

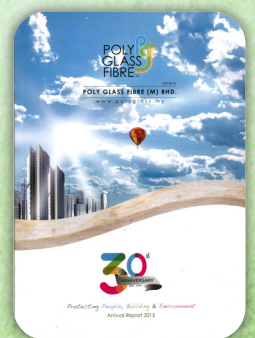
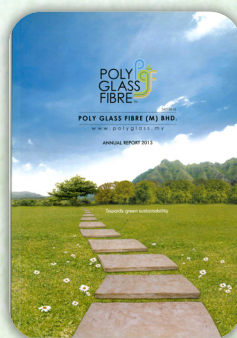
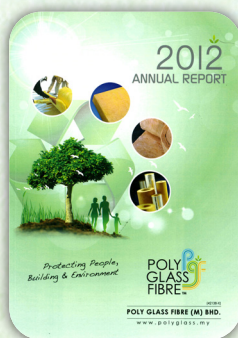
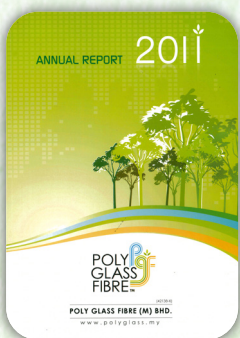
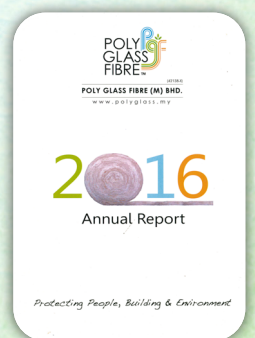
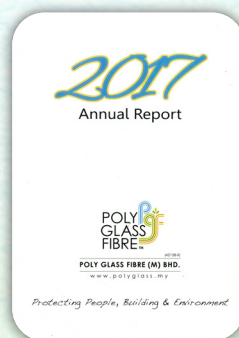
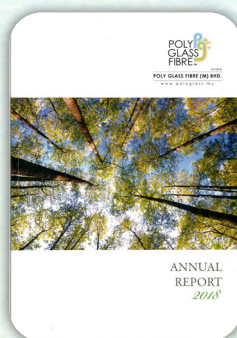


**PGF Capital Berhad**

197801005142 (42138-X)

# BUILDING SUSTAINABLE COMMUNITIES

Annual Report  
**2026**



# INSIDE PGF'S REPORT

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The cover rationale of our 36th annual report illustrates the seamless connection between our proud heritage and our future aspirations, symbolising our spirit of "Positive Momentum & Advancing Forward."

As we celebrate 35 years of growth and achievement, the design elements highlight our core philosophy; the flowing line represents the path that links our past milestones with the opportunities ahead. It is a visual testament to an organisation that continues to evolve and embrace the future.

我们第36届年度报告的封面设计理念，展现了我们引以为傲的传承与未来愿景之间的无缝衔接，象征着我们“积极势头，砥砺前行”的精神。

在庆祝公司成立35周年之际，本届报告的设计元素彰显了我们的核心理念——那条流动的线条象征着连接过往里程碑与未来机遇的旅程。这不仅是对我们发展历程的完美写照，更体现了我们持续进化、拥抱未来的坚定决心。



# ABOUT US



PGF Capital Berhad (“PGF” or the “Group”) is an investment holding company that commenced commercial operations in 1984 and was publicly listed on Bursa Malaysia in 1990. The Group operates across three major business segments, namely Manufacturing, Real Estate, and Plantation.

PGF main operations hub is located in Perai, Penang, comprising manufacturing and warehousing facilities situated on a 9.54-acre site. The manufacturing 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.

The Group is also developing a new operations hub in Kulim, Kedah, located approximately 40 minutes from the existing plant. The new facility will feature manufacturing and warehousing facilities on a 23.9-acre site, with completion expected in the first half of 2026.

In 2023, the Group officially commenced operations of its distribution hubs and delivery fleet in Australia. The main office and distribution hub are located in Campbellfield, Melbourne, while the second distribution hub is located in Heathwood, Queensland. Additional partner distribution hubs are located in Wangara, Perth, and Prestons, Sydney.



Select Insulation Pty Ltd  
Perth, Western Australia  
1,334 sqm + 220 sqm office



PGF Insulation Pty Ltd  
Heathwood, Queensland  
6,019 sqm warehouse  
+ 312 sqm office



PGF Insulation Pty Ltd  
Melbourne, Victoria (Regional HQ)  
5,320 sqm warehouse  
+ 340 sqm office



BritestarAustralia Pty Ltd  
Sydney, New South Wales  
2,881 sqm warehouse  
+ 449 sqm office

 Distribution Hub

## ABOUT US (CONT'D)



PGF is building its presence in the real estate and plantation sectors, undertaking the development of a new township at Diamond Creeks Country Retreat (“DCCR”). The development includes residential properties and the exploration of new value-added opportunities within its landbank, such as eco-tourism initiatives. PGF aspires to create sustainable living environments by integrating green spaces with innovative urban planning concepts.

In addition, the Group is involved in the plantation sector, focusing on the cultivation of tropical fruits, primarily durian, as well as various other crops that support the agricultural economy. The Group further promotes sustainable land use through the operation of freshwater aquaculture hatchery activities, contributing to biodiversity conservation and sustainable agricultural practices.



# CORPORATE INFORMATION

## Board Of Directors

From left to right

**Tan Ming Chong**

*Executive Director*

**Fong Wern Sheng**

*Executive Director*

**Fong Wah Kai**

*Executive Chairman*

**Tan Jin Sun**

*Senior Independent Non-Executive Director*

**Poh Heem Heem**

*Independent Non-Executive Director*

**Ofelia Cheah Loo Ee**

*Independent Non-Executive Director*



### 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: 604-2277 061

### SHARE REGISTRAR

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

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
Stock Name: PGF  
Stock Code: 8117

### REGISTERED OFFICE

Suite 12-A, Level 12  
Menara Northam  
No. 55 Jalan Sultan Ahmad Shah  
10050 Georgetown, Penang  
Tel: 604- 2280 511  
Fax: 604- 2280 518  
Email: general@enetcorpsb.com.my

### HEAD OFFICE

No. 2449 Lorong Perusahaan 10  
Kawasan Perusahaan Perai  
13600 Perai, Penang  
Tel: 604-390 8460  
Website: www.pgfcapital.com.my

### BANKERS

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

# CORPORATE STRUCTURE



**PGF Capital Berhad**  
197801005142 (42138-X)

## Manufacturing

100%

**PGF Insulation Sdn Bhd**  
199101018594 (228905-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)

100%

**Concrete Energy Sdn Bhd**  
200801012631 (813919-M)

60.1%

**Nexel Group Sdn Bhd**  
202301044609 (1538525-V)

100%

**Nexel Development KHTP Sdn Bhd**  
202301045283 (1539198-W)

## Plantation

100%

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

# PROFILE OF THE BOARD OF DIRECTORS



## FONG WAH KAI

**Executive Chairman**

<b>Age</b>	<b>Gender</b>	
79	Male	

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 2026.



## FONG WERN SHENG

**Group Chief Executive Officer**

<b>Age</b>	<b>Gender</b>	
45	Male	

Appointed to the Board as an Executive Director on 7 October 2003 and has served in various leadership capacities within the Group for over two decades. He was re-designated as Executive Chairman on 26 October 2017 before assuming his current role as Group Chief Executive Officer on 31 May 2023.

He holds a Bachelor of Management and Information Technology (Honours) degree from the University of Manchester Institute of Science & Technology (UMIST).

Mr. Fong began his career with the Group as a Risk Management Manager, and has since been instrumental in shaping the Group's strategic direction, operational resilience, and long-term value creation. Under his leadership, the Group continues to strengthen its core businesses while pursuing growth opportunities across its key operating segments.

He maintains a strong focus on corporate governance, disciplined capital allocation, and sustainable business expansion, aligning management execution with shareholders' interests.

Demonstrating his commitment to effective oversight and governance, Mr. Fong attended all five (5) Board Meetings held during the financial year ended 28 February 2026.

## PROFILE OF THE BOARD OF DIRECTORS (CONT'D)



### TAN MING CHONG

**Group Chief Operating Officer**

<b>Age</b>	<b>Gender</b>	
46	Male	

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 2026.



### TAN JIN SUN

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

<b>Age</b>	<b>Gender</b>	
57	Male	

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 2026.

## PROFILE OF THE BOARD OF DIRECTORS (CONT'D)



### OFELIA CHEAH LOO EE

**Independent Non-Executive Director  
Chairman of Nominating Committee**

<b>Age</b>	<b>Gender</b>	
47	Female	

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 commercialization 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 2026.



### POH HEEM HEEM

**Independent Non-Executive Director  
Chairman of Remuneration Committee**

<b>Age</b>	<b>Gender</b>	
51	Female	

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 five (5) Board Meetings held for the financial year ended 28 February 2026.


#### 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 Chairman and substantial shareholder of the Company is the father of Mr. Fong Wern Sheng, the Company's Group Chief Executive Officer and a substantial shareholder of the Company.
4. The Directors' shareholdings are as disclosed in page 149 of this Annual Report.

## PROFILE OF KEY SENIOR MANAGEMENT

### FONG WERN SHENG

**Group Chief Executive Officer**

<b>Age</b>	<b>Gender</b>	
45	Male	

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

### TAN MING CHONG

**Group Chief Operating Officer**


<b>Age</b>	<b>Gender</b>	
46	Male	

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



### LOO CHEE HIN

**Group Chief Financial Officer**

<b>Age</b>	<b>Gender</b>	
57	Male	

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 Practising Accountants since 2008.

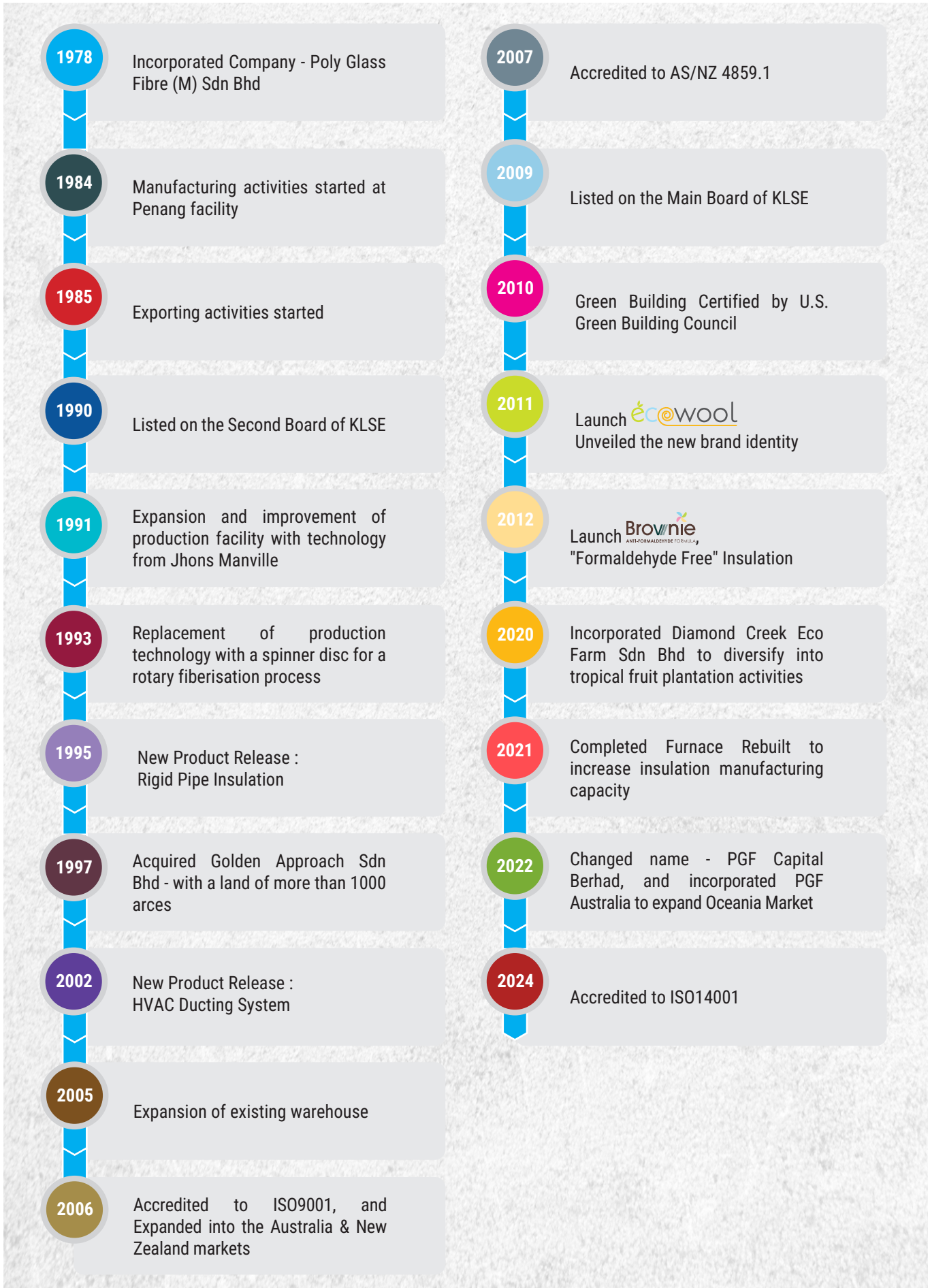
He is an Accountant by profession and has garnered more than 30 years of experience from local and international commercial companies in the area of accounting and financial management.

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 Note 3 of the Notes in the Directors' Profile, 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 149 of this Annual Report.

# CORPORATE MILESTONES

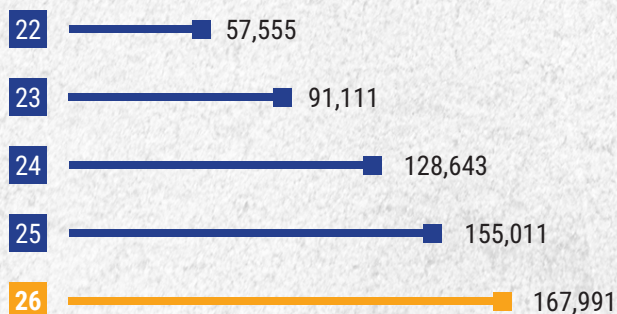


# FINANCIAL HIGHLIGHTS

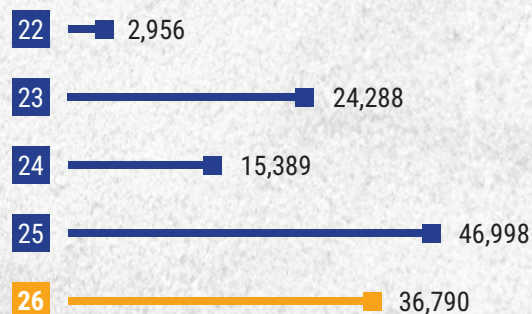
Year Ended 28 February	2022	2023	2024	2025	2026
	RM '000	RM '000	RM '000	RM '000	RM '000
Turnover	57,555	91,111	128,643	155,011	167,991
Profit Before Taxation	2,956	24,288	15,389	46,998	36,790
Profit After Taxation	1,946	16,272	10,456	33,937	25,930
Profit Attributable to Shareholders	1,946	16,272	10,456	33,937	25,930
<b>As at 28 February</b>					
Total Assets	264,737	289,406	316,413	413,711	526,527
Shareholders' Funds	184,953	202,212	211,816	262,722	286,770
Net Earnings Per Share (Sen)	1.22	10.10	6.39	18.26	13.37
Net Assets Per Share (RM)	1.16	1.26	1.30	1.60	1.48



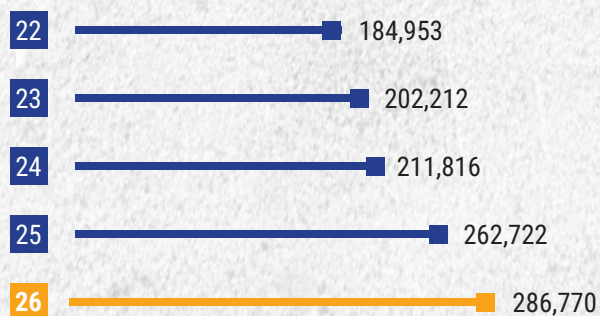
Turnover (RM'000)



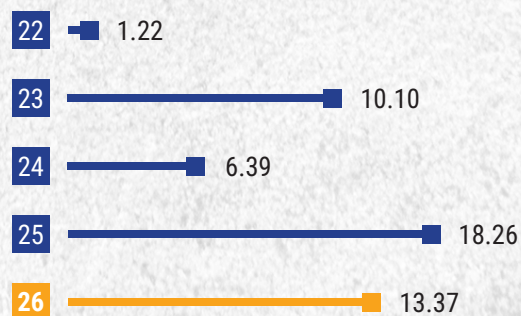
Profit Before Taxation (RM'000)



Shareholders' Funds (RM'000)



Net Earnings Per Share (Sen)



# MANAGEMENT DISCUSSION AND ANALYSIS FY2026



## Mr Fong Wern Sheng

*Executive Director and Group Chief Executive Officer*

### Dear Valued Shareholders,

The financial year ended 28 February 2026 ("FY2026") marked a continuation of PGF Capital Berhad's ("PGF" or the "Group") positive operating momentum, supported by the Group's continued strategic focus on selected core markets. During the financial year under review, we achieved our highest revenue to date of RM168.0 million, driven primarily by higher demand from the Oceania region. This performance reflects our growing presence in Oceania, while we continue to serve other markets such as Malaysia, where domestic opportunities remain available.

The Oceania region remains a key growth contributor for the Group, supported by sustained demand for insulation materials amid ongoing developments in the construction and building materials sector, as well as government-led initiatives promoting higher energy efficiency and improved building standards. In line with this outlook, we had strengthened our operational footprint in Australia through warehouses in major metropolitan areas and a dedicated delivery fleet. These initiatives proved fruitful as they have enhanced our market reach, improved service reliability and supported stronger customer engagement, contributing to our strongest revenue performance to date.

As we progressed further into FY2026, however, evolving geopolitical developments contributed to greater uncertainty in the global operating environment. Against this backdrop, we maintained a prudent and measured approach to our operations, with continued emphasis on efficiency, resilience and service continuity, while remaining vigilant to potential risks arising from broader macroeconomic and political developments.

Anchored by this performance and our continued emphasis on operational discipline, I am pleased to present PGF Capital Berhad's Management Discussion and Analysis for FY2026.

## OUR BUSINESS FOUNDATION

### FIBRE GLASSWOOL AND RELATED PRODUCTS ("INSULATION") SEGMENT

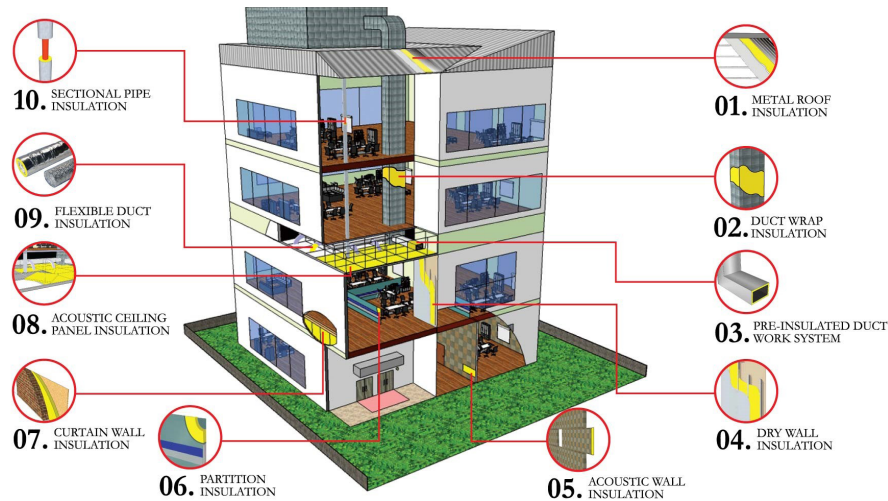
PGF's Insulation segment is principally undertaken through our wholly owned subsidiary, PGF Insulation Sdn. Bhd. ("PGFI"). The segment is engaged in the manufacturing, marketing, and distribution of glass mineral wool ("GW") and related insulation products for building, construction, industrial, and infrastructure applications, primarily for thermal and acoustic insulation, energy efficiency enhancement, and fire safety performance.



# MANAGEMENT DISCUSSION AND ANALYSIS FY2026 (CONT'D)

## OUR BUSINESS FOUNDATION (CONT'D)

The diagram below illustrates the main uses of GW:



Our principal operations centre is situated in Perai, Penang, and includes integrated manufacturing and warehousing facilities with a total built-up area of approximately 38,614 square metres. The facilities are operated by a workforce of about 253 employees and have the capacity to produce up to 25,000 metric tonnes of GW-related products annually, supporting the Group's production requirements and distribution activities.

We offer a range of insulation solutions designed to deliver thermal and acoustic performance, energy efficiency, and fire safety. The segment's core product offerings are marketed under the **Ecwool** brand and comprise two main variants, namely **Classic** and **Brownie**.



### Ecwool Classic

- ✓ General-purpose insulation suitable for roof, ceiling, and sectional pipe applications.
- ✓ Made with up to 80% recycled glass waste, supporting sustainable building practices.
- ✓ Provides thermal insulation, noise reduction, and fire safety.
- ✓ Combines cost efficiency with reliable performance, primarily for local building applications.



### Ecwool Brownie

Comes with all the features of Ecwool Classic, with additional enhancements including:

- ✓ Innovative binding technology with a natural anti-formaldehyde component to reduce overall formaldehyde exposure.
- ✓ Environmentally friendly: no ozone-depleting products ("ODP") used; ultra-low volatile organic compounds ("VOCs") content.
- ✓ Compliant with formaldehyde emission standards of major global green certification bodies.
- ✓ Features SensiTouch technology for a softer, less itchy installation experience.

# MANAGEMENT DISCUSSION AND ANALYSIS FY2026 (CONT'D)

## OUR BUSINESS FOUNDATION (CONT'D)

Beyond conventional building applications, GW products are also used in mechanical and building services systems, including air-conditioning and ventilation ducting, where they enhance thermal efficiency, manage condensation and reduce noise transmission. In addition, a portion of the Group's GW output is directed towards specialised industrial applications, including the production of acoustic panels, solar water heating systems, generator noise control systems and noise barriers for transport-related infrastructure projects.

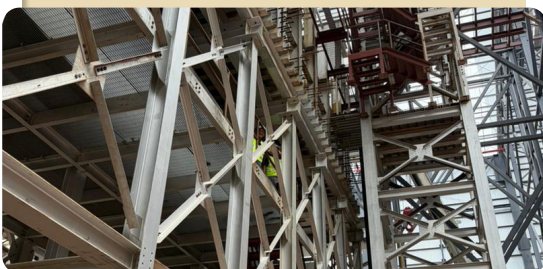
PGFI has obtained the following certifications:

- ✓ ISO 9001:2015 Quality Management Systems
- ✓ ISO 14001 Environmental Management Systems ("EMS")
- ✓ MS 1020:2010 Thermal Insulation Products or Buildings – Factory Made Mineral Wool (Mw) Products – Specification
- ✓ AS/NZS 4859.1:2018 Thermal insulation materials for buildings, General and technical provisions
- ✓ New Zealand Codemark Product Certificate ELIMENT® Insulation – Glass Mineral Wool Insulation
- ✓ Singapore Green Building Product Certification
- ✓ Construction Industry Development Board ("CIDB") Perakuan Pematuhan Standard (Bahan Binaan)
- ✓ Belgian Construction Certification Association NPO EUCEB Certification of mineral wool products
- ✓ FM Approvals Certificate of Compliance
- ✓ TÜV SÜD Certificate of Conformity
- ✓ Australia Codemark
- ✓ Global GreenTag

### Enhancing Our Capacity to Cater for Growing Demand



The ongoing development of our new plant in Kulim, Kedah



Our existing manufacturing plant in Perai, Penang has been operating close to full capacity, supported by sustained demand from our key markets. As such, expanding our production capacity is essential for us to capture further growth opportunities and support revenue growth over the longer term. In line with this objective, we entered into a Sale and Purchase Agreement in September 2024 to acquire freehold land in Kulim, Kedah, located approximately 40 minutes from our existing plant, for the construction of a new manufacturing facility.

Upon completion, it is expected to add approximately 40,000 metric tonnes of annual production capacity, increasing our total annual capacity to approximately 65,000 metric tonnes. This capacity expansion will strengthen our production scalability and position us to better serve growing demand for insulation materials across our core markets.

The new plant has also qualified for incentives under the Northern Corridor Economic Region ("**NCER**") Tax Incentive Package, including a corporate tax holiday of up to ten years, subject to the fulfilment of relevant conditions.

# MANAGEMENT DISCUSSION AND ANALYSIS FY2026 (CONT'D)

## OUR BUSINESS FOUNDATION (CONT'D)

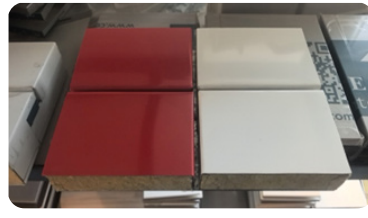
### New Product Offering

Through the five-year distributorship agreement signed on 17 July 2024 with Centria Building Material Manufacturing (Shanghai) Co., Ltd. ("**Centria International**"), the Group is expected to enhance its presence in key markets and support the development of new revenue streams. This positions us well to capitalise on the encouraging prospects we see for the mineral wool sandwich panels, particularly in higher-specification applications such as data centres and industrial facilities.

During the financial year, we further strengthened the product's market positioning through the attainment of key certifications from the Standards and Industrial Research Institute of Malaysia ("**SIRIM**") and the Fire and Rescue Department of Malaysia ("**BOMBA**"). These certifications serve as important technical validations of the product's fire safety and performance standards, enhancing our ability to meet the requirements of customers in sectors where safety, reliability and building performance are critical.



We are exclusive distributor of the SIRIM and BOMBA certified sandwich panel in Malaysia



## PROPERTY DEVELOPMENT SEGMENT

PGF's Property Development segment is undertaken primarily through the Group's wholly owned subsidiary, Golden Approach Sdn. Bhd. ("**GASB**"), and its indirect joint venture, Nexel Development KHTP Sdn. Bhd. ("**NDK**"). The segment focuses on strategic land acquisition, development, and management of high-potential residential, commercial, and mixed-use projects in emerging economic corridors.

Through this segment, we aim to capture long-term value by identifying high-potential locations, aligning our projects with national development agendas, and delivering sustainable and strategically positioned developments. This approach supports PGF's broader growth strategy of expanding its presence in high-growth economic regions while maintaining financial prudence and operational efficiency.

### Tanjong Malim, Perak

GASB owns approximately 1,311 acres of unencumbered leasehold land in Tanjong Malim, Perak, known as the Diamond Creeks Country Resort ("**DCCR**"). Strategically located adjacent to Proton City and the Automotive High-Tech Valley ("**AHTV**"), and approximately 15 kilometres from the Tanjong Malim railway station on the electrified double-track KTM line, DCCR is well positioned to benefit from the national initiative to transform Tanjong Malim into a centre for advanced automotive manufacturing, particularly in new energy vehicles. This also aligns with Proton Holdings Berhad's consolidation of its manufacturing operations in Tanjong Malim following the cessation of its manufacturing activities in Shah Alam, Selangor in 2025.

As part of our plans to unlock the value of DCCR, we are awaiting the relevant authorities' finalisation of infrastructure plans before resubmitting the full development plan for the proposed housing development. Thereafter, Nexel Group Sdn Bhd ("**Nexel Group**"), our 60.1%-owned joint venture company, with three individuals affiliated with Malvest Group Sdn Bhd, intends to launch Phase 1 of the project in due course, subject to receipt of the relevant approvals.

# MANAGEMENT DISCUSSION AND ANALYSIS FY2026 (CONT'D)

## OUR BUSINESS FOUNDATION (CONT'D)

### PROPERTY DEVELOPMENT SEGMENT (CONT'D)

#### Kulim, Kedah



(Artist's impression) Integrated living at Nexel Place, a visionary mixed development located in the heart of KHTP

Through NDK, an indirect joint venture in which we hold a 60.1% stake, the Group announced the proposed acquisition of approximately 9.6 acres of freehold land in Kulim Hi-Tech Park ("KHTP"), Kedah for RM12.7 million. The proposed acquisition is in line with our strategy to expand our property development footprint in emerging industrial and technology-driven economic corridors, while leveraging partners with development expertise and strategic network.

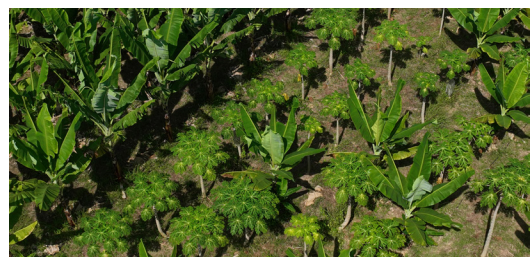
During the year, we continued to review key project parameters, market conditions and regulatory requirements as part of our preparatory efforts. The timing of the project launch will be determined upon completion of these evaluations and receipt of the necessary approvals.

We continue to view KHTP as a strategically attractive location, supported by its position as a growing technology and industrial hub. In line with this outlook, we are also exploring opportunities to further expand our presence within KHTP, including the potential acquisition of additional land parcels to support our future development pipeline.

#### Others

PGF's agriculture segment is principally through Diamond Creeks Eco Farm Sdn. Bhd. ("DCEF"), a subsidiary dedicated to plantation activities within the Group's landbank in DCCR, Tanjong Malim, Perak. DCEF has allocated approximately 228 acres to tropical fruit cultivation, with an initial focus on durian around 208 acres, while the remaining 20 acres are planted with a variety of tropical fruits and crops, including Japanese mangosteen, papaya, and Panama Rose Gold passion fruits.

The agriculture segment continues to gain momentum, supported by encouraging consumer demand for products such as passion fruits and papaya. While still a modest contributor to the Group's overall revenue, these crops are generating positive returns and underscore the long-term potential of the segment as a strategic diversification initiative, aligning with PGF's objective of leveraging its landbank to create sustainable, value-accretive ventures.



# MANAGEMENT DISCUSSION AND ANALYSIS FY2026 (CONT'D)

## RESILIENCE AMID VOLATILITY

During FY2026, the global economy remained broadly resilient despite persistent external uncertainties, including trade tensions, geopolitical developments and volatility in global supply chains. For PGF, these conditions reinforced the importance of maintaining operational discipline, particularly in managing cost pressures, procurement planning, shipment scheduling and service reliability across our export markets. While certain cost pressures had moderated from earlier peaks, the operating environment remained susceptible to disruption, with freight rates, energy costs, currency movements and supply chain conditions continuing to influence business planning.

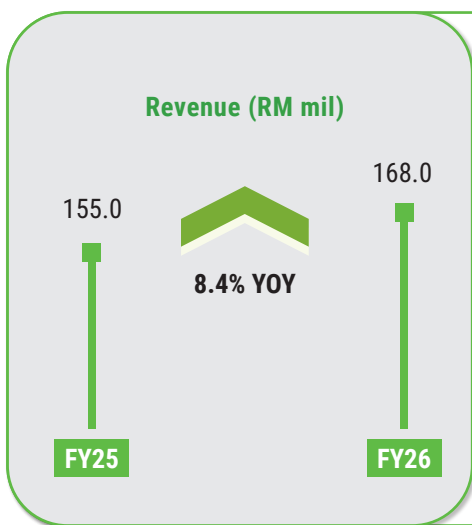
In Oceania, our key export market, the underlying demand outlook remained supported by structural needs in housing, energy efficiency and improved building standards. Australia continued to face a housing supply shortfall, with national policy support directed towards increasing residential housing delivery over the medium term. Although project approvals and construction timelines remained uneven due to affordability, financing and cost pressures, the long-term demand for energy-efficient building materials remained intact. In New Zealand, housing consent activity showed signs of improvement during the year, further supporting demand prospects for insulation materials. These developments continued to benefit our GW products, which are used in residential, commercial and specialised building applications.

In Malaysia, the economy remained resilient, supported by domestic demand and sustained construction activity. The construction sector continued to expand during the year, underpinned by activity across residential, non-residential and civil engineering projects, including roads, railways, utilities and other infrastructure works. This provided a supportive domestic backdrop for PGF, particularly as infrastructure development and higher-specification building requirements continue to create opportunities for insulation and related building material solutions.

Overall, while FY2026 presented external challenges in the form of geopolitical uncertainty and logistics cost volatility, the operating environment remained supportive of PGF's long-term growth prospects. Our presence in Oceania, supported by sustained demand for insulation products, together with opportunities in Malaysia's construction and infrastructure landscape, continued to reinforce the relevance of our product offerings across core markets.

## FINANCIAL REVIEW

Against this backdrop, our disciplined and agile approach to production planning, delivery scheduling and customer fulfilment enabled us to preserve operational efficiency, ensure service continuity and maintain financial resilience in FY2026.



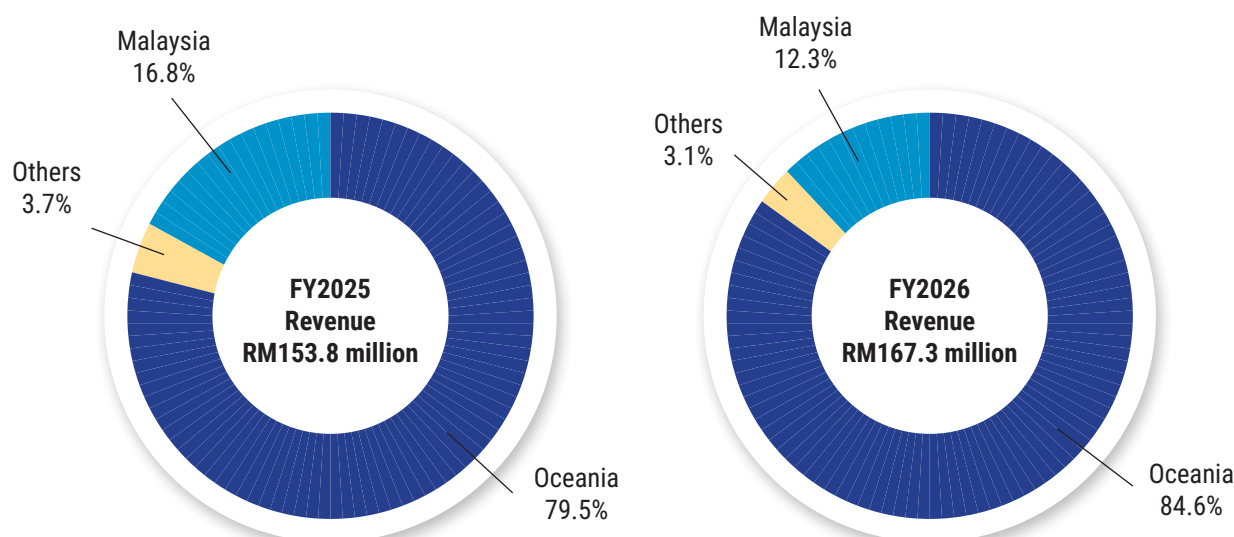
For FY2026, the Group recorded revenue of RM168.0 million, representing an increase of RM13.0 million or 8.4% year-on-year ("YoY") compared to RM155.0 million in the preceding financial year.

The Insulation segment remained our primary revenue contributor, generating RM167.3 million in FY2026, representing a YoY increase of 8.8% from RM153.8 million in FY2025. The growth was supported by strong demand, particularly from the Oceania markets. The remaining RM0.7 million was contributed by the Property Development, Investment Holding, and other segments.

# MANAGEMENT DISCUSSION AND ANALYSIS FY2026 (CONT'D)

## FINANCIAL REVIEW (CONT'D)

### Insulation Segment's Revenue Breakdown by Location



Geographically, the Oceania markets contributed approximately 84.5% or RM141.3 million to the Insulation segment's revenue in FY2026, followed by Malaysia at 12.4% or RM20.8 million. The remaining 3.1% or RM5.2 million was derived from other regions.

## PROFITABILITY

Financial Year Ended 28 February	FY2025 RM mil	FY2026 RM mil	YoY Changes/ ppt
Profit Before Tax ("PBT")	47.0	36.8	(21.7)
Profit After Tax ("PAT")	33.9	25.9	(23.6)
PBT Margins	30.3%	21.9%	(8.4)
PAT Margins	21.9%	15.4%	(6.5)
Adjustments:			
Adjusted PBT	27.4 <sup>^</sup>	36.8	34.3
Adjusted PBT Margins	17.7%	21.9%	4.2

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

On a reported basis, our PBT stood at RM36.8 million in FY2026 compared to RM47.0 million in FY2025, after taking into account of inventories written down of RM1.0 million and non-cash foreign exchange-related movements which included an unrealised foreign exchange gain of RM7.9 million, partially offset by a mark-to-market unrealised loss ("MTM Unrealised Loss") of RM4.1 million on Cross Currency Swap facilities.

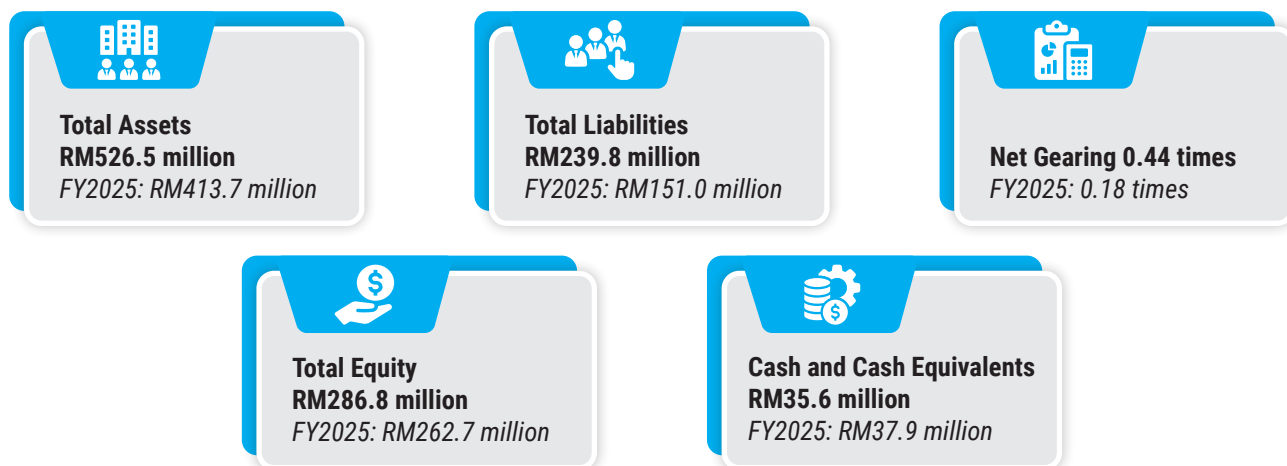
On a normalised basis, the Group's underlying operational performance remained robust. Excluding the non-recurring reversal of impairment loss on land recognised in the preceding financial year, PBT on adjusted basis increased by 34.3% YoY to RM36.8 million in FY2026 compared to RM27.4 million registered in the previous financial year, driven primarily by higher sales contributions from the Insulation segment.

# MANAGEMENT DISCUSSION AND ANALYSIS FY2026 (CONT'D)

## PROFITABILITY (CONT'D)

### FINANCIAL POSITION

#### Balance Sheet and Key Ratio Highlights as of 28 February 2026



- As at 28 February 2026, our total assets increased to RM526.5 million, representing a 27.3% YoY growth from RM413.7 million recorded in the preceding financial year. The increase was primarily driven by the acquisition of property, plant and equipment, in line with the ongoing development of our new plant in Kulim.
- The Group's shareholders' equity rose to RM286.8 million in FY2026 from RM262.7 million in FY2025, supported by an increase in retained earnings during the financial year less dividend payout.
- Total liabilities for FY2026 stood at RM239.8 million from RM151.0 million in the preceding year, mainly due to higher borrowings undertaken to finance our expansion, including purchase of machinery and construction of the new plant. As a result, the Group's net gearing ratio increased to 0.44 times as at end of FY2026, compared to 0.18 times in FY2025. Notwithstanding the increase in total liabilities arising from our operational expansion, the Group remains steadfast in its capital management discipline, continuing to honour our dividend policy of distributing not less than 25% of consolidated profit attributable to shareholders. This commitment is further reinforced by our well-balanced cash flow management, underpinned by resilient and sustained demand for our products.

### CASH FLOW

Financial Year Ended 28 February	FY2025 RM mil	FY2026 RM mil
Profit Before Tax ("PBT")	47.0	36.8
Net Cash from Operating Activities	19.6	45.0
Net Cash used in Investing Activities	(57.8)	(121.6)
Net Cash from Financing Activities	49.9	74.6
Net increase/(decrease) in Cash and Cash Equivalents	12.0	(2.5)

- Net cash generated from operating activities increased to RM45.0 million in FY2026 from RM19.6 million in the preceding financial year. While FY2025 reported PBT included a non-cash reversal of impairment loss on land held for property development, the improvement in operating cash flow in FY2026 was mainly supported by stronger cash generation from operations and a reduction in trade and other receivables, coupled with an increase in trade and other payables during the year.

# MANAGEMENT DISCUSSION AND ANALYSIS FY2026 (CONT'D)

## PROFITABILITY (CONT'D)

### CASH FLOW (CONT'D)

- Net cash used in investing activities increased to RM121.6 million, compared to RM57.8 million in FY2025, primarily due to the acquisition of new property, plant and equipment in line with our manufacturing expansion initiatives.
- Net cash generated from financing activities increased to RM74.6 million in FY2026 from RM49.9 million in FY2025, mainly attributable to higher net drawdowns of term loans and an increase in other payables. This was partially offset by lower proceeds from the conversion of irredeemable convertible preference shares, as well as lower dividend payments during the year.

Overall, cash and cash equivalents stood at RM35.6 million as at the end of FY2026, compared to RM37.9 million in the previous financial year.

## RISKS AND MITIGATIONS

The Group operates in a dynamic business environment and is exposed to various strategic, operational, financial and external risks that may affect its performance. To manage these risks, we have established a structured risk management framework supported by internal controls, ongoing monitoring and proactive engagement with relevant stakeholders.

### *Foreign Exchange Risk*

As an export-oriented business, we are exposed to foreign exchange volatility, particularly as a significant portion of our revenue is denominated in Australian Dollar ("AUD") and New Zealand Dollar ("NZD"). Movements in exchange rates may affect our revenue and profitability, while financial instruments such as Cross Currency Swap ("CCS") facilities may also be subject to mark-to-market fluctuations.

To manage this exposure, we monitor foreign exchange movements closely and adopt a multi-layered approach, including derivative contracts, forward exchange contracts, natural hedging through foreign currency sales and purchases, and maintaining part of our cash balances in foreign currency accounts to meet future obligations. We also review our pricing strategies periodically to manage margin exposure and maintain prudent treasury management practices.

### *Geographical Limitations in Key Markets*

As we operate from Malaysia while serving customers across Oceania, our distance from Australia and New Zealand may present challenges in delivery lead times, logistics costs and supply chain responsiveness compared to local manufacturers with closer market proximity.

To mitigate this, we continued to strengthen our operational presence in Oceania through warehouses in Melbourne, Perth, Brisbane and Sydney, supported by a dedicated delivery fleet and on-ground team in Australia. These initiatives allow us to manage inventory closer to customers, improve delivery reliability and respond more effectively to market requirements, while regular customer engagement helps us better understand local needs and strengthen long-term relationships.

### *Exposure to Changing Regulatory Frameworks*

Government policies and building regulations in Australia and New Zealand play an important role in shaping demand for insulation materials, particularly in areas such as energy efficiency, insulation standards and building performance. Changes to building codes, compliance requirements or incentive schemes may influence project specifications, purchasing decisions and overall market demand.

As our products are closely aligned with thermal performance and energy efficiency requirements, we monitor regulatory developments across our key markets to ensure our product offerings and market strategies remain relevant. This allows us to respond in a timely manner, maintain compliance and capture opportunities arising from the continued shift towards higher-performance building solutions.

# MANAGEMENT DISCUSSION AND ANALYSIS FY2026 (CONT'D)

## RISKS AND MITIGATIONS (CONT'D)

### *Raw Material Supply and Sustainability Risk*

The production of GW traditionally relies on virgin raw materials such as silica sand, a non-renewable resource that may be exposed to environmental and supply-related risks. The extraction, transportation and processing of silica sand may also contribute to greenhouse gas emissions, land degradation and pressure on natural resources.

To eliminate this risk, our manufacturing process does not use silica sand at all. Instead, we use glass waste as a key input in our manufacturing process, with glass cullet comprising approximately 80% of our raw material input. We have also embarked on an initiative to recycle laminated windshields as raw material for our GW products. This circular manufacturing approach helps us reduce dependence on finite resources, lower the environmental impact associated with raw material extraction and strengthen the sustainability profile of our operations.

### *Operational Disruptions from Workplace Health and Safety Risks*

Workplace health and safety remain fundamental to the continuity and reliability of our manufacturing and warehousing operations. Given the nature of our activities, any safety incident may result in operational disruptions, production delays, quality issues, reputational impact and harm to employees, contractors or other stakeholders at our sites.

To manage these risks, we continue to strengthen our safety culture through clear procedures, structured training and consistent communication across the organisation. New employees undergo induction and safety training, while ongoing preventive measures help minimise workplace risks, support operational continuity and maintain high standards of operational discipline across the Group.

## MOVING FORWARD

### *Insulation Segment*



In Australia and New Zealand, housing consent and approval activity remains solid following earlier moderation. In Australia, approximately 193,461 housings were approved in 2025, representing a 12.8% increase compared with 2024, according to the Australian Bureau of Statistics. In New Zealand, housing consents reached 39,087 in the year ended April 2026, up 16% from the previous year, according to Stats NZ, recovering from the peak of 48,000–52,000 in 2021–2022. This improvement reflects the ongoing recovery in both markets, supporting continued demand for construction materials. We are well positioned to benefit from this recovery, with growth driven by an expanding customer base and a deepening market presence.

In Malaysia, continued government spending on infrastructure, together with growing emphasis on energy efficiency and sustainability, is expected to create further opportunities across commercial, industrial and higher-specification applications.

With our strengthened operational presence in Australia, expanded production capacity through our new Kulim plant and broader product offerings, we are well positioned to serve these growth areas across all our core markets.

# MANAGEMENT DISCUSSION AND ANALYSIS FY2026 (CONT'D)

## MOVING FORWARD (CONT'D)

### Insulation Segment (Cont'd)



#### AUSTRALIA

Higher minimum insulation requirements under updated building standards, together with initiatives such as Victoria's Energy Upgrade programme, are expected to support insulation demand, particularly for residential ceiling insulation and energy-efficient housing upgrades.



#### NEW ZEALAND

The Healthy Homes Standards and Warmer Kiwi Homes programme continue to encourage insulation upgrades, supporting demand for products that improve home energy efficiency, thermal comfort and living standards.



#### MALAYSIA

Malaysia's policy direction, including the enforcement of the Energy Efficiency and Conservation Act and Budget 2026 measures such as the carbon tax framework, Green Technology Financing Scheme 5.0 and proposed 100% Green Investment Tax Allowance, is expected to encourage greater adoption of energy-efficient solutions. Coupled with our SIRIM and BOMBA-certified mineral wool sandwich panels, we are well positioned to capture opportunities in commercial, industrial and higher-specification applications, including data centres.

### Property Development Segment



For our Property Development segment, we will continue to take a measured and disciplined approach in unlocking the value of our strategic landbank. In Tanjong Malim, our DCCR land remains well positioned to benefit from the broader development of the AHTV and the planned consolidation of Proton's manufacturing operations in the area. These developments are expected to support longer-term demand for residential housing, commercial amenities and integrated developments as economic activity in the surrounding area grows.

In parallel, we continue to view KHTP as a strategically attractive location, supported by its position as a growing industrial and technology hub. We will continue to assess development opportunities in both Tanjong Malim and Kulim in line with market demand, infrastructure readiness and regulatory approvals, while maintaining financial prudence and ensuring that each project contributes meaningfully to the Group's long-term value creation.

# MANAGEMENT DISCUSSION AND ANALYSIS FY2026 (CONT'D)

## MOVING FORWARD (CONT'D)

### Others



We expect the agriculture segment to continue developing progressively as part of our broader landbank optimisation strategy. Plantation activities undertaken by DCEF remain focused on tropical fruit cultivation within the DCCR, with durian as the primary long-term crop, complemented by shorter-gestation fruits such as passion fruit and papaya.

We will also continue to explore other opportunities to maximise the value of the landbank, including eco-tourism concepts that are aligned with DCCR's natural setting and biodiversity.

### DIVIDEND

In line with our commitment to delivering sustainable value to shareholders, the Board of Directors (the “**Board**”) has proposed a first and final dividend of 3.5 sen per share for FY2026, subject to shareholders' approval at the forthcoming Annual General Meeting. This represents a total dividend payout of RM6.8 million, equivalent to a payout ratio of 26.2%.

The proposed dividend is consistent with our established dividend policy of distributing not less than 25% of consolidated profit attributable to shareholders. It also reflects the Board's confidence in our resilient cash flow generation and long-term growth prospects, while allowing us to retain sufficient financial flexibility to support our ongoing strategic expansion plans.

### APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to our employees across the Group. FY2026 was a year that required focus, coordination and responsiveness across all levels of the organisation, particularly as we navigated stronger demand from key markets, capacity constraints and a more complex external environment.

I would also like to thank our shareholders, business partners, customers and suppliers for their continued confidence and support. The trust placed in PGF has enabled us to pursue our plans with conviction, from strengthening our core insulation business to advancing our longer-term growth initiatives. We do not take this support for granted, and we remain guided by the responsibility to deliver sustainable value while building a stronger platform for the future.

Lastly, I wish to express my appreciation to my fellow Board members for their counsel, oversight and stewardship throughout the year. Their perspectives and guidance have been valuable in helping the Group remain disciplined in its decision-making, responsive to market conditions and aligned with the long-term interests of our stakeholders.

As we move forward, we will continue to build on the progress achieved in FY2026, guided by operational discipline, prudent decision-making and a clear focus on strengthening the Group's long-term growth foundation.

Yours sincerely,  
**Mr Fong Wern Sheng**  
Executive Director and Group Chief Executive Officer



# SUSTAINABILITY STATEMENT FY2026

## **WHAT'S INSIDE:**

*a journey of Innovation, Sustainability, Community*

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*We Support*

**SUSTAINABLE DEVELOPMENT GOALS**

# SUSTAINABILITY STATEMENT FY2026

## ABOUT THIS REPORT

The Board of Directors of PGF Capital Berhad is pleased to present this Sustainability Statement for the financial year ended 28 February 2026 ("FY2026"). This statement has been prepared in accordance with PGF's sustainability commitment, reflecting our dedication to integrating key aspects of environmental protection, economic growth, social responsibility, and strong governance to safeguard the well-being of future generations. Our goal is **Building Sustainable Communities** by providing eco-friendly solutions that create a safe, comfortable, and sustainable living environment.

We have undergone the FTSE4Good assessment and achieved a remarkable milestone by attaining a 3-star Environmental, Social and Governance ("ESG") rating with a score of 3.4, as assessed by FTSE Russell in December 2025. This represents a significant improvement from our December 2023 rating, in which we achieved a 2-star rating.



## Reporting Scope & Period

This statement covers the financial period from 1 March 2025 to 28 February 2026. There have been no changes in the scope of reporting unless otherwise specified. Our core business operations comprise manufacturing and warehousing facilities. The manufacturing 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.

## Reporting Standard

This statement is prepared in accordance with 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").

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)



## Key Sustainability Highlights

### ZERO

case reported on: Grievance, Discrimination, Harrasment, Labour & Human Rights

### ZERO

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

### ZERO

case reported on: Workplace Fatality and DOSH

### ZERO

breaches in: Data Privacy and Cyber Security

### ZERO

penalty and fine in: Water & Environmental

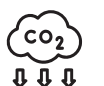
### 100%

attendance rate for: Cyber Security awareness training, ABC related briefing

 **4.86kWh/kg**

 **91,250m3**

 **0.07MT**  
waste to landfill

 **SCOPE 1** **SCOPE 2** **SCOPE 3**  
**15,009** **9,383** **10,003**

## SUSTAINABLE FRAMEWORK

### 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.



# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## 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 relating to sustainability matters, we encourage them to contact us via email at [mail@pgfcapital.com.my](mailto:mail@pgfcapital.com.my). Our aim is to provide a platform where all relevant parties have sufficient opportunities to participate in meaningful discussions, gain insights, and understand each project milestone or process improvement initiative. This inclusive approach underscores our commitment to fostering collaboration and ensuring that the perspectives and feedback of all stakeholders are valued and considered in our decision-making processes.

Our key engagement mechanisms, which ensure that our business remain relevant and continues to create value for each stakeholder group, are summarised in the table below.

Stakeholder	Engagement Objectives	Areas of Expectations	Frequency
<b>EMPLOYEE</b> 	<ul style="list-style-type: none"> <li>• Performance reviews</li> <li>• Educational/ Training programme</li> <li>• Conferences/ Seminars/ Workshops</li> <li>• Safety inspections</li> <li>• Code of Ethics</li> <li>• Community development programmes</li> <li>• Interviews</li> <li>• Meetings (hybrid)</li> <li>• PGF's Library</li> </ul>	<ul style="list-style-type: none"> <li>• Knowledge and skill enhancement</li> <li>• Career development</li> <li>• Occupational Health &amp; safety</li> <li>• Environment, Health &amp; Safety ("EHS") practices</li> <li>• Fair &amp; competitive remuneration benefit</li> <li>• Well-being &amp; a conducive work environment</li> <li>• Employee engagement</li> <li>• Job security</li> <li>• Equal opportunity</li> <li>• Anti-bribery &amp; Corruption ("ABC") compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> <li>• As and when needed</li> <li>• On going</li> </ul>
<b>CUSTOMER</b> 	<ul style="list-style-type: none"> <li>• Customer satisfaction survey</li> <li>• Suggestion box</li> <li>• Social media</li> <li>• Meetings (hybrid)</li> </ul>	<ul style="list-style-type: none"> <li>• Pricing</li> <li>• Quality, Green &amp; Sustainable products and services</li> <li>• Timely project delivery</li> <li>• Customer service and experience</li> <li>• Property design</li> <li>• Defect rectification</li> <li>• EHS practices</li> <li>• ABC compliance</li> </ul>	<ul style="list-style-type: none"> <li>• As and when needed</li> <li>• On going</li> </ul>

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## PGF STAKEHOLDER ENGAGEMENT (CONT'D)

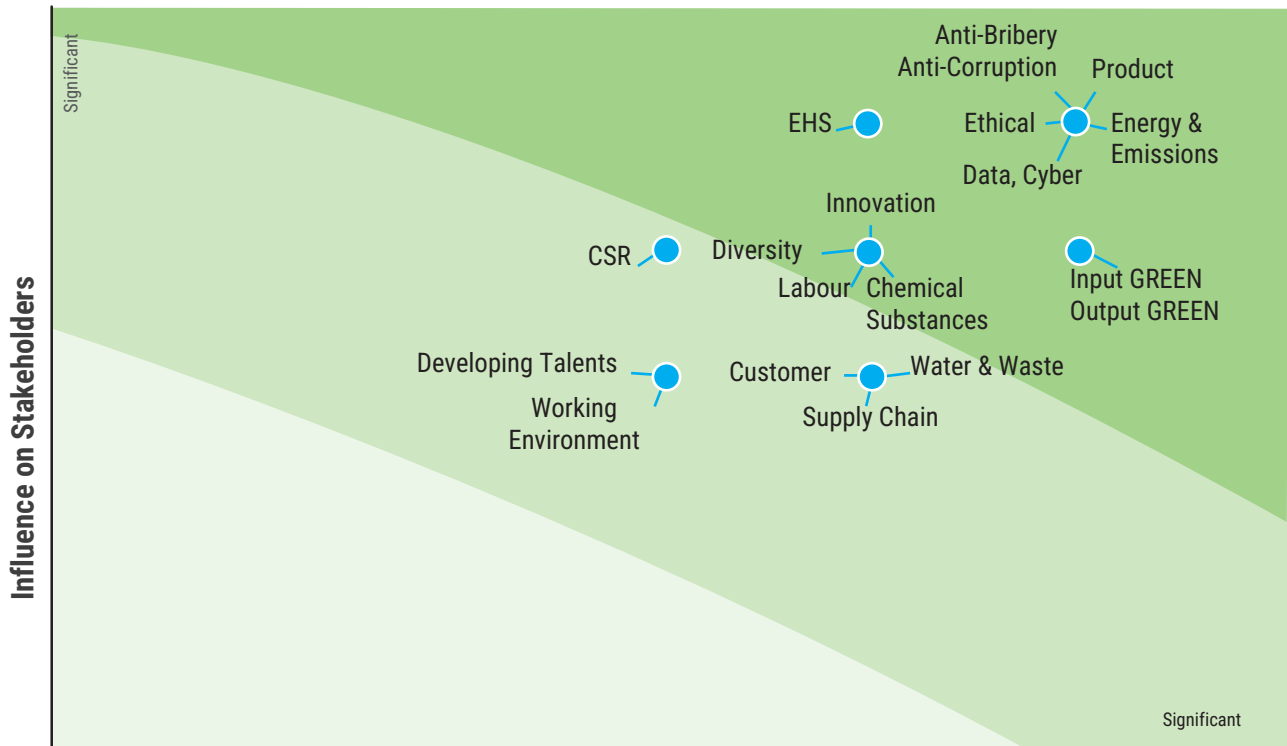
Stakeholder	Engagement Objectives	Areas of Expectations	Frequency
<b>VENDOR</b> 	<ul style="list-style-type: none"> <li>• Supplier assessment</li> <li>• Surveys</li> <li>• Meetings (hybrid)</li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain management</li> <li>• Legal compliance and contractual commitments</li> <li>• Product, service quality and delivery</li> <li>• Fair and transparent procurement process</li> <li>• Cost effectiveness</li> <li>• EHS practices</li> <li>• Payment schedule</li> <li>• ABC compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> <li>• As and when needed</li> <li>• On going</li> </ul>
<b>MEDIA</b> 	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Press releases</li> <li>• Advertising</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate news</li> <li>• Industry outlook</li> <li>• Brand image</li> <li>• Reputation</li> </ul>	<ul style="list-style-type: none"> <li>• As and when needed</li> <li>• On going</li> </ul>
<b>REGULATOR BODIES</b> 	<ul style="list-style-type: none"> <li>• Audit</li> <li>• Presentations</li> <li>• Site visit</li> <li>• Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Certifications</li> <li>• Corporate governance</li> <li>• Regulatory compliance</li> <li>• Environmental management and compliance</li> <li>• ABC compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> <li>• As and when needed</li> </ul>
<b>INVESTOR/ SHAREHOLDER</b> 	<ul style="list-style-type: none"> <li>• Company's website</li> <li>• Bursa Announcement</li> <li>• Annual report</li> <li>• Annual General Meeting</li> <li>• Fund/ Analyst briefing</li> <li>• Press releases</li> <li>• Hybrid meeting</li> <li>• Site visits</li> <li>• Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Corporate developments</li> <li>• Growth plans</li> <li>• ESG practices</li> <li>• Risk management</li> <li>• Corporate governance</li> <li>• Transparent disclosure</li> <li>• Dividend policy</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> <li>• As and when needed</li> <li>• On going</li> </ul>
<b>COMMUNITY</b> 	<ul style="list-style-type: none"> <li>• Community programme</li> <li>• Internships</li> <li>• Press releases</li> <li>• Social media</li> </ul>	<ul style="list-style-type: none"> <li>• Community engagement</li> <li>• Job creation and internship opportunities</li> <li>• Local welfare</li> <li>• Social Contribution</li> </ul>	<ul style="list-style-type: none"> <li>• As and when needed</li> <li>• On going</li> </ul>

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## 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**



**Significance of Groups' Impact**

**Environmental**

- Input GREEN Output GREEN
- Product Quality & Certifications
- Managing & Reducing Chemical Substances
- Energy & Emmissions Management
- Water & Waste Management
- Innovation

**Social**

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

**Governance**

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

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)



Recognising the importance of environmental management, the PGF's Board of Directors has established a Sustainability Committee with the primary objective of overseeing the Group's efforts to address climate change within its business operations. The Committee oversees the implementation of the Group's sustainability framework, which is central to our commitment to environmental stewardship and responsible business practices

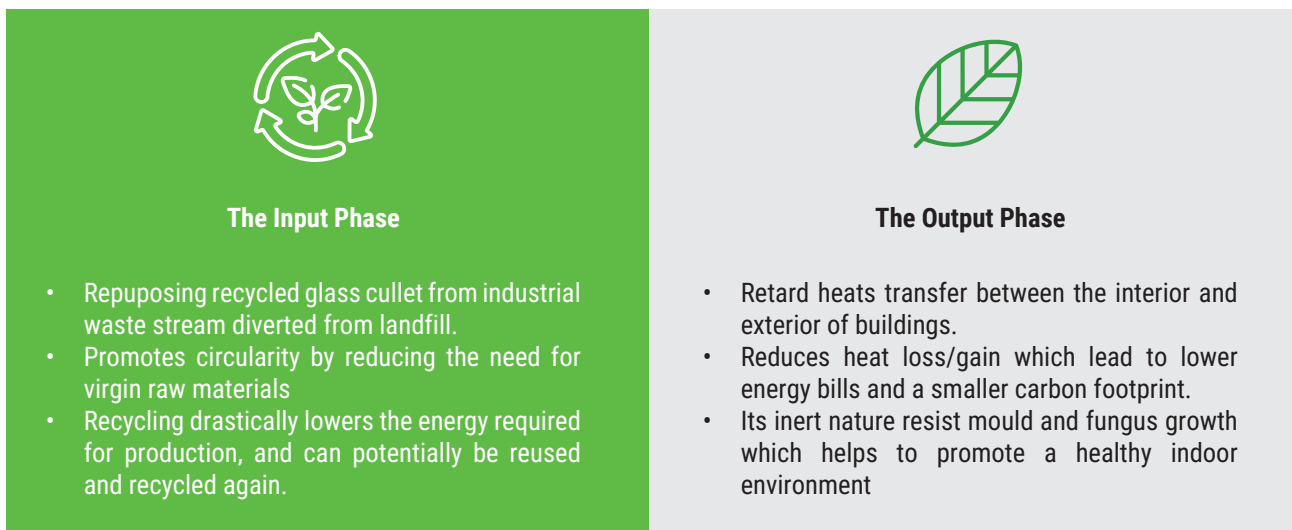
The Board of Directors maintains ultimate accountability for the Group's climate-related strategies. This oversight is supported by Senior Management, including the Group Chief Executive Officer, Mr. Fong Wern Sheng, who are tasked with integrating climate-related risks into our core business operations. To ensure accountability, the Group has formally integrated climate change performance metrics as a Key Performance Indicator ("KPI") within the remuneration framework for Senior Management.

Our climate risk assessment focuses on key areas, including governance frameworks, regulatory compliance, waste management, energy consumption, 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 our facilities to reduce total energy consumption and emissions.
- ✓ **Utilising solar photovoltaic systems** to lower greenhouse gas emissions from energy production.
- ✓ **Restoring natural habitats** through tree planting and reforestation to increase clean air.
- ✓ **Reducing waste generation** and promoting circular recycling practices to decrease from landfills.
- ✓ **Optimising water management** by reducing consumption and increasing water recycling rates.
- ✓ **Community environmental stewardship** by organising beach clean-ups and community work events to keep our local environment clean and to promote waste awareness.

## Input GREEN Output GREEN

PGF operates under the strategic philosophy of 'Input GREEN, Output GREEN.' This approach ensures that we prioritise the use of eco-friendly raw materials and renewable energy throughout our operations (Input), while delivering sustainable, high-performance insulation solutions that minimise environmental impact (Output). A key pillar of this strategy is the increased utilisation of recycled glass as a primary raw material. We actively drive our recycling initiatives by collecting industrial glass waste for use in the manufacturing of our glasswool insulation. By diverting waste from landfills, conserving energy, and reducing emissions, we deliver tangible environmental benefits and transforming waste into high-performance, sustainable solutions.

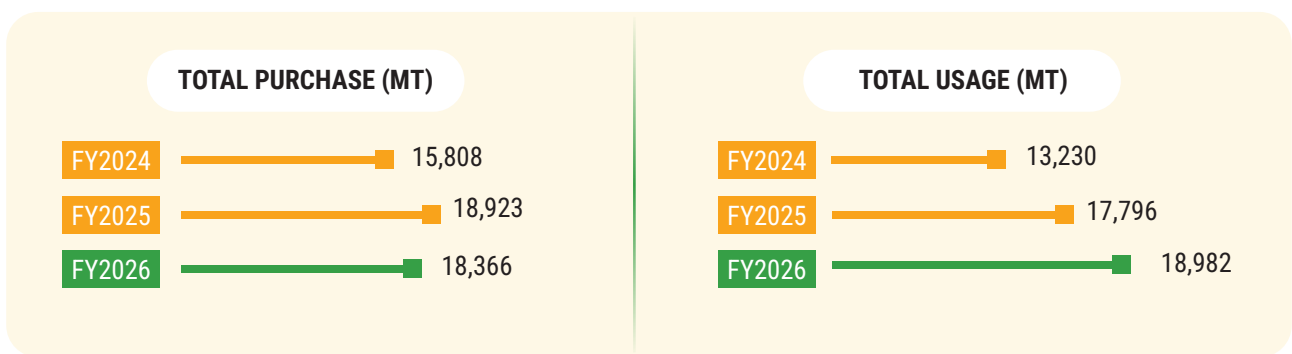


# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Input GREEN Output GREEN (Cont'd)

PGF has established clear goals linked to the sustainability and efficiency of our operations, specifically focusing on operational efficiency, resource optimisation, and cost management. These efforts complement our broader commitment to Environmental, Social, and Governance (ESG) compliance, which we view as fundamental to our business.

One of our most significant environmental initiatives is the increased use of alternative materials. We actively demonstrate our commitment to recycling by collecting industrial glass waste that would otherwise be sent to landfills and repurposing it as a raw material. Replacing silica sand with recycled glass cullet also significantly reduces the energy required for the melting process. Since 2022, we have transitioned away from the use of natural silica sand; consequently, 100% of our silica content is now substituted with recycled glass cullet. Our goals and performance regarding glass cullet for FY2026 are as follows:



Using recycled materials in production is a critical step toward enhancing our sustainability profile. By incorporating high volumes of recycled glass, we not only reduce our reliance on virgin raw materials but also minimise landfill waste and lower the energy consumption associated with our production processes.

Our flagship product, **éc@wool** is composed of more than 80% recycled glass. The manufacturing process begins by melting glass cullet into molten glass. This molten material is then converted into fibres through a sophisticated rotary process, where it is subjected to centrifugal force through a spinner with thousands of tiny apertures and further attenuated by high-temperature gas jet streams.

By utilising up to 20,000 metric tons of recycled glass to produce 25,000 metric tons of new glass wool products each year, PGF makes a substantial contribution to environmental sustainability. This circular economy practice not only benefits the environment but also strengthens our reputation as a leader in responsible, eco-friendly manufacturing.

In collaboration with the Penang Green Council, PGF is pleased to invite recycling collectors and industry partners to participate in our eco-friendly recycling program. This initiative enables discarded vehicle windscreens to be recycled and repurposed as raw material for glass mineral wool production, effectively diverting waste from landfills.

This joint initiative represents more than just waste reduction; it is a commitment to circularity by transforming glass waste into high-performance insulation, which contributes to a healthier planet through significant energy conservation. For more details, please visit [www.pgfindulation.com.my](http://www.pgfindulation.com.my).



# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Input GREEN Output GREEN (Cont'd)

We are also honoured to be recognised by the Majlis Bandaraya Seberang Perai for our commitment to promoting sustainable and responsible practices.



## Managing And Reducing Chemical Substances

Did you know that volatile organic compounds ("VOCs") are synthetic chemicals often released during the manufacturing of products such as paints, adhesives, and furniture? In the construction industry, the materials we select are critical - not only for structural integrity but also for indoor air quality, given the significant amount of time people spend indoors.

**éc@wool** insulation distinguishes itself through a commitment to environmental responsibility and occupant well-being. With impressively low VOC content verified by international certifications, **éc@wool** provides more than just excellent thermal performance; it enhances the resilience of your building designs while prioritising both human health and the planet.

Beyond our sustainable insulation products, we are also dedicated to sustainable packaging. We recognise that packaging waste is a major societal concern, and we are working toward a future where none of our packaging ends up in landfills or as litter. While traditional packaging often uses a wide range of colours for vibrant designs, this process consumes excessive ink and energy.

By minimising the number of colours used in our packaging, we significantly reduce our environmental impact. Our insulation packaging now uses only two colours, which not only lowers waste but also makes the material easier and more efficient to recycle.



# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Energy And Emission Management

Our alignment with the UN SDGs is a testament to our core values, and we are proud to drive positive change in accordance with these global objectives.

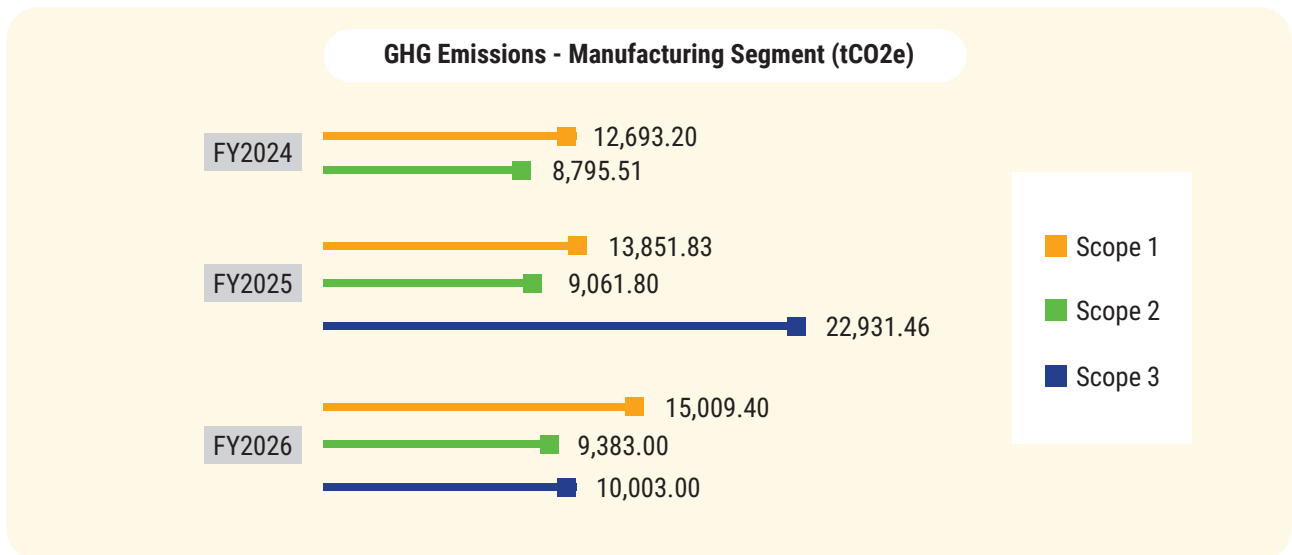
Last year, we fully transitioned to electric vehicle ("EV") forklifts at our manufacturing plant, demonstrating our unwavering commitment to reducing our carbon footprint. This initiative also includes two EV company cars, which produce zero carbon dioxide emissions. With the recent government reduction of diesel subsidies and the resulting price surge, many businesses are facing significant cost increases; however, our transition to electric power has positioned us to mitigate these challenges effectively.

As of February 28, 2026, we have achieved savings of approximately RM160,000 on diesel and nearly RM70,000 in maintenance costs. Beyond these financial benefits, EV forklifts significantly improve site safety. Their low noise and vibration levels reduce operator fatigue and hearing risks, while also allowing workers to hear equipment alarms and communicate more clearly. Additionally, our new models offer faster acceleration, consistent power delivery, and the efficiency of "opportunity charging" during non-peak hours based on the Tenaga Nasional Berhad ("TNB") tariff model.

Overall, EV forklifts deliver superior operational and financial value. By providing zero emissions, lower long-term maintenance costs, and reduced energy expenses, they create a safer, quieter work environment while eliminating the need for expensive fuels.

This transition not only significantly lowers our emissions, fostering improved air quality and a healthier workspace for our employees, but it also reflects our profound commitment to the global fight against climate change.

In our ongoing commitment to minimising our environmental footprint, we actively track and estimate our greenhouse gas ("GHG") emissions. For FY2026, our GHG emissions were calculated based on key energy sources, namely natural gas, diesel, and purchased electricity. These represent our Scope 1 (Stationary and Mobile Combustion), Scope 2 (Purchased Electricity) emissions for the Manufacturing segment, and Scope 3 (Purchased Goods) as detailed below:



# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

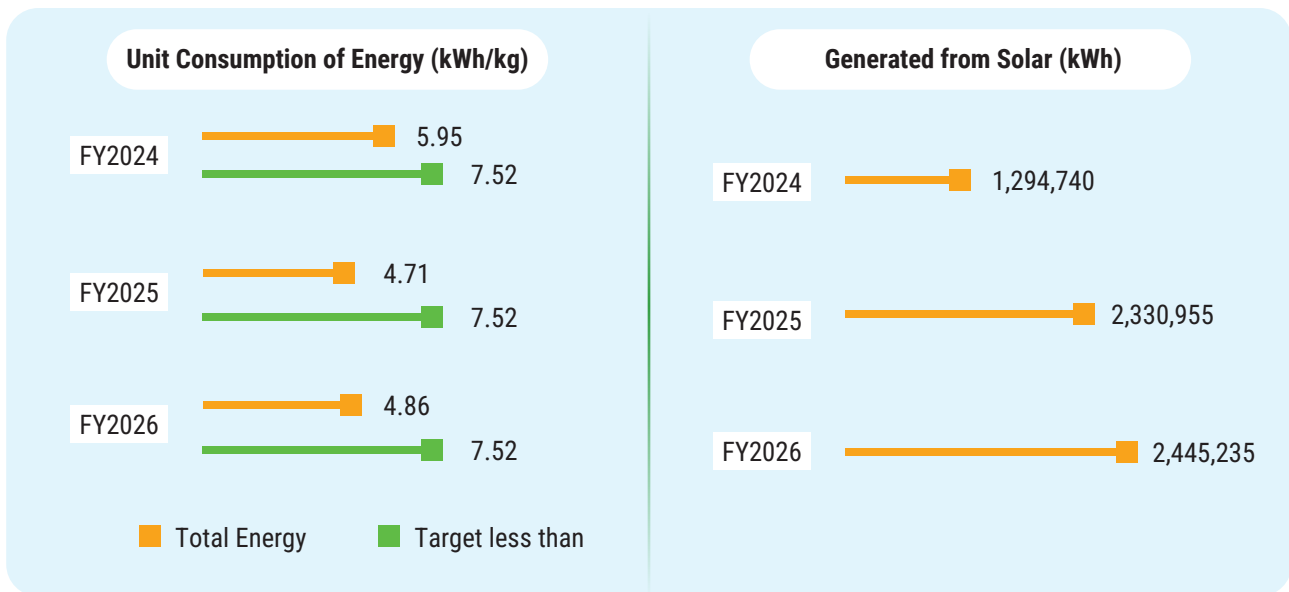
## Energy And Emission Management (Cont'd)

The total emission volume of **34,395.40 tCO2e** establishes a robust baseline that enables us to monitor our climate impact. Recognising the importance of a structured transition, PGF is shifting from observation to active mitigation:

- **Operational Efficiency (Scope 1 & 2):** We are conducting energy audits across our manufacturing facilities to identify high-consumption processes. Our immediate priority is the modernisation of PGF new plant & machinery to improve fuel efficiency and lower stationary combustion emissions.
- **Value Chain Integration (Scope 3):** We are engaging our primary logistics service providers to align our downstream supply chain with our sustainability requirements. By optimising distribution networks and enhancing load consolidation, we aim to decouple our production growth from the emissions associated with transportation.

Through these initiatives, we continue to building a resilient operational efficiency and framework that prioritise long-term environmental stewardship and lower-carbon future.

With the successful commissioning of our solar energy project, PGF has taken a significant step towards advancing our mission to manufacture sustainable insulation. This initiative aligns seamlessly with our environmental principles. As a results, we achieved savings of over RM851k in electricity costs for FY2026.



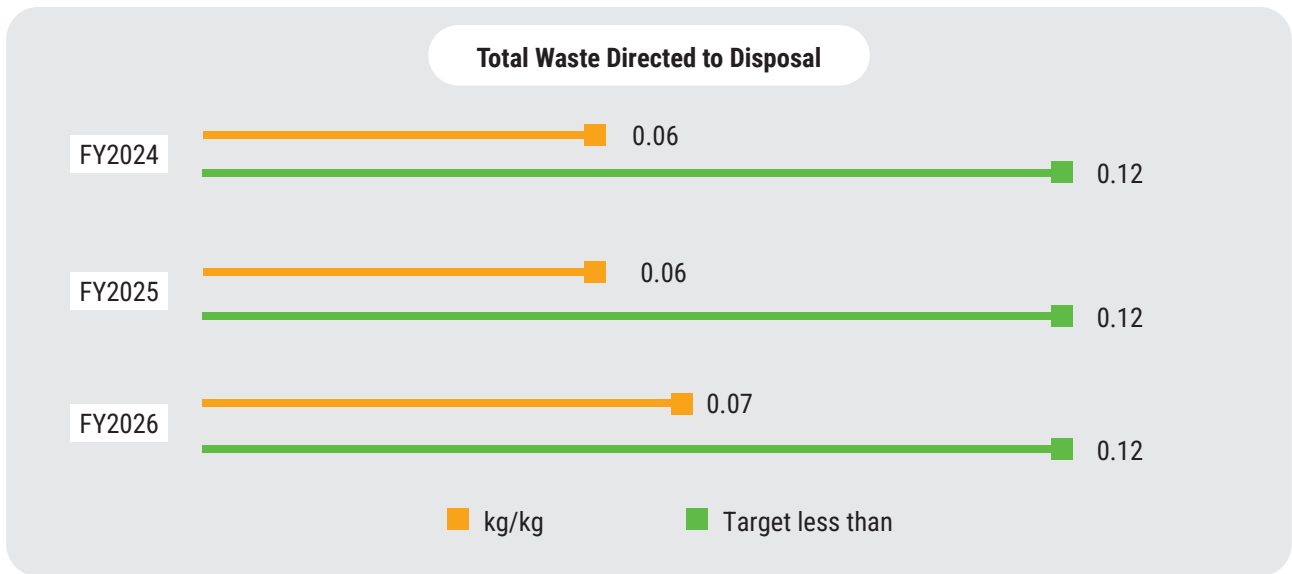
By harnessing renewable energy, we are not only reducing our carbon footprint but also reaffirming our dedication to fostering a sustainable and responsible future. Our unwavering support for energy efficiency ("EE") and renewable energy ("RE") initiatives further solidifies this commitment.

With energy efficiency serving as a vital component of the roadmap toward a carbon-neutral economy, our innovative insulation solutions are designed to deliver significant energy savings while simultaneously providing thermal and acoustic comfort. Our commitment to quality allows us to offer an industry-leading 70-year warranty on our glass mineral wool products. The energy savings generated by [é@wool](#) insulation over this 70-year performance period are so significant that they far outweigh the energy consumed during its production, transportation, and installation.

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Waste Management

PGF’s manufacturing operations generate both hazardous and non-hazardous waste. We maintain rigorous processes to ensure that all hazardous waste is managed and handled in strict accordance with the applicable environmental laws and regulations, including the use of licensed contractors for collection and disposal. Conversely, our non-scheduled waste consists primarily of fibre rejects that cannot be further reused. Industrial scraps and salvageable materials are sold to licensed scrap vendors, recycled, or reintegrated into our production line to minimise waste. In FY2026, our total waste intensity remained well within our target of less than 0.12, recorded at 0.07.



PGF is dedicated to maximising resource efficiency and minimising waste generation. Our approach is guided by the principle of ‘Reduce, Reuse, Recycle, Repeat’ which supports a circular economy and reinforces our commitment to transparency, regulatory compliance, and continuous environmental improvement.

**EVENT HIGHLIGHTS:** In September 2025, we held a successful E-Waste Collection event for our staff. We safely collected and recycled old electronics, keeping hazardous materials out of landfills.

We are now taking this initiative further and opening the program to our employees’ families and the local community. We believe that by involving everyone at home, we can make a much larger positive impact on our environment.

Together, PGF and our community are working toward a cleaner, greener future.

**PGF E-WASTE DISPOSAL COLLECTION**

**Date:** 8th - 30th September 2025

**Location:** SP Storage Entrance Gate (Also Training Room Entrance)

You can drop off items such as:  
 Tablet | Handphone | Laptop | Monitor | Keyboard | Mouse  
 LCD/LED TV | Powerbank | Digital camera | Modem | Router  
 Desktop Computer | Scanner | Printer | Cable | Charger | Wire  
 Power Extension | Headphone

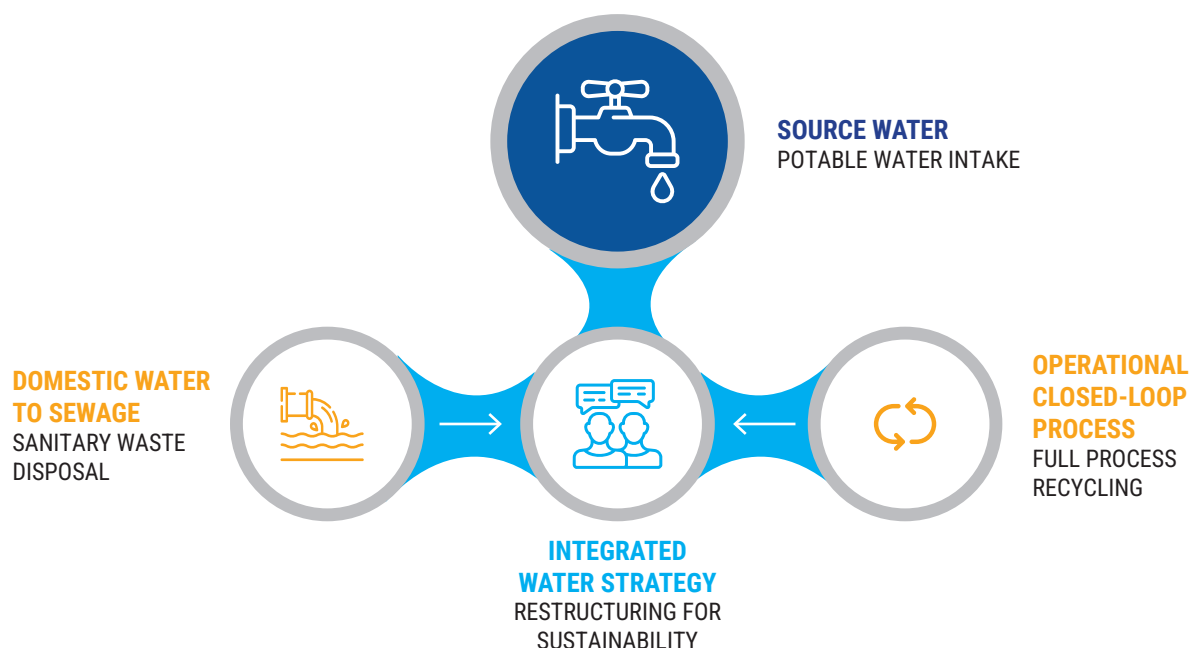
# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Water Management

Effective water management practices aim to optimise consumption, minimise waste, prevent pollution, and mitigate risks related to water scarcity, contamination, and flooding. During the financial year under review, we consumed approximately 91,250m<sup>3</sup> of water in our operations. We are currently reviewing and improving our processes to analyse and optimise this consumption further.

	FY2026	FY2025	FY2024
<b>Water withdrawal</b>			
municipal water	PBA	PBA	PBA
Total water withdrawal	91,250m3	103,427m3	99,508m3
<b>Water discharged</b>			
[NIL]	-	-	-
Total water discharged	-	-	-
<b>Water consumed</b>	<b>91,250m3</b>	<b>103,427m3</b>	<b>99,508m3</b>

Our production processes require minimal water usage and do not result in significant discharge or pollution. All our water is sourced from the municipal supply; therefore, we do not draw from surface sources such as rivers, lakes, natural ponds, groundwater, or seawater. Our production processes require minimal water usage and do not result in any discharge or pollution. All our water is sourced from the municipal supply; therefore, we do not draw from surface sources such as rivers, lakes, natural ponds, groundwater, or seawater. Furthermore, we do not release wastewater into any ocean or surface water bodies, as there is zero industrial discharge from our operations. All domestic wastewater is safely directed to the municipal sewage system.



We do not operate in water-stressed regions, and we recorded **ZERO** incidents of non-compliance with water quality standards or regulations. We utilise water bills to monitor and ensure responsible usage, while continuously exploring environmentally friendly methods to enhance water efficiency and promote the recycling of wastewater.

In conclusion, there were no significant spills into water sources during the year. We maintained full compliance with all relevant water quality standards and regulations, and **NO** environmental fines or penalties were incurred.

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Innovation

The principal products of the Group's manufacturing segment are insulation materials made from glass mineral wool, which offer both thermal and acoustic benefits. In Malaysia, over 30% of building energy consumption is dedicated to cooling human-occupied spaces. When installed on building envelopes, glass mineral wool effectively retards heat flow, thereby reducing overall energy consumption. As a core material, it represents a highly sustainable solution for the construction sector.

The launch of our Laminated Glass Processing Machine marks a significant milestone in our ongoing commitment to sustainable waste management and circular economy practices. We extend our sincere appreciation to the Seberang Perai City Council ("MBSP") for their strong collaboration and shared vision. This initiative marks the operationalisation of PGF's laminated glass processing system, which enables discarded vehicle windscreens collected from industry partners to be recycled and reused as raw material for glass mineral wool production. The event was graced by YB Jason H'ng Mooi Lye and YBhg. Dato' Hj Baderul Amin bin Abdul Hamid, Datuk Bandar Seberang Perai. We are deeply grateful to our industry partners for their voluntary support and look forward to strengthening these collaborations to build a more reliable and sustainable glass recycling ecosystem in Malaysia.



Through sustainable manufacturing practices, the Company strives to develop and bring to the market products and solutions in supporting the construction sector to deliver 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. These solutions prioritise the use of low-carbon, low-impact, non-toxic materials and promote resource recovery.

We offer a wide range of products tailored to diverse customer needs. We continuously monitor the market to develop innovative solutions, such as our **CLIMAWRAP Permeable Membrane**. This durable, three-layer, highly vapour-permeable membrane is designed to minimise condensation risks in buildings. Protected by non-woven structures on both sides to resist corrosion, it is engineered to meet the demanding requirements of the Australian climate.

**Project highlight: CLIMAWRAP CW** is our innovative triple-layer wrap built for excellent durability. It is the ideal solution for addressing condensation. Featuring **Class 4 Vapour Permeable technology**, it acts as a powerful water, air, and vapour control membrane to prevent moisture issues.



# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Innovation (Cont'd)

When paired with our **EcoSeal 201 Cloth Tape** which is designed to withstand extreme temperatures across Australia—these two products form a complete system. Used together, they improve overall building performance, ensuring long-lasting structural integrity and a healthier living or working environment.

Our **CozyRoll** ceiling insulation is designed for easy installation on existing ceiling structures, effectively combating rising indoor temperatures caused by climate change. By acting as a thermal shield against external heat penetration, CozyRoll allows homeowners to enjoy lower electricity bills while maintaining a naturally cooler living environment. Each roll delivers five key benefits:

- ✔ **Easy Installation:** Designed for quick and hassle-free application.
- ✔ **Energy Efficiency:** Significant savings on cooling costs.
- ✔ **Thermal Comfort:** Effectively reduces indoor temperatures.
- ✔ **Guaranteed Safety & Quality:** Engineered for high performance and reliability.
- ✔ **Certified Excellence:** Holds local accreditations from BOMBA and SIRIM.



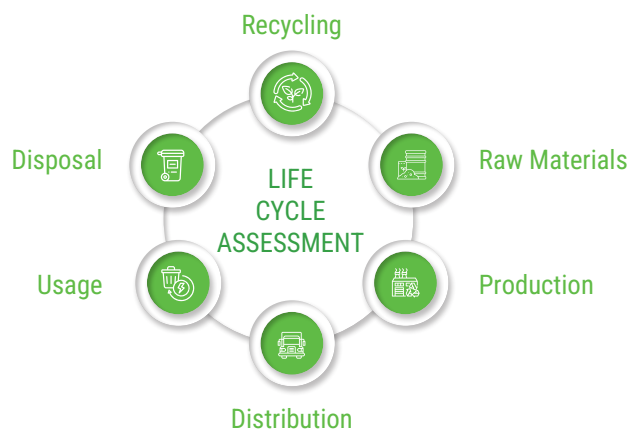
Our CozyRoll insulation supports consumer climate adaptation, helping households reduce energy dependency and improve thermal resilience. This elevates the product from a simple sales pitch to a contribution toward Malaysia's broader energy-efficiency goals.

## Product Quality And Certifications

From the manufacturing floor to the final installation, PGF **é@wool** insulation is engineered with the safety of all stakeholders in mind. Our commitment to excellence extends beyond delivering superior thermal and acoustic performance; it prioritises the well-being of our manufacturing workforce, professional installers, and, ultimately, the building's occupants.

Addressing misconceptions regarding health and safety is crucial to ensuring that our customers can make informed decisions about their building materials. The safety of our products is reinforced by the International Agency for Research on Cancer ("IARC"), which classifies our mineral wool as Group 3, confirming it is not classifiable as to its carcinogenicity to humans. Furthermore, **é@wool** has been rigorously tested for bio-solubility, ensuring that should glass wool fibres be inhaled, they are naturally cleared by the body's biological systems.

PGF glass wool products are certified by Global GreenTag under the GreenRate Level A certification from Global GreenTag International (Australia), supported by a comprehensive Life Cycle Assessment ("LCA"). This certification encompasses our **é@wool** Wall Batts, NZ Eliment Insulation Wall Slabs, **é@wool** Ceiling Batts and other range of insulation materials.



# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Product Quality And Certifications (Cont'd)

Our products consistently comply with stringent international standards, including AS/NZS 4859.1 for thermal insulation and ASTM D5116-17 for low VOC emissions. Furthermore, PGF also operates under an ISO 9001 certified Quality Management System and an ISO 14001 certified Environmental Management System, ensuring that our production processes are rigorously monitored for efficiency, quality, and environmental compliance.

This certification demonstrates PGF's unwavering commitment to sustainability and provide stakeholders with the assurance that our products meet the highest environmental and safety benchmarks.

**PROJECT HIGHLIGHTS:** Spanning 15,000m<sup>2</sup> within the Elmina Business Park uses **é@wool** Brownie V2 insulation in its roof. This keeps the building cooler, which significantly cuts down on energy use and lowers running costs.



**PROJECT HIGHLIGHTS:** Spanning approximately 40,000m<sup>2</sup> across nine levels, the Mater Public Hospital is a landmark facility designed to meet the region's growing healthcare needs. By using our **é@wool** Acoustic Partition Batts and Condenshield lining, we have ensured the hospital provides the quiet, temperature-controlled environment essential for patient care and comfort.



**EVENT HIGHLIGHTS:** PGF recently hosted the Malaysia Glass Association ("MGA") to showcase our innovative insulation solutions and demonstrate how we integrate recycled glass to advance circular economy practices. This visit highlighted a strong alignment in our shared commitments to sustainability and created significant opportunities for future industry collaboration.



# SUSTAINABILITY STATEMENT FY2026 (CONT'D)



## SOCIAL

### Labour Practices And Standards

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

#### → **Non-Discrimination:**

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

#### → **Ethical Workplace and Respect:**

Maintaining a work environment free from harsh and inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, and verbal abuse. We prohibit the threat of such treatment and have implemented a clearly defined disciplinary policy, as well as a platform to support staff in addressing and managing bullying or harassment cases.

#### → **Child Labour:**

Prohibiting the use of child labour, defined as any work performed by children under the legal minimum age as set by national laws or international standards, such as the International Labour Organisation ("ILO") conventions.

#### → **Forced Labour:**

Prohibiting any form of forced or compulsory labour, including slavery, bonded labour, 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:**

Offering opportunities for skill 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.

#### → **Supply Chain Accountability:**

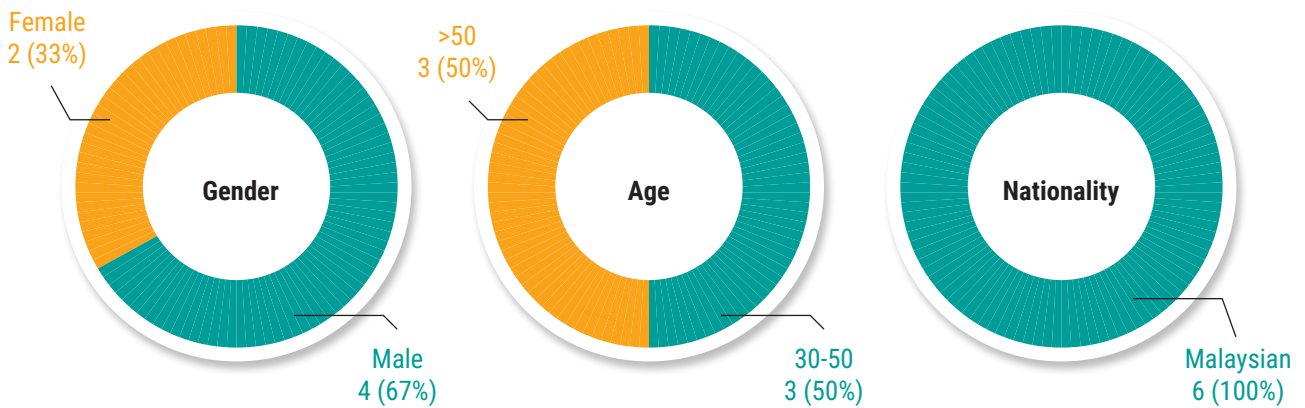
We extend our commitment beyond our own operations by requiring suppliers and business partners to adhere to a strict Supplier Code of Conduct, ensuring human rights are respected throughout our entire value chain.

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

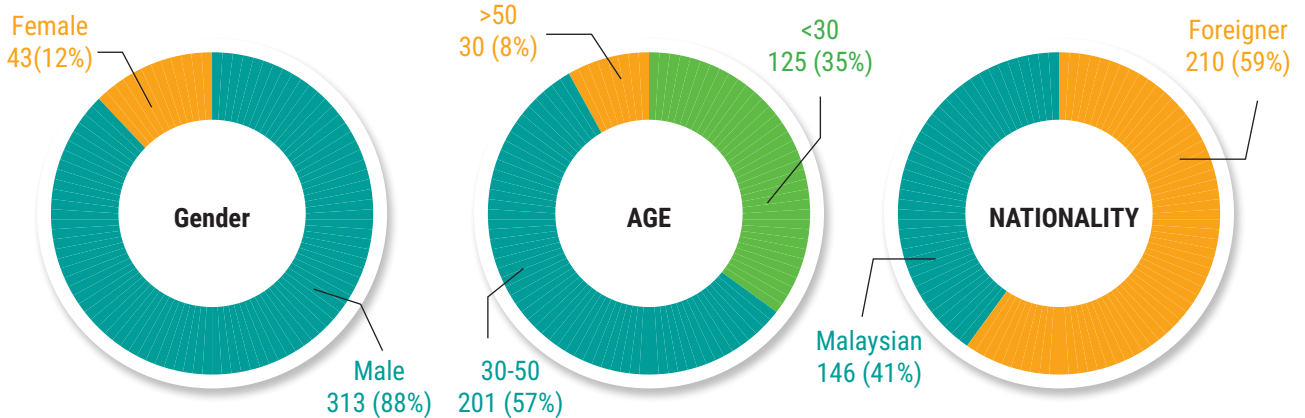
## Workplace Diversity

At PGF, we are committed to fostering an inclusive and diverse workplace that respects and values the unique contributions of each individual. By embracing a wide range of backgrounds, perspectives, and experiences, we better reflect the communities we serve and strengthen our ability to solve complex business challenges. The following data provides a breakdown of the Group's employee demographics across all business segments in Malaysia and Oceania.

### DIRECTOR'S DEMOGRAPHIC



### WORKFORCE'S DEMOGRAPHIC



While our current workforce demographics reflect a higher male representation, this is consistent with long-standing historical patterns across the heavy manufacturing and industrial sectors. At PGF, we prioritise skills-based recruitment and are actively exploring ways to expand career pathways for women in both our technical and administrative functions.

By upholding these principles of workplace diversity, along with our rigorous labour practices and standards, PGF not only enhances the well-being of our employees but also strengthens the organisation as a whole. This commitment remains a core driver of our innovation, productivity, and long-term success.

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Promoting Conducive Working Environment

We are dedicated to creating a supportive, productive, and inclusive workplace that fosters growth and professional development. We nurture talent and promote a conducive environment through the following initiatives:

### → Work-Life Balance:

We actively promote a healthy work-life balance by offering flexible working hours, remote work options, and encouraging employees to utilise their entitled leave.

### → Positive Culture:

We cultivate a culture rooted in respect, inclusivity, and open communication. We emphasise teamwork, celebrate individual and collective achievements, and foster an environment where every employee feels valued and motivated.

### → Employee Engagement:

We prioritise meaningful two-way communication between management and staff to ensure that every voice is heard. Through regular town halls, pulse surveys, and feedback forums, we actively involve our employees in decision-making processes.

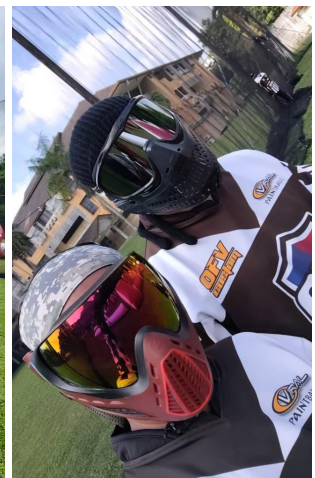
### → Mental Health and Wellness:

We recognise that the physical and mental well-being of our employees is paramount. We provide access to wellness resources, including confidential counseling support and stress-management workshops, designed to help employees navigate both professional and personal challenges while reducing workplace stigma. Furthermore, we are committed to maintaining an ergonomically supportive workplace to ensure the physical health and comfort of our staff.

By upholding these principles of workplace diversity, along with our rigorous labour practices and standards, PGF not only enhances the well-being of our employees but also strengthens the organisation as a whole. This commitment remains a core driver of our innovation, productivity, and long-term success. Moving forward, we remain dedicated to refining our processes and increasing our transparency to ensure that our social impact continues to grow in tandem with our business performance.

In FYE2026, we achieved a **100%** written commitment from employees and directors regarding adherence to PGF's Code of Conduct, resulting in **ZERO** complaints concerning human rights violations (including forced or child labour, discrimination, harassment, or other breaches of human and labour rights).

**EVENT HIGHLIGHTS:** PGF Chairman's Cup Paintball Tournament at the USM Main Campus in Penang, an event specifically designed to strengthen teamwork and collaboration. It provided a fantastic opportunity for colleagues to connect outside the professional environment and build stronger interpersonal relationships.



# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Promoting Conducive Working Environment (Cont'd)

**EVENT HIGHLIGHTS:** PGF Perai dedicated to flavour, fun, and team appreciation. Taking the time to unwind together not only fosters a positive workplace culture but also strengthens the collaborative spirit that drives our collective success.



**EVENT HIGHLIGHTS: Celebrating Diversity and Multicultural Unity** "The crescent moon and ketupat, the red lantern and pineapple tart, the traditional diya lamp and murukku" these iconic flavours of our major festive seasons beautifully represent the multicultural unity and vibrant workplace culture we cultivate at PGF.



# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Promoting Conducive Working Environment (Cont'd)

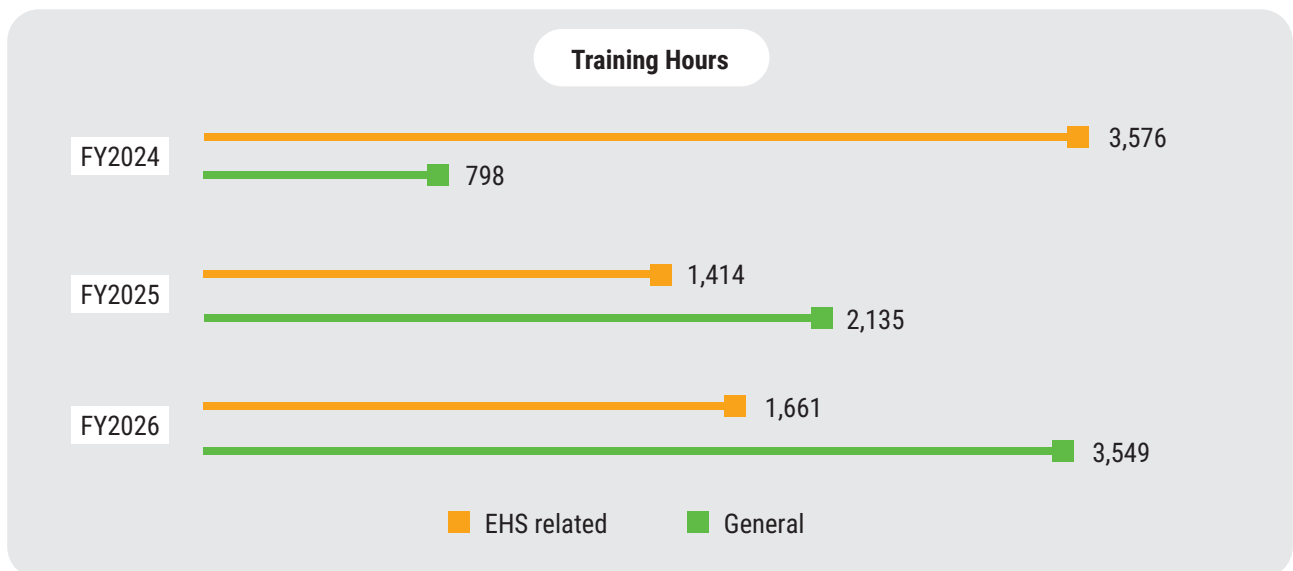
**EVENT HIGHLIGHTS: Monthly Birthday Celebrations** "We love taking a moment each month to celebrate our team members' birthdays. These gatherings are a highlight of our week, providing a welcome break from our projects and deadlines.



## Developing Talents

Talent development is a critical element in maintaining the Group's human capital and ensuring a sustainable pipeline of skills to support ongoing leadership and business management. We provide continuous training and development opportunities to help employees enhance their capabilities and advance their careers, including workshops, seminars, online courses, and professional development programs.

During the financial year under review, the Group recorded a total of 5,210 training hours, averaging 19.73 training hours per employee. The breakdown of these hours, categorised by General and EHS training, is as follows:



We remain committed to investing in our people, recognising that they are our most valuable asset.

We recognise and reward outstanding performance through our talent recognition and retention programs. Each year, we honour employees who embody our core values: Accountability, Excellence, Agility, Integrity, Quality, and Unity by presenting them with the Core Value Awards.

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Developing Talent (Cont'd)

### EVENT HIGHLIGHTS: Core Values Award

Celebrating these achievements is a fundamental part of our journey as a leading glass mineral wool manufacturer. Success is intrinsically linked to upholding the core values that define us as an organisation. We would like to extend our congratulations to En. Ramli Bin Zakaria and Mr. Tan Chong Yew as the recipients of 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 organisational growth and excellence.



**Ramli Bin Zakaria**  
for Embodying Accountability,  
Excellence & Unity



**Tan Chong Yew**  
for Embodying Accountability,  
Excellence, Integrity, Quality & Unity

## 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 corporate 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 minimise our environmental footprint, including waste reduction, recycling programs, and the adoption of energy-efficient processes. Our resource conservation efforts focus on operational efficiency, emission reductions, and the integration of renewable energy sources.

**Health Management:** We provide comprehensive occupational health programs, including regular health screenings, audiometry tests, and wellness initiatives. These are supported by clear health and safety policies that outline rigorous procedures for maintaining a healthy workplace.

**Safety Management:** We conduct regular safety training sessions and emergency drills to ensure all employees are well-prepared and understand safety protocols. We perform thorough risk assessments to identify potential hazards and implement targeted mitigation measures. Through a robust system for reporting and investigating incidents, we aim to prevent recurrences and continuously improve our safety standards. Furthermore, all employees are provided with, and trained in the proper use of, Personal Protective Equipment ("PPE") to guard against workplace hazards.

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

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Health And Safety (Cont'd)

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. As part of this commitment, we provide ongoing education and training to enhance employee awareness and individual responsibility toward environmental conservation.

No. of employee	Training Programme
23	Chemical Handling & Spillage Management
13	Chemical Safety Binder, Resin & Glass Crushing Area
71	Chemical Safety ML ,PL & Offline (Use Of Caustic Soda)
142	EHS Induction For Contractors
287	EHS Induction For Employees
257	Ergonomic Training
28	First Aid Kit 2025
46	Forklift Training 2025
52	Hearing Conservation Programme

Our commitment to continuous education ensures that PGF remains at the forefront of workplace safety, empowering our people to identify risks and act responsibly.

**EVENT HIGHLIGHTS:** Regular fire drill activities are conducted to ensure all personnel can respond calmly and effectively during an evacuation.



**EVENT HIGHLIGHTS:** By integrating EHS inductions for both employees and contractors, we ensure a "safety-first" mindset across all operations. This includes comprehensive first-aid training to prepare our team for any situation.



# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Health And Safety (Cont'd)

Safety data is a critical indicator used to monitor the performance of our operations and serves as a core component of our annual goals and Key Performance Indicators ("KPIs"). The following table summarises our safety incident data over the past five years. We utilise this data to monitor the effectiveness of our operations and to drive our annual safety objectives.

	MAJOR SAFETY INCIDENTS IN THE WORKPLACE				
	FY2026	FY2025	FY2024	FY2023	FY2022
<b>Case Reported</b>	3	3	4	3	7
Target '0'	0	0	0	0	0
<b>Incidence Rate</b>	9.86	3.76	14.6	7.31	19.42

Note: Incidence rate calculated per million hours worked.

Our safety performance continues to demonstrate a positive and stabilising trend. In FY2026, our Lost Time Incident Rate ("LTIR") was recorded at 9.86. While this remains above our internal target of zero, it represents a significant improvement to a reduction of nearly 50% compared to the peak of 19.42 in FY2022 and a substantial decrease from the 14.6 rate reported in FY2024.

This sustained improvement highlights the effectiveness of our targeted corrective actions, strengthened safety controls, and the success of our ongoing employee awareness and training programs. While we recognise that further effort is required to achieve our ultimate safety objectives, the consistent downward trend reflects meaningful progress in building a safer workplace and reinforcing a resilient safety culture across the organisation.

Our commitment to a "zero-harm" vision is evidenced by the following achievements:

### → ZERO Fatalities:

We have recorded zero fatalities over the past five years.

### → ZERO Occupational Health Incidents:

There have been no reported cases of occupational poisoning or work-related diseases.

### → Full Regulatory Compliance:

We have received **ZERO** penalties or enforcement actions from the Department of Occupational Safety and Health ("DOSH").

### → Consistent Standards:

We are proud to report **ZERO** significant non-compliance incidents which underscores the efficacy of our safety-first culture.

By prioritising EHS excellence, PGF remains dedicated to creating 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.

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Customer Satisfaction

Customer satisfaction is a vital measure of how well a company’s products and services meet or exceed market demands. It reflects the overall contentment of our customers with their purchasing experience and the quality of the goods and services they receive. High levels of satisfaction typically foster customer loyalty, repeat business, and positive word-of-mouth, whereas low levels can lead to customer churn and unfavorable reviews.

At PGF, we are committed to building enduring relationships with our customers by consistently enhancing the quality of our offerings. We aim to fully meet the expectations of all interested parties through a balanced approach, focusing on on-time, defect-free delivery. To achieve this, we remain dedicated to the continuous implementation of the ISO 9001 Quality Management System and strict adherence to all applicable regulatory and industry requirements.

In the current financial year, PGF achieved a high level of customer satisfaction. Moving forward, we will continue to strive to exceed our customers' expectations through our comprehensive Continuous Improvement Plan.

## Supply Chain

Supply chain management is central to our operational efficiency, encompassing the flow of goods, services, and information from our suppliers through to our final customers. At PGF, we view our supply chain not just as a logistical necessity, but as a strategic partnership that enables our sustainability goals.

Our commitment to product quality begins with the integrity of our input materials. We utilise high-quality, uncontaminated materials, working closely with selected suppliers to ensure consistency. A significant portion of our input consists of industrial glass waste; by sourcing these materials, we actively contribute to a circular economy.

Our strategy emphasises local sourcing to reduce our carbon footprint and support the domestic economy. As illustrated in the following breakdown, our reliance on local suppliers remains foundational to our operations:



# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Supply Chain (Cont'd)

Our expenditure profile reflects PGF's dual focus on supporting local circular economy initiatives and investing in innovation to meet future demand:

### → Local Trade:

This continues to represent the majority of our procurement, underscoring our commitment to supporting the local supply chain while transitioning toward more sustainable material sources.

### → Local Non-Trade:

This category primarily represents the costs associated with our glass recycling program, specifically the collection and logistics of discarded vehicle windscreens. The increase to 12.7% in FY2026 demonstrates our expanding reach in local waste collection, a critical component of our "Input GREEN" philosophy.

### → Import-Trade:

The introduction of imported materials (0.1% in FY2026) reflects our strategic investment in specialised glass for testing and trials. These imports are essential to ensure our production capabilities are prepared for the commissioning of our new plant.

We hold our partners to the same high standards we set for ourselves. The **PGF Supplier Code of Conduct** outlines our expectations regarding ethical business practices, human rights, and environmental responsibility. We expect our suppliers to act with integrity and ensure that no abusive, exploitative, or illegal conditions exist within their workplaces. Our requirements include:

### → Compliance with Laws & Regulations:

Suppliers must maintain strict adherence to all applicable laws, with a zero-tolerance stance toward bribery and corruption.

### → Business Ethics:

We require all dealings to be conducted with honesty, fairness, and integrity. We encourage our suppliers to promote these same responsible practices throughout their own supply chains.

### → Health, Safety, & Environment ("HSE"):

Suppliers must comply with all HSE regulations, strive to minimise their environmental impact, and actively promote sustainability.

### → Confidentiality & Intellectual Property:

Suppliers must respect and protect proprietary information and intellectual property rights.

### → Continuous Improvement:

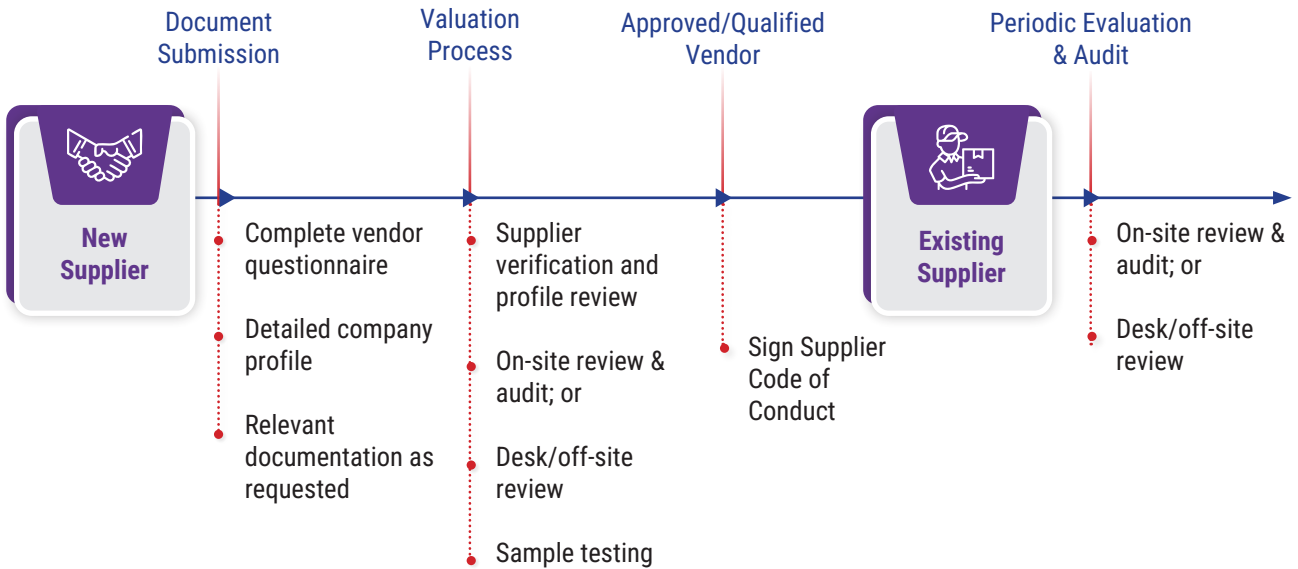
We foster a culture of collaboration, encouraging our suppliers to engage in ongoing process improvements to address potential concerns.

To maintain the high standards required by our operations, we employ a rigorous, multi-stage process for onboarding and auditing our partners. This ensures that every supplier from initial engagement to long-term collaboration aligns with PGF's quality, safety, and ethical expectations.

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Supply Chain (Cont'd)

Our standard procedure:



**PROJECT HIGHLIGHTS:** Our new fleet of branded trucks is now a visible symbol of PGF's progress and reliability on the highways. These vehicles represent more than just logistics; they are a testament to our growing presence and commitment to our partners across Malaysia and Oceania.

From the break of dawn to your doorstep, our team is driven by a singular mission: to serve you better. This investment in our logistics infrastructure ensures that we provide consistent, high-quality service while enhancing the visibility and reach of the PGF brand.



## Corporate Social Responsibility

At PGF, CSR is a fundamental pillar of our business strategy. We are committed to making a positive, lasting impact on society and the environment through responsible, sustainable practices. Our CSR initiatives are guided by our core values: Accountability, Agility, Excellence, Integrity, Quality, Unity. As we strive to create long-term value for all stakeholders and contribute to a healthier, more resilient world.

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Corporate Social Responsibility (Cont'd)

We believe that cultivating healthy relationships with our employees, shareholders, partners, customers, and vendors is essential. However, the communities surrounding our premises are the bedrock of our existence, success, and long-term viability. They provide the market, human capital, and supporting services crucial to our growth.

Therefore, we actively seek opportunities to build rapport with our local neighbours by:

### → Developing Human Capital:

Investing in the skills and well-being of the local workforce.

### → Driving Social Impact:

Supporting educational programs, healthcare initiatives, and community development projects, often with direct, hands-on involvement from our Senior Management.

### → Embedding Sustainability:

Making sustainable practices a way of life, both within our facilities and in the wider community.

PGF recognises that our commitment to sustainability extends far beyond the factory floor. We believe that true environmental stewardship is a collective, community-wide effort. Through regular community-driven initiatives such as gotong-royong sessions and beach clean-ups, we actively involve our employees and local partners in preserving the natural beauty and ecological health of our shared environment.

By engaging directly with the public, we strengthen our ties with local stakeholders and reinforce our role as a responsible corporate citizen, dedicated to the long-term well-being and prosperity of the Malaysian landscape.

**CSR Highlights:** In conjunction with World Cleanup Day, PGF was proud to collaborate with students, teachers, and our own employees for a meaningful beach cleanup initiative.



# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Corporate Social Responsibility (Cont'd)

**CSR Highlights:** Tranformasi Sekolah Ke Arah Lestari ("TASKAL") is driving meaningful sustainability awareness across Penang's schools, fostering a culture of environmental responsibility among students and educators. PGF is proud to support this initiative, which stands as a powerful example of how collaboration between industry partners and educational institutions can drive measurable progress toward a more sustainable future.



**CSR Highlights:** PGF is proud to partner with Sekolah Menengah Kebangsaan Agama Al-Irshad in a successful glass recycling initiative by collecting glass waste from their gotong-royong activities. This collaboration diverts waste from landfills and demonstrates our commitment to sustainable resource management. We look forward to further partnerships that turn community action into meaningful environmental impact.



# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Corporate Social Responsibility (Cont'd)

**CSR Highlights:** PGF's ongoing commitment to make a difference in the community, we have partnered with local environmental organisations to launch our "Indigenous Microbe Mudball Program." This initiative is an innovative approach to natural water body restoration that empowers local communities with cost-effective stewardship tools.



## GOVERNANCE

### Ethical Business Practice

At PGF, we uphold the highest standards of ethical conduct. We believe that honest, transparent, and fair operations are essential to respecting the rights and dignity of all stakeholders including our employees, customers, suppliers, and the broader community.



# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Ethical Business Practice (Cont'd)

Our governance framework is anchored by our core values, which define our internal culture, and our business ethics, which guide our external conduct. These principles form the foundation of the PGF Code of Conduct, which applies to all employees and Directors.

The Code, adopted by our Board, addresses critical areas such as conflict of interest, regulatory compliance, anti-corruption, workplace safety, and environmental protection. Any violations can be reported through our established Whistleblowing Policy, available at [www.pgfcapital.com.my](http://www.pgfcapital.com.my).

## Anti-Bribery and Anti-Corruption

PGF maintains a zero-tolerance policy toward all forms of corruption and bribery. We operate in strict accordance with the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and all relevant international regulations.

### → Internal Commitment:

As of 28 February 2026, **100%** of written consent was obtained from all employees in the Group regarding our ABC policies.

### → External Alignment:

We extend these expectations to our value chain. **100%** full compliance and written consent was obtained from suppliers and required to adhere to our Supplier Code of Conduct, which mandates transparency, accountability, and the active prevention of corrupt practices.

### → Performance:

We are proud to report **ZERO** incidents of bribery, corruption, or political donations across our operations for the reporting period.

## Data Privacy And Cybersecurity

In an increasingly digital landscape, we protect our computing assets through robust cybersecurity protocols. We recognise that our employees are our final line of defence; therefore, we prioritise rigorous end-user awareness, supported by MIS guidelines published in the PGF library and continuous awareness programs conducted by our MIS department.

PGF's Cybersecurity Awareness and Commitments:

### → Digital Security Best Practices:

Maintain strong, unique passwords and keep credentials private. Employees are trained to be highly sceptical of suspicious email links and attachments, and to strictly avoid downloading or installing software from untrusted sources.

### → Proactive Security:

Maintain our defense posture through regular software updates, robust firewalls, and secure network connections (VPNs).

### → Data Integrity:

Ensure the protection of sensitive information through mandatory data encryption and regular, secure off-site backups.

### → Continuous Training:

We mandate ongoing participation in cybersecurity awareness programs facilitated by our MIS Department to ensure all staff remain vigilant.

Reflecting our commitment to robust digital governance, we are proud to report that during the FYE2026 reporting period, there were **ZERO** major cybersecurity violations, **ZERO** data breaches, and **ZERO** external complaints.

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## CONCLUSION & FUTURE OUTLOOK

At PGF, sustainability is not merely a goal; it is a guiding principle that informs every strategic decision. As this report demonstrates, our commitment to environmental stewardship, social responsibility, and sound governance is deeply rooted in our corporate values. Looking forward, our focus remains on transitioning from a linear model to a fully circular economy:

**Advancing Circularity:** We will continue to expand our glass recycling ecosystem, increasing the recycled content in our mineral wool production to reduce reliance on virgin materials.

**Climate Resilience:** We remain dedicated to high-performance solutions, such as our CLIMAWRAP system, enabling the construction of energy-efficient, climate-resilient buildings.

**Transparency & Reporting:** We will continue to provide stakeholders with actionable, data-backed sustainability insights.

**Governance Excellence:** Sustainability will remain a top-down priority, with the Board of Directors actively driving our ESG strategy to ensure long-term value for our shareholders.

Together with our employees, partners, and communities, we are building a more resilient, sustainable future for generations to come. Our commitment to the 2050 NetZero goal defines our long-term purpose. By hitting our ambitious reduction targets by 2030, we are building a more responsible PGF, ensuring we create sustainable value for our stakeholders and the environment for generations to come.



# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## Bursa Malaysia Listing Requirements (BMLR)(transition period)

Date & Time: 2026-06-25\_22:22:23  
Main Market | Group 2 | FYE 28/02/2026

**PGF CAPITAL BERHAD**  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Anti-corruption)	(a) Percentage of employees who have received training on anti-corruption by employee category (Management)	Percentage	100	100	100	Internal
Bursa (Anti-corruption)	(a) Percentage of employees who have received training on anti-corruption by employee category (Executive)	Percentage	100	100	100	Internal
Bursa (Anti-corruption)	(a) Percentage of employees who have received training on anti-corruption by employee category (non-Executive)	Percentage	100	100	100	Internal
Bursa (Anti-corruption)	(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100	100	Internal
Bursa (Anti-corruption)	(c) Confirmed incidents of corruption and action taken	Number	0	0	0	Internal
Bursa (Anti-corruption)	Disclosure of total amount of political contributions made	Number	0	0	—	Internal
Bursa (Anti-corruption)	Disclosure of total amount of political contributions made	MYR	0	0	—	Internal
Bursa (Anti-corruption)	Disclosure of number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies	Number	0	0	0	Internal
Bursa (Anti-corruption)	Disclosure of cost of fines, penalties or settlements in relation to corruption	MYR	0	0	0	Internal

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## PGF CAPITAL BERHAD BMLR Transition Period

Date & Time: 2026-06-25\_22:22:23  
Main Market | Group 2 | FYE 28/02/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Community/Society)	(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	6,350	30,000	—	Internal
Bursa (Community/Society)	(b) Total number of beneficiaries of the investment in communities	Number	3	1	—	Internal
Bursa (Diversity)	(a) Percentage of employees by age group, for each employee category: (Management Between 30-50)	Percentage	8	7	—	Internal
Bursa (Diversity)	(a) Percentage of employees by age group, for each employee category: (Management Above 50)	Percentage	2	3	—	Internal
Bursa (Diversity)	(a) Percentage of employees by age group, for each employee category: (Executive Under 30)	Percentage	10	8	—	Internal
Bursa (Diversity)	(a) Percentage of employees by age group, for each employee category: (Executive Between 30-50)	Percentage	10	12	—	Internal
Bursa (Diversity)	(a) Percentage of employees by age group, for each employee category: (Executive Above 50)	Percentage	2	2	—	Internal
Bursa (Diversity)	(a) Percentage of employees by age group, for each employee category: (non-Executive Under 30)	Percentage	8	4	—	Internal

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# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	(a) Percentage of employees by age group, for each employee category: (non-Executive Between 30-50)	Percentage	8	7	—	Internal
Bursa (Diversity)	(a) Percentage of employees by age group, for each employee category: (non-Executive Above 50)	Percentage	1	2	—	Internal
Bursa (Diversity)	(a) Percentage of employees by age group, for each employee category: (General Worker Under 30)	Percentage	27	23	—	Internal
Bursa (Diversity)	(a) Percentage of employees by age group, for each employee category: (General Worker Between 30-50)	Percentage	23	30	—	Internal
Bursa (Diversity)	(a) Percentage of employees by age group, for each employee category: (General Worker Above 50)	Percentage	1	2	—	Internal
Bursa (Diversity)	(a) Percentage of employees by gender group, for each employee category: (Management Male)	Percentage	7	7	—	Internal
Bursa (Diversity)	(a) Percentage of employees by gender group, for each employee category: (Management Female)	Percentage	3	3	actively exploring ways to expand career pathways irrespective of gender, race, or disability	Internal
Bursa (Diversity)	(a) Percentage of employees by gender group, for each employee category: (Executive Male)	Percentage	12	14	—	Internal

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

**PGF CAPITAL BERHAD**  
BMLR Transition Period

Date & Time: 2026-06-25\_22:22:23  
Main Market | Group 2 | FYE 28/02/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	(a) Percentage of employees by gender group, for each employee category: (Executive Female)	Percentage	11	8	actively exploring ways to expand career pathways irrespective of gender, race, or disability	Internal
Bursa (Diversity)	(a) Percentage of employees by gender group, for each employee category: (non-Executive Male)	Percentage	15	12	—	Internal
Bursa (Diversity)	(a) Percentage of employees by gender group, for each employee category: (non-Executive Female)	Percentage	2	1	actively exploring ways to expand career pathways irrespective of gender, race, or disability	Internal
Bursa (Diversity)	(a) Percentage of employees by gender group, for each employee category: (General Worker Male)	Percentage	51	55	—	Internal
Bursa (Diversity)	(b) Percentage of directors by age group: (Between 30-50)	Percentage	67	50	—	External (Reasonable)
Bursa (Diversity)	(b) Percentage of directors by age group: (Above 50)	Percentage	33	50	—	External (Reasonable)
Bursa (Diversity)	(b) Percentage of directors by gender group: (Male)	Percentage	67	67	—	External (Reasonable)
Bursa (Diversity)	(b) Percentage of directors by gender group: (Female)	Percentage	33	33	—	External (Reasonable)
Bursa (Diversity)	Number of Board Directors	Number	6	6	—	External (Reasonable)
Bursa (Diversity)	Number of independent Directors on the board	Number	3	3	—	External (Reasonable)

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# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## PGF CAPITAL BERHAD BMLR Transition Period

Date & Time: 2026-06-25\_22:22:23  
Main Market | Group 2 | FYE 28/02/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Number of women on the board	Number	2	2	—	External (Reasonable)
Bursa (Energy management)	Total energy consumption	Megawatt	92,092	98,925	efficiency in energy management	Internal
Bursa (Health and safety)	(a) Number of work-related fatalities	Number	0	0	0	Internal
Bursa (Health and safety)	(b) Lost time incident rate ("LTIR")	Rate	3.76	9.86	—	No assurance
Bursa (Health and safety)	(c) Number of employees trained on health and safety standards	Number	1,414	1,661	—	Internal
Bursa (Health and safety)	Number of work-related employee fatalities, over last 3 years	Number	0	0	0	Internal
Bursa (Health and safety)	Number of work-related contractor fatalities, over last 3 years	Number	0	0	0	Internal
Bursa (Labour practices and standards)	(a) Total hours of training by employee category: (Management)	Hours	686	802	—	Internal
Bursa (Labour practices and standards)	(a) Total hours of training by employee category: (Executive)	Hours	1,029	2,312	—	Internal
Bursa (Labour practices and standards)	(a) Total hours of training by employee category: (non-Executive)	Hours	168	640	—	Internal
Bursa (Labour practices and standards)	(a) Total hours of training by employee category: (General Workers)	Hours	252	1,456	—	Internal

# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## PGF CAPITAL BERHAD BMLR Transition Period

Date & Time: 2026-06-25\_22:22:23  
Main Market | Group 2 | FYE 28/02/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Labour practices and standards)	(b) Percentage of employees that are contractors or temporary staff	Percentage	1	1	—	Internal
Bursa (Labour practices and standards)	(c) Total number of employee turnover by employee category: (Management)	Number	4	3	—	Internal
Bursa (Labour practices and standards)	(c) Total number of employee turnover by employee category: (Executive)	Number	11	8	—	Internal
Bursa (Labour practices and standards)	(c) Total number of employee turnover by employee category: (non-Executive)	Number	2	9	—	Internal
Bursa (Labour practices and standards)	(c) Total number of employee turnover by employee category: (General Workers)	Number	13	8	—	Internal
Bursa (Labour practices and standards)	(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	Internal
Bursa (Supply chain management)	Proportion of spending on local suppliers	Percentage	100	872	—	Internal
Bursa (Data privacy and security)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	Internal
Bursa (Water)	Total volume of water used	Megalitres	103	91	—	Internal
Bursa (Waste management)	Total waste generated	Metric tonnes	2,233	1,367	—	Internal
Bursa (Waste management)	Total waste diverted from disposal	Metric tonnes	1,025	68	—	Internal

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# SUSTAINABILITY STATEMENT FY2026 (CONT'D)

## PGF CAPITAL BERHAD BMLR Transition Period

Date & Time: 2026-06-25\_22:22:23  
Main Market | Group 2 | FYE 28/02/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Waste management)	Total waste directed to disposal	Metric tonnes	1,208	1,298	—	Internal
Bursa (Waste management)	Total costs of environmental fines and penalties during financial year	MYR	0	0	0	Internal
Bursa (Emissions management)	(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	13,851	15,009	—	Internal
Bursa (Emissions management)	(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	9,061	9,383	—	Internal
Bursa (Emissions management)	(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	22,931	10,003	—	Internal

# 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 2012 (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](http://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](http://www.pgfcapital.com.my).

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## 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.

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## 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	Senior 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 2026, the Nominating Committee met once 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	Senior 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.

## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

### 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	1,161,637	-	-	63,185
Non-Executive		80,000	15,000	-

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

Range of remuneration RM	Number of Directors	
	Executive	Non-Executive
0 – 50,000	-	3
200,001 – 300,000	1	-
300,001 – 400,000	-	-
400,001 – 500,000	2	-

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](http://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.

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## PRINCIPLE 3: REINFORCE INDEPENDENCE OF THE BOARD (CONT'D)

### 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, or 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 2026.

### 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 2026 and details of the attendance of the Directors were as follows:

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

### 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.

## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

### PRINCIPLE 4: FOSTER COMMITMENT (CONT'D)

#### Directors' training (Cont'd)

In FY2026, training programme attended by directors of the Company are as follows:

	Training Programme	Attended by
1.	Shanghai International Thermal Insulation Material, Waterproof Material and Energy-saving Technology Exhibition	Fong Wern Sheng
2.	FMM Penang Workshop: Roles of Intellectual Property (IP) in Manufacturing Industry	Tan Ming Chong
3.	malaysiaGBC: visit to Centre of Resilient Ecosystems, CoRE, and Teja Luna	Tan Ming Chong
4.	Economic & Market Development Conference 2025	Tan Ming Chong
5.	malaysiaGBC: green tour to USM: Discover BIOECODS	Tan Ming Chong
6.	GBCMosaic: Global Perspectives, Local Impact	Tan Ming Chong
7.	MAP Part II: Leading for Impact	Fong Wah Kai
8.	MAP Part II: Leading for Impact	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.

#### 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.

## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

### **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 70 to 73.

### **PRINCIPLE 7: ENSURE TIMELY AND HIGH-QUALITY DISCLOSURE**

The Company recognises 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](http://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](http://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.

#### **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.

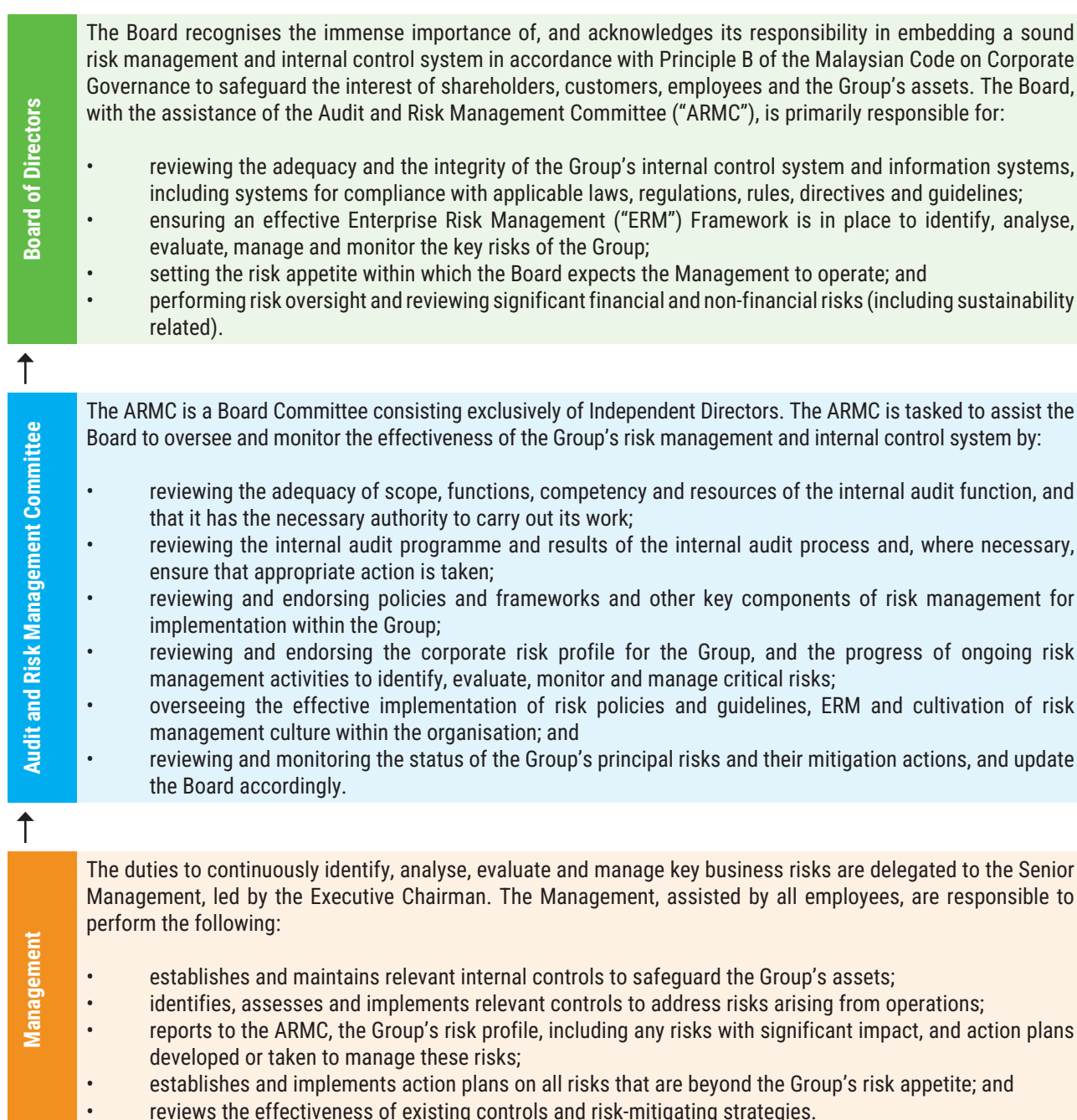
# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## 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

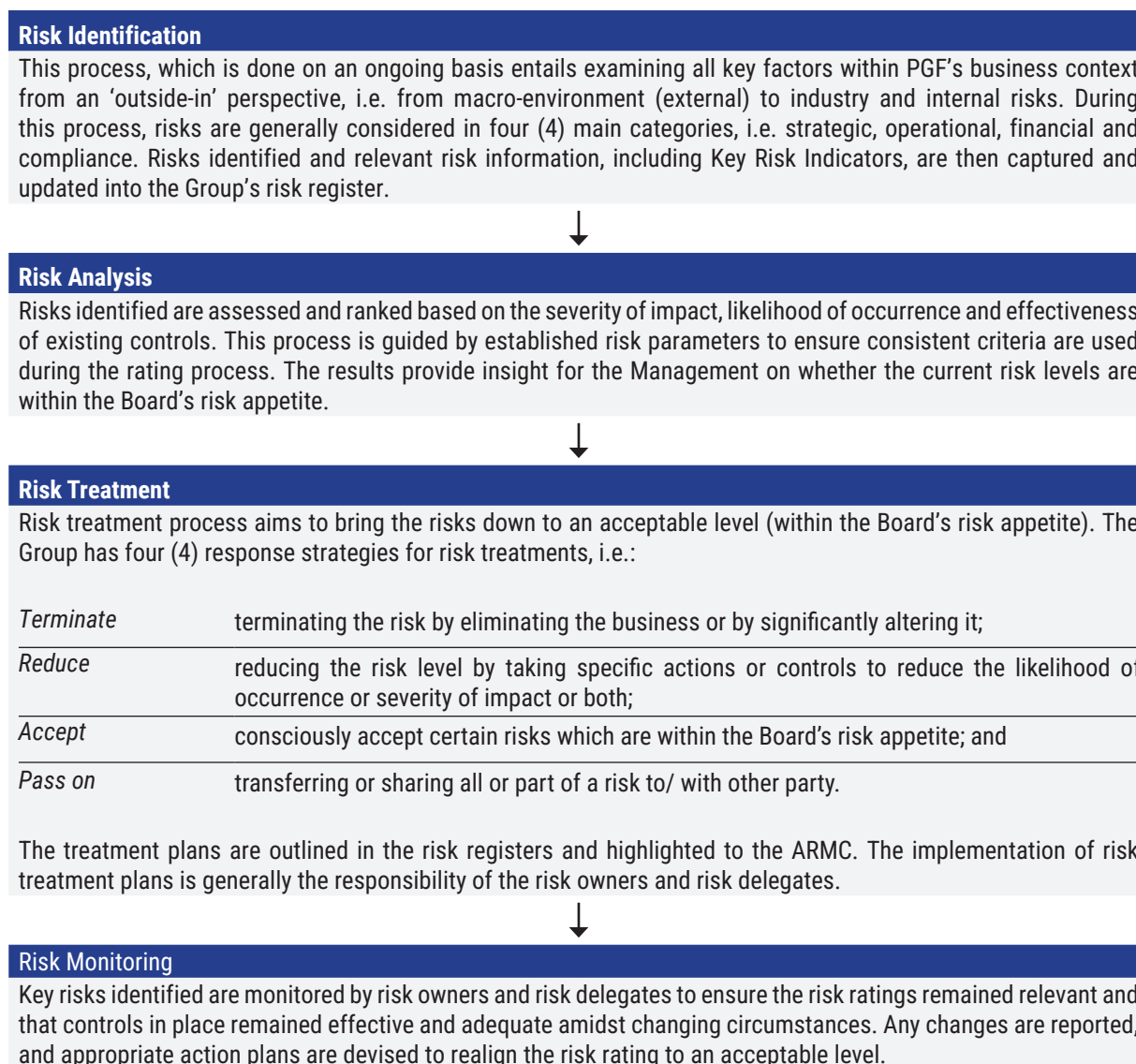
The Group has an established governance structure for matters relating to risk management and internal control as follows:



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

## 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:



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.

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

## 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.

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

## 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 2026, 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 2026 amounted to approximately RM42,359.

## 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 2026, 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 Group Chief Executive Officer, Group Chief Operating Officer and Group 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 19 June 2026.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

For The Financial Year Ended 28 February 2026

## 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 2026.

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

	Attendance
Mr. Tan Jin Sun	5/5
Ms. Ofelia Cheah Loo Ee	5/5
Ms. Poh Heem Heem	5/5

## 3. TERMS OF REFERENCE

The terms of reference of the Committee are available on the Company's website [www.pgfcapital.com.my](http://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 2026 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;

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

## For The Financial Year Ended 28 February 2026

### 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 2026 was RM42,359.

This report is made in accordance with a resolution of the Board of Directors dated 19 June 2026.

## 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 2026.

**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	45,000	191,000
Non-Audit Fees	31,500	99,900

**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 RM42,359.

**5. Continuing Education Programme**

Details of the seminars or courses attended by the Directors of the Company are disclosed in the Statement on Corporate Governance, as set out on page 68 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 2026.

**7. Issue of Shares and Debentures**

During the financial year, a total of 105,400 ICPS were converted into 105,400 ordinary shares of the Company. As a results, the number of issued and fully paid ordinary shares of the Company increased from 193,952,148 ordinary shares to 194,057,548 ordinary shares. The issued share capital of the Company increased from RM233,341,410 to RM233,436,270.

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.

## ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

### 8. Disclosure of Financial Data for Shariah Screening

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

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

	Group	
	2026	2025
	RM	RM
<b>Total Income</b>		
Revenue	167,990,959	155,010,555
Other income	10,338,298	22,254,166
Share of associate's profit	262,177	349,593
<b>Total</b>	<b>178,591,434</b>	<b>177,614,314</b>
<b>Total Assets</b>	<b>526,526,581</b>	<b>413,711,390</b>

#### (b) Business Activities

	Group	
	2026	2025
	RM	RM
<b>Shariah Non-Compliant Activities</b>		
Interest income	418,603	610,210
<b>Total</b>	<b>418,603</b>	<b>610,210</b>

#### (c) Component of Financial Position

##### (i) Cash Component

	Group	
	2026	2025
	RM	RM
<b>Islamic Account/ Instruments</b>		
Cash and bank balances	16,168,566	2,989,283
<b>Total</b>	<b>16,168,566</b>	<b>2,989,283</b>
<b>Conventional Account/Instruments</b>		
Cash and bank balances	17,905,576	30,596,757
Term deposits with licensed banks	1,506,610	4,318,195
<b>Total</b>	<b>19,412,186</b>	<b>34,914,952</b>

## ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

### 8. Disclosure of Financial Data for Shariah Screening (Cont'd)

#### (c) Component of Financial Position (Cont'd)

##### (ii) Debt Component

	Group	
	2026	2025
	RM	RM
<b>Islamic Financing</b>		
<b>Current</b>		
Banker acceptances	3,856,023	3,554,241
Revolving credits	7,500,000	6,500,000
Term loan	1,030,902	1,243,834
Hire purchase payables	137,079	128,920
<b>Non-Current</b>		
Term loan	126,764,979	43,970,310
Hire purchase payables	132,652	269,731
<b>Total Financing</b>	<b>139,421,635</b>	<b>55,667,036</b>
<b>Conventional Borrowing</b>		
<b>Current</b>		
Revolving credits	1,167,300	1,337,700
Short-term loan	129,801	-
Term loans	2,565,959	3,396,994
Hire purchase payables	536,096	458,510
<b>Non-Current</b>		
Term loans	4,579,141	8,244,670
Hire purchase payables	1,465,443	1,313,218
<b>Total Debt</b>	<b>10,443,740</b>	<b>14,751,092</b>



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# DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 28 February 2026.

## 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/(Loss) for the financial year	<u>25,930,028</u>	<u>(1,358,030)</u>

## Dividends

During the financial year, the Company paid a final dividend of 1.0 sen per ordinary share amounting to RM1,939,521 in respect of the financial year ended 28 February 2025.

A final dividend of 3.5 sen per ordinary share in respect of the financial year ended 28 February 2026 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 RM237,942,437 to RM238,026,757 by way of conversion of 105,400 irredeemable convertible preference shares into 105,400 ordinary shares at a net cash consideration of RM94,860.

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.

# DIRECTORS' REPORT (CONT'D)

## **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' REPORT (CONT'D)

## Directors

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

Fong Wah Kai  
 Fong Wern Sheng  
 Tan Ming Chong  
 Ofelia Cheah Loo Ee  
 Tan Jin Sun  
 Poh Heem Heem

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

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:

Name of director	Number of ordinary shares			Balance at 28.2.2026
	Balance at 1.3.2025	Bought	Sold	
Fong Wah Kai				
- Direct	6,782,200	0	0	6,782,200
- Indirect <sup>(a)</sup>	83,693,150	336,800	0	84,029,950
Fong Wern Sheng				
- Direct	10,950,700	574,700	0	11,525,400
- Indirect <sup>(a)</sup>	23,658,053	50,000	0	23,708,053
Tan Ming Chong				
- Direct	384,900	0	0	384,900

Name of director	Number of irredeemable convertible preference shares			Balance at 28.2.2026
	Balance at 1.3.2025	Bought	Sold	
Fong Wah Kai				
- Direct	3,399,400	0	0	3,399,400
- Indirect <sup>(a)</sup>	9,672,200	0	0	9,672,200
Fong Wern Sheng				
- Direct	5,398,700	0	0	5,398,700
- Indirect <sup>(a)</sup>	18,626,225	0	0	18,626,225

<sup>(a)</sup> 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' REPORT (CONT'D)

## Directors' benefits

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

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.

## Directors' remuneration

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

	<b>From the Company RM</b>
Fees	80,000
Other short-term employee benefits	1,053,761
Defined contribution plans	122,876
Estimated money value of benefits-in-kind	63,185
	<u>1,319,822</u>

## Indemnity and insurance cost

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

## Subsidiaries

The details of the subsidiary names, places of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 7 to the financial statements.

## Auditors

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year were RM191,000 and RM45,000 respectively.

**Signed in accordance with a resolution of the directors dated 19 June 2026**

**Fong Wern Sheng**

**Tan Ming Chong**

## STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 89 to 147 give a true and fair view of the financial position of the Group and the Company as at 28 February 2026 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 19 June 2026**

**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 89 to 147 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 19 June 2026

**Loo Chee Hin**  
Group 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 2026 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 89 to 147.

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 2026, 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"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. 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.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><u>Valuation of land held for property development under inventories (Refer to Notes 3 and 11 to the financial statements)</u></p> <p>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.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Assessing the reasonableness of the value of the land by comparing against actual recent transacted prices of similar type of land within the proximity.</li> </ul>

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.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

## *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.

## **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.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

## 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

**Eddy Chan Wai Hun**  
02182/10/2027 J  
Chartered Accountant

Date: 19 June 2026

Penang

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 28 February 2026

	Note	2026 RM	2025 RM
<b>Non-current assets</b>			
Property, plant and equipment	4	183,395,750	100,556,875
Investment properties	5	4,900,192	5,030,224
Right-of-use assets	6	12,407,032	18,755,211
Investment in associate	8	1,596,999	2,165,059
Investments in joint ventures	9	2,254,916	2,674,330
Other investments	10	878,962	857,630
Inventories	11	168,250,916	167,549,037
Deferred tax assets	12	1,854,232	2,055,853
		<u>375,538,999</u>	<u>299,644,219</u>
<b>Current assets</b>			
Inventories	11	35,366,623	33,206,831
Biological assets	13	187,000	156,300
Receivables	14	34,274,834	33,564,805
Prepayments	15	45,501,652	9,205,399
Current tax assets		76,721	29,601
Cash and cash equivalents	16	35,580,752	37,904,235
		<u>150,987,582</u>	<u>114,067,171</u>
<b>Current liabilities</b>			
Payables	17	28,703,596	20,010,707
Loans and borrowings	18	16,249,985	16,032,769
Hire purchase payables	19	673,175	587,430
Lease liabilities	20	4,692,359	4,214,145
Derivatives	21	79,695	18,876
Contract liabilities	22	3,720,686	3,553,943
Current tax liabilities		1,978,479	1,371,982
		<u>56,097,975</u>	<u>45,789,852</u>
<b>Net current assets</b>		94,889,607	68,277,319
<b>Non-current liabilities</b>			
Deferred tax liabilities	12	34,563,502	34,363,502
Loans and borrowings	18	131,344,120	52,214,980
Hire purchase payables	19	1,598,095	1,582,949
Lease liabilities	20	5,406,939	9,588,161
Derivatives	21	6,295,943	2,246,262
Deferred income on government grants	23	4,450,488	5,203,787
		<u>183,659,087</u>	<u>105,199,641</u>
<b>Net assets</b>		<u>286,769,519</u>	<u>262,721,897</u>
<b>Equity</b>			
Share capital	24	238,026,757	237,942,437
Currency translation reserve		(62,509)	(35,304)
Retained profits		48,805,271	24,814,764
<b>Total equity</b>		<u>286,769,519</u>	<u>262,721,897</u>

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

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 28 February 2026

	Note	2026 RM	2025 RM
Revenue	25	167,990,959	155,010,555
Other income		10,338,298	22,254,166
Changes in work-in-progress and finished goods		(14,014,691)	(4,359,284)
Raw materials consumed		(50,322,908)	(51,676,884)
Depreciation	26	(12,034,750)	(11,620,812)
Employee benefits expense		(26,494,336)	(22,469,271)
Impairment losses on financial assets	27	(624,814)	(33,034)
Loss on derecognition of financial assets measured at amortised cost		(68,778)	0
Finance costs		(2,575,277)	(2,634,323)
Other expenses		(34,433,446)	(37,548,466)
Share of associate's profit		262,177	349,593
Share of joint ventures' loss		(1,232,149)	(274,490)
Profit before tax	28	<u>36,790,285</u>	<u>46,997,750</u>
Tax expense	29	(10,860,257)	(13,061,178)
Profit for the financial year		<u>25,930,028</u>	<u>33,936,572</u>
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
- Currency translation differences for foreign operations		(27,205)	(67,724)
Other comprehensive income for the financial year		<u>(27,205)</u>	<u>(67,724)</u>
Comprehensive income for the financial year		<u>25,902,823</u>	<u>33,868,848</u>
Basic earnings per share (sen)	30	<u>13.37</u>	<u>18.26</u>
Diluted earnings per share (sen)	30	<u>11.96</u>	<u>15.69</u>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 28 February 2026

	Ordinary shares RM	Irredeemable convertible preference shares RM	Currency translation reserve RM	(Accumulated losses)/ Retained profits RM	Total equity RM
Balance at 1 March 2024	206,538,375	7,579,142	32,420	(2,333,639)	211,816,298
Conversion of irredeemable convertible preference shares Dividends (Note 31)	26,803,035	(2,978,115)	0	0	23,824,920
Total transactions with owners	26,803,035	(2,978,115)	0	(6,788,169)	(6,788,169)
Profit for the financial year	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	(67,724)	0	(67,724)
Comprehensive income for the financial year	0	0	(67,724)	33,936,572	33,868,848
Balance at 28 February 2025	233,341,410	4,601,027	(35,304)	24,814,764	262,721,897
Conversion of irredeemable convertible preference shares Dividends (Note 31)	94,860	(10,540)	0	0	84,320
Total transactions with owners	94,860	(10,540)	0	(1,939,521)	(1,939,521)
Profit for the financial year	0	0	0	25,930,028	25,930,028
Currency translation differences for foreign operations (representing other comprehensive income for the financial year)	0	0	(27,205)	0	(27,205)
Comprehensive income for the financial year	0	0	(27,205)	25,930,028	25,902,823
Balance at 28 February 2026	233,436,270	4,590,487	(62,509)	48,805,271	286,769,519

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 28 February 2026

	Note	2026 RM	2025 RM
<b>Cash flows from operating activities</b>			
Profit before tax		36,790,285	46,997,750
Adjustments for:			
Amortisation of deferred income		(753,299)	(751,122)
Depreciation		12,034,750	11,620,812
Fair value changes in biological assets		(30,700)	(49,000)
Fair value losses on financial instruments		4,089,168	2,214,928
Gain on dissolution of investment in joint venture		(304,688)	0
Impairment losses on financial assets		624,814	33,034
Interest expense		2,575,277	2,634,323
Interest income		(660,091)	(772,695)
Inventories written down		997,851	162,675
Loss on derecognition of financial assets measured at amortised cost		68,778	0
Loss/(Gain) on disposal of property, plant and equipment		107,711	(61,498)
Property, plant and equipment written off		111,138	17,120
Reversal of inventories written down		0	(13,385)
Reversal of land held for property development written down		0	(19,597,657)
Share of associate's profit		(262,177)	(349,593)
Share of joint ventures' loss		1,232,149	274,490
Unrealised (gain)/loss on foreign exchange		(7,944,044)	1,380,840
Operating profit before working capital changes		<u>48,676,922</u>	<u>43,741,022</u>
Changes in:			
Inventories		(3,859,522)	(5,451,216)
Receivables	32	189,686	(13,387,374)
Prepayments		328,095	(49,355)
Payables	32	8,702,600	4,216,711
Contract liabilities		166,743	(258,717)
Cash generated from operations		<u>54,204,524</u>	<u>28,811,071</u>
Interest received		660,091	772,695
Tax paid		(9,972,499)	(10,033,061)
Tax refunded		73,592	20,107
Net cash from operating activities		<u>44,965,708</u>	<u>19,570,812</u>
<b>Cash flows from investing activities</b>			
Acquisition of joint venture		0	(1,628,820)
Acquisition of property, plant and equipment	32	(120,781,324)	(55,502,386)
Acquisition of right-of-use assets	32	(7,066)	(90,489)
Dividend received from associates		832,800	0
Government grants received		0	198,100
Proceeds from disposal of property, plant and equipment		103,500	61,500
Proceed from dissolution of investment in joint venture		304,688	0
Net advances to joint venture	32	(1,201,479)	0
Subscription for shares in joint ventures		(851,700)	(851,649)
Net cash used in investing activities		<u>(121,600,581)</u>	<u>(57,813,744)</u>

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 2026

	2026	2025
Note	RM	RM
<b>Cash flows from financing activities</b>		
Changes in term deposits pledged as security	(188,415)	230,487
Increase in short-term loans and borrowings (net)	32 1,424,633	4,425,936
Dividend paid	(1,939,521)	(6,788,169)
Drawdown of term loans	32 91,489,264	39,865,165
Interest paid	(5,770,947)	(2,770,951)
Payment of hire purchase payables	32 (721,443)	(516,330)
Payment of lease liabilities	32 (4,316,996)	(3,853,477)
Proceeds from conversion of irredeemable convertible preference shares	84,320	23,824,920
Repayment of term loans	32 (5,483,722)	(4,519,749)
Net cash from financing activities	<u>74,577,173</u>	<u>49,897,832</u>
Currency translation differences	(454,198)	376,446
Net (decrease)/increase in cash and cash equivalents	(2,511,898)	12,031,346
Cash and cash equivalents brought forward	36,586,040	24,554,694
Cash and cash equivalents carried forward	32 <u>34,074,142</u>	<u>36,586,040</u>

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

# STATEMENT OF FINANCIAL POSITION

As at 28 February 2026

	Note	2026 RM	2025 RM
<b>Non-current assets</b>			
Property, plant and equipment	4	681,046	7,021
Right-of-use assets	6	0	951,677
Investments in subsidiaries	7	240,538,181	241,493,080
Investment in associate	8	60	60
Investments in joint ventures	9	1,703,400	1,601,701
Receivables	14	577,276	8,141,355
		<u>243,499,963</u>	<u>252,194,894</u>
<b>Current assets</b>			
Receivables	14	42,904,876	6,650,196
Prepayments	15	79,017	48,827
Current tax assets		4,056	2,149
Cash and cash equivalents	16	954,163	765,320
		<u>43,942,112</u>	<u>7,466,492</u>
<b>Current liabilities</b>			
Payables	17	36,600,050	5,343,817
Loans and borrowings	18	4,500,000	4,500,000
Hire purchase payables	19	189,264	258,915
		<u>41,289,314</u>	<u>10,102,732</u>
<b>Net current assets/(liabilities)</b>		2,652,798	(2,636,240)
<b>Non-current liabilities</b>			
Hire purchase payables	19	383,538	576,200
<b>Net assets</b>		<u>245,769,223</u>	<u>248,982,454</u>
<b>Equity</b>			
Share capital	24	238,026,757	237,942,437
Retained profits		7,742,466	11,040,017
<b>Total equity</b>		<u>245,769,223</u>	<u>248,982,454</u>

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

# STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 28 February 2026

	<b>Note</b>	<b>2026 RM</b>	<b>2025 RM</b>
Revenue	25	14,166,600	13,348,696
Other income		1,046,965	341,053
Depreciation	26	(278,497)	(255,258)
Employee benefits expense		(2,495,213)	(2,126,484)
Finance costs		(1,314,132)	(124,196)
Impairment losses on investment in subsidiaries		(10,954,899)	0
Other expenses		(1,472,846)	(1,215,445)
(Loss)/Profit before tax	28	<u>(1,302,022)</u>	<u>9,968,366</u>
Tax expense	29	(56,008)	(9,501)
(Loss)/Profit for the financial year		<u>(1,358,030)</u>	<u>9,958,865</u>
Other comprehensive income for the financial year		0	0
Comprehensive income for the financial year		<u>(1,358,030)</u>	<u>9,958,865</u>

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

# STATEMENT OF CHANGES IN EQUITY

For the financial year ended 28 February 2026

	Ordinary shares RM	Irredeemable convertible preference shares RM	Retained profits RM	Total equity RM
Balance at 1 March 2024	206,538,375	7,579,142	7,869,321	221,986,838
Conversion of irredeemable convertible preference shares Dividends (Note 31)	26,803,035	(2,978,115)	0	23,824,920
Total transactions with owners	26,803,035	(2,978,115)	(6,788,169)	(6,788,169)
Profit (representing comprehensive income) for the financial year	0	0	(6,788,169)	17,036,751
Balance at 28 February 2025	233,341,410	4,601,027	11,040,017	248,982,454
Conversion of irredeemable convertible preference shares Dividends (Note 31)	94,860	(10,540)	0	84,320
Total transactions with owners	94,860	(10,540)	(1,939,521)	(1,939,521)
Loss (representing comprehensive income) for the financial year	0	0	(1,939,521)	(1,855,201)
Balance at 28 February 2026	233,436,270	4,590,487	7,742,466	245,769,223

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

# STATEMENT OF CASH FLOWS

For the financial year ended 28 February 2026

	2026	2025
Note	RM	RM
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax	(1,302,022)	9,968,366
Adjustments for:		
Depreciation	278,497	255,258
Dividend income	(10,832,800)	(11,004,900)
Gain on disposal of property, plant and equipment	0	(34,999)
Impairment loss on investment in subsidiaries	10,954,899	0
Interest expense	1,314,132	124,196
Interest income	(1,045,663)	(305,597)
Loss on dissolution of investment in joint venture	445,313	0
Property, plant and equipment written off	0	1
Unrealised gain on foreign exchange	(1,302)	(457)
Operating loss before working capital changes	(188,946)	(998,132)
Changes in:		
Receivables	32 1,781,593	(5,813,642)
Prepayments	(30,190)	1,346
Payables	32 (1,762,224)	(2,883,351)
Cash absorbed by operations	(199,767)	(9,693,779)
Interest received	51,983	305,597
Tax paid	(69,304)	(6,175)
Tax refunded	11,389	0
Net cash used in operating activities	(205,699)	(9,394,357)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	32 (845)	(7,100)
Acquisition of right-of-use assets	32 0	(64,959)
Dividends received	10,832,800	11,004,900
Interest received	993,680	0
Proceeds from disposal of property, plant and equipment	0	35,000
Proceed from dissolution of investment in joint venture	304,688	0
Net advances to joint venture	32 (1,201,479)	0
Net (advances to)/repayment from subsidiaries	32 (29,269,413)	404,792
Subscription for shares in joint venture	(851,700)	(851,649)
Subscription for shares in subsidiaries	(10,000,000)	(20,000,000)
Net cash used in investing activities	(29,192,269)	(9,479,016)
<b>Cash flows from financing activities</b>		
Advances from subsidiaries	32 33,018,457	0
Dividend paid	(1,939,521)	(6,788,169)
Increase in short-term loans and borrowings (net)	32 0	2,500,000
Interest paid	(1,314,132)	(124,196)
Payment of hire purchase	32 (262,313)	(224,346)
Proceeds from conversion of irredeemable convertible preference shares	84,320	23,824,920
Net cash from financing activities	29,586,811	19,188,209
Net increase in cash and cash equivalents	188,843	314,836
Cash and cash equivalents brought forward	765,320	450,484
Cash and cash equivalents carried forward	32 <u>954,163</u>	<u>765,320</u>

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

# NOTES TO THE FINANCIAL STATEMENTS

28 February 2026

## 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 89 to 93 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 94 to 97 together with the notes thereto cover the Company solely.

The functional and 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 19 June 2026.

## 2. 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 121 <i>Lack of Exchangeability</i>	1 January 2025

The initial application of the above MFRSs did not have any significant impact on the financial statements.

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 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 2. Basis of preparation of financial statements (cont'd)

MFRS (issued as at the end of the reporting period)	Effective for annual periods beginning on or after
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 121 <i>Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
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.

### MFRS 18 *Presentation and Disclosure in Financial Statements*

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 28 February 2028.

## 3. Material accounting policy information

### 3.1 Critical accounting estimates and judgements

#### ***Key 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).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 3. Material accounting policy information (cont'd)

### 3.1 Critical accounting estimates and judgements (cont'd)

#### Impairment of receivables

The Company recognises 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).

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

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

### 3.2 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.

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. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 3. Material accounting policy information (cont'd)

### 3.3 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.

### 3.4 Property, plant and equipment

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

Freehold land, capital work-in-progress and immature bearer plant are not depreciated. Bearer plants, which represent the capitalised costs on new planting and replanting of tropical fruits from the stage of land clearing up to the stage of maturity, are depreciated on a straight-line basis over their estimated productive 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%

### 3.5 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.

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

### 3.6 Right-of-use and lease liabilities

#### (a) Short-term leases and leases of low-value assets

The Company applies the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Company recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 3. Material accounting policy information (cont'd)

### 3.6 Right-of-use and lease liabilities (cont'd)

#### (b) Right-of-use assets

Right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

#### (c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

### 3.7 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.

### 3.8 Investment in associates

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 the separate financial statements of the Company, investment in associate is stated at cost less impairment losses, if any.

### 3.9 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 the separate financial statements of the Company, investments in joint ventures are stated at cost less impairment losses, if any.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 3. Material accounting policy information (cont'd)

### 3.10 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.

### 3.11 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.

### 3.12 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. 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.

### 3.13 Financial instruments

#### (a) Financial assets

##### Financial assets through profit or loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes include interest income.

##### Financial assets at amortised cost

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 3. Material accounting policy information (cont'd)

### 3.13 Financial instruments (cont'd)

#### (b) Financial liabilities

##### Financial liabilities through profit or loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes include interest expense.

##### Financial liabilities at amortised cost

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

#### (c) Equity

Ordinary shares and redeemable preference shares (where redemption and dividend distribution are at the discretion of the issuer) are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

#### (d) Derivatives

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

### 3.14 Government grants

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.

### 3.15 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investment of that borrowings will be capitalised.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 4. Property, plant and equipment

Group

	Freehold land		Plant, machinery and equipment		Furniture, fittings and equipment		Motor vehicles		Bearer plants		Capital work-in-progress		Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
<b>Cost</b>													
Balance at 1 March 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	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					
Additions	0	0	845,983	765,654	778,151	5,204,714	77,385,418	84,979,920					
Borrowing costs capitalised	0	0	0	0	0	0	0	3,136,647					
Transfer from right-of-use assets	0	0	0	1,170,000	2,357,002	0	0	3,527,002					
Disposals/Write-offs	0	0	(1,013,546)	(265,209)	0	(12,255)	0	(1,291,010)					
Currency translation differences	0	0	1,102	2,025	4,716	0	0	7,843					
Balance at 28 February 2026	41,840,000	22,337,855	80,807,522	6,067,002	4,194,079	19,069,965	82,403,155	256,719,578					

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

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

Group

	Freehold land	Buildings	Plant, machinery and equipment	Furniture, fittings and equipment	Motor vehicles	Bearer plants	Capital work-in- progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Depreciation and impairment losses</b>								
Balance at 1 March 2024	0	9,144,178	46,249,315	2,324,386	1,062,708	130,143	0	58,910,730
- Accumulated depreciation	0	0	718,429	0	0	0	0	718,429
- Accumulated impairment losses	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	0	9,853,697	51,405,703	2,604,342	961,661	260,731	0	65,086,134
- Accumulated depreciation	0	0	716,167	0	0	0	0	716,167
- Accumulated impairment losses	0	9,853,697	52,121,870	2,604,342	961,661	260,731	0	65,802,301
Depreciation	0	660,235	5,350,293	693,013	449,618	130,588	0	7,283,747
Disposals/Write-offs	0	0	(738,928)	(229,733)	0	0	0	(968,661)
Transfer from right-of-use assets	0	0	0	602,162	602,784	0	0	1,204,946
Currency translation differences	0	0	8	885	602	0	0	1,495
Balance at 28 February 2026	0	10,513,932	56,017,076	3,670,669	2,014,665	391,319	0	72,607,661
- Accumulated depreciation	0	0	716,167	0	0	0	0	716,167
- Accumulated impairment losses	0	10,513,932	56,733,243	3,670,669	2,014,665	391,319	0	73,323,828

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

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

Group

	Freehold land	Buildings	Plant, machinery and equipment	Furniture, fittings and equipment	Motor vehicles	Bearer plants	Capital work-in- progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Carrying amount</b>								
Balance at 1 March 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
Balance at 28 February 2026	41,840,000	11,823,923	24,074,279	2,396,333	2,179,414	18,678,646	82,403,155	183,395,750

Included in capital work-in-progress are factories and machineries under construction.

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

	Group	
	2026	2025
	RM	RM
Freehold land	41,840,000	41,840,000
Buildings	5,613,634	5,993,693
Plant, machinery and equipment	16,440,514	19,665,262
Furniture, fittings and equipment	11,308	14,344
Capital work-in-progress	80,621,404	335,617
	<u>144,526,860</u>	<u>67,848,916</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

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

Company

	<b>Furniture, fittings and equipment RM</b>	<b>Motor vehicles RM</b>	<b>Total RM</b>
<b>Cost</b>			
Balance at 1 March 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
Additions	845	0	845
Transfer from right-of-use assets	0	1,385,346	1,385,346
Balance at 28 February 2026	221,876	1,453,442	1,675,318
<b>Accumulated depreciation</b>			
Balance at 1 March 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
Depreciation	1,423	277,074	278,497
Transfer from right-of-use assets	0	433,669	433,669
Balance at 28 February 2026	215,434	778,838	994,272
<b>Carrying amount</b>			
Balance at 1 March 2024	185	7,943	8,128
Balance at 28 February 2025	7,020	1	7,021
Balance at 28 February 2026	6,442	674,604	681,046

The carrying amounts of property, plant and equipment acquired under hire purchase financing which remained outstanding as at the end of the reporting period are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2026</b>	<b>2025</b>	<b>2026</b>	<b>2025</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Furniture, fittings and equipment	333,826	0	0	0
Motor vehicles	2,088,835	0	674,603	0
	2,422,661	0	674,603	0

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 5. Investment properties

Group

	<b>Building</b>
	<b>RM</b>
<b>Cost</b>	
Balance at 1 March 2024 / 28 February 2025 / 28 February 2026	<u>6,458,968</u>
<b>Accumulated depreciation</b>	
Balance at 1 March 2024	1,298,712
Depreciation	<u>130,032</u>
Balance at 28 February 2025	1,428,744
Depreciation	<u>130,032</u>
Balance at 28 February 2026	<u>1,558,776</u>
<b>Carrying amount</b>	
Balance at 1 March 2024	<u>5,160,256</u>
Balance at 28 February 2025	<u>5,030,224</u>
Balance at 28 February 2026	<u>4,900,192</u>
<b>Fair value</b>	
Estimated fair value at 28 February 2025	<u>6,771,000</u>
Estimated fair value at 28 February 2026	<u>8,000,000</u>

The fair value of investment property was determined based on appraisals performed by independent professional valuers using the market comparison approach. The appraised values were derived from observable prices per square foot for comparable properties in similar locations. The most significant input into this valuation approach is the price per square foot of comparable properties. The fair value measurement of the investment property falls within level 2 of the fair value hierarchy.

The Group leases its building under operating lease for 2 years. The undiscounted lease payments to be received within 1 year is RM136,000 (2025 : RM340,000).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 6. Right-of-use assets

Group

	Leasehold land RM	Buildings RM	Furniture, fittings and equipment RM	Motor vehicles RM	Total RM
Balance at 1 March 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
Additions	0	0	0	815,631	815,631
Depreciation	(194,475)	(3,987,057)	0	(439,439)	(4,620,971)
Remeasurement of lease liabilities	0	(224,978)	0	41,324	(183,654)
Transfer to property, plant and equipment	0	0	(567,838)	(1,754,218)	(2,322,056)
Currency translation differences	0	(33,482)	0	(3,647)	(37,129)
Balance at 28 February 2026	3,349,189	7,628,615	0	1,429,228	12,407,032

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 of the Group were acquired under hire purchase financing whereby ownership will be transferred by end of the lease term.

Certain leasehold land with carrying amount of RM2,276,263 (2025 : RM2,428,015) has been pledged as security for credit facilities granted to the Group.

Company

	Motor vehicles RM
Balance at 1 March 2024	589,771
Additions	608,959
Depreciation	(247,053)
Balance at 28 February 2025	951,677
Transfer to property, plant and equipment	(951,677)
Balance at 28 February 2026	0

The rights to use the motor vehicles of the Company were acquired under hire purchase financing whereby ownership will be transferred by end of the lease term.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 7. Investments in subsidiaries

Company

	2026	2025
	RM	RM
Unquoted shares - at cost	251,673,821	241,673,821
Impairment losses	<u>(11,135,640)</u>	<u>(180,741)</u>
	<u>240,538,181</u>	<u>241,493,080</u>

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

The details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest		Principal activity
		2026	2025	
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%	Fruit plantation, perennial crops, maintenance services to orchard owners and freshwater aquaculture farming
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. <sup>(a)</sup>	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%	100%	Manufacture and sale of fibre glasswool products

<sup>(a)</sup> Not audited by Crowe Malaysia PLT

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 8. Investment in associate

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Unquoted shares - at cost	60	60	60	60
Share of post-acquisition changes in net assets	1,596,939	2,164,999	0	0
	<u>1,596,999</u>	<u>2,165,059</u>	<u>60</u>	<u>60</u>

The details of the associate are as follows:

Name of associate	Principal place of business/ Country of incorporation	Effective ownership interest		Principal activity
		2026	2025	
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:

	2026	2025
	RM	RM
Non-current assets	204,933	163,181
Current assets	10,319,155	13,592,470
Current liabilities	(2,539,095)	(2,930,358)
Net assets	7,984,993	10,825,293
Revenue	30,231,229	26,721,596
Profit (representing comprehensive income)	1,310,884	1,747,965
Dividend paid to the Group	(832,800)	0

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

	Group	
	2026	2025
	RM	RM
Net assets	7,984,993	10,825,293
Effective ownership interest	20%	20%
Carrying amount	<u>1,596,999</u>	<u>2,165,059</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 9. Investments in joint ventures

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Unquoted shares - at cost	4,105,170	4,003,471	1,703,400	1,601,701
Share of post-acquisition changes in net assets	(1,850,254)	(1,329,141)	0	0
	<u>2,254,916</u>	<u>2,674,330</u>	<u>1,703,400</u>	<u>1,601,701</u>

The details of the joint ventures are as follows:

Name of joint venture	Principal place of business/ Country of incorporation	Effective ownership interest		Principal activity
		2026	2025	
Diamond Creeks Aquatech Sdn. Bhd. <sup>(a)</sup>	Malaysia	0%	50%	Engaged in hatchery of freshwater aquaculture and related activities
Nexel Group Sdn. Bhd.	Malaysia	50%	50%	Investment holding
Select Insulation Pty. Ltd. <sup>(b)</sup>	Australia	50%	50%	Wholesale and trading of building materials
Britestar Australia Pty. Ltd. <sup>(b)</sup>	Australia	50%	50%	Wholesale and trading of building materials

<sup>(a)</sup> Strike off on 30 March 2026

<sup>(b)</sup> 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:

	2026	2025
	RM	RM
Loss (representing comprehensive income)	<u>(1,232,149)</u>	<u>(274,490)</u>

## 10. Other investments

	Group	
	2026	2025
	RM	RM
Investment linked financial instruments - at fair value	<u>878,962</u>	<u>857,630</u>

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 11. Inventories

	Group	
	2026	2025
	RM	RM
<b>Non-current assets</b>		
Land held for property development	168,250,916	167,549,037
<b>Current assets</b>		
Completed development units	564,420	564,420
Raw materials	6,477,084	7,130,191
Consumables	3,535,238	4,156,938
Finished goods	12,058,390	13,670,035
Goods-in-transit	12,731,491	7,685,247
	<u>35,366,623</u>	<u>33,206,831</u>
Total inventories	<u>203,617,539</u>	<u>200,755,868</u>
Recognised in profit or loss:		
- Inventories recognised as cost of sales	104,113,285	90,821,249
- Inventories written down	997,851	162,675
- Reversal of inventories written down	0	13,385
- Reversal of land held for property, development written down	0	19,597,657

Certain land held for property development with total carrying amount of RM36,180,895 (2025 : RM36,180,895) has been pledged as security for credit facilities granted to the Group.

## 12. Deferred tax assets and deferred tax liabilities

	Group	
	2026	2025
	RM	RM
Balance at 1 March	(32,307,649)	(29,152,638)
Deferred tax expense relating to origination and reversal of temporary differences	(333,621)	(2,902,011)
Deferred tax liabilities under provided in prior year	(68,000)	(253,000)
Balance at 28 February	<u>(32,709,270)</u>	<u>(32,307,649)</u>
Disclosed as:		
- Deferred tax assets	1,854,232	2,055,853
- Deferred tax liabilities	<u>(34,563,502)</u>	<u>(34,363,502)</u>
	<u>(32,709,270)</u>	<u>(32,307,649)</u>
In respect of (taxable)/deductible temporary differences of:		
- Property, plant and equipment	(4,076,000)	(4,669,000)
- Inventories	(28,173,270)	(28,204,649)
- Financial instruments	(460,000)	566,000
	<u>(32,709,270)</u>	<u>(32,307,649)</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

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

Save as disclosed above, as at 28 February 2026, 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 RM6,313,000 and RM11,000 (2025 : RM6,353,000 and RM13,000) 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	
	2026	2025	2026	2025
	RM	RM	RM	RM
Deductible temporary differences of:				
- Property, plant and equipment	609,000	415,000	0	4,000
- Inventories	7,552,000	7,233,000	0	0
- Financial instruments	1,394,000	593,000	0	0
- Lease liabilities	9,887,000	14,419,000	0	0
Unused capital allowances	20,936,000	15,587,000	0	200,000
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	4,000	193,000	0	189,000
- 2031	44,000	425,000	39,000	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	2,512,000	2,512,000	0	0
- 2036	3,420,000	0	0	0
- With no expiry date	0	302,000	0	0
Taxable temporary differences of:				
- Property, plant and equipment	(17,266,000)	(13,007,000)	(46,000)	0
- Right-of-use assets	(8,846,000)	(13,304,000)	0	(54,000)
- Biological assets	(187,000)	(156,000)	0	0
- Financial instruments	(5,000)	(3,000)	(1,000)	0
	<u>50,113,000</u>	<u>45,268,000</u>	<u>1,973,000</u>	<u>2,740,000</u>

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 13. Biological assets

Group

	<b>Tropical fruits RM</b>	<b>Aquaculture livestock RM</b>	<b>Growing crops RM</b>	<b>Total RM</b>
Balance at 1 March 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
Purchases	0	16,500	0	16,500
Fair value gains/(losses)	25,290	245,653	(2,334)	268,609
Harvest and sales	(25,290)	(227,653)	(1,466)	(254,409)
Balance at 28 February 2026	0	187,000	0	187,000

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 and were categorised within Level 2 of the fair value hierarchy. There was no transfer between hierarchy during the financial year.

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

	<b>2026 Kilograms</b>	<b>2025 Kilograms</b>
Tropical fruits	5,271	8,302
Aquaculture livestock	11,183	483
Growing crops	263	4,795
	<u>16,717</u>	<u>13,580</u>

The quantity of unharvested biological assets as at 28 February 2026 included in the fair valuation are as follows:

	<b>2026 Kilograms</b>	<b>2025 Kilograms</b>
Aquaculture livestock	10,189	5,119
Growing crops	0	751
	<u>10,189</u>	<u>5,870</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 14. Receivables

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
<b>Non-current assets</b>				
Amounts due from subsidiaries	0	0	577,276	8,141,355
<b>Current assets</b>				
Trade receivables:				
- Associate	2,465,363	2,639,428	0	0
- Joint ventures	4,612,072	5,054,406	0	0
- Unrelated parties	21,320,512	22,349,579	0	0
	28,397,947	30,043,413	0	0
Loss allowance	(642,770)	(33,034)	0	0
	27,755,177	30,010,379	0	0
Other receivables	490,208	199,651	0	0
Deposits	164,732	318,733	1,530	1,530
Amounts due from subsidiaries:				
- Interest bearings - 4.55% to 4.97% per annum	0	0	37,410,768	0
- Non-interest bearings	0	0	4,291,099	6,647,666
	0	0	41,701,867	6,647,666
Amounts due from joint ventures:				
- Interest bearings - 4.55% to 4.97% per annum	1,201,479	0	1,201,479	0
- Non-interest bearings	4,663,238	3,036,042	0	1,000
	5,864,717	3,036,042	1,201,479	1,000
	34,274,834	33,564,805	42,904,876	6,650,196
Total receivables	34,274,834	33,564,805	43,482,152	14,791,551

### Trade receivables

The credit terms of trade receivables ranged from 14 to 120 days.

### Amounts due from subsidiaries and joint ventures

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

## 15. Prepayments

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Prepayments for acquisition of property, plant and equipment	43,525,912	6,901,564	0	0
Prepayments for operating expenses	1,975,740	2,303,835	79,017	48,827
	45,501,652	9,205,399	79,017	48,827

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 16. Cash and cash equivalents

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Cash and bank balances:				
- Interest earning	16,628,602	19,554,093	929,099	162,351
- Non-interest earning	17,445,540	14,031,947	25,064	602,969
	<u>34,074,142</u>	<u>33,586,040</u>	<u>954,163</u>	<u>765,320</u>
Term deposits with licensed banks	1,506,610	4,318,195	0	0
	<u>35,580,752</u>	<u>37,904,235</u>	<u>954,163</u>	<u>765,320</u>

The effective interest rates of interest earning bank balances and term deposits as at 28 February 2026 ranged from 0.90% to 3.85% (2025 : 2.70% to 4.60%) per annum.

Certain term deposits totalling RM1,506,610 (2025 : RM1,318,195) have been pledged as security for credit facilities granted to the Group. Accordingly, these term deposits are not freely available for use.

## 17. Payables

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Trade payables	3,578,287	4,580,431	0	0
Other payables	18,201,614	8,265,629	31,863	78,403
Deposits	159,080	148,080	0	0
Accruals	6,730,615	7,016,567	176,689	145,499
Amounts due to subsidiaries				
- Interest bearings - 4.55% to 4.97% per annum	0	0	33,018,457	0
- Non-interest bearings	0	0	3,373,041	5,119,915
	<u>0</u>	<u>0</u>	<u>36,391,498</u>	<u>5,119,915</u>
	<u>28,669,596</u>	<u>20,010,707</u>	<u>36,600,050</u>	<u>5,343,817</u>
Deferred rental income	34,000	0	0	0
	<u>28,703,596</u>	<u>20,010,707</u>	<u>36,600,050</u>	<u>5,343,817</u>

### 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 and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 18. Loans and borrowings

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
<b><u>Current liabilities</u></b>				
<b>Secured</b>				
Term loans	3,596,861	4,640,828	0	0
<b>Unsecured</b>				
Banker acceptances	3,856,023	3,554,241	0	0
Revolving credits	8,667,300	7,837,700	4,500,000	4,500,000
Short-term loan	129,801	0	0	0
	<u>16,249,985</u>	<u>16,032,769</u>	<u>4,500,000</u>	<u>4,500,000</u>
<b><u>Non-current liabilities</u></b>				
<b>Secured</b>				
Term loans	<u>131,344,120</u>	<u>52,214,980</u>	<u>0</u>	<u>0</u>
<b><u>Total loans and borrowings</u></b>				
Term loans	134,940,981	56,855,808	0	0
Banker acceptances	3,856,023	3,554,241	0	0
Revolving credits	8,667,300	7,837,700	4,500,000	4,500,000
Short-term loan	129,801	0	0	0
	<u>147,594,105</u>	<u>68,247,749</u>	<u>4,500,000</u>	<u>4,500,000</u>

As at the reporting date, term loans amounting to RM64,993,511 (2025 : RM47,601,341) are denominated in US Dollars, of which RM31,379,032 (2025 : RM35,959,677) has been swapped using a cross currency swap facility (Note 21).

Term loans 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 2026 ranged from 4.07% to 6.64% (2025 : 4.37% to 6.89%) per annum.

## 19. Hire purchase payables

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Current liabilities	673,175	587,430	189,264	258,915
Non-current liabilities	1,598,095	1,582,949	383,538	576,200
	<u>2,271,270</u>	<u>2,170,379</u>	<u>572,802</u>	<u>835,115</u>

Hire purchase payables are secured against certain property, plant and equipment (Note 4).

The effective interest rates of hire purchase payables as at 28 February 2026 ranged from 3.91% to 9.24% (2025 : 3.91% to 9.24%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 20. Lease liabilities

	Group	
	2026	2025
	RM	RM
Current liabilities	4,692,359	4,214,145
Non-current liabilities	5,406,939	9,588,161
	<u>10,099,298</u>	<u>13,802,306</u>

The incremental borrowing rates applied to lease liabilities as at 28 February 2026 ranged from 3.26% to 7.50% (2025 : 4.11% to 7.50%) per annum.

## 21. Derivatives

	Group	
	2026	2025
	RM	RM
Cross currency swap - at fair value	<u>6,375,638</u>	<u>2,265,138</u>
Disclosed as:		
- Current liabilities	79,695	18,876
- Non-current liabilities	6,295,943	2,246,262
	<u>6,375,638</u>	<u>2,265,138</u>

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, which amounted to RM31,379,032 (2025 : RM35,959,677) (Note 18). The notional amount of the cross currency swap was USD8,064,516 (2025 : USD8,064,516). The swap matures in line with the term loan, which is repayable over 10 years to 15 years (2025 : 15 years) commencing from December 2026 to February 2028 (2025 : December 2026).

## 22. Contract liabilities

	Group	
	2026	2025
	RM	RM
Sale of goods (Note (i))	227,086	60,343
Property development (Note (ii))	3,493,600	3,493,600
	<u>3,720,686</u>	<u>3,553,943</u>

The Company generally satisfies its performance obligations at a point in time upon delivery of goods. Any consideration received or due in advance before a performance obligation is satisfied is presented as contract liability.

As a practical expedient, information about remaining performance obligations for contracts with original duration of one year or less has not been disclosed.

(i) Contract liabilities from sale of goods

	Group	
	2026	2025
	RM	RM
Balance at 1 March	60,343	319,060
Revenue recognised from opening contract liabilities	(50,849)	(309,566)
Excess of consideration over revenue recognised	217,592	50,849
Balance at 28 February	<u>227,086</u>	<u>60,343</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 22. Contract liabilities (cont'd)

(ii) Contract liabilities from property development

	Group	
	2026	2025
	RM	RM
Balance at 1 March / 28 February	<u>3,493,600</u>	<u>3,493,600</u>

## 23. Deferred income on government grants

	Group	
	2026	2025
	RM	RM
Balance at 1 March	5,203,787	5,756,809
Grants related to property, plant and equipment	0	198,100
Amortisation	(753,299)	(751,122)
Balance at 28 February	<u>4,450,488</u>	<u>5,203,787</u>

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.

## 24. Share capital

Group and Company

	2026		2025	
	Number of shares with no par value	RM	Number of shares with no par value	RM
<b>Issued and fully paid</b>				
Ordinary shares				
- Balance at 1 March	193,952,148	233,341,410	164,170,998	206,538,375
- Conversion of ICPS	105,400	94,860	29,781,150	26,803,035
- Balance at 28 February	194,057,548	233,436,270	193,952,148	233,341,410
Irredeemable convertible preference shares ("ICPS")				
- Balance at 1 March	46,010,274	4,601,027	75,791,424	7,579,142
- Conversion during the year	(105,400)	(10,540)	(29,781,150)	(2,978,115)
- Balance at 28 February	45,904,874	4,590,487	46,010,274	4,601,027
	<u>239,962,422</u>	<u>238,026,757</u>	<u>239,962,422</u>	<u>237,942,437</u>

### Ordinary shares

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 24. Share capital (cont'd)

### Irredeemable convertible preference shares ("ICPS")

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.

## 25. Revenue

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Revenue from contracts with customers:				
- Sale of goods	167,582,959	154,602,555	0	0
- Rendering of services	0	0	3,333,800	2,343,796
	<u>167,582,959</u>	<u>154,602,555</u>	<u>3,333,800</u>	<u>2,343,796</u>
Other sources of revenue:				
- Dividend income	0	0	10,832,800	11,004,900
- Operating lease income	408,000	408,000	0	0
	<u>408,000</u>	<u>408,000</u>	<u>10,832,800</u>	<u>11,004,900</u>
	<u>167,990,959</u>	<u>155,010,555</u>	<u>14,166,600</u>	<u>13,348,696</u>

### Disaggregation of revenue from contracts with customers

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Major products/services:				
- Fibre glasswool and its related products	167,328,550	153,817,642	0	0
- Completed development units	0	580,000	0	0
- Agricultural produce	26,756	131,144	0	0
- Aquaculture livestock	227,653	73,769	0	0
- Rendering of services	0	0	3,333,800	2,343,796
	<u>167,582,959</u>	<u>154,602,555</u>	<u>3,333,800</u>	<u>2,343,796</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 25. Revenue (cont'd)

### Disaggregation of revenue from contracts with customers (cont'd)

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Geographical areas:				
- Malaysia	20,780,682	26,677,953	3,031,232	2,135,903
- Oceania	141,621,380	122,231,548	302,568	207,893
- Others	5,180,897	5,693,054	0	0
	<u>167,582,959</u>	<u>154,602,555</u>	<u>3,333,800</u>	<u>2,343,796</u>
Timing of revenue recognition:				
- At a point in time	167,582,959	154,602,555	0	0
- Over time	0	0	3,333,800	2,343,796
	<u>167,582,959</u>	<u>154,602,555</u>	<u>3,333,800</u>	<u>2,343,796</u>

Revenue from sale of goods is recognised at a point in time when goods have been delivered and accepted by customers.

Revenue from rendering of services is recognised over time upon the services are rendered to the customers.

There is no significant financing component in the revenue from contracts with customers as the sales are made on normal credit terms not exceeding twelve (12) months. There were no variable elements in the sales consideration and no warranties were given to the customers.

### Revenue from other sources

Dividend income is recognised when the right to receive dividend payment is established.

Operating lease income is accounted for on a straight-line basis over the lease term of an ongoing lease.

## 26. Depreciation

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Property, plant and equipment	7,283,747	6,486,830	278,497	8,205
Investment properties	130,032	130,032	0	0
Right-of-use assets	4,620,971	5,003,950	0	247,053
	<u>12,034,750</u>	<u>11,620,812</u>	<u>278,497</u>	<u>255,258</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 27. Impairment losses on financial assets

	Group	
	2026	2025
	RM	RM
Trade receivables from contracts with customers	624,814	33,034

## 28. Profit/(Loss) before tax

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
- Current year	191,000	163,000	45,000	35,000
- Prior year	0	1,500	0	0
Direct operating expenditure for investment properties generating rental income	126,655	123,857	0	0
Employee benefits expense (including key management personnel compensation as disclosed in Note 33)				
- Fees	80,000	55,000	80,000	55,000
- Other short-term employee benefits	24,374,996	20,778,411	2,153,213	1,854,811
- Defined contribution plans	2,039,340	1,635,860	262,000	216,673
	26,494,336	22,469,271	2,495,213	2,126,484
Fair value losses on derivatives mandatorily measured at fair value through profit or loss	4,110,500	2,265,138	0	0
Impairment loss on investment in subsidiaries <sup>(a)</sup>	0	0	10,954,899	0
Interest expense for financial liabilities not measured at fair value through profit or loss	1,740,123	1,682,076	1,287,834	101,955
Interest expense for hire purchase payables	137,010	104,706	26,298	22,241
Interest expense for lease liabilities	698,144	847,541	0	0
	2,575,277	2,634,323	1,314,132	124,196
Lease expense relating to:				
- Short-term leases	1,114,739	609,288	30,008	23,890
- Leases of low-value assets (other than short-term leases)	54,002	48,511	4,560	4,560
	1,168,741	657,799	34,568	28,450
Loss on disposal of property, plant and equipment	107,711	0	0	0

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 28. Profit before tax (cont'd)

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Loss on foreign exchange:				
- Realised	519,896	3,171,224	6,116	4,813
- Unrealised	0	1,380,840	0	0
Loss on dissolution of investment in joint venture	0	0	445,313	0
Property, plant and equipment written off	111,138	17,120	0	1
and crediting:				
Amortisation of deferred income	753,299	751,122	0	0
Fair value changes in biological assets (net)	30,700	49,000	0	0
Fair value gains on other investments mandatorily measured at fair value through profit or loss	21,332	50,210	0	0
Gain on dissolution of investment in joint venture	304,688	0	0	0
Gain on disposal of property, plant and equipment	0	61,498	0	34,999
Government grants related to income	0	465,000	0	0
Interest income for financial assets measured at amortised cost	660,091	772,695	1,045,663	305,597
Operating lease income from:				
- Inventories	24,000	30,900	0	0
- Subleasing right-of-use assets	1,350	195,400	0	0
- Others	0	86,000	0	0
Reversal of land held for property development written down	0	19,597,657	0	0
Unrealised gain on foreign exchange	7,944,044	0	1,302	457

<sup>(a)</sup> Included in other expenses

## 29. Tax expense

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Tax based on results for the year:				
- Current tax	10,382,444	9,888,473	0	14,000
- Deferred tax	333,621	2,902,011	0	0
	10,716,065	12,790,484	0	14,000
Tax under/(over) provided in prior year:				
- Current tax	76,192	17,694	56,008	(4,499)
- Deferred tax	68,000	253,000	0	0
	10,860,257	13,061,178	56,008	9,501

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 29. Tax expense (cont'd)

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		Company	
	2026	2025	2026	2025
	%	%	%	%
Applicable tax rate	24.00	24.00	(24.00)	24.00
Non-deductible expenses	9.96	3.29	237.81	2.60
Non-taxable income	(8.31)	(0.83)	(199.68)	(26.52)
Effect of differential tax rates	0.28	0.04	0.00	0.00
Increase/(Decrease) in unrecognised deferred tax assets	3.20	0.72	(14.13)	0.06
Average effective tax rate	<u>29.13</u>	<u>27.22</u>	<u>0.00</u>	<u>0.14</u>

## 30. Earnings per share

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:

	Group	
	2026	2025
Profit for the financial year (RM)	<u>25,930,028</u>	<u>33,936,572</u>
Number of ordinary shares in issue at 1 March	193,952,148	164,170,998
Effect of conversion of irredeemable convertible preference shares	<u>10,500</u>	<u>21,635,595</u>
Weighted average number of ordinary shares for computing basic earnings per share	193,962,648	185,806,593
Number of irredeemable convertible preference shares deemed to have been converted for no consideration	<u>22,906,054</u>	<u>30,521,739</u>
Weighted average number of ordinary shares for computing diluted earnings per share	<u>216,868,702</u>	<u>216,328,332</u>
Basic earnings per share (sen)	<u>13.37</u>	<u>18.26</u>
Diluted earnings per share (sen)	<u>11.96</u>	<u>15.69</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 31. Dividends

	Group and Company	
	2026	2025
	RM	RM
In respect of the financial year ended 29 February 2024:		
- Final dividend of 1.5 sen per ordinary share	0	2,909,126
In respect of the financial year ended 28 February 2025:		
- First interim dividend of 2.0 sen per ordinary share	0	3,879,043
- Final dividend of 1.0 sen per ordinary share	1,939,521	0
	<u>1,939,521</u>	<u>6,788,169</u>

A final dividend of 3.5 sen per ordinary share in respect of the financial year ended 28 February 2026 will be proposed for shareholders' approval at the forthcoming annual general meeting.

## 32. Notes to statements of cash flows

### Changes in receivables

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Balance at 1 March	33,564,805	22,794,423	14,791,551	9,382,244
Impairment loss on financial assets	(624,814)	(33,034)	0	0
Loss on derecognition of financial assets measured at amortised cost	(68,778)	0	0	0
Net advances to joint venture	1,201,479	0	1,201,479	0
Net advances to/(repayment) from subsidiaries	0	0	29,269,413	(404,792)
Net cash flow changes	(189,686)	13,387,374	(1,781,593)	5,813,642
Unrealised gains/(losses) on foreign exchange	391,828	(2,583,958)	1,302	457
Balance at 28 February (Note 14)	<u>34,274,834</u>	<u>33,564,805</u>	<u>43,482,152</u>	<u>14,791,551</u>

### Changes in payables

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Balance at 1 March	20,010,707	15,792,235	5,343,817	8,227,168
Net advance from subsidiaries	0	0	33,018,457	0
Net cash flow changes	8,702,600	4,216,711	(1,762,224)	(2,883,351)
Unrealised (gains)/losses on foreign exchange	(9,711)	1,761	0	0
Balance at 28 February (Note 17)	<u>28,703,596</u>	<u>20,010,707</u>	<u>36,600,050</u>	<u>5,343,817</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

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

### Acquisition of property, plant and equipment

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Cost of property, plant and equipment acquired (Note 4)	84,979,920	48,600,822	845	7,100
Cost prepaid in current year	36,624,348	6,901,564	0	0
Amount financed through hire purchase	(822,944)	0	0	0
Net cash disbursed	<u>120,781,324</u>	<u>55,502,386</u>	<u>845</u>	<u>7,100</u>

### Acquisition of right-of-use assets

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Cost of right-of-use assets acquired	815,631	2,899,329	0	608,959
Acquisition by means of leases	(808,565)	(1,379,727)	0	(544,000)
Amount financed through hire purchase	0	(1,429,113)	0	0
Net cash disbursed	<u>7,066</u>	<u>90,489</u>	<u>0</u>	<u>64,959</u>

### Term loans

	Group	
	2026	2025
	RM	RM
Balance at 1 March	56,855,808	22,422,804
Drawdowns	91,489,264	39,865,165
Repayments	(5,483,722)	(4,519,749)
Other changes	(59,023)	62,092
Currency translation differences	(7,861,346)	(974,504)
Balance at 28 February (Note 18)	<u>134,940,981</u>	<u>56,855,808</u>

### Short-term loans and borrowings

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Balance at 1 March	11,391,941	7,054,055	4,500,000	2,000,000
Net cash flow changes	1,424,633	4,425,936	0	2,500,000
Currency translation differences	(163,450)	(88,050)	0	0
Balance at 28 February	<u>12,653,124</u>	<u>11,391,941</u>	<u>4,500,000</u>	<u>4,500,000</u>

#### Represented by:

- Banker acceptances (Note 18)	3,856,023	3,554,241	0	0
- Revolving credits (Note 18)	8,667,300	7,837,700	4,500,000	4,500,000
- Short-term loan (Note 18)	129,801	0	0	0
	<u>12,653,124</u>	<u>11,391,941</u>	<u>4,500,000</u>	<u>4,500,000</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

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

### Hire purchase payables

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Balance at 1 March	2,170,379	1,257,596	835,115	515,461
Drawdowns	822,944	1,429,113	0	544,000
Repayments	(721,443)	(516,330)	(262,313)	(224,346)
Currency translation differences	(610)	0	0	0
Balance at 28 February (Note 19)	<u>2,271,270</u>	<u>2,170,379</u>	<u>572,802</u>	<u>835,115</u>

### Lease liabilities

	Group	
	2026	2025
	RM	RM
Balance at 1 March	13,802,306	16,541,769
Acquisition of right-of-use assets	808,565	1,379,727
Remeasurement of lease liabilities	(183,654)	1,399,046
Payments	(4,316,996)	(3,853,477)
Currency translation differences	(10,923)	(1,664,759)
Balance at 28 February (Note 20)	<u>10,099,298</u>	<u>13,802,306</u>

The total cash outflow for leases is as follows:

	Group	
	2026	2025
	RM	RM
<b>Operating activities</b>		
Lease expense recognised in profit or loss (Note 28)	1,168,741	657,799
<b>Investing activities</b>		
Acquisition of right-of-use assets	7,066	90,489
<b>Financing activities</b>		
Interest portion of lease liabilities (Note 28)	698,144	847,541
Principal portion of lease liabilities	<u>4,316,996</u>	<u>3,853,477</u>
	<u>6,190,947</u>	<u>5,449,306</u>

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

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Cash and cash equivalents	35,580,752	37,904,235	954,163	765,320
Term deposits pledged as security	<u>(1,506,610)</u>	<u>(1,318,195)</u>	<u>0</u>	<u>0</u>
	<u>34,074,142</u>	<u>36,586,040</u>	<u>954,163</u>	<u>765,320</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 33. Key management personnel compensation

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
<b>Directors</b>				
Directors of the Company:				
- Fees	80,000	55,000	80,000	55,000
- Other short-term employee benefits	1,053,761	969,148	1,053,761	969,148
- Defined contribution plans	122,876	111,079	122,876	111,079
	<u>1,256,637</u>	<u>1,135,227</u>	<u>1,256,637</u>	<u>1,135,227</u>
Directors of the subsidiaries:				
- Short-term employee benefits	1,355,443	1,177,732	0	0
- Defined contribution plans	116,639	108,188	0	0
	<u>1,472,082</u>	<u>1,285,920</u>	<u>0</u>	<u>0</u>
Total directors' remunerations	<u>2,728,719</u>	<u>2,421,147</u>	<u>1,256,637</u>	<u>1,135,227</u>
<b>Other key management personnel</b>				
Short-term employee benefits	530,318	477,754	313,756	290,402
Defined contribution plans	74,315	61,077	44,288	34,838
	<u>604,633</u>	<u>538,831</u>	<u>358,044</u>	<u>325,240</u>
Total	<u>3,333,352</u>	<u>2,959,978</u>	<u>1,614,681</u>	<u>1,460,467</u>

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

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Directors of the Company	63,185	45,838	63,185	41,554
Other key management personnel	7,967	3,786	3,298	3,786
	<u>71,152</u>	<u>49,624</u>	<u>66,483</u>	<u>45,340</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 34. Related party disclosures

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

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Dividend declared from associate	832,800	0	832,800	0
Dividends declared from subsidiaries	0	0	10,000,000	11,004,900
Interest charged by subsidiaries	0	0	1,069,733	0
Interest charged to joint ventures	9,099	0	9,099	0
Interest charged to subsidiaries	0	0	984,581	0
Purchase of property, plant and equipment from joint venture	304,688	0	0	0
Rendering of services to subsidiaries	0	0	3,333,800	2,343,796
Sale of goods to associate	12,750,909	13,150,261	0	0
Sale of goods to joint ventures	15,632,973	14,314,058	0	0
Sale of property, plant and equipment to subsidiaries	0	0	304,688	0
Subscription for shares in joint ventures	851,700	851,649	851,700	851,649
Subscription for shares in subsidiaries	0	0	10,000,000	20,000,000

## 35. Segment reporting

### 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.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 35. Segment reporting (cont'd)

### Operating segments (cont'd)

	Insulation RM	Property development RM	Investment holding RM	Others RM	Total RM
<b>2026</b>					
Segment assets	316,197,649	170,811,334	17,060,227	22,457,371	526,526,581
Included in the measure of segment assets are:					
- Additions to non-current assets	83,120,208	700	845	5,810,445	88,932,198
Segment profit/(loss)	46,683,531	(1,552,305)	(4,726,322)	(729,461)	39,675,443
Interest income	570,977	3,561	69,491	16,062	660,091
Interest expense	(1,749,767)	0	(336,734)	(488,776)	(2,575,277)
Share of associate's profit	262,177	0	0	0	262,177
Share of joint ventures' loss	(925,534)	(58,428)	0	(248,187)	(1,232,149)
Profit/(Loss) before tax	44,841,384	(1,607,172)	(4,993,565)	(1,450,362)	36,790,285
Tax expense	(10,150,498)	0	(709,759)	0	(10,860,257)
Profit/(Loss) for the financial year	34,690,886	(1,607,172)	(5,703,324)	(1,450,362)	25,930,028
Included in the measure of segment profit/(loss) are:					
- External revenue	167,328,550	0	408,000	254,409	167,990,959
- Depreciation	(10,557,958)	(6,467)	(956,564)	(513,761)	(12,034,750)
<b>2025</b>					
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)

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 35. Segment reporting (cont'd)

### 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 25.

	Non-current assets	
	2026	2025
	RM	RM
Malaysia	358,813,912	279,103,550
Oceania	11,018,940	13,645,427
	<u>369,832,852</u>	<u>292,748,977</u>

### 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	
	2026	2025
	RM	RM
Customer I	<u>19,579,550</u>	<u>20,316,797</u>

## 36. Contractual commitments

	Group	
	2026	2025
	RM	RM
Acquisition of property, plant and equipment	<u>97,087,000</u>	<u>35,464,000</u>

## 37. Financial instruments

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 and the Company is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on their 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.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 37. Financial instruments (cont'd)

### 37.1 Financial risk management policies

#### Credit risk

The Group's exposure to credit risk arises, or the risk of counterparties defaulting, arises mainly from receivables and deposits placed with financial institutions. The Group manages its exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

#### (i) Credit risk concentration profile

The Company determines credit risk concentrations in terms of counterparties and geographical areas. As at 28 February 2026, 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	
	2026	2025
	RM	RM
Malaysia	4,187,132	5,649,856
Oceania	23,806,866	23,962,079
Others	403,949	431,478
	<u>28,397,947</u>	<u>30,043,413</u>

#### (ii) Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM151,934,000 (2025 : RM68,357,000), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 37. Financial instruments (cont'd)

### 37.1 Financial risk management policies (cont'd)

#### Credit risk (cont'd)

##### (iii) Assessment of impairment losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an ongoing basis through periodic review of the ageing of the receivables. The Company closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

#### Trade receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

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.

#### *Allowance for impairment losses*

The changes in the loss allowance are as follows:

	Group	
	2026	2025
	RM	RM
Balance at 1 March	33,034	0
Impairment losses	624,814	33,034
Write-offs	(14,920)	0
Currency translation difference	(158)	0
Balance at 28 February	<u>642,770</u>	<u>33,034</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 37. Financial instruments (cont'd)

### 37.1 Financial risk management policies (cont'd)

#### Credit risk (cont'd)

#### (iii) Assessment of impairment losses (cont'd)

##### Trade receivables (cont'd)

##### *Allowance for impairment losses (cont'd)*

The information about the credit exposure and loss allowances recognised for trade receivables are as follows:

	<b>Gross amount RM</b>	<b>Lifetime individual allowance RM</b>	<b>Carrying amount RM</b>
<u>2026</u>			
Not past due	27,439,197	0	27,439,197
1 to 30 days past due	234,044	0	234,044
31 to 60 days past due	6,102	0	6,102
61 to 90 days past due	0	0	0
More than 90 days past due	718,604	(642,770)	75,834
	<u>28,397,947</u>	<u>(642,770)</u>	<u>27,755,177</u>
<u>2025</u>			
Not past due	20,651,592	0	20,651,592
1 to 30 days past due	1,374,208	0	1,374,208
31 to 60 days past due	6,908,818	0	6,908,818
61 to 90 days past due	227,157	0	227,157
More than 90 days past due	881,638	(33,034)	848,604
	<u>30,043,413</u>	<u>(33,034)</u>	<u>30,010,379</u>

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.

##### Other receivables, deposits, amounts due from joint ventures and related parties (non-trade)

The Group and the Company apply the general approach to measuring expected credit losses for its other receivables, deposits, amounts due from joint ventures and related parties. Under this approach, the Group and the Company assess whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company measure the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

##### *Allowance for impairment losses*

No expected credit loss is recognised on other receivables, deposits, amounts due from joint ventures and related parties as it is negligible.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 37. Financial instruments (cont'd)

### 37.1 Financial risk management policies (cont'd)

#### Credit risk (cont'd)

##### (iii) Assessment of impairment losses (cont'd)

##### Term deposits with licensed banks, cash and bank balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company is of the view that the loss allowance is immaterial and hence, it is not provided for.

##### Financial guarantee contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- the subsidiary is unlikely to repay its obligation to the bank in full; or
- the subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

##### *Allowance for impairment losses*

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 37. Financial instruments (cont'd)

### 37.1 Financial risk management policies (cont'd)

#### Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

#### Maturity analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period as disclosed in the respective notes to the financial statements):

Group	Contractual				Over 5 years RM
	Carrying amount RM	undiscounted cash flows RM	Within 1 year RM	1 to 5 years RM	
<u>2026</u>					
<b>Non-derivative financial liabilities</b>					
Payables	28,669,596	28,669,596	28,669,596	0	0
Term loans	134,940,981	186,760,503	9,916,640	60,501,625	116,342,238
Other loans and borrowings	12,653,124	12,653,124	12,653,124	0	0
Hire purchase payables	2,271,270	2,682,452	815,270	1,867,182	0
Lease liabilities	10,099,298	10,662,649	5,141,306	5,521,343	0
Financial guarantee contract*	0	151,934,000	151,934,000	0	0
<b>Derivative financial liabilities</b>					
Cross currency swap	6,375,638	6,375,638	79,695	1,275,128	5,020,815
	<u>195,009,907</u>	<u>399,737,962</u>	<u>209,209,631</u>	<u>69,165,278</u>	<u>121,363,053</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 37. Financial instruments (cont'd)

### 37.1 Financial risk management policies (cont'd)

#### Liquidity risk (cont'd)

*Maturity analysis (cont'd)*

	Contractual				
	Carrying amount	undiscounted cash flows	Within 1 year	1 to 5 years	Over 5 years
	RM	RM	RM	RM	RM
<b>2025</b>					
<b>Non-derivative financial liabilities</b>					
Payables	20,010,707	20,010,707	20,010,707	0	0
Term loans	56,855,808	78,128,905	7,370,337	27,528,993	43,229,575
Other loans and borrowings	11,391,941	11,391,941	11,391,941	0	0
Hire purchase payables	2,170,379	2,543,660	707,332	1,836,328	0
Lease liabilities	13,802,306	14,999,314	4,959,904	10,039,410	0
Financial guarantee contract*	0	68,357,000	68,357,000	0	0
<b>Derivative financial liabilities</b>					
Cross currency swap	2,265,138	2,265,138	18,876	453,028	1,793,234
	<b>106,496,279</b>	<b>197,696,665</b>	<b>112,816,097</b>	<b>39,857,759</b>	<b>45,022,809</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 37. Financial instruments (cont'd)

### 37.1 Financial risk management policies (cont'd)

#### Liquidity risk (cont'd)

#### Maturity analysis (cont'd)

Company	Carrying amount RM	Contractual		Within 1 year RM	1 to 5 years RM
		undiscounted cash flows RM			
<u>2026</u>					
<b>Non-derivative financial liabilities</b>					
Payables	36,600,050	36,600,050		36,600,050	0
Revolving credit	4,500,000	4,500,000		4,500,000	0
Hire purchase payables	572,802	640,616		222,567	418,049
Financial guarantee contract*	0	151,934,000		151,934,000	0
	<u>41,672,852</u>	<u>193,674,666</u>		<u>193,256,617</u>	<u>418,049</u>
<u>2025</u>					
<b>Non-derivative financial liabilities</b>					
Payables	5,343,817	5,343,817		5,343,817	0
Revolving credit	4,500,000	4,500,000		4,500,000	0
Hire purchase payables	835,115	929,228		296,357	632,871
Financial guarantee contract*	0	68,357,000		68,357,000	0
	<u>10,678,932</u>	<u>79,130,045</u>		<u>78,497,174</u>	<u>632,871</u>

\* The disclosure represents the maximum amount that is required to be settled in the event of a default and the lenders, where applicable call on the Company to pay for subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 37. Financial instruments (cont'd)

### 37.1 Financial risk management policies (cont'd)

#### Currency risk

Group

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 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:

	<b>Denominated in USD RM</b>	<b>Denominated in AUD RM</b>	<b>Denominated in NZD RM</b>
<u>2026</u>			
Receivables	407,147	2,443,802	3,209,488
Cash and cash equivalents	10,704,311	973,667	5,145
Payables	(119,479)	0	0
Loans and borrowings	(66,160,811)	0	0
	<u>(55,168,832)</u>	<u>3,417,469</u>	<u>3,214,633</u>
<u>2025</u>			
Receivables	377,775	4,385,928	4,059,516
Cash and bank balances	1,013,033	8,856,920	7,085
Payables	(1,168,232)	0	0
Loans and borrowings	(48,939,041)	0	0
	<u>(48,716,465)</u>	<u>13,242,848</u>	<u>4,066,601</u>

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.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 37. Financial instruments (cont'd)

### 37.1 Financial risk management policies (cont'd)

#### Currency risk (cont'd)

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:

	Profit/(Loss) and equity	
	2026	2025
	RM	RM
Appreciation of USD against RM by 4% (2025 : 4%)	(1,677,132)	(1,480,981)
Depreciation of USD against RM by 4% (2025 : 4%)	1,677,132	1,480,981
Appreciation of AUD against RM by 1% (2025 : 5%)	25,973	503,228
Depreciation of AUD against RM by 1% (2025 : 5%)	(25,973)	(503,228)
Appreciation of NZD against RM by 4% (2025 : 5%)	97,725	154,531
Depreciation of NZD against RM by 4% (2025 : 5%)	<u>(97,725)</u>	<u>(154,531)</u>

#### Interest rate risk

The exposure to interest rate risk of the Group and the Company arises mainly from interest-bearing financial instruments, namely cash and cash equivalents, loans and borrowings, hire purchases and lease liabilities.

The Group and the Company observe 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 policy for the Group and the Company to maintain a mix of fixed and floating rate financial instruments as follows:

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
<b>Fixed rate instruments</b>				
<u>Financial assets</u>				
Cash and cash equivalents	18,135,212	23,872,288	929,099	162,351
<u>Financial liabilities</u>				
Banker acceptances	(3,856,023)	(3,554,241)	0	0
Revolving credit	(8,667,300)	(7,837,700)	(4,500,000)	(4,500,000)
Hire purchases payables	(2,271,270)	(2,170,379)	(572,802)	(835,115)
Lease liabilities	(10,099,298)	(13,802,306)	0	0
Short-term loans	<u>(129,801)</u>	<u>0</u>	<u>0</u>	<u>0</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 37. Financial instruments (cont'd)

### 37.1 Financial risk management policies (cont'd)

#### Interest rate risk (cont'd)

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
<b>Floating rate instruments</b>				
<u>Financial assets</u>				
Advances to joint venture	1,201,479	0	1,201,479	0
Advances to subsidiaries	0	0	37,410,768	0
<u>Financial liabilities</u>				
Term loans	(134,940,981)	(56,855,808)	0	0
Advances from subsidiaries	0	0	(33,018,457)	0

As the Group and the Company do 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. For floating rate financial instruments measured at amortised cost, the following table demonstrates the sensitivity of profit or loss to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:

	Group		Company	
	(Loss)/Profit		Profit/(Loss)	
	2026	2025	2026	2025
	RM	RM	RM	RM
Increase in interest rates by 10 (2025 : 0*) basis points	(101,642)	0	4,251	0
Decrease in interest rates by 10 (2025 : 0*) basis points	101,642	0	(4,251)	0

\* 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.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 37. Financial instruments (cont'd)

### 37.2 Capital risk 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	
	2026	2025	2026	2025
	RM	RM	RM	RM
Available cash	34,074,142	36,586,040	954,163	765,320
Advance from subsidiaries	0	0	(33,018,457)	0
Loans and borrowings	(147,594,105)	(68,247,749)	(4,500,000)	(4,500,000)
Hire purchase payables	(2,271,270)	(2,170,379)	(572,802)	(835,115)
Lease liabilities	(10,099,298)	(13,802,306)	0	0
Total interest-bearing debts	(159,964,673)	(84,220,434)	(38,091,259)	(5,335,115)
Net debt	<u>(125,890,531)</u>	<u>(47,634,394)</u>	<u>(37,137,096)</u>	<u>(4,569,795)</u>
Total equity	<u>286,769,519</u>	<u>262,721,897</u>	<u>245,769,223</u>	<u>248,982,454</u>
Debt-to-equity ratio (times)	<u>0.44</u>	<u>0.18</u>	<u>0.15</u>	<u>0.02</u>

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

### 37.3 Classification of financial instruments

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
<b>Financial assets</b>				
<u>Fair value through profit or loss</u>				
Other investments (Note 10)	<u>878,962</u>	<u>857,630</u>	<u>0</u>	<u>0</u>
<u>Amortised cost</u>				
Receivables (Note 14)	34,274,834	33,564,805	43,482,152	14,791,551
Cash and cash equivalents (Note 16)	35,580,752	37,904,235	954,163	765,320
	<u>69,855,586</u>	<u>71,469,040</u>	<u>44,436,315</u>	<u>15,556,871</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 37. Financial instruments (cont'd)

### 37.3 Classification of financial instruments (cont'd)

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
<b>Financial liabilities</b>				
<u>Fair value through profit or loss</u>				
Derivatives (Note 21)	6,375,638	2,265,138	0	0
<u>Amortised cost</u>				
Payables (Note 17)	28,703,596	20,010,707	36,600,050	5,343,817
Hire purchase payables (Note 19)	2,271,270	2,170,379	572,802	835,115
Loans and borrowings (Note 18)	147,594,105	68,247,749	4,500,000	4,500,000
	<u>178,568,971</u>	<u>90,428,835</u>	<u>41,672,852</u>	<u>10,678,932</u>

### 37.4 Gains or losses arising from financial instruments

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Net gains/(losses) on:				
- Financial assets at fair value through profit and loss	21,332	50,210	0	0
- Financial assets at amortised costs	(757,157)	(4,964,163)	1,040,849	301,241
- Financial liabilities at fair value through profit or loss	(4,110,500)	(2,265,138)	0	0
- Financial liabilities at amortised costs	<u>6,270,671</u>	<u>(635,022)</u>	<u>(1,314,132)</u>	<u>(124,196)</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 37. Financial instruments (cont'd)

### 37.5 Fair value information

Other than those disclosed below, the fair values of the financial assets and financial liabilities of the Group and the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms. The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM		
<u>2026</u>								
<b>Financial assets</b>								
Other investments	878,962	0	0	0	0	0	878,962	878,962
- quoted								
<b>Financial liabilities</b>								
Term loans	0	0	0	0	134,940,981	0	134,940,981	134,940,981
Short-term loan	0	0	0	0	129,801	0	129,801	129,801
Hire purchase payables	0	0	0	0	2,271,270	0	2,271,270	2,271,270
Derivatives	6,375,638	0	0	0	0	0	6,375,638	6,375,638
<u>2025</u>								
<b>Financial assets</b>								
Other investments	857,630	0	0	0	0	0	857,630	857,630
- quoted								
<b>Financial liabilities</b>								
Term loans	0	0	0	0	56,855,808	0	56,855,808	56,855,808
Hire purchase payables	0	0	0	0	2,170,379	0	2,170,379	2,170,379
Derivatives	2,265,138	0	0	0	0	0	2,265,138	2,265,138

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 February 2026

## 37. Financial instruments (cont'd)

### 37.5 Fair value information (cont'd)

Company	Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM
<u>2026</u>					
<b>Financial liabilities</b>					
Hire purchase payables	0	572,802	0	572,802	572,802
<u>2025</u>					
<b>Financial liabilities</b>					
Hire purchase payables	0	835,115	0	835,115	835,115

#### Fair value of financial instruments carried at fair value

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

There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

#### Fair value of financial instruments not carried at fair value

The fair values of loans and borrowings, and hire purchase payables are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities.

There were no transfers between Level 1, Level 2 and Level 3 during the 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 ) ) )	40	6,813	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	18	7,890	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	10	470	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	13	4,900	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	29	168,815*	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	2	41,840	13/9/2024

\* For additional details please refer to Note 11 of the financial statements

# ANALYSIS OF SHAREHOLDINGS

AS AT 3 JUNE 2026

Total number of issued Shares	:	(i) 194,072,548 ordinary shares (ii) 45,889,874 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	6,909,800	3.56	84,029,950 <sup>(i)</sup>	43.30
Fong Wern Sheng	11,525,400	5.94	23,708,053 <sup>(i)</sup>	12.22
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	7.41	9,672,200 <sup>(i)</sup>	21.08
Fong Wern Sheng	5,398,700	11.76	18,626,225 <sup>(i)</sup>	40.59
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 2026

## SUBSTANTIAL ORDINARY SHAREHOLDERS

Name of Shareholders	Direct	%	Deemed	%
Equaplus Sdn. Bhd.	84,029,950	43.30	-	-
Fong Wah Kai	6,909,800	3.56	84,029,950 <sup>(i)</sup>	43.30
Green Cluster Sdn. Bhd.	23,708,053	12.22	-	-
Fong Wern Sheng	11,522,400	5.94	23,708,053 <sup>(i)</sup>	12.22

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	40.59	-	-
Equaplus Sdn Bhd	9,672,200	21.08	-	-
Fong Wern Sheng	5,398,780	11.76	18,626,225 <sup>(i)</sup>	40.59
Fong Wah Kai	3,399,400	7.41	9,672,200 <sup>(i)</sup>	21.08
Tang Seok Leng	3,602,300	7.85	-	-
Tan Chong Kheng	2,466,500	5.38	-	-

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
1,233	100 to 1,000 shares	1,132,027	0.58
1,443	1,001 to 10,000 shares	5,454,202	2.81
174	10,001 to 100,000 shares	5,204,300	2.68
48	100,001 to less than 5% of issued shares	74,542,696	38.41
2	5% and above of issued shares	107,738,003	55.52
<b>2,982</b>	<b>TOTAL</b>	<b>194,072,548</b>	<b>100.00</b>

## DISTRIBUTION OF SHAREHOLDINGS IN ICPS

No. of Holders	Size of Holdings	Total Holdings	%
4	Less than 100	99	0.00
59	100 to 1,000 shares	42,000	0.09
107	1,001 to 10,000 shares	388,250	0.85
23	10,001 to 100,000 shares	602,500	1.31
5	100,001 to less than 5% of issued shares	3,835,100	8.36
6	5% and above of issued shares	41,021,925	89.39
<b>204</b>	<b>TOTAL</b>	<b>45,889,874</b>	<b>100.00</b>

# ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 3 JUNE 2026

## LIST OF THIRTY (30) LARGEST ORDINARY SHAREHOLDERS

	<b>Shareholder's Name</b>	<b>Shareholdings</b>	<b>%</b>
1.	Equaplus Sdn. Bhd.	84,029,950	43.30
2.	Green Cluster Sdn. Bhd.	23,708,053	12.22
3.	Tokio Marine Life Insurance Malaysia Bhd. As Beneficial Onwer (TMEF)	7,000,000	3.61
4.	Fong Wah Kai	6,909,800	3.56
5.	Maybank Nominees (Tempatan) Sdn. Bhd. Fong Wern Sheng	6,510,600	3.36
6.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An For Bank of Singapore Limited (Foreign)	6,305,800	3.25
7.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (LGF)	6,168,200	3.18
8.	Tan Seok Leng	5,539,600	2.85
9.	Citigroup Nominees (Tempatan) Sdn. Bhd. Exempt An For AIA Bhd.	4,487,700	2.31
10.	Tan Chong Kheng	4,337,600	2.24
11.	Koh Chye Khim	3,056,496	1.58
12.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lim Zee Ping	2,820,000	1.45
13.	Maybank Nominees (Tempatan) Sdn. Bhd Syarikat Takaful Malaysia Keluarga Berhad (ORDPA)	2,688,300	1.39
14.	HLB Nominees (Tempatan) Sdn. Bhd Pledged Securities Account For Fong Wern Sheng	2,200,000	1.13
15.	Alliancegroup Nominees (Tempatan) Sdn. Bhd Pledged Securities Account For Fong Wern Sheng (7000981)	2,050,000	1.06
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (LSMCF)	1,535,300	0.79
17.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lim Sim Tong	1,500,000	0.77
18.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Jonathan Lai Jun Fei (7013331)	1,150,000	0.59
19.	Loo Chee Hin	1,118,800	0.58
20.	Maybank Nominees (Tempatan) Sdn. Bhd Syarikat Takaful Malaysia Keluarga Berhad (ORDPSA)	1,043,300	0.54
21.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Accounts For Lim Chai Beng	1,000,000	0.52
22.	Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Accounts for James Tan Chia Vern (Margin)	904,100	0.47
23.	Citigroup Nominees (Tempatan) Sdn. Bhd. Lembaga Tabung Haji (UOB)	622,900	0.32
24.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Fong Wern Sheng	581,700	0.30
25.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Accounts for Won Wei Zhang (MY3382)	500,000	0.26
26.	Cartaban Nominees (Asing) Sdn. Bhd. Exempt An For Standard Chartered Bank Malaysia Berhad (Wealth Management)(Asing)	473,100	0.24
27.	Tan Ming Chong	384,900	0.20
28.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Accounts for Lim Zee Ping	260,000	0.13
29.	Low Hing Noi	250,000	0.13
30.	Simon Robert Charles Cherry	233,200	0.12

# ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 3 JUNE 2026

## LIST OF THIRTY (30) LARGEST ORDINARY SHAREHOLDERS

	<b>Shareholder's Name</b>	<b>Shareholdings</b>	<b>%</b>
1.	Green Cluster Sdn. Bhd.	18,626,225	40.59
2.	Equaplus Sdn. Bhd.	9,672,200	21.08
3.	Tan Seok Leng	3,602,300	7.85
4.	Fong Wah Kai	3,399,400	7.41
5.	Maybank Nominees (Tempatan) Sdn. Bhd. Fong Wern Sheng	3,255,300	7.09
6.	Tan Chong Kheng	2,466,500	5.38
7.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Fong Wern Sheng	2,128,500	4.64
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	121,500	0.27
12.	Lee Chee Seng	90,000	0.20
13.	Tan Say Fung	90,000	0.20
14.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account For Walter Wurtz	50,000	0.11
15.	Law Goo @ Law Yeow Ching	50,000	0.11
16.	Moomoo Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sia Taik Hian	25,000	0.05
17.	Ng Boon Ho	25,000	0.05
18.	Goh Sau Chong	23,000	0.05
19.	Tio Seng Soon	23,000	0.05
20.	Teoh Ah Ba @ Teoh Peng Leng	22,500	0.05
21.	Liew Wai Ming	20,000	0.04
22.	Ng Wooi Ying	20,000	0.04
23.	Toh Teck Yern	17,000	0.04
24.	Tan Boon Seng	16,000	0.04
25.	Chen, Chun-Ying	15,000	0.03
26.	Tan Swee Lan	15,000	0.03
27.	Fong Wern Sheng	14,900	0.03
28.	Chua Ngeng Hoo @ Cheah Beng Hoh	14,500	0.03
29.	Wong Foong Phing	13,000	0.03
30.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chang Ah Boon (E-SPI)	12,500	0.03

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 36<sup>th</sup> Annual General Meeting (“AGM”) of the Company will be held at Bayu Hall 1, Level 2, Ascott Gurney Penang, No. 18 Gurney Drive, 10250 Georgetown, Penang on 27 July 2026 at 10.00 a.m. for the following purposes: -

## AGENDA

### ORDINARY BUSINESS

1. To receive the Company’s Audited Financial Statements for the year ended 28 February 2026 together with the Reports of Directors and Auditors thereon
2. To approve the payment of a final dividend of 3.5 sen per ordinary share in respect of the financial year ended 28 February 2026. (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) Mr. Fong Wah Kai (Resolution 2)
  - (b) Mr. Fong Wern Sheng (Resolution 3)
4. To approve the Directors’ Fees of RM80,000.00 for the financial year ended 28 February 2026. (Resolution 4)
5. To approve the Directors’ Other Benefits Payables up to an amount of RM21,000.00 from 28 July 2026 to the next AGM of the Company. (Resolution 5)
6. 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 6)

### SPECIAL BUSINESS

To consider and if thought fit, to pass the following as an Ordinary Resolution: -

7. **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 7)

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

8. **PROPOSED SHARE BUY-BACK AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES ("SHARES") OF UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES ("PROPOSED SHARE BUY-BACK")**

"THAT subject to the Act, provisions of the Company's Constitution, Main Market Listing Requirements of Bursa Securities and any prevailing laws, guidelines, rules and regulations issued by the relevant authorities, the Board be authorised to purchase its own shares through Bursa Securities, subject to the following:

- (a) the aggregate number of Shares in the Company which may be purchased and/or held by the Company shall not exceed ten percent (10%) of its total number of issued Shares at any point in time;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate of the retained profits of the Company;
- (c) the authority conferred by this resolution would be effective immediately upon the passing of this ordinary resolution and will continue to be in force until:
  - (i) the conclusion of the next AGM of the Company following the AGM at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
  - (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
  - (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever occurs first;

THAT where the Company has purchased the Shares, the Board may, at their discretion, resolve:

- (a) to cancel the shares so purchased;
- (b) to retain the shares so purchased as treasury shares; or
- (c) to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares.

THAT where such Shares are held as treasury shares, the Board may, at their discretion:

- (a) distribute the shares as dividends to shareholders, such dividend to be known as "share dividends";
- (b) resell the shares or any of the shares in accordance with the relevant rules of Bursa Securities;
- (c) transfer the shares, or any of the shares for the purposes of or under an employees' share scheme;
- (d) transfer the shares, or any of the shares as purchase consideration;
- (e) cancel the shares or any of the shares; or
- (f) sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe.

AND THAT the Directors of the Company be and are hereby authorised to sign and execute all documents, and do all acts and things as may be required for or in connection with and to give effect to, and to implement the Proposed Share Buy-Back with full power to do all such acts as they may consider necessary or expedient so as to give full effect to the same with further power to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities."

(Resolution 8)

9. To transact any other ordinary business for which due notice has been given in accordance with the Act.

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

**NOTICE IS HEREBY GIVEN** that for purpose of determining a member who shall be entitled to attend this 36<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, to issue a General Meeting Record of Depositors as at 20 July 2026. Only a depositor whose name appears on the Record of Depositors as at 20 July 2026 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 36<sup>th</sup> AGM, a final dividend of 3.5 sen per ordinary share in respect of the financial year ended 28 February 2026 will be paid on 14 August 2026 respectively to depositors registered in the Records of Depositors on 31 July 2026.

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 31 July 2026 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

30 June 2026

## **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 authorised 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 authorised 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.

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

## **Explanatory Note On Special Business**

### **Ordinary Resolution 7**

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 35<sup>th</sup> AGM held on 28 July 2025 and which will lapse at the conclusion of the 36<sup>th</sup> 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 utilisation of the proceeds arising from such issue.

### **Ordinary Resolution 8**

The proposed resolution, if passed, will provide the authority for the Company to buy back its own shares up to a limit ten per centum (10%) of the total issued and paid-up share capital of the Company. The full details on Resolution 8 are set out in Statement to Shareholders dated 30 June 2026.

# 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 36<sup>th</sup> AGM.

The Board through its Nominating Committee has conducted and assessed the retiring Directors based on their character and integrity, experience and competence as well as time and commitment, in determining the eligibility of the Directors to stand for re-election at the 36<sup>th</sup> AGM. These two (2) retiring Directors have abstained from deliberation and decision on their respective eligibility to stand for re-election at the Board meeting.

The retiring Directors also provided the fit and proper declarations and 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 7 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 28 July 2025.
- 3) The proposed Ordinary Resolution 8 will provide the authority for the Company to buy back its own shares up to a limit ten per centum (10%) of the total issued and paid-up share capital of the Company. The full details on Resolution 8 are set out in Statement to Shareholders dated 30 June 2026.

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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 CAPITAL 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 36<sup>th</sup> Annual General Meeting of the Company, to be held at **Bayu Hall 1, Level 2, Ascott Gurney Penang, No. 18, Gurney Drive, 10250 Georgetown Penang on 27 July 2026 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 3.5 sen for the financial year ended 28 February 2026		
2.	Re-election of Mr. Fong Wah Kai as Director		
3.	Re-election of Mr. Fong Wern Sheng as Director		
4.	Approval of Directors' Fees of RM80,000 for the financial year ended 28 February 2026		
5.	Approval of Directors Other Benefits Payable up to RM21,000		
6.	Re-appointment of Auditors		
7.	Approval for Directors to issue shares pursuant to Section 76 of the Companies Act 2016		
8.	Authority for the Company to purchase its own shares		

(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 \_\_\_\_\_ 2026

The proportions of my/or holding to be represented by my/our proxies are as follows: -		
	No. of Shares	Percentage
First Proxy		
Second Proxy		
<b>Total</b>		<b>100%</b>

\_\_\_\_\_  
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 authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
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 36<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, to issue a General Meeting Record of Depositors as at 20 July 2026. Only a depositor whose name appears on the Record of Depositors as at 20 July 2026 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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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

1<sup>st</sup> fold here

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**PGF Capital Berhad**  
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