragraph 15.26(b) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements and guided by the "Statement on Risk Management & Internal Control - Guidelines for Directors of Listed Issuers".

GOVERNANCE STRUCTURE

The Group has an established governance structure for matters relating to risk management and internal control as follows:

Board of Directors

The Board recognises the immense importance of, and acknowledges its responsibility in embedding a sound risk management and internal control system in accordance with Principle B of the Malaysian Code on Corporate Governance to safeguard the interest of shareholders, customers, employees and the Group's assets. The Board, with the assistance of the Audit and Risk Management Committee ("ARMC"), is primarily responsible for:

- reviewing the adequacy and the integrity of the Group's internal control system and information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- ensuring an effective Enterprise Risk Management ("ERM") Framework is in place to identify, analyse, evaluate, manage and monitor the key risks of the Group;
- setting the risk appetite within which the Board expects the Management to operate; and
- performing risk oversight and reviewing significant financial and non-financial risks (including sustainability related).

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Audit and Risk Management Committee

The ARMC is a Board Committee consisting exclusively of Independent Directors. The ARMC is tasked to assist the Board to oversee and monitor the effectiveness of the Group's risk management and internal control system by:

- reviewing the adequacy of scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- reviewing the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate action is taken;
- reviewing and endorsing policies and frameworks and other key components of risk management for implementation within the Group;
- reviewing and endorsing the corporate risk profile for the Group, and the progress of ongoing risk management activities to identify, evaluate, monitor and manage critical risks;
- overseeing the effective implementation of risk policies and guidelines, ERM and cultivation of risk management culture within the organisation; and
- reviewing and monitoring the status of the Group's principal risks and their mitigation actions, and update the Board accordingly.

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Management

The duties to continuously identify, analyse, evaluate and manage key business risks are delegated to the Senior Management, led by the Executive Chairman. The Management, assisted by all employees, are responsible to perform the following:

- establishes and maintains relevant internal controls to safeguard the Group's assets;
- identifies, assesses and implements relevant controls to address risks arising from operations;
- reports to the ARMC, the Group's risk profile, including any risks with significant impact, and action plans developed or taken to manage these risks;
- establishes and implements action plans on all risks that are beyond the Group's risk appetite; and
- reviews the effectiveness of existing controls and risk-mitigating strategies.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group's ERM Framework guides the identification, analysis, evaluation, management and monitoring of key risks to safeguard shareholders' investments and the Group's assets. The Framework is guided by ISO31000:2018 Risk Management – Guidelines and is designed to embed ERM into key activities, initiatives and processes of the Group. The ERM processes include:

Risk Identification

This process, which is done on an ongoing basis entails examining all key factors within PGF's business context from an 'outside-in' perspective, i.e. from macro-environment (external) to industry and internal risks. During this process, risks are generally considered in four (4) main categories, i.e. strategic, operational, financial and compliance. Risks identified and relevant risk information, including Key Risk Indicators, are then captured and updated into the Group's risk register.

Risk Analysis

Risks identified are assessed and ranked based on the severity of impact, likelihood of occurrence and effectiveness of existing controls. This process is guided by established risk parameters to ensure consistent criteria are used during the rating process. The results provide insight for the Management on whether the current risk levels are within the Board's risk appetite.

Risk Treatment

Risk treatment process aims to bring the risks down to an acceptable level (within the Board's risk appetite). The Group has four (4) response strategies for risk treatments, i.e.:

Terminate	terminating the risk by eliminating the business or by significantly altering it;
Reduce	reducing the risk level by taking specific actions or controls to reduce the likelihood of occurrence or severity of impact or both;
Accept	consciously accept certain risks which are within the Board's risk appetite; and
Pass on	transferring or sharing all or part of a risk to/ with other parties.

The treatment plans are outlined in the risk registers and highlighted to the ARMC. The implementation of risk treatment plans is generally the responsibility of the risk owners and risk delegates.

Risk Monitoring

Key risks identified are monitored by risk owners and risk delegates to ensure the risk ratings remained relevant and that controls in place remained effective and adequate amidst changing circumstances. Any changes are reported, and appropriate action plans are devised to realign the risk rating to an acceptable level.

In essence, the Group's ERM is conducted through an ongoing process between the Board, ARMC, the Management and employees in the Group. This process is reviewed annually by the Board for effectiveness, enhancement and improvement. The Group believes that the ERM framework adopted and implemented has strengthened the risk ownership and risk management culture amongst the employees. Nevertheless, the joint venture and associate companies have not been dealt with as part of the Group for the purpose of this Statement.

For the financial year under review, the Group has performed a review of its existing risk registers and noted that the key risks that are critical to the success of the business were similar to the previous year, such as the ability for sales to keep up with production, or vice-versa, product quality, timeliness in product delivery, and the ability to maximise return with the Group's existing assets and investments. The likelihood and impact of these risks have been assessed, and appropriate mitigation actions have been identified for the risks.

INTERNAL CONTROL SYSTEM

Internal controls are regarded as an integral part of the Group's business management processes. The internal control system of the Group covers, inter-alia, risk management, financial, operational and compliance controls. This process has been in place for the year under review and up to the date of approval of this statement for inclusion in the Annual Report. Some of the key elements of the Group's internal control system are:

- **Board Oversight**
  The Board meets at least quarterly and has set a schedule of matters which is required to be brought to its attention for discussion, thus ensuring that it maintains full and effective supervision over appropriate controls. The Chief Operating Officer provides explanations in the Board papers on pertinent issues. In addition, the Board is regularly updated on the Group's activities and operations.

- **Organisation Structure**
  The Group has established an organisation structure that defines clear lines of responsibility and delegation of authority, established through relevant terms of references and authority limits. The organisation structure enables each department/function to focus on the respective roles and responsibilities assigned to them and enhances operational efficiency and effectiveness.

- **Integrity, Ethical Values and Anti-Bribery and Corruption**
  The Group has formalised a Code of Conduct to provide a behavioural framework that sets out the Group's standards of integrity, acceptable conduct and behaviour. The Code of Conduct was communicated to all employees and is made available on PGF's website.

  In addition, the Group has amongst others, implemented the Anti-Bribery and Corruption Policy to set out the Group's "zero tolerance" stance against all forms of bribery and corruption practices, conducted the corruption risk assessment to identify activities and positions with higher corruption risk exposures, mandate relevant personnel to participate in the anti-corruption training organised by the Group, and communicate the Group's stance and expectation to all of its vendors and business associates.

- **Policies and Procedures**
  The Group has established policies and procedures for the Group's core business units, which have been clearly communicated to all relevant parties. These policies and procedures are reviewed and updated from time to time to adapt to the changing business environment and to ensure compliance with relevant laws and regulations and also the International Organisation for Standardisation ("ISO") certification.

In view of the limitations inherent in any internal control system, the Board recognises that such system is designed to manage and mitigate risks, rather than to eliminate risks, and therefore can only provide reasonable but not absolute assurance against material misstatement, financial loss or fraud.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group is outsourced to an independent consulting firm, namely Galton Advisory PLT. The internal audit function is led by Low Chiun Yik, an Executive Partner of the consulting firm, who holds a Master's Degree in Accountancy and Finance, and is also a Chartered Audit Committee Director of the Institute of Internal Auditors, Malaysia. Mr. Low has been specialising in the field of internal audit and risk management since 2010. He is also an Independent Director of two (2) publicly listed companies, where he is the Chairman of the Audit and Remuneration Committee, and sits on the Risk Management, Remuneration and Nominating Committee as a member.

The outsourced internal audit function is responsible for reviewing and assessing the adequacy of the Group's internal control system. The internal audit function reports directly to the ARMC and provides reasonable assurance through its internal audit work, which includes the audit activities, presenting findings and recommendations, and follow-ups on action plans devised to address any weaknesses in the internal control system, as agreed by Management. In carrying out its audit activities, the internal audit function has unrestricted access to relevant records, personnel and physical properties.

INTERNAL AUDIT FUNCTION (CONT'D)

The outsourced internal audit function conducts its audit work based on a risk-based internal audit plan approved by the ARMC. The outsourced internal audit function, including the professionals conducting the audit work, is independent and objective, and free from any relationships or conflicts of interest. All internal audit work is guided by the International Professional Practice Framework promulgated by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.

For the financial year ended 28 February 2025, the internal audit function has conducted reviews on the Group's processes in relation to management information system, procurement, and biological assets.

Following the completion of its work, the internal audit function reported directly to the ARMC on findings from the audit work, including recommendations for improvement measures and Management's responses. The internal audit function also reported to the ARMC, the follow-up status of the implementation of action plans arising from recommendations from previous cycles of internal audit. The ARMC Chairman thereafter reported the outcome of work conducted by the internal audit function to the Board.

The total cost incurred for internal audit activities for the financial year ended 28 February 2025 amounted to approximately RM50,135.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the financial year ended 28 February 2025, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the Annual Report of the Group, in all material aspects:

a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
b) is factually inaccurate.

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

CONCLUSION

Based on the findings and procedures performed by the relevant parties, and assurance from the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, the Board is of the view that the risk management and internal control system in place for the financial year under review and up to the date of the approval of this Statement has operated satisfactorily and is sufficient to safeguard shareholders' investments, the Group's assets and the interest of customers, regulators and employees.

There were no material internal control weaknesses that had resulted in any material losses, uncertainties or contingencies that would require disclosure in this Annual Report. Nevertheless, the Board and Management will continue to take appropriate measures to improve and strengthen the enterprise risk management and internal control framework of the Group.

This Statement on Risk Management and Internal Control is approved by the Board of Directors on 16 June 2025.

Audit and Risk Management Committee Report

For The Financial Year Ended 28 February 2025

1. CONSTITUTION

The Audit Committee was established by the Board in 1994 as the prime body to assist the Board in ensuring a high standard of corporate responsibility, integrity and accountability to shareholders in line with the corporate governance and disclosure standards expected from that of a public listed company in Malaysia. The Audit Committee was then renamed as Audit & Risk Management Committee ("the Committee") in 2018 to reflect its duties and responsibilities accordingly.

The present members of the Committee are:

Mr. Tan Jin Sun	Chairman/Senior Independent Non-Executive Director
Members:	
Ms. Ofelia Cheah Loo Ee	Independent Non-Executive Director
Ms. Poh Heem Heem	Independent Non-Executive Director

2. ATTENDANCE AT MEETINGS

There were five (5) meetings convened the financial year ended 28 February 2025.

Details of the attendance of members at the Committee Meetings are as follows:

	Attendance
Mr. Fong Wah Kai	5/5
Mr. Fong Wern Sheng	5/5
Mr. Tan Ming Chong	5/5
Ms. Ofelia Cheah Loo Ee	5/5
Mr. Tan Jin Sun	5/5
Ms. Tan Suat Hoon	3/3
Ms. Poh Heem Heem	2/2

3. TERMS OF REFERENCE

The terms of reference of the Committee are available on the Company's website www.pgfcapital.com.my

4. SUMMARY OF ACTIVITIES OF THE COMMITTEE

In line with the terms of reference, the following activities were carried out by the Committee during the financial year ended 28 February 2025 in discharge of its duties and responsibilities:

(a) reviewed the quarterly unaudited financial results and the annual audited financial statements of the Company and the Group prior to recommending them for approval by the Board of Directors;

(b) reviewed the external auditors' scope of work and the audit planning memorandum;

(c) reviewed with the external auditors the results of the annual audit, their audit and management letter together with management's response to the findings of the external auditors;

(d) reviewed with external auditors, the draft Audited Financial Statements of the Company and the Group;

(e) evaluated the performance and independence of the external auditors and made recommendations to the Board of Directors on their re-appointment and remuneration;

4. SUMMARY OF ACTIVITIES OF THE COMMITTEE (CONT'D)

(f) reviewed the annual internal audit plans to ensure adequate scope, coverage of the activities of the Company and the Group;

(g) reviewed the internal audit reports, audit recommendations and management's responses to these recommendations;

(h) reviewed related party transaction entered into by the Company and the Group during the year;

(i) reviewed conflict of interest or potential conflict of interest situations that may arise and the measures taken to resolve, eliminate or mitigate such conflict, if any;

(j) reviewed of the Statement on Risk Management and Internal Control for inclusion in the Annual Report; and

(k) reviewed and discussed with management the outcome of the exercise to identify, evaluate and manage significant strategic, operational and financial risks faced by the Group.

5. INTERNAL AUDIT FUNCTION

Internal audit function was conducted by an outsourced professional firm with an objective that independent feedback and reviews will be provided to the Committee and subsequently to the Board of Directors.

The internal audit adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. Scheduled internal audits are carried out by the internal auditors based on the audit plan presented to and approved by the Committee.

The Committee has full and direct access to the internal auditors and the Committee receives reports on all internal audits performed. The internal auditors continue to independently and objectively monitor compliance with regard to policies and procedures, and the effectiveness of the internal controls systems. Significant findings and recommendations for improvement are highlighted to management and the Committee with periodic follow-up of the implementation of actions plans. The management is responsible for ensuring that corrective actions are implemented accordingly.

Based on the internal audit reports, there is a reasonable assurance that the Group's systems of internal control are generally adequate and appear to be working satisfactorily. A number of minor internal control weaknesses were identified during the financial year, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The internal audit cost incurred for the financial year ended 28 February 2025 was RM50,135

This report is made in accordance with a resolution of the Board of Directors dated 16 June 2025.

Additional Compliance Information

The information disclosed below is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. **Material Contracts**
The Company and its subsidiaries involving directors and substantial shareholders has not entered into any material contracts either still subsisting at the end of the financial year ended 28 February 2025.

2. **Audit and Non-Audit Services**
During the financial year, the audit fees and non-audit fees paid/payable to the Company's external auditors by the Company and by the Group incurred for services rendered are as follows: -

Type of Fees	Company (RM)	Group (RM)
Audit Fees	35,000	164,500
Non-Audit Fees	11,000	41,500

3. **Employees Share Options Scheme**
The Group did not offer any share scheme for employees during the financial year under review.

4. **Internal Audit Function**
The internal audit function was outsourced and the cost incurred for the internal audit function in respect of the financial year under review was RM50,135.

5. **Continuing Education Programme**
Details of the seminars or courses attended by the Directors of the Company are disclosed in the Corporate Governance Statement, as set out on page 62 of this Annual Report.

6. **Recurrent Related Party Transaction Of A Revenue Nature Or Trading Nature**
The Company does not have any recurrent related party transaction of a revenue nature or trading nature for the financial year ended 28 February 2025.

7. **Issue of Shares and Debentures**
During the financial year, a total of 29,781,150 ICPS were converted into 29,781,150 ordinary shares of the Company. As a results, the number of issued and fully paid ordinary shares of the Company increased from 164,170,998 ordinary shares to 193,952,148 ordinary shares. The issued share capital of the Company increased from RM206,538,378 to RM233,341,413.

   The new ordinary shares issued during the financial year rank pari passu with the existing ordinary shares of the Company. The Company did not issue any debenture during the financial year.

FINANCIAL STATEMENTS

Directors' Report

For The Year Ended 28 February 2025

The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 28 February 2025.

Principal activities

The Company is principally engaged in the trading of fibre glasswool and its related products, provision of management services and investment holding. The principal activities and other details of the subsidiaries are disclosed in Note 7 to the financial statements.

Results

	Group RM	Company RM
Profit for the financial year	33,936,572	9,958,865

Dividends

The Company paid the following dividends since the end of the previous financial year:

	RM
In respect of financial year ended 29 February 2024:	
- Final dividend of 1.5 sen per ordinary share, paid in August 2024	2,909,126
In respect of financial year ended 28 February 2025:	
- First interim dividend of 2 sen per ordinary share, paid in November 2024	3,879,043
	6,788,169

A final dividend of 1.0 sen per ordinary share in respect of the financial year ended 28 February 2025 will be proposed for shareholders' approval at the forthcoming annual general meeting.

Reserves and provisions

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

Issue of shares or debentures

During the financial year, the issued and fully paid share capital of the Company was increased from RM214,117,520 to RM237,942,440 by way of conversion of 29,781,150 irredeemable convertible preference shares into 29,781,150 ordinary shares at a net cash consideration of RM23,824,920.

The Company did not issue any debentures during the financial year.

Share options

The Company did not grant any share options during the financial year.

Bad and doubtful debts

Before the financial statements were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent.

Current assets

Before the financial statements were prepared, the directors took reasonable steps 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 have 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 which would render the values attributed to current assets in the financial statements misleading.

Valuation methods

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

Contingent and other liabilities

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

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

(ii) any contingent liability 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 affect the ability of the Group or the Company to meet their obligations when they fall due.

Change of circumstances

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

Items of an unusual nature

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

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

Directors

The directors in office since the beginning of the financial year are:

Directors of the Company

Fong Wah Kai
Fong Wern Sheng
Tan Ming Chong
Ofelia Cheah Loo Ee
Tan Jin Sun
Tan Suat Hoon (resigned on 31.7.2024)
Poh Heem Heem (appointed on 31.7.2024)

Directors of subsidiaries (other than directors of the Company)

Michael Antony Charles Gibson
James Tan Chia Vern

Directors' interests

According to the register of directors' shareholdings, the interests in shares in the Company of the directors in office at the end of the financial year are as follows:

	Number of ordinary shares			
Name of director	**At 1.3.2024**	**Bought**	**Sold**	**At 28.2.2025**
Fong Wah Kai				
- Direct	6,782,200	0	0	6,782,200
- Indirect[(a)]	78,056,900	29,356,250	(23,720,000)	83,693,150
Fong Wern Sheng				
- Direct	10,792,600	158,100	0	10,950,700
- Indirect[(a)]	23,658,053	0	0	23,658,053
Tan Ming Chong				
- Direct	253,500	136,400	(5,000)	384,900

	Number of irredeemable convertible preference shares			
Name of director	**At 1.3.2024**	**Bought**	**Converted**	**At 28.2.2025**
Fong Wah Kai				
- Direct	3,399,400	0	0	3,399,400
- Indirect[(a)]	39,028,450	0	(29,356,250)	9,672,200
Fong Wern Sheng				
- Direct	5,398,700	0	0	5,398,700
- Indirect[(a)]	18,626,225	0	0	18,626,225
Tan Ming Chong				
- Direct	80,400	0	(80,400)	0

Directors' Report (Cont'd)

For The Year Ended 28 February 2025

Directors' interests (Cont'd)

(a) Deemed interest by virtue of shares held by company in which the director has interest

By virtue of their interests in shares in the Company, Fong Wah Kai and Fong Wern Sheng are deemed to have interests in shares in the subsidiaries to the extent of the Company's interests, pursuant to Section 8 of the Companies Act 2016.

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than the directors' remuneration as disclosed in Note 26 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and insurance for directors and officers

There was no indemnity given to or liability insurance effected for any director or officer of the Group or the Company during the financial year.

Auditors

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office. The auditors' remuneration is disclosed in Note 28 to the financial statements. There was no indemnity given to or liability insurance effected for the auditors during the financial year.

Signed in accordance with a resolution of the directors dated 16 June 2025

Fong Wern Sheng **Tan Ming Chong**

Statement by Directors

In the opinion of the directors, the financial statements set out on pages 82 to 137 give a true and fair view of the financial position of the Group and the Company as at 28 February 2025 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed in accordance with a resolution of the directors dated 16 June 2025

Fong Wern Sheng

Tan Ming Chong

Statutory Declaration

I, Loo Chee Hin (NRIC no. 690316-07-5043) (MIA membership no.: 11893), being the officer primarily responsible for the financial management of PGF Capital Berhad, do solemnly and sincerely declare that the financial statements set out on pages 82 to 137 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Loo Chee Hin at George Town in the State of Penang on this 16 June 2025

Loo Chee Hin
Chief Financial Officer

Before me

Shamini A/P M Shanmugam
No. P157
Commissioner for Oaths

Independent Auditors' Report

Report on the audit of the financial statements

Opinion

We have audited the financial statements of PGF Capital Berhad, which comprise the statements of financial position as at 28 February 2025 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 82 to 137.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 28 February 2025, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group and the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matter	*How our audit addressed the key audit matter*
Valuation of land held for property development under inventories (Refer to Notes 3 and 11 to the financial statements) Land held for property development represents the most significant asset of the Group. Land held for property development is subject to assessment for any potential write-down of cost to net realisable value. Such assessment involves judgements and estimation uncertainty in considering information about the asset's value and economic performance as well as the overall property market conditions.	Our audit procedures included, among others: • Reviewing the feasibility study of future development projects and evaluating the reasonableness thereof by considering the project plans and budgets as well as the prospective market and economic conditions. • Obtaining the latest available fair valuation performed by professional valuers and evaluating the appropriateness of their work as well as their competence, capabilities and objectivity. • Assessing the reasonableness of the value of the land by comparing against actual recent transacted prices of similar type of land within the proximity.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

Independent Auditors' Report (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 annual report, but does not include the financial statements of the Group and the Company and our auditors' report thereon.

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

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

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

Responsibilities of the directors for the financial statements

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

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

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

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

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

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

Auditors' responsibilities for the audit of the financial statements (Cont'd)

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: (Cont'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 the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

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

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

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

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

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

Independent Auditors' Report (Cont'd)

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that we have not acted as auditors of a subsidiary, PGF Insulation Pty. Ltd.

Other matters

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Date: 16 June 2025

Penang

Eddy Chan Wai Hun
02182/10/2025 J
Chartered Accountant

Consolidated Statement of Financial Position

As At 28 February 2025

	Note	2025 RM	2024 RM
Non-current assets			
Property, plant and equipment	4	100,556,875	58,403,426
Investment properties	5	5,030,224	5,160,256
Right-of-use assets	6	18,755,211	21,057,728
Investment in associate	8	2,165,059	2,026,448
Investments in joint ventures	9	2,674,330	484,890
Other investments	10	857,630	807,420
Inventories	11	167,549,037	147,490,936
Deferred tax assets	12	2,055,853	1,341,864
		299,644,219	236,772,968
Current assets			
Inventories	11	33,206,831	28,365,349
Biological assets	13	156,300	107,300
Receivables	14	33,564,805	22,794,423
Prepayments	15	9,205,399	2,254,480
Current tax assets		29,601	14,817
Cash and cash equivalents	16	37,904,235	26,103,376
		114,067,171	79,639,745
Current liabilities			
Payables	17	20,010,707	15,792,235
Loans and borrowings	18	16,032,769	11,653,949
Lease liabilities	19	4,801,575	4,257,425
Derivatives	20	18,876	0
Contract liabilities	21	3,553,943	3,812,660
Current tax liabilities		1,371,982	1,463,985
		45,789,852	36,980,254
Net current assets		68,277,319	42,659,491
Non-current liabilities			
Deferred tax liabilities	12	34,363,502	30,494,502
Loans and borrowings	18	52,214,980	17,822,910
Lease liabilities	19	11,171,110	13,541,940
Derivatives	20	2,246,262	0
Deferred income on government grants	22	5,203,787	5,756,809
		105,199,641	67,616,161
Net assets		262,721,897	211,816,298
Equity			
Share capital	23	237,942,440	214,117,520
Currency translation reserve		(35,304)	32,420
Retained profits/(Accumulated losses)		24,814,761	(2,333,642)
Total equity		262,721,897	211,816,298

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

Consolidated Statement of Comprehensive Income

For The Financial Year Ended 28 February 2025

	Note	2025 RM	2024 RM
Revenue	24	155,010,555	128,642,566
Other income		22,254,166	1,460,128
Changes in work-in-progress and finished goods		(4,359,284)	(3,298,680)
Raw materials consumed		(51,676,884)	(49,156,453)
Depreciation	25	(11,620,812)	(11,892,627)
Employee benefits expense	26	(22,469,271)	(18,344,787)
Impairment losses on financial assets	27	(33,034)	0
Finance costs		(2,634,323)	(2,944,566)
Other expenses		(37,548,466)	(29,500,914)
Share of associate's profit		349,593	1,105,387
Share of joint ventures' loss		(274,490)	(681,027)
Profit before tax	28	46,997,750	15,389,027
Tax expense	29	(13,061,178)	(4,932,850)
Profit for the financial year		33,936,572	10,456,177
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
- Currency translation differences for foreign operations		(67,724)	68,731
Other comprehensive income for the financial year		(67,724)	68,731
Comprehensive income for the financial year		33,868,848	10,524,908
Earnings per share:	30		
- Basic (sen)		18.26	6.39
- Diluted (sen)		15.69	5.55

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

Consolidated Statement of Changes In Equity

For The Financial Year Ended 28 February 2025

	Ordinary shares	Irredeemable convertible preference shares	Capital reserve	Currency translation reserve	(Accumulated losses)/ Retained profits	Total equity
	RM	RM	RM	RM	RM	RM
Balance at 1 March 2023	205,734,048	7,668,512	670,403	(36,311)	(11,824,287)	202,212,365
Conversion of irredeemable convertible preference shares	804,330	(89,370)	0	0	0	714,960
Dividends (Note 31)	0	0	0	0	(1,635,935)	(1,635,935)
Total transactions with owners	804,330	(89,370)	0	0	(1,635,935)	(920,975)
Profit for the financial year	0	0	0	0	10,456,177	10,456,177
Currency translation differences for foreign operations (representing other comprehensive income for the financial year)	0	0	0	68,731	0	68,731
Comprehensive income for the financial year	0	0	0	68,731	10,456,177	10,524,908
Transfer of capital reserve	0	0	(670,403)	0	670,403	0
Balance at 29 February 2024	206,538,378	7,579,142	0	32,420	(2,333,642)	211,816,298
Conversion of irredeemable convertible preference shares	26,803,035	(2,978,115)	0	0	0	23,824,920
Dividends (Note 31)	0	0	0	0	(6,788,169)	(6,788,169)
Total transactions with owners	26,803,035	(2,978,115)	0	0	(6,788,169)	17,036,751
Profit for the financial year	0	0	0	0	33,936,572	33,936,572
Currency translation differences for foreign operations (representing other comprehensive income for the financial year)	0	0	0	(67,724)	0	(67,724)
Comprehensive income for the financial year	0	0	0	(67,724)	33,936,572	33,868,848
Balance at 28 February 2025	233,341,413	4,601,027	0	(35,304)	24,814,761	262,721,897

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

Consolidated Statement of Cash Flows

For The Financial Year Ended 28 February 2025

	Note	2025 RM	2024 RM
Cash flows from operating activities			
Profit before tax		46,997,750	15,389,027
Adjustments for:			
Amortisation of deferred income		(751,122)	(484,784)
Depreciation		11,620,812	11,892,627
Fair value changes in biological assets		(49,000)	(66,700)
Fair value losses/(gains) on financial instruments		2,214,928	(39,375)
Gain on disposal of property, plant and equipment		(61,498)	(94,569)
Impairment loss on property, plant and equipment		0	345,327
Impairment losses on financial assets		33,034	0
Interest expense		2,634,323	2,944,566
Interest income		(772,695)	(286,899)
Inventories written down		162,675	93,794
Property, plant and equipment written off		17,120	2,944,246
Reversal of inventories written down		(13,385)	0
Reversal of land held for property development written down		(19,597,657)	0
Share of associate's profit		(349,593)	(1,105,387)
Share of joint ventures' loss		274,490	681,027
Unrealised loss on foreign exchange		1,380,840	285,229
Operating profit before working capital changes		43,741,022	32,498,129
Changes in:			
Inventories		(5,451,216)	(399,942)
Biological assets		0	(40,600)
Receivables		(13,387,374)	(2,284,732)
Prepayments		(49,355)	1,419,393
Payables		4,216,711	(836,184)
Contract liabilities		(258,717)	(441,072)
Cash generated from operations		28,811,071	29,914,992
Interest received		772,695	286,899
Tax paid		(10,033,061)	(5,368,146)
Tax refunded		20,107	310,602
Net cash from operating activities		19,570,812	25,144,347
Cash flows from investing activities			
Acquisition of joint venture		(1,628,820)	0
Acquisition of property, plant and equipment	32	(55,502,386)	(12,720,939)
Acquisition of right-of-use assets	32	(90,489)	(219,211)
Dividend received		0	729,600
Government grants received		198,100	6,241,593
Proceeds from disposal of property, plant and equipment		61,500	99,000
Subscription for shares in joint ventures		(851,649)	(773,001)
Net cash used in investing activities		(57,813,744)	(6,642,958)

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

Consolidated Statement of Cash Flows (Cont'd)

For The Financial Year Ended 28 February 2025

	Note	2025 RM	2024 RM
Cash flows from financing activities			
Changes in term deposits pledged as security		230,487	(951,865)
Dividend paid		(6,788,169)	(1,635,935)
Drawdown of term loans	32	39,865,165	6,193,128
Increase/(Decrease) in short-term loans and borrowings (net)	32	4,425,936	(5,555,976)
Interest paid		(2,770,951)	(2,854,168)
Payment of lease liabilities	32	(4,369,807)	(3,386,644)
Proceeds from conversion of irredeemable convertible preference shares		23,824,920	714,960
Repayment of term loans	32	(4,519,749)	(5,172,577)
Net cash from/(used in) financing activities		49,897,832	(12,649,077)
Currency translation differences		376,446	64,723
Net increase in cash and cash equivalents		12,031,346	5,917,035
Cash and cash equivalents brought forward		24,554,694	18,637,659
Cash and cash equivalents carried forward	16	36,586,040	24,554,694

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

Statement of Financial Position

As At 28 February 2025

	Note	2025 RM	2024 RM
Non-current assets			
Property, plant and equipment	4	7,021	8,128
Right-of-use assets	6	951,677	589,771
Investments in subsidiaries	7	241,493,080	221,493,080
Investment in associate	8	60	60
Investments in joint ventures	9	1,601,701	750,052
Receivables	14	8,141,355	8,546,147
		252,194,894	231,387,238
Current assets			
Receivables	14	6,650,196	836,097
Prepayments	15	48,827	50,173
Current tax assets		2,149	5,475
Cash and cash equivalents	16	765,320	450,484
		7,466,492	1,342,229
Current liabilities			
Payables	17	5,343,817	8,227,168
Loans and borrowings	18	4,500,000	2,000,000
Lease liabilities	19	258,915	125,992
		10,102,732	10,353,160
Net current liabilities		(2,636,240)	(9,010,931)
Non-current liabilities			
Lease liabilities	19	576,200	389,469
Net assets		248,982,454	221,986,838
Equity			
Share capital	23	237,942,440	214,117,520
Retained profits		11,040,014	7,869,318
Total equity		248,982,454	221,986,838

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

Statement of Comprehensive Income

For The Financial Year Ended 28 February 2025

	Note	2025 RM	2024 RM
Revenue	24	13,348,696	9,803,341
Other income		341,053	78,433
Depreciation	25	(255,258)	(90,805)
Employee benefits expense	26	(2,126,484)	(1,755,334)
Finance costs		(124,196)	(106,497)
Other expenses		(1,215,445)	(536,940)
Profit before tax	28	9,968,366	7,392,198
Tax expense	29	(9,501)	(4,500)
Profit for the financial year		9,958,865	7,387,698
Other comprehensive income for the financial year		0	0
Comprehensive income for the financial year		9,958,865	7,387,698

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

Statement of Changes In Equity

For The Financial Year Ended 28 February 2025

	Ordinary shares RM	Irredeemable convertible preference shares RM	Capital reserve RM	Retained profits RM	Total equity RM
Balance at 1 March 2023	205,734,048	7,668,512	1,235,748	881,807	215,520,115
Conversion of irredeemable convertible preference shares	804,330	(89,370)	0	0	714,960
Dividends (Note 31)	0	0	0	(1,635,935)	(1,635,935)
Total transactions with owners	804,330	(89,370)	0	(1,635,935)	(920,975)
Profit (representing comprehensive income) for the financial year	0	0	0	7,387,698	7,387,698
Transfer of capital reserve	0	0	(1,235,748)	1,235,748	0
Balance at 29 February 2024	206,538,378	7,579,142	0	7,869,318	221,986,838
Conversion of irredeemable convertible preference shares	26,803,035	(2,978,115)	0	0	23,824,920
Dividends (Note 31)	0	0	0	(6,788,169)	(6,788,169)
Total transactions with owners	26,803,035	(2,978,115)	0	(6,788,169)	17,036,751
Profit (representing comprehensive income) for the financial year	0	0	0	9,958,865	9,958,865
Balance at 28 February 2025	233,341,413	4,601,027	0	11,040,014	248,982,454

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

Statement of Cash Flows

For The Financial Year Ended 28 February 2025

	Note	2025 RM	2024 RM
Cash flows from operating activities			
Profit before tax		9,968,366	7,392,198
Adjustments for:			
Depreciation		255,258	90,805
Dividend income		(11,004,900)	(7,729,600)
Gain on disposal of property, plant and equipment		(34,999)	(48,999)
Interest expense		124,196	106,497
Interest income		(305,597)	(29,433)
Property, plant and equipment written off		1	0
Unrealised (gain)/loss on foreign exchange		(457)	121
Operating loss before working capital changes		(998,132)	(218,411)
Changes in:			
Receivables		(5,813,642)	(823,684)
Prepayments		1,346	(38,740)
Payables		(2,883,351)	(206,706)
Cash absorbed by operations		(9,693,779)	(1,287,541)
Interest received		305,597	29,433
Tax paid		(6,175)	(4,500)
Tax refunded		0	26,155
Net cash used in operating activities		(9,394,357)	(1,236,453)
Cash flows from investing activities			
Acquisition of property, plant and equipment	32	(7,100)	0
Acquisition of right-of-use assets	32	(64,959)	(61,507)
Dividends received		11,004,900	8,229,600
Proceeds from disposal of property, plant and equipment		35,000	49,000
Repayment from subsidiaries (net)		404,792	12,235,828
Subscription for shares in joint venture		(851,649)	(51)
Subscription for shares in subsidiaries		(20,000,000)	(18,000,000)
Net cash (used in)/from investing activities		(9,479,016)	2,452,870
Cash flows from financing activities			
Dividend paid		(6,788,169)	(1,635,935)
Increase in short-term loans and borrowings (net)	32	2,500,000	0
Interest paid		(124,196)	(106,497)
Payment of lease liabilities	32	(224,346)	(63,225)
Proceeds from conversion of irredeemable convertible preference shares		23,824,920	714,960
Net cash from/(used in) financing activities		19,188,209	(1,090,697)
Net increase in cash and cash equivalents		314,836	125,720
Cash and cash equivalents brought forward		450,484	324,764
Cash and cash equivalents carried forward		765,320	450,484

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

Notes to the Financial Statements

28 February 2025

1. General information

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

The Company is principally engaged in the trading of fibre glasswool and its related products, provision of management services and investment holding. The principal activities of the subsidiaries are disclosed in Note 7.

The registered office of the Company is located at Suite 12-A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 George Town, Penang, Malaysia and its principal place of business is located at No. 2449, Lorong Perusahaan Sepuluh, Kawasan Perusahaan Perai, 13600 Perai, Penang, Malaysia.

The consolidated financial statements set out on pages 82 to 86 together with the notes thereto cover the Company and its subsidiaries ("Group") and the Group's interests in associate and joint ventures. The separate financial statements of the Company set out on pages 87 to 90 together with the notes thereto cover the Company solely.

The presentation currency of the financial statements is Ringgit Malaysia ("RM").

The financial statements were authorised for issue in accordance with a resolution of the directors dated 16 June 2025.

2. Material accounting policy information

2.1 Basis of preparation of financial statements

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

The following MFRSs became effective for the financial year under review:

MFRS	Effective for annual periods beginning on or after
Amendments to MFRS 16 *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*	1 January 2024

Except for the Amendments to MFRS 101, the initial application of the above MFRSs did not have any significant impacts on the financial statements. The Amendments to MFRS 101 allow the Group and the Company to classify their revolving credit obligation as non-current when they have the right at the end of the reporting period to roll over the obligation for at least twelve months after the reporting period, even if it would otherwise be due within a shorter period. The classification is applied retrospectively.

2. Material accounting policy information (cont'd)

2.1 Basis of preparation of financial statements (cont'd)

The Group and the Company have not applied the following MFRSs which have been issued as at the end of the reporting period but are not yet effective:

MFRS (issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to MFRS 9 and MFRS 7 *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred
Amendments to MFRS *121 Lack of Exchangeability*	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

Except for the adoption of MFRS 18, management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements.

<u>MFRS 18 *Presentation and Disclosure in Financial Statements*</u>

MFRS 18, which will replace MFRS 101 *Presentation of Financial Statements* upon its adoption, aims to provide better information about entities' financial performance and enhance financial reporting quality. The key changes introduced by MFRS 18 are:

- classification of income and expenses into five categories (i.e. operating, investing, financing, income taxes and discontinued operations);
- presentation of two defined subtotals (i.e. operating profit or loss and profit or loss before financing and income taxes) in the statement of profit or loss;
- disclosures about management-defined performance measures; and
- new principles for aggregation and disaggregation of information.

The Group and the Company will initially apply the new requirements of MFRS 18 in the financial year ending 29 February 2028.

2.2 Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. If the assets acquired are not a business, the transaction or other event is accounted for as an asset acquisition.

2. Material accounting policy information (cont'd)

2.2 Business combinations (cont'd)

Business combinations are accounted for using the acquisition method. Under the acquisition method, the consideration transferred, the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. The components of non-controlling interests that are present ownership interests are measured at the present ownership instruments' proportionate share in the recognised amounts of the identifiable net assets acquired. All other components of non-controlling interests are measured at their acquisition-date fair values. In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. All acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss as incurred.

Goodwill at the acquisition date is measured as the excess of (a) over (b) below:

(a) the aggregate of:
  (i) the acquisition-date fair value of the consideration transferred;
  (ii) the amount of any non-controlling interests; and
  (iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree.

(b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

2.3 Basis of consolidation

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

A subsidiary is consolidated from the acquisition date, being the date on which control is obtained, and continues to be consolidated until the date when control is lost. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Upon loss of control of a subsidiary, the assets (including any goodwill) and liabilities of, and any non-controlling interests in the subsidiary are derecognised. All amounts recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the related assets or liabilities had been directly disposed of. Any consideration received and any investment retained in the former subsidiary are recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.

2. Material accounting policy information (cont'd)

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10.

Freehold land and capital work-in-progress are not depreciated. Bearer plants, which represent the capitalised costs on new planting and replanting of tropical fruits, are depreciated on a straight-line basis over their estimated useful lives of 5 years. Other property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:

Buildings	2 - 5%
Plant, machinery and equipment	5 - 25%
Furniture, fittings and equipment	10 - 20%
Motor vehicles	20%

The residual value, useful life and depreciation method of an asset are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

2.5 Investment properties

Investment property is property held (by the owner or the lessee as a right-of-use asset) to earn rentals or for capital appreciation or both. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10.

Building is depreciated on a straight-line basis over its estimated useful life of 50 years.

2.6 Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

Lessor accounting

When the Group acts as a lessor, it classifies each lease as either an operating lease or a finance lease. A finance lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, whereas an operating lease does not.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term. The Group has not entered into any finance lease.

Lessee accounting

Initial recognition and measurement

When the Group or the Company acts as a lessee, it recognises a right-of-use asset (representing its right to use the underlying leased asset) and a lease liability (representing its obligation to make lease payments) at the commencement date. The Group and the Company have elected not to apply such recognition principle to short-term leases (which have a lease term of 12 months or less) and leases of low-value assets. The lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term.

2. Material accounting policy information (cont'd)

2.6 Leases (cont'd)

Lessee accounting (cont'd)

Initial recognition and measurement (cont'd)

A right-of-use asset is initially recognised at cost, which comprises the initial amount of lease liability, any lease payments made at or before the commencement date (less any lease incentives), any initial direct costs and any estimated dismantling, removing and restoring costs.

A lease liability is initially recognised at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. The unpaid lease payments included in the measurement of lease liability comprise fixed payments (less any lease incentives), variable lease payments linked to an index or a rate, expected amounts payable under residual value guarantees, the exercise price of a purchase option reasonably certain to be exercised and the penalties of a termination option reasonably certain to be exercised.

Subsequent measurement

A right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liability. The impairment policy is disclosed in Note 2.10.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that a purchase option will be exercised, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of its useful life. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of its useful life or the end of the lease term.

A lease liability is subsequently measured at amortised cost, and remeasured to reflect any reassessment (arising from changes to the lease payments) or lease modifications.

2.7 Investments in subsidiaries

As required by the Companies Act 2016, the Company prepares separate financial statements in addition to the consolidated financial statements. In the separate financial statements of the Company, investments in subsidiaries are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.10.

2.8 Investment in associate

An associate is an entity over which an investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In the consolidated financial statements, investment in associate is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of the investee's net assets. After application of the equity method, the investment is assessed for any objective evidence of impairment. If any such evidence exists, the carrying amount of the investment is tested for impairment in accordance with Note 2.10.

In the separate financial statements of the Company, investment in associate is stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.10.

2. Material accounting policy information (cont'd)

2.9 Investments in joint ventures

A joint venture is a joint arrangement whereby the joint venturers that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the joint venturers sharing control.

In the consolidated financial statements, investments in joint ventures are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of the investee's net assets. After application of the equity method, the investment is assessed for any objective evidence of impairment. If any such evidence exists, the carrying amount of the investment is tested for impairment in accordance with Note 2.10.

In the separate financial statements of the Company, investments in joint ventures are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.10.

2.10 Impairment of non-financial assets

At the end of each reporting period, the Group and the Company assess whether there is any indication that a non-financial asset, other than deferred tax assets, biological assets stated at fair value less costs of disposal and inventories, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use, is estimated. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss.

An impairment loss on an asset, other than goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. The reversal is recognised in profit or loss. An impairment loss on goodwill is not reversed.

2.11 Inventories

Property development

Inventories are valued at the lower of cost (determined principally on the specific identification basis) and net realisable value. Cost consists of costs associated with the acquisition of land, costs that relate directly to a specific development project and other costs attributable to development activities in general and can be allocated to the project. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

Land held for property development is classified as non-current assets. It is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

Materials and goods

Inventories are valued at the lower of cost (determined principally on the first-in, first-out basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

2. Material accounting policy information (cont'd)

2.12 Biological assets

Biological assets (excluding bearer plants but including the produce growing thereon) and agricultural produce harvested therefrom are measured at fair value less costs of disposal. Any gain or loss arising from initial recognition at or a change in the fair value less costs of disposal is recognised in profit or loss.

2.13 Contract assets and contract liabilities

A contract is presented in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. A contract asset is an entity's right to consideration in exchange for goods or services transferred to a customer when that right is conditioned on something other than the passage of time. The asset is subject to impairment assessment on the same basis as trade receivables as disclosed in Note 2.14. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

2.14 Financial assets

Financial assets of the Group and the Company consist of investment linked financial instruments, receivables and cash and cash equivalents.

Initial recognition and measurement

A financial asset is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A regular way purchase or sale of financial assets is recognised or derecognised using settlement date accounting. Trade receivables that do not contain a significant financing component are initially recognised at their transaction price (as defined in Note 2.18). Other financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss in accordance with their classification on the basis of both the business model within which they are held and their contractual cash flow characteristics.

(i) Amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All receivables and cash and cash equivalents are classified under this category. Any gain or loss is recognised in profit or loss when the financial asset is derecognised, reclassified, through the amortisation process or in order to recognise impairment gains or losses.

(ii) Fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is to both collect contractual cash flows and sell financial assets and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group and the Company do not have any financial assets classified under this category.

2. **Material accounting policy information (cont'd)**

2.14 **Financial assets (cont'd)**

Subsequent measurement (cont'd)

(iii) **Fair value through profit or loss**

A financial asset is measured at fair value through profit or loss if it does not meet the criteria to be measured at amortised cost or fair value through other comprehensive income. Investment linked financial instruments are classified under this category. Any gain or loss is recognised in profit or loss.

Impairment

At each reporting date, the Group and the Company recognise a loss allowance for expected credit losses on a financial asset measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. Any adjustment to the loss allowance is recognised in profit or loss as an impairment gain or loss.

Irrespective of whether there is any significant increase in credit risk since initial recognition, the loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9 *Financial Instruments*. Such lifetime expected credit losses are calculated using a provision matrix based on historical credit loss experience and adjusted for reasonable and supportable forward-looking information that is available without undue cost or effort.

The expected credit losses for a credit-impaired financial asset are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The gross carrying amount of a credit-impaired financial asset is directly written off when there is no reasonable expectation of recovery.

Derecognition

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or all the risks and rewards of ownership are substantially transferred. A direct write-off of gross carrying amount when there is no reasonable expectation of recovering a financial asset constitutes a derecognition event.

Fair value measurement

The carrying amounts of receivables and cash and cash equivalents which are short-term in nature or repayable on demand are reasonable approximations of fair values.

The fair values of investment linked financial instruments are directly measured using their unadjusted market values quoted by insurance company.

2. Material accounting policy information (cont'd)

2.15 Financial liabilities

Financial liabilities of the Group and the Company consist of payables, loans and borrowings, derivatives and financial guarantee contracts.

Initial recognition and measurement

A financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is initially recognised at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs.

Subsequent measurement

All payables and loans and borrowings are subsequently measured at amortised cost. Any gain or loss is recognised in profit or loss when the financial liability is derecognised and through the amortisation process.

Derivatives are subsequently measured at fair value through profit or loss. Any gain or loss is recognised in profit or loss.

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance and the amount initially recognised less any cumulative income recognised.

Derecognition

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

Fair value measurement

The carrying amounts of payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities.

The fair values of derivatives are directly measured using their unadjusted market values quoted by financial institutions.

2.16 Foreign currency transactions and translation

The consolidated financial statements and separate financial statements of the Company are presented in Ringgit Malaysia, which is also the Company's functional currency, being the currency of the primary economic environment in which the entity operates. Items included in the financial statements of each individual entity within the Group are measured using the individual entity's own functional currency.

A foreign currency transaction is recorded in the functional currency using the exchange rate at transaction date. At the end of the reporting period, foreign currency monetary items are translated into the functional currency using the closing rate. Foreign currency non-monetary items measured at cost are translated using the exchange rate at transaction date, whereas those measured at fair value are translated using the exchange rate at valuation date. Exchange differences arising from the settlement or translation of monetary items are recognised in profit or loss. Any exchange component of the gain or loss on a non-monetary item is recognised on the same basis as that of the gain or loss, i.e. in profit or loss or in other comprehensive income.

2. Material accounting policy information (cont'd)

2.16 Foreign currency transactions and translation (cont'd)

In translating the financial position and results of a foreign operation whose functional currency is not the presentation currency, i.e. Ringgit Malaysia, assets and liabilities are translated into the presentation currency using the closing rate, whereas income and expenses are translated using the exchange rates at transaction dates. All resulting exchange differences are recognised in other comprehensive income and accumulated in equity as currency translation reserve until the foreign operation is disposed of, at which time the cumulative exchange differences previously recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment.

Any goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation to be expressed in its functional currency and translated into the presentation currency using the closing rate.

2.17 Share capital

Ordinary shares and irredeemable preference shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

Dividends on shares declared and unpaid at the end of the reporting period are recognised as a liability, whereas dividends proposed or declared after the reporting period are disclosed in the notes to the financial statements.

2.18 Revenue from contracts with customers

The Group and the Company recognise revenue (by applying the following steps) to depict the transfer of promised goods or services to customers at the transaction price.

(i) Step 1: Identify contract - A contract is an agreement between two or more parties that creates enforceable rights and obligations.

(ii) Step 2: Identify performance obligations - Each promise to transfer distinct goods or services is identified as a performance obligation and accounted for separately.

(iii) Step 3: Determine transaction price - The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. It is adjusted for the effects of variable consideration (e.g. discounts, rebates, incentives or penalties), significant financing component, non-cash consideration and consideration payable to customer.

(iv) Step 4: Allocate transaction price to performance obligations - The transaction price is allocated to each performance obligation on the basis of the relative (estimated) stand-alone selling prices of each distinct good or service promised in the contract.

(v) Step 5: Recognise revenue - Revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). Revenue is recognised either over time or at a point in time depending on the timing of transfer of control.

Sale of goods

The Group determines that the transfer of control of promised goods generally coincides with the transfer of risks and rewards of ownership. Accordingly, revenue from the sale of goods is recognised at a point in time when the significant risks and rewards of ownership have been transferred to the customer upon delivery.

2. **Material accounting policy information (cont'd)**

2.18 Revenue from contracts with customers (cont'd)

Sale of agricultural produce and aquaculture livestock

The Group determines that the transfer of control of promised agricultural produce and aquaculture livestock generally coincides with the transfer of risks and rewards of ownership. Accordingly, revenue from the sale of agricultural produce and aquaculture livestock is recognised at a point in time when the significant risks and rewards of ownership have been transferred to the customer upon delivery.

Sale of completed development units

For sale of completed development units, the Group determines that the transfer of control generally coincides with the delivery of vacant possession. Accordingly, revenue is recognised at a point in time when the vacant possession has been delivered to the customer.

Rendering of services

The Company determines that the transfer of control of promised services generally coincides with the Company's performance as the customer simultaneously receives and consumes the benefits of the performance as the Company performs. Accordingly, revenue from the rendering of services is recognised over time when the services are performed. The Company measures the progress towards complete satisfaction of the performance obligation using an output method, i.e. time elapsed.

2.19 Other income

Dividend income is recognised in profit or loss only when the entity's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

Interest income is recognised in profit or loss using the effective interest method.

Operating lease income is recognised in profit or loss on a straight-line basis over the lease term.

2.20 Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to the grants and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets are presented in the statement of financial position as deferred income which is amortised on a straight-line basis over the estimated useful lives of the assets. Grants related to income are presented under "other income" in the statement of comprehensive income.

2.21 Employee benefits

Short-term employee benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised in profit or loss or included in the cost of an asset, where appropriate, in the period in which the associated services are rendered by the employee.

2. **Material accounting policy information (cont'd)**

2.21 Employee benefits (cont'd)

Defined contribution plans

As required by law, employers in Malaysia make contributions to the statutory pension scheme, Employees Provident Fund ("EPF"). The Group's foreign subsidiary makes contributions to its respective country's statutory pension scheme. Contributions to defined contribution plans are recognised in profit or loss or included in the cost of an asset, where appropriate, in the period in which the associated services are rendered by the employee.

2.22 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset, until such time as the asset is substantially ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.23 Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax represents the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability and its tax base except for those temporary differences associated with goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting nor taxable results and does not give rise to equal taxable and deductible temporary differences.

A deferred tax liability is recognised for all taxable temporary differences, whereas a deferred tax asset is recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.24 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, term deposits that are withdrawable on demand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

3. Judgements and estimation uncertainty

Judgements made in applying accounting policies

In the process of applying the accounting policies of the Group and the Company, management is not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

Sources of estimation uncertainty

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Valuation of inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews involve judgements and estimation uncertainty in forming expectations about future sales and demands. Any changes in these accounting estimates will result in revisions to the valuation of inventories (Note 11).

Impairment of receivables

The Group and the Company recognise loss allowance for expected credit losses on receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these accounting estimates will affect the carrying amounts of receivables (Note 14).

4. **Property, plant and equipment**

Group

	Freehold land RM	Buildings RM	Plant, machinery and equipment RM	Furniture, fittings and equipment RM	Motor vehicles RM	Bearer plants RM	Capital work-in-progress RM	Total RM
Cost								
Balance at 1 March 2023	0	22,307,115	92,462,913	2,804,994	1,504,719	6,204,507	138,387	125,422,635
Additions	0	30,740	7,138,992	862,239	65,980	3,314,889	1,308,099	12,720,939
Disposals/Write-offs	0	0	(19,645,924)	(36,122)	(398,848)	(148,181)	0	(20,229,075)
Reclassifications	0	0	70,240	69,603	0	0	(139,843)	0
Transfer from right-of-use assets	0	0	0	115,000	0	0	0	115,000
Currency translation differences	0	0	0	1,630	0	0	1,456	3,086
Balance at 29 February 2024	0	22,337,855	80,026,221	3,817,344	1,171,851	9,371,215	1,308,099	118,032,585
Additions	41,840,000	0	1,124,236	710,321	33,920	4,518,074	374,271	48,600,822
Borrowing costs capitalised	0	0	0	0	0	0	198,720	198,720
Disposals/Write-offs	0	0	(95,785)	(58,416)	(151,561)	(11,783)	0	(317,545)
Currency translation differences	0	0	(80,689)	(74,717)	0	0	0	(155,406)
Balance at 28 February 2025	41,840,000	22,337,855	80,973,983	4,394,532	1,054,210	13,877,506	1,881,090	166,359,176

4. **Property, plant and equipment (cont'd)**

Group

	Freehold land RM	Buildings RM	Plant, machinery and equipment RM	Furniture, fittings and equipment RM	Motor vehicles RM	Bearer plants RM	Capital work-in-progress RM	Total RM
Depreciation and impairment losses								
Balance at 1 March 2023								
- Accumulated depreciation	0	8,462,176	56,966,291	1,869,129	1,391,770	0	0	68,689,366
- Accumulated impairment losses	0	0	373,102	0	0	0	0	373,102
	0	8,462,176	57,339,393	1,869,129	1,391,770	0	0	69,062,468
Depreciation	0	682,002	6,135,653	373,488	65,355	130,143	0	7,386,641
Disposals/Write-offs	0	0	(16,852,629)	(33,352)	(394,417)	0	0	(17,280,398)
Impairment loss	0	0	345,327	0	0	0	0	345,327
Transfer from right-of-use assets	0	0	0	114,999	0	0	0	114,999
Currency translation differences	0	0	0	122	0	0	0	122
Balance at 29 February 2024								
- Accumulated depreciation	0	9,144,178	46,249,315	2,324,386	1,062,708	130,143	0	58,910,730
- Accumulated impairment losses	0	0	718,429	0	0	0	0	718,429
	0	9,144,178	46,967,744	2,324,386	1,062,708	130,143	0	59,629,159
Depreciation	0	709,519	5,253,483	345,674	47,566	130,588	0	6,486,830
Disposals/Write-offs	0	0	(95,784)	(56,026)	(148,613)	0	0	(300,423)
Currency translation differences	0	0	(3,573)	(9,692)	0	0	0	(13,265)
Balance at 28 February 2025								
- Accumulated depreciation	0	9,853,697	51,405,703	2,604,342	961,661	260,731	0	65,086,134
- Accumulated impairment losses	0	0	716,167	0	0	0	0	716,167
	0	9,853,697	52,121,870	2,604,342	961,661	260,731	0	65,802,301

4. **Property, plant and equipment (cont'd)**

Group

	Freehold land RM	Buildings RM	Plant, machinery and equipment RM	Furniture, fittings and equipment RM	Motor vehicles RM	Bearer plants RM	Capital work-in-progress RM	Total RM
Carrying amount								
Balance at 1 March 2023	0	13,844,939	35,123,520	935,865	112,949	6,204,507	138,387	56,360,167
Balance at 29 February 2024	0	13,193,677	33,058,477	1,492,958	109,143	9,241,072	1,308,099	58,403,426
Balance at 28 February 2025	41,840,000	12,484,158	28,852,113	1,790,190	92,549	13,616,775	1,881,090	100,556,875

The carrying amounts of property, plant and equipment pledged as security for credit facilities granted to the Group are as follows:

	Group 2025 RM	Group 2024 RM
Freehold land	41,840,000	0
Buildings	5,993,693	6,423,034
Plant, machinery and equipment	19,665,262	24,998,337
Furniture, fittings and equipment	14,344	17,380
Capital work-in-progress	335,617	0
	67,848,916	31,438,751

4. Property, plant and equipment (cont'd)

Company

	Furniture, fittings and equipment RM	Motor vehicles RM	Total RM
Cost			
Balance at 1 March 2023	101,611	545,289	646,900
Disposals/Write-offs	0	(329,752)	(329,752)
Transfer from right-of-use assets	115,000	0	115,000
Balance at 29 February 2024	216,611	215,537	432,148
Additions	7,100	0	7,100
Disposals/Write-offs	(2,680)	(147,441)	(150,121)
Balance at 28 February 2025	221,031	68,096	289,127
Accumulated depreciation			
Balance at 1 March 2023	100,351	523,726	624,077
Depreciation	1,076	13,619	14,695
Disposals/Write-offs	0	(329,751)	(329,751)
Transfer from right-of-use assets	114,999	0	114,999
Balance at 29 February 2024	216,426	207,594	424,020
Depreciation	264	7,941	8,205
Disposals/Write-offs	(2,679)	(147,440)	(150,119)
Balance at 28 February 2025	214,011	68,095	282,106
Carrying amount			
Balance at 1 March 2023	1,260	21,563	22,823
Balance at 29 February 2024	185	7,943	8,128
Balance at 28 February 2025	7,020	1	7,021

5. Investment properties

Group

	Building RM
Cost	
Balance at 1 March 2023 / 29 February 2024 / 28 February 2025	6,458,968
Accumulated depreciation	
Balance at 1 March 2023	1,168,680
Depreciation	130,032
Balance at 29 February 2024	1,298,712
Depreciation	130,032
Balance at 28 February 2025	1,428,744
Carrying amount	
Balance at 1 March 2023	5,290,288
Balance at 29 February 2024	5,160,256
Balance at 28 February 2025	5,030,224
Fair value	
Estimated fair value at 29 February 2024	6,771,000
Estimated fair value at 28 February 2025	6,771,000

The fair value of investment properties was determined based on management's estimate by reference to relevant market information.

The Group leases its building under operating lease for 2 years. The undiscounted lease payments to be received are as follows:

	2025 RM	2024 RM
Within 1 year	340,000	408,000
1 to 2 years	0	340,000
	340,000	748,000

6. Right-of-use assets

Group

	Leasehold land	Buildings	Furniture, fittings and equipment	Motor vehicles	Total
	RM	RM	RM	RM	RM
Balance at 1 March 2023	3,843,828	0	894,523	932,853	5,671,204
Additions	0	18,309,086	0	1,437,127	19,746,213
Depreciation	(105,688)	(3,651,867)	(212,808)	(405,591)	(4,375,954)
Transfer to property, plant and equipment	0	0	(1)	0	(1)
Currency translation differences	0	0	0	16,266	16,266
Balance at 29 February 2024	3,738,140	14,657,219	681,714	1,980,655	21,057,728
Additions	0	1,248,814	106,000	1,544,515	2,899,329
Depreciation	(194,476)	(3,913,063)	(219,876)	(676,535)	(5,003,950)
Remeasurement of lease liabilities	0	1,350,844	0	48,202	1,399,046
Currency translation differences	0	(1,469,682)	0	(127,260)	(1,596,942)
Balance at 28 February 2025	3,543,664	11,874,132	567,838	2,769,577	18,755,211

Certain leasehold land with carrying amount of RM2,428,015 (2024 : RM2,579,767) has been pledged as security for credit facilities granted to the Group.

Company

	Furniture, fittings and equipment	Motor vehicles	Total
	RM	RM	RM
Balance at 1 March 2023	1	190,874	190,875
Additions	0	475,007	475,007
Depreciation	0	(76,110)	(76,110)
Transfer to property, plant and equipment	(1)	0	(1)
Balance at 29 February 2024	0	589,771	589,771
Additions	0	608,959	608,959
Depreciation	0	(247,053)	(247,053)
Balance at 28 February 2025	0	951,677	951,677

The Group acquired the rights to use the leasehold land as its principal places of business for 60 years. It also leases some warehouses for 2 to 5 years. The rights to use the furniture, fittings and equipment and motor vehicles were acquired under hire purchase financing whereby ownership will be transferred by the end of the lease terms of 5 years.

7. Investments in subsidiaries

Company

	2025 RM	2024 RM
Unquoted shares - at cost	241,673,821	221,673,821
Impairment losses	(180,741)	(180,741)
	241,493,080	221,493,080

Impairment losses have been recognised for investment in a loss-making subsidiary.

The details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest 2025	Effective ownership interest 2024	Principal activity
Clover Sdn. Bhd.	Malaysia	100%	100%	Property holding, trading in fibre glasswool and its related products
Concrete Energy Sdn. Bhd.	Malaysia	100%	100%	Property holding, trading and manufacture of melt-blown non-woven
Diamond Creeks Eco Farm Sdn. Bhd.	Malaysia	100%	100%	Plantation of tropical fruits
Golden Approach Sdn. Bhd.	Malaysia	100%	100%	Property development
PGF Global Distribution Sdn. Bhd.	Malaysia	100%	100%	Trading in fibre glasswool and its related products
PGF Insulation Pty. Ltd.[a]	Australia	100%	100%	Manufacture and sale of fibre glasswool and its related products
PGF Insulation Sdn. Bhd.	Malaysia	100%	100%	Manufacture and sale of fibre glasswool and its related products
PGF Technical Textile Sdn. Bhd.	Malaysia	100%	100%	Manufacture and trading of building and hygiene related products
NetZero Technology Sdn. Bhd.	Malaysia	100%	0%	Dormant

[a] *Not required to be audited, and consolidated using unaudited financial statements*

8. Investment in associate

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Unquoted shares - at cost	60	60	60	60
Share of post-acquisition changes in net assets	2,164,999	2,026,388	0	0
	2,165,059	2,026,448	60	60

The details of the associate are as follows:

Name of associate	Principal place of business/ Country of incorporation	Effective ownership interest 2025	Effective ownership interest 2024	Principal activity
Ecowool Insulation Pty. Ltd. ("EIPL")	Australia	20%	20%	Sale and distribution of fibre glasswool and related products

The summarised financial information of EIPL is as follows:

	2025	2024
	RM	RM
Non-current assets	163,181	218,581
Current assets	13,592,470	13,254,169
Current liabilities	(2,930,358)	(3,340,513)
Net assets	10,825,293	10,132,237
Revenue	26,721,596	59,142,313
Profit (representing comprehensive income)	1,747,965	5,526,933
Dividend paid to the Group	0	(729,600)

The reconciliation of the above summarised financial information to the carrying amount of the investment in EIPL is as follows:

	Group	
	2025	2024
	RM	RM
Net assets	10,825,293	10,132,237
Effective ownership interest	20%	20%
Carrying amount	2,165,059	2,026,448

9. Investments in joint ventures

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM	**RM**	**RM**	**RM**
Unquoted shares - at cost	4,003,471	1,523,002	1,601,701	750,052
Share of post-acquisition changes in net assets	(1,329,141)	(1,038,112)	0	0
	2,674,330	484,890	1,601,701	750,052

The details of the joint ventures are as follows:

Name of joint venture	Principal place of business/ Country of incorporation	Effective ownership interest 2025	Effective ownership interest 2024	Principal activity
Diamond Creeks Aquatech Sdn. Bhd.	Malaysia	50%	50%	Engaged in hatchery of freshwater aquaculture and related activities
Nexel Group Sdn. Bhd.	Malaysia	50%	50%	Investment holding
Select Insulation Pty. Ltd.[(a)]	Australia	50%	50%	Wholesale and trading of building materials
Britestar Australia Pty. Ltd.[(a)]	Australia	50%	0%	Wholesale and trading of building materials

[(a)] *Held through PGF Insulation Pty. Ltd.*

The joint ventures are not considered to be individually material to the Group. The Group's share of their comprehensive income in aggregate is as follows:

	Group	
	2025	**2024**
	RM	**RM**
Loss (representing comprehensive income)	(274,490)	(681,027)

10. Other investments

Group

	2025 RM	2024 RM
Investment linked financial instruments - at fair value	857,630	807,420

The fair values of investment linked financial instruments were directly measured using their unadjusted market values quoted by insurance company.

11. Inventories

Group

	2025 RM	2024 RM
Non-current assets		
Land held for property development	167,549,037	147,490,936
Current assets		
Completed development units	564,420	564,420
Raw materials	7,130,191	6,345,038
Consumables	4,156,938	4,625,297
Finished goods	13,670,035	14,926,008
Goods-in-transit	7,685,247	1,904,586
	33,206,831	28,365,349
Total inventories	200,755,868	175,856,285

Certain land held for property development with total carrying amount of RM36,180,895 (2024 : RM22,615,677) has been pledged as security for credit facilities granted to the Group.

12. Deferred tax assets and deferred tax liabilities

Group

	2025 RM	2024 RM
Balance at 1 March	(29,152,638)	(30,854,722)
Deferred tax (expense)/income relating to origination and reversal of temporary differences	(2,902,011)	1,880,084
Deferred tax liabilities underprovided in prior year	(253,000)	(178,000)
Balance at 28/29 February	(32,307,649)	(29,152,638)
Disclosed as:		
- Deferred tax assets	2,055,853	1,341,864
- Deferred tax liabilities	(34,363,502)	(30,494,502)
	(32,307,649)	(29,152,638)
In respect of (taxable)/deductible temporary differences of:		
- Property, plant and equipment	(4,669,000)	(4,988,000)
- Inventories	(28,204,649)	(24,235,638)
- Financial instruments	566,000	71,000
	(32,307,649)	(29,152,638)

12. Deferred tax assets and deferred tax liabilities (cont'd)

Save as disclosed above, as at 28 February 2025, deferred tax liabilities and deferred tax assets have also effectively been recognised and offset against each other by the Group and the Company to the extent of RM6,489,000 and RM16,000 (2024 : RM6,341,000 and RM7,000) respectively. No further deferred tax assets have been recognised for the following excess of deductible temporary differences, unused capital allowances and tax losses over taxable temporary differences:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM	**RM**	**RM**	**RM**
Deductible temporary differences of:				
- Property, plant and equipment	414,000	422,000	3,000	9,000
- Inventories	7,236,000	6,738,000	0	0
- Financial instruments	593,000	349,000	0	0
- Lease liabilities	14,438,000	17,269,000	0	0
Unused capital allowances	15,976,000	11,069,000	413,000	346,000
Unused tax losses expiring in year of assessment:				
- 2028	15,400,000	15,400,000	0	0
- 2029	9,653,000	9,653,000	0	0
- 2030	193,000	193,000	189,000	189,000
- 2031	425,000	425,000	420,000	420,000
- 2032	1,714,000	1,714,000	970,000	970,000
- 2033	1,667,000	1,667,000	982,000	982,000
- 2034	1,625,000	1,625,000	29,000	29,000
- 2035	2,450,000	0	0	0
- With no expiry date	205,000	3,509,000	0	0
Taxable temporary differences of:				
- Property, plant and equipment	(13,005,000)	(9,165,000)	0	0
- Right-of-use assets	(13,343,000)	(16,484,000)	(65,000)	(30,000)
- Biological assets	(155,000)	(67,000)	0	0
- Financial instruments	(3,000)	(11,000)	0	0
	45,483,000	44,306,000	2,941,000	2,915,000

The deductible temporary differences and unused capital allowances have no expiry date.

13. Biological assets

Group

	Tropical fruits RM	Aquaculture livestock RM	Growing crops RM	Total RM
Balance at 1 March 2023	0	0	0	0
Purchases	0	40,600	0	40,600
Fair value gains	245,401	50,700	0	296,101
Harvest and sales	(229,401)	0	0	(229,401)
Balance at 29 February 2024	16,000	91,300	0	107,300
Purchases	0	880	0	880
Fair value gains	83,373	134,089	35,571	253,033
Harvest and sales	(99,373)	(73,769)	(31,771)	(204,913)
Balance at 28 February 2025	0	152,500	3,800	156,300

Biological assets represent tropical fruits and crops growing on trees and aquaculture livestock are measured at fair value less costs of disposal. The fair values were measured by multiplying the estimated quantities of biological assets of different age attributes by the observable current market prices of harvested biological assets prorated using a linear interpolation.

The biological assets harvested during the financial year are as follows:

	2025 Kilograms	2024 Kilograms
Tropical fruits	8,302	12,184
Aquaculture livestock	483	0
Growing crops	4,795	0
	13,580	12,184

The quantity of unharvested biological assets as at 28 February 2025 included in the fair valuation are as follows:

	2025 Kilograms	2024 Kilograms
Tropical fruits	0	848
Aquaculture livestock	5,119	2,254
Growing crops	751	0
	5,870	3,102

14. Receivables

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Non-current assets				
Amounts due from subsidiaries	0	0	8,141,355	8,546,147
Current assets				
Trade receivables:				
- Associate	2,639,428	1,402,171	0	0
- Joint ventures	5,054,406	945,241	0	0
- Unrelated parties	22,349,579	18,918,220	0	0
	30,043,413	21,265,632	0	0
Loss allowance	(33,034)	0	0	0
	30,010,379	21,265,632	0	0
Other receivables	518,384	593,802	1,530	1,530
Amounts due from subsidiaries	0	0	6,647,666	827,118
Amounts due from joint ventures	3,036,042	934,989	1,000	7,449
	33,564,805	22,794,423	6,650,196	836,097
Total receivables	33,564,805	22,794,423	14,791,551	9,382,244

Trade receivables

The Group determines credit risk concentrations in terms of counterparties and geographical areas. As at 28 February 2025, the Group did not have any major credit risk concentration relating to any individual customer or counterparty. The credit risk concentration profile by geographical areas of trade receivables is as follows:

	Group	
	2025	2024
	RM	RM
Malaysia	5,649,856	6,960,903
Oceania	23,962,079	13,883,970
Others	431,478	420,759
	30,043,413	21,265,632

14. Receivables (cont'd)

Trade receivables (cont'd)

The credit terms of trade receivables range from 14 to 120 days. The Group uses past due information to assess the credit risk of trade receivables. The analysis by past due status is as follows:

	Group	
	2025	**2024**
	RM	**RM**
Not past due	20,651,592	19,277,092
1 to 30 days past due	1,374,208	331,256
31 to 60 days past due	6,908,818	368,208
61 to 90 days past due	227,157	200
More than 90 days past due	881,638	1,288,876
	30,043,413	21,265,632

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 90 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. The changes in the loss allowance are as follows:

	Group	
	2025	**2024**
	RM	**RM**
Balance at 1 March	0	0
Impairment losses	33,034	0
Balance at 28/29 February	33,034	0

The above loss allowance is in respect of individually assessed credit-impaired trade receivables. Based on the low historical observed default rates (adjusted for forward-looking estimates), the expected credit losses on trade receivables that are not credit-impaired are not considered to be material and hence, have not been recognised.

Amounts due from subsidiaries and joint ventures

The amounts due from subsidiaries and joint ventures are unsecured, interest free and repayable on demand.

15. Prepayments

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Prepayments for acquisition of property, plant and equipment	6,901,564	0	0	0
Prepayments for operating expenses	2,303,835	2,254,480	48,827	50,173
	9,205,399	2,254,480	48,827	50,173

16. Cash and cash equivalents

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cash and bank balances:				
- Interest earning	19,554,093	17,545,886	162,351	445,644
- Non-interest earning	14,031,947	7,008,808	602,969	4,840
	33,586,040	24,554,694	765,320	450,484
Term deposits	4,318,195	1,548,682	0	0
	37,904,235	26,103,376	765,320	450,484

Cash and cash equivalents are placed with reputable financial institutions with low credit risk. Accordingly, their expected credit losses are not considered to be material and hence, have not been recognised.

Certain term deposits have been pledged as security for credit facilities granted to the Group. Accordingly, these term deposits are not freely available for use.

The effective interest rates of interest earning bank balances and term deposits as at 28 February 2025 ranged from 2.70% to 4.60% (2024 : 2.70% to 4.44%) per annum.

For the purpose of statement of cash flows, cash and cash equivalents are presented net of pledged deposits as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cash and cash equivalents	37,904,235	26,103,376	765,320	450,484
Term deposits pledged as security	(1,318,195)	(1,548,682)	0	0
	36,586,040	24,554,694	765,320	450,484

17. Payables

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Trade payables	4,580,431	3,234,800	0	0
Other payables	15,430,276	12,557,435	223,902	133,177
Amounts due to subsidiaries	0	0	5,119,915	8,093,991
	20,010,707	15,792,235	5,343,817	8,227,168

Payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Trade and other payables

The credit terms of trade and other payables range from 7 to 90 days.

Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest free and repayable on demand.

18. Loans and borrowings

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Secured				
Term loans	56,855,808	22,422,804	0	0
Unsecured				
Banker acceptances	3,554,241	1,103,495	0	0
Revolving credits	7,837,700	5,425,750	4,500,000	2,000,000
Onshore foreign currency loan	0	524,810	0	0
	68,247,749	29,476,859	4,500,000	2,000,000
Disclosed as:				
- Current liabilities	16,032,769	11,653,949	4,500,000	2,000,000
- Non-current liabilities	52,214,980	17,822,910	0	0
	68,247,749	29,476,859	4,500,000	2,000,000

Secured loans and borrowings are secured against certain property, plant and equipment (Note 4), right-of-use assets (Note 6) and inventories (Note 11).

The effective interest rates of loans and borrowings as at 28 February 2025 ranged from 4.37% to 6.89% (2024 : 4.23% to 7.68%) per annum.

Except for term loans, loans and borrowings are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

18. Loans and borrowings (cont'd)

Term loans

As at the reporting date, term loans amounting to RM47,601,341 (2024 : RM15,858,227) are denominated in US Dollars, of which RM35,959,677 (2024 : nil) has been swapped using a cross currency swap facility (Note 20).

Term loans are repayable over 7 to 15 years. The repayment analysis is as follows:

	Group	
	2025	2024
	RM	RM
Gross loan instalments:		
- Within 1 year	7,370,337	6,064,092
- 1 to 5 years	27,528,993	17,556,031
- After 5 years	43,229,575	3,912,062
Total contractual undiscounted cash flows	78,128,905	27,532,185
Future finance charges	(21,273,097)	(5,109,381)
Present value of term loans	56,855,808	22,422,804

The fair values of term loans were measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities. The fair values measured were considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximated to the effective interest rates of term loans.

19. Lease liabilities

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Gross lease liabilities:				
- Within 1 year	5,667,236	5,201,766	296,357	153,005
- 1 to 5 years	11,875,738	14,834,917	632,871	420,093
Total contractual undiscounted cash flows	17,542,974	20,036,683	929,228	573,098
Future finance charges	(1,570,289)	(2,237,318)	(94,113)	(57,637)
Present value of lease liabilities	15,972,685	17,799,365	835,115	515,461
Disclosed as:				
- Current liabilities	4,801,575	4,257,425	258,915	125,992
- Non-current liabilities	11,171,110	13,541,940	576,200	389,469
	15,972,685	17,799,365	835,115	515,461

The incremental borrowing rates applied to lease liabilities as at 28 February 2025 ranged from 3.91% to 9.24% (2024: 3.91% to 6.61%) per annum.

20. Derivatives

Group

	2025 RM	2024 RM
Cross currency swap - at fair value	2,265,138	0
Disclosed as:		
- Current liabilities	18,876	0
- Non-current liabilities	2,246,262	0
	2,265,138	0

During the financial year, the Group entered into cross currency swap contract to exchange the principal payments of term loan denominated in US Dollar into Ringgit Malaysia to reduce the Group's exposure from adverse fluctuations in foreign currency. The term loan amounted to RM35,959,677 as at 28 February 2025 (Note 18). The notional amount of the cross currency swap as at 28 February 2025 was USD8,064,516. The swap matures in line with the term loan, which is repayable over 15 years commencing January 2026.

21. Contract liabilities

Group

	2025 RM	2024 RM
Sale of goods (Note (i))	60,343	319,060
Property development (Note (ii))	3,493,600	3,493,600
	3,553,943	3,812,660

(i) Contract liabilities from sale of goods

	2025 RM	2024 RM
Balance at 1 March	319,060	256,132
Revenue recognised from opening contract liabilities	(309,566)	(256,132)
Excess of consideration over revenue recognised	50,849	319,060
Balance at 28/29 February	60,343	319,060

(ii) Contract liabilities from property development

	2025 RM	2024 RM
Balance at 1 March	3,493,600	3,997,600
Cancellation of contracts	0	(504,000)
Balance at 28/29 February	3,493,600	3,493,600

22. Deferred income on government grants

Group

	2025 RM	2024 RM
Balance at 1 March	5,756,809	0
Grants related to property, plant and equipment	198,100	6,241,593
Amortisation	(751,122)	(484,784)
Balance at 28/29 February	5,203,787	5,756,809

A subsidiary received grants from the local government for modernisation and upgrading of facilities and equipment to undertake manufacturing activities. The grants covered 50% of the project costs subject to the limits approved by the local government.

23. Share capital

	2025		2024	
	Number of shares with no par value	RM	Number of shares with no par value	RM
Issued and fully paid				
Ordinary shares				
- Balance at 1 March	164,170,998	206,538,378	163,277,298	205,734,048
- Conversion of ICPS	29,781,150	26,803,035	893,700	804,330
- Balance at 28/29 February	193,952,148	233,341,413	164,170,998	206,538,378
Irredeemable convertible preference shares ("ICPS")				
- Balance at 1 March	75,791,424	7,579,142	76,685,124	7,668,512
- Conversion during the year	(29,781,150)	(2,978,115)	(893,700)	(89,370)
- Balance at 28/29 February	46,010,274	4,601,027	75,791,424	7,579,142
	239,962,422	237,942,440	239,962,422	214,117,520

The salient features of the ICPS are as follows:

(i) The Company has full discretion over the declaration of dividends, if any. Dividends, if declared, shall be payable annually in arrears non-cumulatively.

(ii) The ICPS may be converted into new ordinary shares at the option of the ICPS holders at any time within 5 years commencing on and including the date of issue of the ICPS, 7 March 2022. Any remaining ICPS that is not converted by the expiry of the conversion period shall be automatically converted into new ordinary shares.

(iii) The ICPS can be converted into 1 new ordinary share at the conversion price of RM0.90.

24. Revenue

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Revenue from contracts with customers:				
- Sale of fibre glasswool and its related products	153,817,642	127,182,846	0	0
- Sale of melt-blown non-woven fabric	0	192,009	0	0
- Sale of completed development units	580,000	650,000	0	0
- Sale of agricultural produce	131,144	229,711	0	0
- Sale of aquaculture livestock	73,769	0	0	0
- Rendering of services	0	0	2,343,796	2,073,741
	154,602,555	128,254,566	2,343,796	2,073,741
Other sources of revenue:				
- Dividend income	0	0	11,004,900	7,729,600
- Operating lease income	408,000	388,000	0	0
	408,000	388,000	11,004,900	7,729,600
	155,010,555	128,642,566	13,348,696	9,803,341

Disaggregation of revenue from contracts with customers

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Geographical areas:				
- Malaysia	26,677,953	26,249,501	2,135,903	1,907,906
- Oceania	122,231,548	93,401,202	207,893	165,835
- Others	5,693,054	8,603,863	0	0
	154,602,555	128,254,566	2,343,796	2,073,741
Timing of revenue recognition:				
- At a point in time	154,602,555	128,254,566	0	0
- Over time	0	0	2,343,796	2,073,741
	154,602,555	128,254,566	2,343,796	2,073,741

Company

Information about disaggregation of revenue has not been disclosed as the Company derives revenue mainly from rendering management services to subsidiaries.

25. Depreciation

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Property, plant and equipment	6,486,830	7,386,641	8,205	14,695
Investment properties	130,032	130,032	0	0
Right-of-use assets	5,003,950	4,375,954	247,053	76,110
	11,620,812	11,892,627	255,258	90,805

26. Employee benefits expense (including directors' remuneration)

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Directors of the Company:				
- Fees:				
- Current year	55,000	36,667	55,000	36,667
- Prior year	0	1,625	0	1,625
- Other short-term employee benefits	969,148	915,161	969,148	915,161
- Defined contribution plans	111,079	109,747	111,079	109,747
	1,135,227	1,063,200	1,135,227	1,063,200
Directors of subsidiaries:				
- Short-term employee benefits	1,177,732	1,284,695	0	0
- Defined contribution plans	108,188	101,897	0	0
	1,285,920	1,386,592	0	0
Other employees:				
- Short-term employee benefits	18,631,531	14,775,188	885,663	617,431
- Defined contribution plans	1,416,593	1,119,807	105,594	74,703
	20,048,124	15,894,995	991,257	692,134
	22,469,271	18,344,787	2,126,484	1,755,334

The estimated money value of benefits received or receivable by certain directors otherwise than in cash is as follows:

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Directors of the Company	41,554	24,245	41,554	24,245
Director of subsidiary	4,284	2,717	0	0
	45,838	26,962	41,554	24,245

27. Impairment losses on financial assets

Group

	2025 RM	2024 RM
Trade receivables from contracts with customers	33,034	0

28. Profit before tax

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
- Current year	163,000	157,500	35,000	35,000
- Prior year	1,500	0	0	0
Direct operating expenditure for investment properties generating rental income	123,857	123,857	0	0
Fair value losses on derivatives mandatorily measured at fair value through profit or loss	2,265,138	0	0	0
Impairment loss on property, plant and equipment[a]	0	345,327	0	0
Interest expense for financial liabilities not measured at fair value through profit or loss	1,682,076	1,920,907	101,955	98,343
Interest expense for lease liabilities	952,247	1,023,659	22,241	8,154
Inventories written down	162,675	93,794	0	0
Lease expense relating to:				
- Short-term leases	609,288	583,943	23,890	380
- Leases of low-value assets (other than short-term leases)	48,511	49,813	4,560	0
Loss on foreign exchange:				
- Realised	3,171,224	0	4,813	1,877
- Unrealised	1,380,840	285,229	0	121
Property, plant and equipment written off	17,120	2,944,246	1	0
and crediting:				
Amortisation of deferred income	751,122	484,784	0	0
Fair value changes in biological assets (net)	49,000	66,700	0	0

[a] *Included in other expenses*

28. Profit before tax (cont'd)

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Fair value gains on other investments mandatorily measured at fair value through profit or loss	50,210	39,375	0	0
Gain on disposal of property, plant and equipment	61,498	94,569	34,999	48,999
Gain on foreign exchange:				
- Realised	0	300,510	0	0
- Unrealised	0	0	457	0
Government grants related to income	465,000	0	0	0
Interest income for financial assets measured at amortised cost	772,695	286,899	305,597	29,433
Operating lease income from:				
- Inventories	30,900	55,600	0	0
- Subleasing right-of-use assets	195,400	0	0	0
- Others	86,000	0	0	0
Reversal of land held for property development written down	19,597,657	0	0	0
Reversal of inventories written down	13,385	0	0	0

29. Tax expense

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Tax based on results for the year:				
- Current tax	9,888,473	6,765,250	14,000	4,500
- Deferred tax	2,902,011	(1,880,084)	0	0
	12,790,484	4,885,166	14,000	4,500
Tax under/(over) provided in prior year:				
- Current tax	17,694	(130,316)	(4,499)	0
- Deferred tax	253,000	178,000	0	0
	13,061,178	4,932,850	9,501	4,500

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate on results for the year is as follows:

	Group 2025 %	Group 2024 %	Company 2025 %	Company 2024 %
Applicable tax rate	24.00	24.00	24.00	24.00
Non-deductible expenses	3.29	4.56	2.60	0.97
Non-taxable income	(0.83)	(2.61)	(26.52)	(25.23)
Tax incentives claimed	0.00	(3.37)	0.00	0.00
Effect of differential tax rates	0.04	(0.96)	0.00	0.00
Increase in unrecognised deferred tax assets	0.72	10.12	0.06	0.32
Average effective tax rate	27.22	31.74	0.14	0.06

30. Earnings per share

Group

The earnings per share is calculated by dividing the Group's profit for the financial year by the weighted average number of ordinary shares in issue during the year as follows:

	2025	2024
Profit for the financial year (RM)	33,936,572	10,456,177
Number of ordinary shares in issue at 1 March	164,170,998	163,277,298
Effect of conversion of irredeemable convertible preference shares	21,635,595	286,311
Weighted average number of ordinary shares for computing basic earnings per share	185,806,593	163,563,609
Number of irredeemable convertible preference shares deemed to have been converted for no consideration	30,521,739	24,832,759
Weighted average number of ordinary shares for computing diluted earnings per share	216,328,332	188,396,368
Basic earnings per share (sen)	18.26	6.39
Diluted earnings per share (sen)	15.69	5.55

31. Dividends

Group and Company

	2025 RM	2024 RM
In respect of the financial year ended 28 February 2023:		
- Final dividend of 1.0 sen per ordinary share	0	1,635,935
In respect of the financial year ended 29 February 2024:		
- Final dividend of 1.5 sen per ordinary share	2,909,126	0
In respect of the financial year ended 28 February 2025:		
- First interim dividend of 2.0 sen per ordinary share	3,879,043	0
	6,788,169	1,635,935

A final dividend of 1.0 sen per ordinary share in respect of the financial year ended 28 February 2025 will be proposed for shareholders' approval at the forthcoming annual general meeting.

32. Notes to statements of cash flows

Acquisition of property, plant and equipment

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cost of property, plant and equipment acquired (Note 4)	48,600,822	12,720,939	7,100	0
Cost prepaid in current year (Note 15)	6,901,564	0	0	0
Net cash disbursed	55,502,386	12,720,939	7,100	0

Acquisition of right-of-use assets

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cost of right-of-use assets acquired	2,899,329	19,746,213	608,959	475,007
Acquisition by means of leases	(2,808,840)	(19,527,002)	(544,000)	(413,500)
Net cash disbursed	90,489	219,211	64,959	61,507

Term loans

	Group	
	2025	2024
	RM	RM
Balance at 1 March	22,422,804	20,523,897
Drawdowns	39,865,165	6,193,128
Repayments	(4,519,749)	(5,172,577)
Other changes	62,092	90,398
Currency translation differences	(974,504)	787,958
Balance at 28/29 February (Note 18)	56,855,808	22,422,804

32. Notes to statements of cash flows (cont'd)

Short-term loans and borrowings

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM	**RM**	**RM**	**RM**
Balance at 1 March	7,054,055	12,522,770	2,000,000	2,000,000
Net cash flow changes	4,425,936	(5,555,976)	2,500,000	0
Currency translation differences	(88,050)	87,261	0	0
Balance at 28/29 February	11,391,941	7,054,055	4,500,000	2,000,000
Represented by:				
- Banker acceptances (Note 18)	3,554,241	1,103,495	0	0
- Revolving credits (Note 18)	7,837,700	5,425,750	4,500,000	2,000,000
- Onshore foreign currency loan (Note 18)	0	524,810	0	0
	11,391,941	7,054,055	4,500,000	2,000,000

Lease liabilities

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM	**RM**	**RM**	**RM**
Balance at 1 March	17,799,365	1,642,462	515,461	165,186
Acquisition of right-of-use assets	2,808,840	19,527,002	544,000	413,500
Remeasurement of lease liabilities	1,399,046	0	0	0
Payments	(4,369,807)	(3,386,644)	(224,346)	(63,225)
Currency translation differences	(1,664,759)	16,545	0	0
Balance at 28/29 February (Note 19)	15,972,685	17,799,365	835,115	515,461

32. Notes to statements of cash flows (cont'd)

Lease liabilities (cont'd)

The total cash outflow for leases is as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM	**RM**	**RM**	**RM**
Operating activities				
Lease expense recognised in profit or loss (Note 28)	657,799	633,756	28,450	380
Investing activities				
Acquisition of right-of-use assets	90,489	219,211	64,959	61,507
Financing activities				
Interest portion of lease liabilities (Note 28)	952,247	1,023,659	22,241	8,154
Principal portion of lease liabilities	4,369,807	3,386,644	224,346	63,225
	6,070,342	5,263,270	339,996	133,266

33. Related party disclosures

Transactions with related parties during the financial year are as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM	**RM**	**RM**	**RM**
Key management personnel compensation:				
- Short-term employee benefits	2,729,258	2,712,484	1,359,890	1,221,684
- Defined contribution plans	280,344	270,298	145,917	138,722
	3,009,602	2,982,782	1,505,807	1,360,406
Dividends declared from subsidiaries	0	0	11,004,900	7,000,000
Dividend declared from associate	0	729,600	0	729,600
Rendering of services to subsidiaries	0	0	2,343,796	2,073,741
Sale of goods to associate	13,150,261	15,874,823	0	0
Sale of goods to joint ventures	14,314,058	580,614	0	0
Subscription for shares in joint ventures	851,649	773,001	851,649	51
Subscription for shares in subsidiaries	0	0	20,000,000	18,000,000

34. Segment reporting

Group

Operating segments

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:

(i) Insulation
(ii) Property development
(iii) Investment holding

Other non-reportable segments comprise operations related to trading and manufacturing of melt-blown non-woven fabric, building and hygiene related products and plantation of tropical fruits.

Performance is measured based on segment profit/(loss) before tax, interest and share of results of equity accounted associate and joint ventures ("segment profit") as included in the internal management reports that are reviewed by the Group's Executive Chairman (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.

The total segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's Executive Chairman. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's Executive Chairman. Hence, no disclosure is made on segment liability.

	Insulation RM	Property development RM	Investment holding RM	Others RM	Total RM
2025					
Segment assets	210,519,680	169,223,328	16,854,387	17,113,995	413,711,390
Included in the measure of segment assets are:					
- Additions to non-current assets	45,951,266	5,860	616,059	4,926,966	51,500,151
Segment profit/(loss)	35,344,288	19,129,740	(4,209,529)	(1,480,224)	48,784,275
Interest income	443,226	7,471	309,638	12,360	772,695
Interest expense	(2,073,263)	0	(232,567)	(328,493)	(2,634,323)
Share of associate's profit	349,593	0	0	0	349,593
Share of joint ventures' loss	(147,051)	(49,638)	0	(77,801)	(274,490)
Profit/(Loss) before tax	33,916,793	19,087,573	(4,132,458)	(1,874,158)	46,997,750
Tax expense	(7,797,629)	(4,681,325)	(582,224)	0	(13,061,178)
Profit/(Loss) for the financial year	26,119,164	14,406,248	(4,714,682)	(1,874,158)	33,936,572
Included in the measure of segment profit/(loss) are:					
- External revenue	153,817,642	580,000	408,000	204,913	155,010,555
- Depreciation	10,129,503	12,564	982,607	496,138	11,620,812

34. Segment reporting (cont'd)

Operating segments (cont'd)

	Insulation RM	Property development RM	Investment holding RM	Others RM	Total RM
2024					
Segment assets	137,071,805	149,613,388	14,281,466	15,446,054	316,412,713
Included in the measure of segment assets are:					
- Additions to non-current assets	27,080,558	12,770	510,095	4,863,729	32,467,152
Segment profit/(loss)	19,251,444	(485,045)	545,450	(1,689,515)	17,622,334
Interest income	237,479	4,589	32,958	11,873	286,899
Interest expense	(2,635,196)	0	(267,035)	(42,335)	(2,944,566)
Share of associate's profit	1,105,387	0	0	0	1,105,387
Share of joint ventures' loss	(614,099)	0	0	(66,928)	(681,027)
Profit/(Loss) before tax	17,345,015	(480,456)	311,373	(1,786,905)	15,389,027
Tax expense	(4,469,308)	(10,000)	(452,792)	(750)	(4,932,850)
Profit/(Loss) for the financial year	12,875,707	(490,456)	(141,419)	(1,787,655)	10,456,177
Included in the measure of segment profit/(loss) are:					
- External revenue	127,182,846	650,000	388,000	421,720	128,642,566
- Depreciation	10,607,212	13,439	830,809	441,167	11,892,627

Geographical information

Revenue and non-current assets are based on the geographical location of customers and assets respectively. The amounts of non-current assets do not include investment in an associate, investment in joint ventures and deferred tax assets. Geographical information for revenue is as disclosed in Note 24.

	Non-current assets 2025 RM	Non-current assets 2024 RM
Malaysia	279,103,550	216,216,154
Oceania	13,645,427	16,703,612
	292,748,977	232,919,766

34. Segment reporting (cont'd)

Major customers

The major customers of the insulation segment that contributed 10% or more of the Group's total revenue are as follows:

	External revenue	
	2025	2024
	RM	RM
Customer I	20,316,797	15,849,815
Customer II	n/a	12,636,896
Customer III	n/a	18,028,570
	20,316,797	46,515,281

35. Contractual commitments

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Acquisition of property, plant and equipment	35,464,000	1,523,000	0	223,000

36. Financial guarantee contracts

Company

The Company has entered into financial guarantee contracts to provide financial guarantees to financial institutions for credit facilities granted to certain subsidiaries up to a total limit of RM277,416,000 (2024 : RM60,394,000). The total utilisation of these credit facilities as at 28 February 2025 amounted to RM68,357,000 (2024 : RM31,636,000). No maturity analysis is presented for the financial guarantee contracts as the entire amount could be called at any time in the event of default by the subsidiaries.

The aforementioned financial guarantee contracts should have been recognised in the statement of financial position in accordance with the recognition and measurement policies as stated in Note 2.15. After considering that the probability of the subsidiaries defaulting on the credit lines is remote, the financial guarantee contracts have not been recognised as the fair values on initial recognition are not expected to be material.

37. Financial risk management

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk, currency risk and interest rate risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

37. Financial risk management (cont'd)

Credit risk

The Group's exposure to credit risk arises mainly from receivables and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statement of financial position. The Company is also exposed to credit risk in respect of its financial guarantees provided for credit facilities granted to certain subsidiaries. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 36.

The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an ongoing basis, setting and monitoring counterparties' limits and credit terms. The quantitative information about such credit risk exposure is disclosed in Note 14. As the Group only deals with reputable financial institutions, the credit risk associated with deposits placed with them is low.

Liquidity risk

The Group's exposure to liquidity risk relates to its ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

Currency risk

The Group's exposure to currency risk arises mainly from transactions entered into by individual entities within the Group in currencies other than their functional currencies. The major functional currencies within the Group are Ringgit Malaysia ("RM") and Australian Dollar ("AUD"), whereas the major foreign currencies transacted are US Dollar ("USD"), New Zealand Dollar ("NZD") and Australian Dollar ("AUD"). The gross carrying amounts of foreign currency denominated monetary items at the end of the reporting period are as follows:

		Group	
	Denominated in USD	**Denominated in AUD**	**Denominated in NZD**
	RM	**RM**	**RM**
2025			
Receivables	377,775	4,385,928	4,059,516
Cash and cash equivalents	1,013,033	8,856,920	7,085
Payables	(1,168,232)	0	0
Loans and borrowings	(48,939,041)	0	0
	(48,716,465)	13,242,848	4,066,601
2024			
Receivables	196,695	0	4,107,760
Cash and bank balances	1,401,194	8,641	19,096
Payables	(596,798)	(26,680)	0
Loans and borrowings	(17,808,787)	0	0
	(16,807,696)	(18,039)	4,126,856

37. Financial risk management (cont'd)

Currency risk (cont'd)

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. Where necessary, the Group enters into derivative contracts to hedge the exposure. Such exposure is also partly mitigated in the following ways:

(i) The Group's foreign currency sales and purchases provide a natural hedge against fluctuations in foreign currencies.

(ii) The Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss and equity to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:

	Group Profit/(Loss) and equity	
	2025	**2024**
	RM	**RM**
Appreciation of USD against RM by 4% (2024 : 2%)	(1,825,365)	(255,503)
Depreciation of USD against RM by 4% (2024 : 2%)	1,825,365	255,503
Appreciation of AUD against RM by 5% (2024 : 2%)	503,228	(274)
Depreciation of AUD against RM by 5% (2024 : 2%)	(503,228)	274
Appreciation of NZD against RM by 5% (2024 : 2%)	154,531	62,728
Depreciation of NZD against RM by 5% (2024 : 2%)	(154,531)	(62,728)

Interest rate risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely cash and cash equivalents, loans and borrowings and lease liabilities.

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing. It is also the Group's policy to maintain a mix of fixed and floating rate financial instruments as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM	**RM**	**RM**	**RM**
Fixed rate instruments				
Financial assets	23,872,288	19,094,568	162,351	445,644
Financial liabilities	(27,364,626)	(24,853,420)	(5,335,115)	(2,515,461)
Floating rate instruments				
Financial liabilities	(56,855,808)	(22,422,804)	0	0

37. Financial risk management (cont'd)

Interest rate risk (cont'd)

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any change in interest rates at the end of the reporting period would not affect its profit or loss and equity. For floating rate financial instruments measured at amortised cost, the following table demonstrates the sensitivity of profit or loss and equity to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:

	Group Profit/(Loss) and equity	
	2025	**2024**
	RM	**RM**
Increase in interest rates by 0* (2024 : 10) basis points	0	(18,469)
Decrease in interest rates by 0* (2024 : 10) basis points	0	18,469

* *Using standard deviation to measure interest rate volatility for the past 12 months, the Company did not foresee any reasonably possible change in interest rate at the end of the reporting period.*

38. Capital management

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group considers its total equity and total interest-bearing debts to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as total interest-bearing debts divided by total equity as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM	**RM**	**RM**	**RM**
Loans and borrowings	68,247,749	29,476,859	4,500,000	2,000,000
Lease liabilities	15,972,685	17,799,365	835,115	515,461
Total interest-bearing debts	84,220,434	47,276,224	5,335,115	2,515,461
Total equity	262,721,897	211,816,298	248,982,454	221,986,838
Total capital	346,942,331	259,092,522	254,317,569	224,502,299
Debt-to-equity ratio (times)	0.32	0.22	0.02	0.01

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

List of Properties

	Location/Address	Tenure	Area	Description	Age of Assets (Years)	Carrying amount RM'000	Date of Acquisition
1.	Plot 255, Mukim 1 Prai Industrial Estate Seberang Perai Tengah Pulau Pinang	Leasehold (60 years expiring 25.10.2044)	6,142 sq. metres	Office and Factory Building)			
2.	Plot 254, Mukim 1 Prai Industrial Estate Seberang Perai Tengah Pulau Pinang	Leasehold (60 years expiring 14.05.2039)	10,117 sq. metres	Office and Factory Building)	39	7,127	1/3/1992
3.	Plot 4710, Mukim 1 Prai Industrial Estate Seberang Perai Tengah Pulau Pinang	Leasehold (60 years expiring 06.03.2041)	19,806 sq. metres	Office and Factory Building	17	8,422	12/8/2008
4.	Plot 254(a) Prai Industrial Park Seberang Perai Tengah Pulau Pinang	Leasehold (60 years expiring 12.09.2077)	2,549 sq. metres	Office and Factory Building	9	479	20/4/2016
5.	Unit No. A12A.01 Lot No. 491, Section 10 Town of Georgetown North East District of Penang	Freehold	1,908 sq. metres	Light Industrial Lot	12	5,030	28/3/1996
6.	Diamond Creeks Country Retreat Mukim Ulu Bernam Timur, Daerah Batang Padang, Perak	Leasehold (99 years expiring 04.07.2095)	5,306,034 sq. metres	Land held for future Development and completed properties held for sale	28	168,113	21/2/1997
7.	Plot 5 held under Geran 220231, Lot 3432 (formerly known as H.S.(D) 16307 for PT 4184), Pekan Padang Meha, Daerah Kulim, Kedah	Freehold	96,720 sq. metres	Industrial Land	1	41,840	13/9/2024

* For additional details please refer to Note 9 of the financial statements

Analysis of Shareholdings

As At 3 June 2025

Total number of issued Shares	:	(i) 193,952,148 Ordinary Shares (ii) 46,010,274 Irredeemable Convertible Preference Shares
Class of Shares	:	Ordinary Shares Irredeemable Convertible Preference Shares ("ICPS")
Voting Rights	:	(i) One vote per Ordinary Share (ii) The ICPS does not carry any voting right except in circumstances as set out in the Company's Constitution

DIRECTORS' SHAREHOLDINGS IN ORDINARY SHARES

Name	Direct	%	Deemed	%
Fong Wah Kai	6,782,200	3.50	83,693,150[(i)]	43.15
Fong Wern Sheng	10,950,700	5.65	23,658,053[(i)]	12.20
Tan Ming Chong	384,900	0.20	-	-
Ofelia Cheah Loo Ee	-	-	-	-
Tan Jin Sun	-	-	-	-
Poh Heem Heem	-	-	-	-

Note: -

(i) Deemed interested by virtue of Section 8(4) of the Companies Act 2016 ("Act")

CHIEF FINANCIAL OFFICER'S SHAREHOLDINGS IN ORDINARY SHARES

Name	Direct	%	Deemed	%
Loo Chee Hin	1,118,800	0.58	-	-

DIRECTORS' SHAREHOLDINGS IN ICPS

Name	Direct	%	Deemed	%
Fong Wah Kai	3,399,400	7.39	9,672,200[(i)]	21.02
Fong Wern Sheng	5,398,700	11.73	18,626,225[(i)]	40.48
Tan Ming Chong	-	-	-	-
Ofelia Cheah Loo Ee	-	-	-	-
Tan Jin Sun	-	-	-	-
Poh Heem Heem	-	-	-	-

Note: -

(i) Deemed interested by virtue of Section 8(4) of the Act

CHIEF FINANCIAL OFFICER'S SHAREHOLDINGS IN ICPS

Name	Direct	%	Deemed	%
Loo Chee Hin	559,400	1.22	-	-

Analysis of Shareholdings (Cont'd)

As At 3 June 2025

SUBSTANTIAL ORDINARY SHAREHOLDERS

Name of Shareholders	Direct	%	Deemed	%
Equaplus Sdn. Bhd.	83,693,150	43.15	-	-
Fong Wah Kai	6,782,200	3.50	83,693,150[(i)]	43.15
Green Cluster Sdn. Bhd.	23,658,053	12.20	-	-
Fong Wern Sheng	10,950,700	5.65	23,658,053[(i)]	12.20

Note: -

(i) Deemed interested by virtue of Section 8(4) of the Act

SUBSTANTIAL ICPS HOLDERS

Name of Holders	Direct	%	Deemed	%
Green Cluster Sdn. Bhd.	18,626,225	40.48	-	-
Equaplus Sdn. Bhd.	9,672,200	21.02	-	-
Fong Wern Sheng	5,398,700	11.73	18,626,225[(i)]	40.48
Fong Wah Kai	3,399,400	7.39	9,672,200[(i)]	21.02
Tan Seok Leng	3,602,300	7.83	-	-
Tan Chong Kheng	2,466,500	5.36	-	-

Note: -

(i) Deemed interested by virtue of Section 8(4) of the Act

DISTRIBUTION ORDINARY SHAREHOLDINGS

No. of Holders	Size of Holdings	Total Holdings	%
82	Less than 100	1,320	0.00
1,263	100 to 1,000 shares	1,164,827	0.60
1,460	1,001 to 10,000 shares	5,374,302	2.77
170	10,001 to 100,000 shares	5,265,900	2.72
53	100,001 to less than 5% of issued shares	74,794,596	38.56
2	5% and above of issued shares	107,351,203	55.35
3,030	**TOTAL**	**193,952,148**	**100.00**

DISTRIBUTION OF SHAREHOLDINGS IN ICPS

No. of Holders	Size of Holdings	Total Holdings	%
4	Less than 100	99	0.00
60	100 to 1,000 shares	42,700	0.09
117	1,001 to 10,000 shares	407,150	0.89
27	10,001 to 100,000 shares	704,800	1.53
5	100,001 to less than 5% of issued shares	3,833,600	8.33
6	5% and above of issued shares	41,021,925	89.16
219	**TOTAL**	**46,010,274**	**100.00**

Analysis of Shareholdings (Cont'd)

As At 3 June 2025

LIST OF THIRTY (30) LARGEST ORDINARY SHAREHOLDERS

	Shareholder's Name	Shareholdings	%
1.	Equaplus Sdn. Bhd.	83,693,150	43.15
2.	Green Cluster Sdn. Bhd.	23,658,053	12.20
3.	Tokio Marine Life Insurance Malaysia Bhd. As Beneficial Onwer (TMEF)	7,000,000	3.61
4.	Fong Wah Kai	6,782,200	3.50
5.	Maybank Nominees (Tempatan) Sdn. Bhd. Fong Wern Sheng	6,510,600	3.36
6.	Tan Seok Leng	5,539,600	2.86
7.	Citigroup Nominees (Tempatan) Sdn. Bhd. Exempt An For AIA Bhd.	4,505,700	2.32
8.	Tan Chong Kheng	4,337,600	2.24
9.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (LGF)	3,824,400	1.97
10.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An For Bank of Singapore Limited (Foreign)	3,675,400	1.90
11.	Koh Chye Khim	3,056,496	1.58
12.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An For Citibank New York (Norges Bank 22)	2,989,100	1.54
13.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lim Zee Ping	2,774,000	1.43
14.	Maybank Nominees (Tempatan) Sdn. Bhd. Syarikat Takaful Malaysia Keluarga Berhad (ORDPA)	2,688,300	1.39
15.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Fong Wern Sheng	2,200,000	1.13
16.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Fong Wern Sheng (7000981)	2,050,000	1.06
17.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (LPF)	1,950,700	1.01
18.	Citigroup Nominees (Tempatan) Sdn. Bhd. Lembaga Tabung Haji (UOB)	1,786,000	0.92
19.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lim Sim Tong	1,450,000	0.75
20.	Loo Chee Hin	1,118,800	0.58
21.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Jonathan Lai Jun Fei (7013331)	1,100,000	0.57
22.	Maybank Nominees (Tempatan) Sdn. Bhd. Syarikat Takaful Malaysia Keluarga Berhad (ORDPSA)	1,043,300	0.54
23.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Accounts For Zee Capital Sdn. Bhd.	1,000,000	0.52
24.	Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Accounts for James Tan Chia Vern (Margin)	912,500	0.47
25.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (LSMCF)	711,100	0.37
26.	UOB Nominees (Asing) Sdn. Bhd. UOB Asset Management (Malaysia) Berhad For FWD Aggressive Fund	684,000	0.35
27.	Tan Ming Chong	384,900	0.20
28.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Takaful Berhad (Majmuk)	342,100	0.18
29.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Accounts for Jonathan Lai Jun Fei (MY4536)	342,000	0.18
30.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Accounts for Won Wei Zhang (MY3382)	260,000	0.13

Analysis of Shareholdings (Cont'd)

As At 3 June 2025

LIST OF THIRTY (30) LARGEST ICPS HOLDERS

	ICPS Holder's Name	ICPS Holdings	%
1.	Green Cluster Sdn. Bhd.	18,626,225	40.48
2.	Equaplus Sdn. Bhd.	9,672,200	21.02
3.	Tan Seok Leng	3,602,300	7.83
4.	Fong Wah Kai	3,399,400	7.39
5.	Maybank Nominees (Tempatan) Sdn. Bhd. Fong Wern Sheng	3,255,300	7.08
6.	Tan Chong Kheng	2,466,500	5.36
7.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Fong Wern Sheng	2,128,500	4.63
8.	Geoffrey Lim Fung Keong	900,700	1.96
9.	Loo Chee Hin	559,400	1.22
10.	Low Hing Noi	125,000	0.27
11.	Victor Lim Fung Tuang	120,000	0.26
12.	Lee Chee Seng	90,000	0.20
13.	Tan Say Fung	90,000	0.20
14.	Loke Pek Yoke	53,000	0.12
15.	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Pledged Securities Account For Walter Wurtz	50,000	0.11
16.	Law Goo @ Law Yeow Ching	50,000	0.11
17.	Moomoo Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sia Taik Hian	25,000	0.05
18.	Ng Boon Ho	25,000	0.05
19.	Goh Sau Chong	23,000	0.05
20.	Tio Seng Soon	23,000	0.05
21.	Teoh Ah Ba @ Teoh Peng Leng	22,500	0.05
22.	Liew Thong	20,000	0.04
23.	Ng Wooi Ying	20,000	0.04
24.	Wong Park Yuen	20,000	0.04
25.	Toh Teck Yern	17,000	0.04
26.	Dee Eng Seng	16,800	0.04
27.	Tan Boon Seng	16,000	0.04
28.	Chen, Chun-Ying	15,000	0.03
29.	Tan Swee Lan	15,000	0.03
30.	Fong Wern Sheng	14,900	0.03

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 35th Annual General Meeting ("AGM") of the Company will be held at Bayu Hall 3, Level 2, Ascott Gurney Penang, No. 18 Gurney Drive, 10250 Georgetown, Penang on 28 July 2025 at 10 a.m. for the following purposes: -

AGENDA

ORDINARY BUSINESS

1. To receive the Company's Audited Financial Statements for the year ended 28 February 2025 together with the Reports of Directors and Auditors thereon.

2. To approve the payment of a final dividend of 1.0 sen per ordinary share in respect of the financial year ended 28 February 2025. (Resolution 1)

3. To re-elect the following Directors, who retire in accordance with Article 88 of the Company's Constitution, and being eligible have offered themselves for re-election: -

   (a) Ms. Ofelia Cheah Loo Ee (Resolution 2)
   (b) Mr. Tan Jin Sun (Resolution 3)

4. To re-elect Ms Poh Heem Heem, the Director who retire in accordance with Article 95 of the Company's Constitution, and being eligible have offered herself for re-election. (Resolution 4)

5. To approve the Directors' Fees of RM55,000.00 for the financial year ended 28 February 2025. (Resolution 5)

6. To approve the Directors' Other Benefits Payables up to an amount of RM21,000.00 from 29 July 2025 to the next AGM of the Company. (Resolution 6)

7. To re-appoint Messrs Crowe Malaysia PLT as Auditors to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. (Resolution 7)

SPECIAL BUSINESS

To consider and if thought fit, to pass the following as Ordinary Resolutions with or without modifications: -

8. **Authority to Issue Shares Pursuant to the Companies Act 2016**
   "THAT, subject always to the Companies Act 2016 ("Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the provisions of the Constitution of the Company and approval of any relevant governmental and/or regulatory authorities, where such approval is required, the Board of Directors of the Company ("Board") be and is hereby empowered pursuant to Section 75 and 76 of the Act, to issue and allot shares in the capital of the Company, at any time upon such terms and conditions and for such purposes as the Board may, in its absolute discretion deem fit, provided that the aggregate number of the shares issued pursuant to this resolution does not exceed ten (10) per centum of the issued share capital of the Company for the time being and the Board be and is also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities ("Mandate") and that such authority shall continue in force until the conclusion of the next AGM of the Company;

   THAT pursuant to Section 85 of the Act read together with Article 10 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company in respect of the allotment and issuance of new Shares pursuant to the Mandate AND THAT such new Shares when allotted shall rank pari passu in all respects with the existing class of ordinary shares;

   AND FURTHER THAT the Board is exempted from the obligation to offer such new Shares first to the existing shareholders of the Company in respect of the allotment and issuance of new Shares pursuant to the Mandate." (Resolution 8)

9. To transact any other ordinary business for which due notice has been given in accordance with the Act.

NOTICE IS HEREBY GIVEN that for purpose of determining a member who shall be entitled to attend this 35th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, to issue a General Meeting Record of Depositors as at 21 July 2025. Only a depositor whose name appears on the Record of Depositors as at 21 July 2025 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that, subject to the approval of the shareholders at the 35th AGM, a final dividend of 1.0 sen per ordinary share in respect of the financial year ended 28 February 2025 will be paid on 15 August 2025 respectively to depositors registered in the Records of Depositors on 1 August 2025.

A depositor shall qualify for entitlement only in respect of: -

(a) Shares transferred into the depositor's securities account before 4.00 p.m. on 1 August 2025 in respect of transfers; and
(b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board

Ch'ng Lay Hoon
SSM PC No.: 201908000494
MAICSA 0818580
Company Secretary

Penang

26 June 2025

NOTES:

i) A member of the Company entitled to attend, speak and vote at this meeting is entitled to appoint a proxy to attend and vote in his place.

ii) Where a member appoints more than one (1) proxy [but not more than two (2)], the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.

iv) Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.

v) All forms of proxy must be deposited at the Company's registered office at Suite 12A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Georgetown Penang, not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjournment thereof.

Explanatory Note On Special Business

Ordinary Resolution 8
The proposed resolution is in relation to authority to allot shares pursuant to Section 76 of the Act, and if passed, will give a renewed mandate to the Directors of the Company, from the date of above AGM, authority to issue and allot shares in the Company up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company for the time being, for such purposes as the Directors consider would be in the interest of the Company. The Mandate, unless revoked or varied at a general meeting of the Company, will expire at the conclusion of the next AGM of the Company or the period within which the next AGM of the Company is required by law to be held whichever is the earlier.

As at the date of this Notice, no new shares in the Company were issued pursuant to the Mandate granted to the Directors of the Company at the 34th AGM held on 26 July 2024 and which will lapse at the conclusion of the 35th AGM.

At this juncture, there is no decision to issue new shares. However, should the need arise to issue new shares the Mandate would avoid any delay and costs in convening a general meeting of the Company to specifically approve such issue of share. If there should be a decision to issue new shares after the Mandate is obtained, the Company would make an announcement in respect of the purpose and utilization of the proceeds arising from such issue.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements

1) Save for re-election of the retiring Directors, there were no directors standing for election at the 35th AGM.

   The retiring Directors have confirmed that they do not have any conflict of interest or potential conflict of interest that arise, or might arise, where they have interest, whether direct or indirect financial interest as well as non-financial interest or competing loyalties or interests which are in conflict with the Company or its subsidiaries.

2) The proposed Ordinary Resolution 8 for the general mandate for issue of securities is a renewal mandate. As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors of the Company at last AGM held on 26 July 2024.

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PROXY FORM

CDS ACCOUNT NO.	NO. OF SHARES HELD

I/We, ____

Full name of a member in BLOCK LETTERS as per Identity Card("MYKAD")/Passport/Certificate of Incorporation)

MYKAD/Passport No./Company No. ________________________________ of ______________________

____

(Address in full)

telephone no. ________________________________, being a member of **PGF CAPTIAL BERHAD**.

("Company") hereby appoint ____

(Full name of proxy in BLOCK LETTERS as per MYKAD/Passport)

MYKAD/Passport No. ________________________________ of ______________________

____

(Address in full)

And/or failing him ____

(Full name of proxy in BLOCK LETTERS as per MYKAD/Passport)

MYKAD/Passport No. ________________________________ of ______________________

____

(Address in full)

or failing the abovenamed proxies, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the 35th Annual General Meeting of the Company, to be held at **Bayu Hall 3, Level 2, Ascott Gurney Penang, No. 18 Gurney Drive, 10250 Georgetown, Penang** on **28 July 2025** at **10 a.m.** and any adjournment thereof. My/our proxy/proxies is to be vote as indicated below:

	Resolution	**For**	**Against**
1.	Approval of Final Dividend of 1.0 sen for the financial year ended 28 February 2025		
2.	Re-election of Ms. Ofelia Cheah Loo Ee as Director		
3.	Re-election of Mr. Tan Jin Sun as Director		
4.	Re-election of Ms. Poh Heem Heem as Director		
5.	Approval of Directors' Fees for the financial year ended 28 February 2025		
6.	Approval of Directors' Other Benefits Payable up to RM21,000		
7.	Re-appointment of Auditor		
8.	Approval to issue and allot shares pursuant to Section 75 of the Companies Act 2016		

(Please indicate with "X" in the spaces on how you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain from voting at his discretion.)

Dated this _____ day of _________ 2025

The proportions of my/or holding to be represented by my/our proxies are as follows: -		
	No. of Shares	Percentage
First Proxy		
Second Proxy		
Total		**100%**

____

Signature(s)/Common Seal of Member(s)

NOTES:

1. *A member entitled to attend and vote at this meeting may appoint more than one (1) proxy, who need not be a member, to attend and vote in his stead. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
2. *If the appointer is a corporation, the form of proxy must be executed under its Common Seal or under the hand of its officer or attorney duly authorised.*
3. *Where a member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds.*
4. *To be valid, the duly completed form of proxy must be deposited at the Company's registered office at Suite 12A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang, not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjournment thereof.*
5. *For the purpose of determining a member who shall be entitled to attend this 35th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, to issue a General Meeting Record of Depositors as at 21 July 2025. Only a depositor whose name appears on the Record of Depositors as at 21 July 2025 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.*

Personal Data Privacy:

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM of the Company and any adjournment thereof.

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Stamp

The Company Secretary
PGF Capital Berhad
197801005142 (42138-X)
Suite 12-A, Level 12
Menara Northam
No. 55 Jalan Sultan Ahmad Shah
10050 Georgetown, Penang

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