



NATIONGATE HOLDINGS BERHAD
Registration No. 202101004230 (1404529-K)



Engineering A Sustainable Future

ANNUAL REPORT **2025**

Table of Contents

Business Overview	
Corporate Information	2
Corporate Structure	3
Financial Highlights	4
Board of Directors' Profile	5
Key Senior Management's Profile	11
Our Sustainability Agenda	
Management Discussion and Analysis	13
Sustainability Statement	19
Strength In Governance	
Corporate Governance Overview Statement	81
Statement on Risk Management and Internal Control	96
Audit and Risk Management Committee Report	101
Statement of Directors' Responsibility	105
Additional Compliance Information	106
Financial Statements	
Directors' Report	108
Directors' Statement	113
Statutory Declaration	113
Independent Auditors' Report	114
Statements of Financial Position	119
Statements of Comprehensive Income	120
Consolidated Statement of Changes in Equity	121
Statement of Changes in Equity	123
Statements of Cash Flow	124
Notes to the Financial Statements	128
Additional Information	
List of Properties	175
Analysis of Shareholdings	178
Notice of Annual General Meeting	181
Statement Accompanying Notice of Annual General Meeting	185
Form of Proxy	187

Cover Rationale



Engineering A Sustainable Future

The cover art titled "Engineering a Sustainable Future" encapsulates NationGate Holdings Berhad's commitment to advancing technology while safeguarding the environment. The centrepiece, a transparent apple containing a thriving miniature city, serves as a powerful metaphor for the fruits of the company's labour. Its glass-like clarity symbolises accountability, purity of intent, and the company's transparent pursuit of sustainable growth. By housing an entire urban ecosystem within a natural form, the imagery underscores NationGate's belief that technological advancement and environmental responsibility must coexist harmoniously.

The intricate cityscape resting upon circuit-like foundations reflects NationGate's core expertise as a leading Electronics Manufacturing Services (EMS) provider and server manufacturer. The detailed buildings, illuminated streets, and human activity highlight the diverse industrial sectors served by the company, from IoT and consumer electronics to automotive, aerospace, telecommunications, and AI equipment. This miniature metropolis also mirrors the precision, efficiency, and innovation embedded within NationGate's high-speed Surface Mount Technology ("SMT") processes, advanced assembly lines, semiconductor capabilities, and fully integrated smart production environments.



The Annual Report can be accessed at <https://nationgate.com.my/investors/reports/>

Corporate Information

Board of Directors

Dato' Seri Wong Siew Hai
Independent Non-Executive Chairman

Dato' Ooi Eng Leong
Managing Director

Lee Kim San
*Executive Director cum
Chief Operating Officer*

Dato' Seri Lee Kah Choon
Independent Non-Executive Director

Dato' Faiza Binti Zulkifli
Independent Non-Executive Director

Ju Siew Lee
Independent Non-Executive Director

Audit And Risk Management Committee

JU SIEW LEE
Chairman

DATO' FAIZA BINTI ZULKIFLI
Member

DATO' SERI LEE KAH CHOON
Member

Remuneration Committee

DATO' SERI LEE KAH CHOON
Chairman

DATO' FAIZA BINTI ZULKIFLI
Member

JU SIEW LEE
Member

Nomination Committee

DATO' FAIZA BINTI ZULKIFLI
Chairman

JU SIEW LEE
Member

DATO' SERI LEE KAH CHOON
Member

HEAD OFFICE

2005, Tingkat Perusahaan Satu
Kawasan Perusahaan Perai
13600 Perai
Pulau Pinang

Telephone No.:
04-398 9001, 04-398 9002

Fax No.:
04-398 9005

EMAIL ADDRESS AND WEBSITE

Email address:
corporate@nationgateholdings.com

Website:
<http://www.nationgate.com.my>

REGISTERED OFFICE

51-8-A Menara BHL
Jalan Sultan Ahmad Shah
10050 Georgetown
Pulau Pinang, Malaysia

Telephone No.:
04-373 6616

Email address:
enquiry@braxton.com.my

COMPANY SECRETARY

HING POE PYNG
(SSM PC No. 202008001322)
(MAICSA 7053526)

SHARE REGISTRAR

**Tricor Investor & Issuing House
Services Sdn Bhd**
(197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone No.: 03-2783 9299
Fax No.: 03-2783 9222
Email Address: is.enquiry@vistra.com

AUDITORS

Grant Thornton Malaysia PLT
Registration number:
201906003682
LLP number: LLP0022494-LCA
Firm number: AF 0737
Level 5, Menara BHL
51 Jalan Sultan Ahmad Shah
10050 Pulau Pinang

Telephone No.: 04-228 7828
Fax No.: 04-227 9828

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
Stock Code: 0270
Stock Name: NATGATE

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
Alliance Islamic Bank Berhad
AmBank (M) Berhad
AmBank Islamic Berhad
CIMB Bank Berhad
Citibank Berhad
HSBC Bank Malaysia Berhad
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
Maybank Islamic Berhad
United Overseas Bank (Malaysia) Bhd.

Corporate Structure



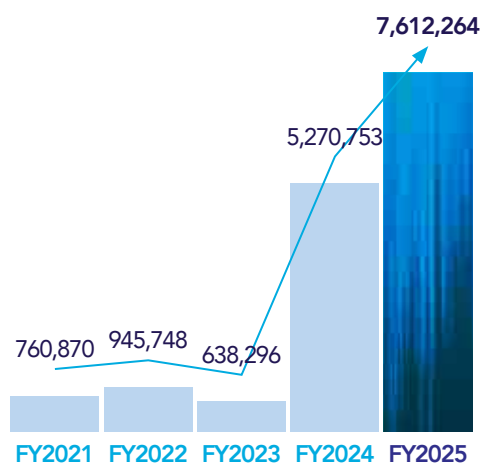
NATIONGATE HOLDINGS BERHAD
Registration No. 202101004230 (1404529-K)



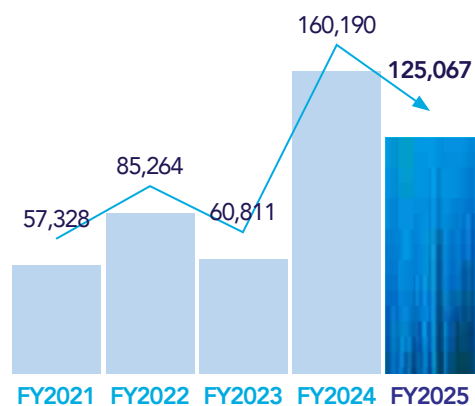
Financial Highlights

Financial Highlights	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenue (RM'000)	760,870	945,748	638,296	5,270,753	7,612,264
Profit Before Taxation (RM'000)	62,662	104,622	70,538	230,705	196,464
Profit After Taxation (RM'000)	59,547	85,608	60,925	179,207	142,290
Profit attributable to Owners of the Company (RM'000)	57,328	85,264	60,811	160,190	125,067
EBITDA (RM'000)	96,078	151,748	120,057	286,897	265,336
Basic Earnings per Share (Sen)	3.50	5.20	2.95	7.44	5.50
Equity attributable to Owners of the Company (RM'000)	155,875	229,046	414,749	947,529	1,011,767
Return on Equity	36.8%	37.2%	14.7%	16.9%	12.4%

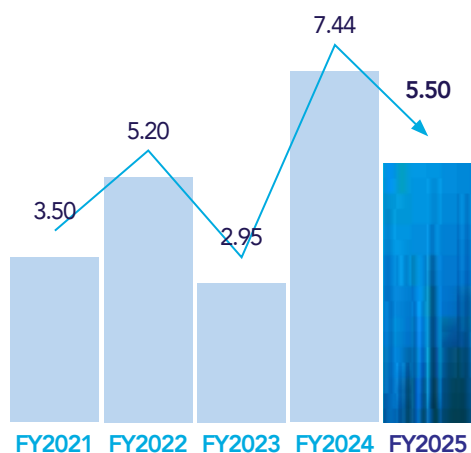
Revenue (RM'000)



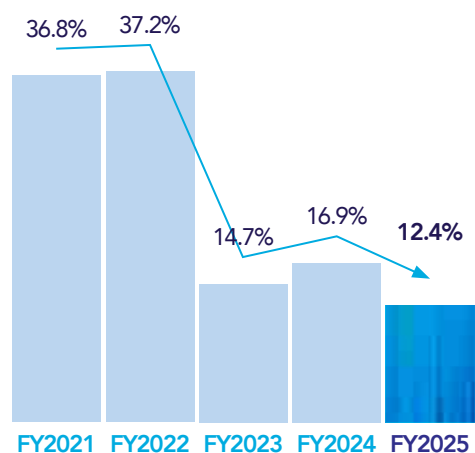
Profit attributable to Owners of the Company (RM'000)



Basic Earnings per Share (Sen)



Return on Equity



Board of Directors' Profile



DATO' SERI WONG SIEW HAI

DSPN, DMPN, DGPN, DPPN

Independent Non-Executive Chairman

Nationality Malaysian

Gender Male

Age 74

Dato' Seri Wong Siew Hai ("Dato' Seri Wong") is our Independent Non-Executive Chairman and was appointed to our Board on 18 May 2021.

He graduated in 1974 with a Bachelor of Science in Mechanical Engineering from University of Leeds, UK. He obtained a Master of Science in Management Science in 1975 from Imperial College of Science and Technology, University of London, UK. In 2015, he was awarded the ASEAN Outstanding Engineering Achievement Award by the ASEAN Federation of Engineering Organisations.

He started his career in 1976 with Intel Technology Sdn Bhd ("Intel") as Quality Assurance Engineer and left with his last position as General Manager in 1996. During his time with Intel, he was responsible for, amongst others, the quality assurance for assembly operations of semiconductors and Intel's 8-bit microcontroller business unit. Thereafter, he joined Dell Incorporated's Asia Pacific Customer Centre as Managing Director and Vice President where he was mainly involved in the management of their operations. In 1998, he re-joined Intel as Managing Director of Assembly Test Manufacturing in Malaysia and was later promoted to Vice President of Technology and Manufacturing Group and General Manager of Assembly Test Manufacturing, where he was responsible for all of Intel's assembly test factories worldwide. He retired from Intel in 2004.

He was a Director of Invest-In-Penang Berhad, an agency incorporated by the Penang State Government to promote investment in the state of Penang from 2004 to 2008. From 2005 to 2017, he was a board member of Malaysia External Trade Development Corporation ("MATRADE"), a division under MITI and was the Chairman of the Audit Committee of MATRADE's board from 2011 to 2017. He was the Chairman of the Malaysian American Electronics Industry, an industry committee under the American Malaysian Chamber of Commerce from 2005 until 2021. He was the Chairman of TT Vision Holdings Berhad, from 1 June 2022 till 30 November 2023 and a board member of Penang Science Cluster from 4 April 2013 till 8 November 2023, board member of Malaysia Venture Capital Management Berhad from October 2019 till July 2024, board member of Greatech Technology Berhad from May 2020 till May 2025 and board member of MTT Shipping and Logistics Berhad from November July 2019 till July 2025.

Currently, he is the President of the Malaysia Semiconductor Industry Association since January 2021 and the Chairman of Electrical and Electronics Productivity Nexus since 2017. He has over 30 years of experience in the Electrical and Electronics ("E&E") industry in Malaysia, Asia Pacific region and globally.

Dato' Seri Wong sits on the Board of Penang Tech Centre and SkyeChip Berhad. He is also a director of several private limited companies.

Dato' Seri Wong was appointed as Adjunct Professor by UNIMAP (Universiti Malaysia Perlis) on 5th February 2024.

Board of Directors' Profile (Cont'd)



DATO' OOI ENG LEONG

DSPN

Managing Director

Nationality Malaysian

Gender Male

Age 57

Dato' Ooi Eng Leong ("Dato' Ooi") is our Managing Director and was appointed to our Board on 1 June 2021. He completed his secondary school education at Han Chiang Independent High School, Pulau Pinang in 1986. In June 1988, he was awarded with the Certificate of Electrical Engineering Technician from City and Guilds of London Institute.

He is responsible for charting our Group's overall strategy and business direction. In respect of our Group's operations, he is involved in all major strategic and investment decisions as well as overseeing our Group's performance. He has more than 40 years of combined working experience in the E&E industry and Electronics Manufacturing Services ("EMS") market in Malaysia.

He started his career in the E&E industry as a Technician with Granek Electronic Sdn Bhd (a company involved in providing EMS activities) from 1986 to 1988, where he was skilled in repairing and analysing defects in electronic products. He then spent approximately four years from 1988 until 1992 with Shinca Electronic Sdn Bhd (a company involved in providing EMS activities) as its Manufacturing Engineer, where he was in-charge of setting up the company's production lines, overseeing manufacturing processes and various other aspects in the engineering of producing electronic products.

In 1992, he joined the auto-insert division of Kenmec Technology (M) Sdn Bhd (a company involved in providing EMS activities) as an Assistant Manager, where he was in-charge of developing and improving its manufacturing processes. He was then promoted to its Section Manager in 1997, where he was responsible for the overall performance of the department. He then joined Natsteel Electronics (M) Sdn Bhd (later known as Solelectron Technology (M) Sdn Bhd) (a company involved in the design, development and manufacture of Printed Circuit Board ("PCB") assemblies and sub-assemblies for microprocessor applications, computers, computer peripherals and semiconductor equipment) in the same year as a Manufacturing Manager, where he was responsible for its manufacturing processes under high volume production environment, as well as ensuring delivery and quality commitments to various multinational companies.

In 1999, he co-founded our Group's EMS business and has been instrumental in the development, growth and success of our Group.

Dato' Ooi sits on the Board of D Premier Residence Bayan Mutiara Berhad. He also sits on the Board of several private limited companies.

Board of Directors' Profile (Cont'd)



LEE KIM SAN

Executive Director cum
Chief Operating Officer

Nationality	Malaysian
Gender	Male
Age	60

Lee Kim San ("Mr Lee") is our Executive Director cum Chief Operating Officer and was appointed to our Board on 1 June 2021. He has more than 38 years of combined working experience and expertise in the E&E industry and EMS market in Malaysia. He is primarily responsible for the overall operations and resource management.

He started his career in Robert Bosch (M) Sdn Bhd (a company involved in the manufacturing of auto parts and related accessories) as a Test Technician for car stereos. In 1990, he joined Advantec Electronic Sdn Bhd (a company involved in the manufacturing and dealing of electrical products and related equipment) as a Production Supervisor and in a span of 2 years, he rose to the position of Production Manager overseeing the audio product final assembly lines. He then joined Kenmec Technology (M) Sdn Bhd (a company involved in providing EMS activities) in 1994 as an Assistant Production Manager, where he was responsible for the company's production activities and product delivery to its customers. In 1996, he left Kenmec Technology (M) Sdn Bhd and joined Solectron Technology (M) Sdn Bhd (a company involved in the design, development and manufacture of PCB assemblies and sub-assemblies for microprocessor applications, computers, computer peripherals and semiconductor equipment) as a Production Manager, where he was responsible for its overall production and product delivery to customers. In 2001, he left the company to join Flairis Sdn Bhd (a company involved in providing EMS activities) as an Operations Manager, where he was responsible for its production quality assurance and engineering operations for its electronic products.

In 2013, he was appointed Senior General Manager and subsequently appointed as our Group's Chief Operating Officer in 2015.

Mr Lee does not hold any other directorship in public companies or public listed companies. He sits on the Board of several private limited companies.

Board of Directors' Profile (Cont'd)



DATO' SERI LEE KAH CHOON

DGPN

Independent Non-Executive Director

Nationality Malaysian

Gender Male

Age 66

Dato' Seri Lee Kah Choon ("Dato' Seri Lee") is our Independent Non-Executive Director and was appointed to our Board on 7 February 2022. He is Chairman of our Remuneration Committee as well as member of Audit and Risk Management Committee and Nomination Committee. He graduated with a Bachelor of Law from the Southampton University, United Kingdom in 1985.

He was called to the Bar of England and Wales at the Honourable Society of Middle Temple in 1986. In 1987, he obtained a Master of Arts from the City University, United Kingdom and was called to the Malaysian Bar in the same year. He is also a Certified Financial Planner since 2019.

In 1987, he started his legal career at Messrs Wong-Chooi & Mohd Nor, a law firm, as a Legal Assistant responsible for providing legal services related to conveyancing, trust and estate, banking and corporate matters. In 1991, he was made a Partner of the firm before leaving in 1996. In 1997, he founded his own legal practice, Messrs KC Lee & Partners to provide legal advisory services. As the Managing Partner, he focused on conveyancing, trust and estate, banking and corporate services.

In 2004, he relinquished his position in his law firm to undertake the role of Parliamentary Secretary to the Ministry of Health, Malaysia. He was responsible for assisting the Minister on health matters in Malaysia, answering health related questions and tabling legislations on behalf of the Ministry in the house of Parliament. He held the position until 2008.

From 2008, he had served as board member of several state and federal government-linked corporations and companies.

Dato' Seri Lee serves as Chairman of Federal Oats Mills and Butterfield FB Bhd. He also sits on the Board of several Bursa listed companies including Aemulus Holdings Berhad, L&P Global Berhad and Northeast Group Berhad.

Additionally, Dato' Seri Lee is a member of the Investment Committee of Areca Capital, a licensed fund manager for individuals, corporations, and institutions.

Board of Directors' Profile (Cont'd)



DATO' FAIZA BT ZULKIFLI

DSPN

Independent Non-Executive Director

Nationality Malaysian

Gender Female

Age 65

Dato' Faiza Binti Zulkifli ("Dato' Faiza") is our Independent Non-Executive Director. She was appointed to our Board on 18 May 2021. She is the Chairman of the Nomination Committee and a member of the Audit and Risk Management Committee as well as Remuneration Committee.

She holds a Bachelor of Law (Honours) degree from University of Malaya (1984) and Master of Law in Intellectual Property and Information Technology Laws from University of East Anglia, United Kingdom in 2006. She was called to the Malaysian Bar in 2020. She is an experienced Senior Legal Officer with more than 35 years of working experience in various government agencies.

She started her career in the Judicial and Legal Service in 1984 as a Magistrate in Klang, Selangor. She held various positions in the Judicial and Legal Service. She served as a Legal Advisor to the Ministry of Domestic Trade and Consumer Affairs and as a Senior Assistant Parliamentary Draftsman at Attorney General's Chambers of Malaysia from 2002 to 2007.

She has been appointed as Penang State Legal Advisor, an ex-officio member of the State Executive Council of Penang and a member of the State Planning Committee and State Land Council since 2007. From 2014 to August 2017, she was appointed as Chairman of the Advisory Board at the Prime Minister's Department. Thereafter from September 2017 to 2018, she served as the Chairman of the Customs Appeal Tribunal under the Ministry of Finance, and her last position with the government before her retirement in July 2020 was being the Chairman of the Special Commissioners of Income Tax under the Ministry of Finance. She was appointed as a member of the Suruhanjaya Perkhidmatan Air Negara from March 2022 to 2023.

Dato' Faiza also sits on the Board of Mestron Holdings Berhad, ARK Resources Holdings Berhad, Northeast Group Berhad and Butterfield FB Bhd.

Board of Directors' Profile (Cont'd)



JU SIEW LEE

Independent Non-Executive Director

Ju Siew Lee ("Ms Ju") was appointed as Independent Non-Executive Director of our Board on 7 February 2022. Ms Ju is the Chairman of the Audit and Risk Management Committee and a member to the Remuneration Committee and Nomination Committee.

Ms Ju is a qualified Management Accountant of The Chartered Institute of Management Accountants, United Kingdom and a Chartered Accountant of the Malaysian Institute of Accountants.

Ms Ju is a highly accomplished professional with over 30 years of extensive experience in accounting, auditing, taxation and corporate finance. Throughout her career, Ms Ju has been attached with reputable firms, where she developed deep expertise across a wide range of financial disciplines. Ms Ju's past experience as a senior management professional in several public-listed companies in Malaysia, has further strengthened her leadership and strategic financial capabilities.

Ms Ju does not have any conflict of interest with our Company and she has no family relationship with any Director and/or major shareholder of our Company.

Currently, she also serves as an Independent Non-Executive Director of Aemulus Holdings Berhad and RT Pastry Holdings Berhad.

Apart from these roles, she does not hold directorship in any other public companies and public listed companies.

Nationality Malaysian

Gender Female

Age 56

Notes:

(1) **Family Relationships with any Director and/or Major Shareholder**

None of the Directors has any family relationship with any Director and/or Major Shareholder of the Company except Dato' Ooi Eng Leong is the spouse of Datin Tan Ah Geok who is a Major Shareholder of the Company.

(2) **Directors' Shareholdings**

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

(3) **No Conflict of Interest**

None of the Directors has any conflict of interest with the Company except:

Dato' Ooi Eng Leong has interest in a company incorporated locally which carries on a similar or related trade or is a customer and/or supplier of the Group.

(4) **Non-Conviction of Offences**

All the Directors have not been convicted with any offences other than traffic offences (if any) in the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulator during the financial year.

(5) **Board Meetings held during the financial year ended 31 December 2025 and details of Directors' attendance**

Name	Meetings attended
Dato' Seri Wong Siew Hai	5/5
Dato' Ooi Eng Leong	5/5
Lee Kim San	5/5
Dato' Seri Lee Kah Choon	5/5
Dato' Faiza Binti Zulkifli	5/5
Ju Siew Lee	5/5

Key Senior Management's Profile

CHANG TSUI SHI

Malaysian • Female • Aged 48

Chang Tsui Shi is the Finance Director of our Group. She has more than 19 years of working experience in the field of accounting and finance in Malaysia. In 2002, she obtained her Bachelor of Accounting (Honours) from Universiti Utara Malaysia and has been a member of the Malaysian Institute of Accountants since 2005. She joined our Group as an Accountant in 2015. She was promoted to Senior Finance Manager in 2018 and subsequently assumed her current role as Finance Director in 2021. She is responsible for overseeing our Group's accounts and finance related functions.

LIM KEE BENG

Malaysian • Male • Aged 64

Lim Kee Beng is the Business Development Director of our Group. He has more than 39 years of combined working experience in the E&E industry and EMS market in Malaysia. He graduated with a Bachelor of Applied Science in Electrical Engineering from the University of Ottawa, Canada in 1984. In 1999, he obtained his Master of Business Administration from Heriot Watt University, United Kingdom. He joined our Group as Human Resource Manager in 2010 and undertook various job responsibilities in our Group until his current position as Business Development Director in 2020. He is responsible for developing, planning and focus for customer based projects implementation.

DAVINDRA SINGH GENDEH

Malaysian • Male • Aged 52

Davindra Singh Gendeh is the Vice President of Operations of our Group. He joined our Group and assumed his current position in 2020. He has more than 25 years of combined working experience in the local and international E&E industry and EMS market in Malaysia, China, Singapore, Taiwan, Thailand and USA. He is responsible for overseeing the overall operations of NationGate System Sdn Bhd and Natingate Plus Sdn Bhd.

TAY SENG CHEW

Malaysian • Male • Aged 60

Tay Seng Chew is the Corporate Services Director of our Group. He joined our Group and assumed his current position in 2020. He has more than 25 years of combined working experience in the field of banking and finance in Malaysia. He graduated with a Bachelor of Management (Honours) in Finance and Accounting from Universiti Sains Malaysia in 1989. He is responsible for the corporate finance related matters such as fundraising activities as well as liaising with financial institutions and treasury functions.

On August 22, 2023, Tay Seng Chew was appointed as Executive Chairman in Skygate Solutions Berhad, a company listed on the Main Market of Bursa Malaysia that operates in multiple business segments including manufacturing, property development and property management.

Key Senior Management's Profile (Cont'd)

OOI YEUAN XIONG

Malaysian • Male • Aged 30

Ooi Yeuan Xiong is the General Manager of our Group. He joined our Group and assumed his current position in 2021. He holds Master's degree in Nanotechnology from University of Southampton. He worked across high-mix EMS environments supporting product transfers, process optimization & strong technical background in Surface Mount Technology manufacturing. He is involved in overall Group's operations and delivering engineering solutions that scale with company's growth.

CHAN CHEE KHANG

Malaysian • Male • Aged 49

Chan Chee Khang is the General Manager of our Group. He joined our Group and assumed his current position in 2024. He has more than 26 years of combined working experience in the E&E Industry and EMS market in Malaysia. His past experience in leading cross-functional teams, optimizing manufacturing processes, and driving organizational growth has contributed to his deep understanding of the industry. He is responsible for overseeing overall operations of NationGate System Sdn Bhd and cultivate a collaborative environment to achieve operational excellence.

Notes:

(1) **Directorship in public companies and public listed companies**

None of the Key Senior Management holds any directorship in public companies and public listed companies except for Mr Tay Seng Chew sits on the Board of Skygate Solutions Berhad ("Skygate Solutions") as Executive Chairman.

(2) **Family Relationships with any Director and/or Major Shareholder**

None of the Key Senior Management has any family relationship with any Director and/or Major Shareholder of the Company except for Mr. Ooi Yeuan Xiong who is the son to Dato' Ooi Eng Leong, both Director and major shareholder of the Company and Datin Tan Ah Geok, major shareholder of the Company.

(3) **Conflict of Interest**

None of the Key Senior Management has any conflict of interest with the Company except for the following:-

Mr Tay Seng Chew is the Executive Chairman of Skygate Solutions, a company listed on the Main Market of Bursa Malaysia Securities Berhad that operates in multiple business segments including manufacturing, property development and property management. He is also the key senior management in the Company.

Despite his involvement in the Company potentially leading to a conflict of interest, such conflict is minimal by the fact they are not competitors to each other due to different nature of business.

(4) **Non-Conviction of Offences**

All the Key Senior Management have not been convicted with any offences other than traffic offences (if any) in the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulator during the financial year.

Management Discussion and Analysis

OVERVIEW OF BUSINESS AND OPERATIONS

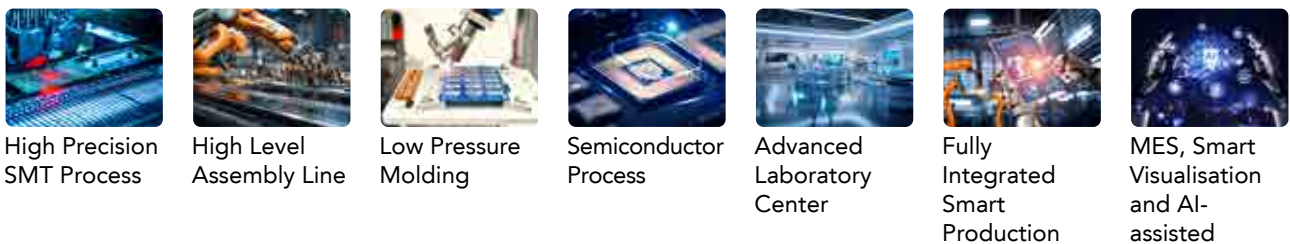
NationGate Holdings Berhad (“NGH”) and its subsidiaries (collectively, the “Group”) operate as an electronic manufacturing services (“EMS”) provider specialising in the assembly and testing of electronic components, PCBs, sub-assemblies, and fully assembled electronic products, as well as semiconductor-related manufacturing and testing activities. The Group also undertakes the manufacturing and assembly of server-related solutions, including servers, server racks, switches, and related equipment.

The Group operates multiple manufacturing facilities located in Seberang Perai, Pulau Pinang, and Taiping, Perak. These facilities are configured to support both high-mix, low-volume and low-mix, high-volume production, enabling the Group to respond effectively to diverse customer requirements across different product platforms and industries.

At the core of the Group’s operations is its ability to provide flexible and modular assembly solutions on both consignment and turnkey bases. Supported by robust technical and operational capabilities, the Group has delivered EMS solutions since 2010 to customers across a broad range of industry segments, including networking and telecommunication, data computing, industrial instrumentation, automotive, Internet of Things (“IoT”), consumer electronics, semiconductor, artificial intelligence equipment, aerospace, and medical industries.

Capabilities and Operational Excellence

High-precision SMT processes, advanced and automated assembly lines, and semiconductor assembly and testing operations form the core of the Group’s manufacturing capabilities. These are supported by integrated smart manufacturing systems and Industry 4.0 technologies, including real-time monitoring, data-driven process control, and predictive and preventive maintenance.



Our capabilities

Flexible production lines enable efficient changeovers across multiple product models and support extended operating hours with consistent output. In addition, specialised semiconductor capabilities—such as chip-on-board (“COB”) assembly, die attachment, wire bonding, semiconductor testing, and low-pressure moulding—enhance the Group’s ability to meet diverse product and quality requirements. Collectively, these capabilities underpin consistent product quality, operational efficiency, and scalable manufacturing solutions.

Operational integration and production visibility are enhanced through the deployment of Enterprise Resource Planning (“ERP”) and Manufacturing Execution System (“MES”) platforms, supported by smart visualisation and analytics tools. These systems enable real-time data capture, production and inventory monitoring, and quality documentation across both pre-production and production stages, facilitating continuous improvement in productivity, yield, and cost efficiency.

Complementing its manufacturing operations, the Group is supported by experienced engineering teams that provide design-for-manufacturability input, prototyping support, technical optimisation, and new product introduction (“NPI”) services. In addition, an internal research and development (“R&D”) function focused on server-related products and solutions supports the ongoing development and technical advancement of server platforms in response to evolving customer and technology requirements.

Strong emphasis is placed on quality management and operational discipline, underpinned by a comprehensive quality management system supported by recognised certifications, including ISO 9001:2015, ISO 14001:2015, AS9100D, ISO 13485:2016, IATF 16949:2016, ISO 45001 (Occupational Health and Safety) and ISO 28001 (Supply Chain Security Management System).

Operational flexibility, deep technical expertise, and an established track record collectively position the Group as a reliable EMS partner, capable of supporting customers across diverse industries and product lifecycles while maintaining a clear focus on long-term growth and operational excellence.

Management Discussion and Analysis (Cont'd)

OVERVIEW OF BUSINESS AND OPERATIONS (CONT'D)

Corporate Milestones

The Group's development as a public listed company reached key milestones with its listing on the ACE Market of Bursa Malaysia Securities Berhad on 12 January 2023, followed by a successful transfer to the Main Market on 4 May 2024. These milestones reflect the Group's growth trajectory, financial strength, and commitment to higher standards of governance and disclosure.

Building on this progression as a listed entity, 2025 marked a year of meaningful external recognition for the Group's operational and financial performance.

Key Milestones in 2025

In the 2025 Fortune Southeast Asia 500 ranking, Malaysia was represented by 92 companies, placing it third in the region, with a combined revenue of approximately US\$201.6 billion.

Within this context, NGH recorded a 723% year-on-year increase in revenue, representing the highest revenue growth rate among all companies included in the ranking. This achievement reflects the Group's strong growth momentum and its expanding role within the regional technology and electronics ecosystem.

Corporate Strategies and Initiatives

To capitalise on investment opportunities and support sustainable long-term growth, the Group remains focused on enhancing manufacturing capacity, strengthening operational efficiency, and expanding its technological capabilities. These strategies are aligned with industry expectations and are intended to support revenue growth and value creation over the medium to long term. The Group's growth strategy is anchored on the following key initiatives, which are closely aligned with its ongoing expansion efforts:

1. Strategic Partnership in Advanced Manufacturing

On 24 June 2025, NGH entered into a Master Agreement with POET Technologies Inc. to manufacture optical engine assemblies at the Group's Penang facility. Pursuant to the agreement, NGH will undertake the assembly and testing of consigned optical engines, incorporating a custom-designed fibre-attach unit ("FAU") developed for hyperscale data centre applications for one of POET's key customers.

Following the execution of the agreement, both parties have initiated facility qualification and testing processes to ensure production readiness and scalability in line with customer requirements. This initiative supports the Group's ongoing capability development and participation in advanced manufacturing activities within high-growth technology segments.

2. Strengthening Market Position through Strategic Acquisition

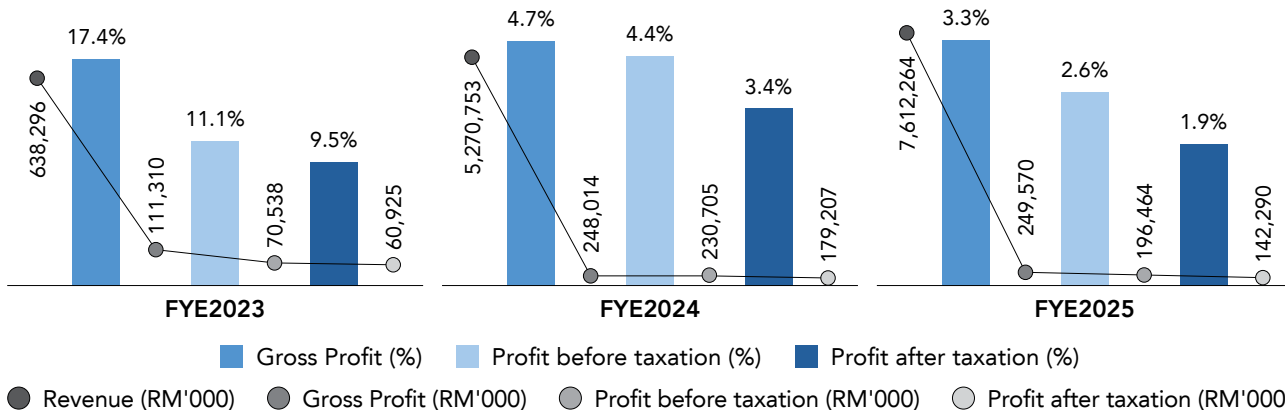
On 31 December 2025, NGH completed the acquisition of Valeo Malaysia CDA Sdn Bhd for a purchase consideration of RM60.89 million, in line with the Group's strategy to strengthen its manufacturing platform and expand its footprint in the automotive and electrical and electronics ("E&E") segments.

The acquisition provides additional production capacity, enhanced technical capabilities, and access to an established customer base. As part of the transaction, the Group acquired industrial land and factory facilities in Perai, Penang, where Valeo Malaysia principally undertakes plastic injection moulding, PCB assembly, as well as final testing and assembly of modular products. The acquisition is expected to enhance operational integration and manufacturing flexibility.

Management Discussion and Analysis (Cont'd)

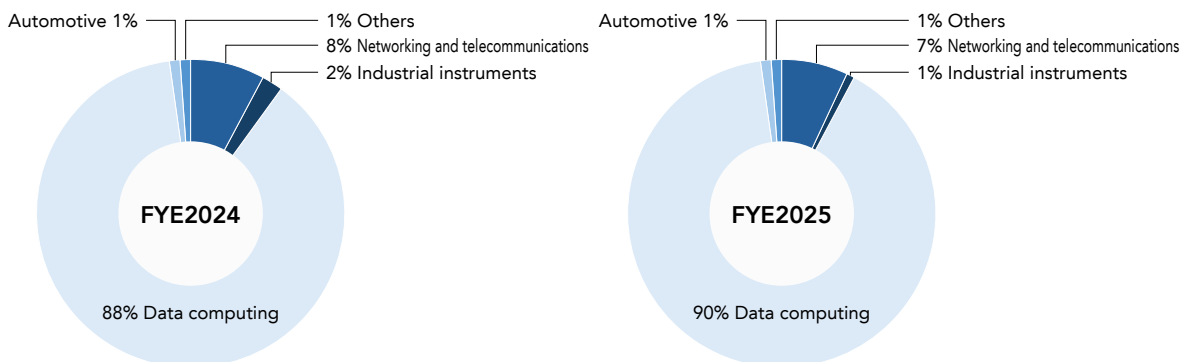
FINANCIAL OVERVIEW

Revenue, Gross Profit, Profit Before Taxation and Profit After Taxation (RM'000)



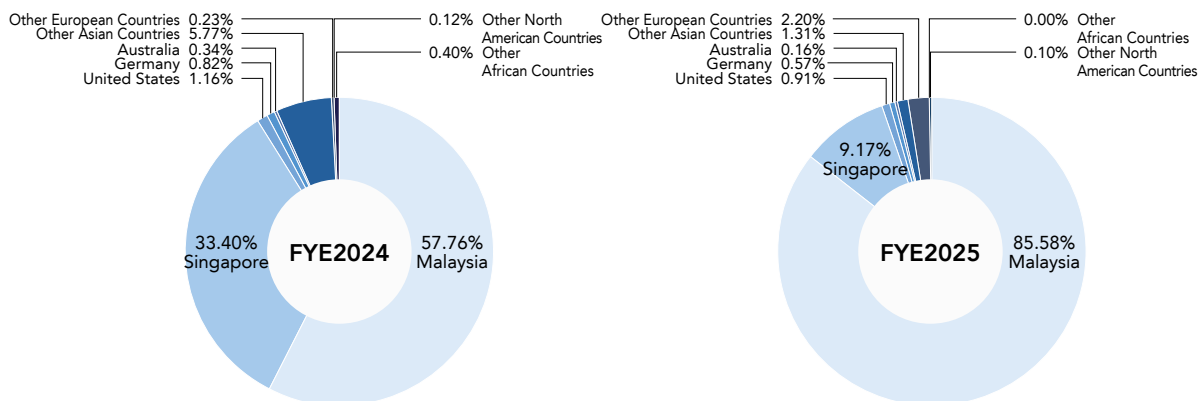
For the financial year ended 31 December 2025 ("FYE 2025"), the Group recorded revenue of RM7,612.26 million, representing an increase of RM2,341.51 million compared to RM5,270.75 million in the previous financial year ("FYE 2024"). The higher revenue was mainly attributable to continued strong demand from the data computing segment, supported by higher order fulfilment volumes from customers. This segment remained the primary contributor to the Group's overall revenue growth during the year under review.

Revenue By Customer Segments



Others: Mainly consists of manufacturers of semiconductor, consumer electronics, medical devices, Internet of Things, household electronic products, analytical instrumentation devices and warehousing and storage services.

Revenue By Countries Segments



Other Asian countries include Taiwan, China, Hong Kong, Vietnam, Thailand and India.
 Other European countries include France, United Kingdom, Denmark, Ireland, Norway, Turkey, Hungary and Italy.
 Other North America countries include Canada and Mexico.
 Other African country includes Seychelles.

Management Discussion and Analysis (Cont'd)

FINANCIAL OVERVIEW (CONT'D)

Gross profit for FYE 2025 increased marginally to RM249.57 million from RM248.01 million in FYE 2024. However, gross profit margin declined to 3.3% in FYE 2025 compared with 4.7% in the preceding financial year. The margin contraction was mainly due to higher costs of key components in the data computing segment, coupled with pricing pressure arising from competitive market conditions. While the increase in revenue contributed positively to absolute gross profit, this was partially offset by changes in cost structure associated with higher activity levels during the year.

Profit before taxation ("PBT") decreased to RM196.46 million in FYE 2025 from RM230.71 million in FYE 2024. Correspondingly, the PBT margin declined from 4.4% to 2.6%.

The reduction in PBT was primarily attributable to the margin compression described above, as well as less favourable operating leverage as the cost structure adjusted to higher activity levels within the data computing segment.

Profit after taxation ("PAT") for the year under review amounted to RM142.29 million, a decrease from RM179.21 million in FYE 2024. The PAT margin declined from 3.4% to 1.9%, in line with the reduced PBT margin.

Profit attributable to owners of the Company decreased to RM125.07 million in FYE 2025 compared with RM160.19 million in the previous financial year.

Earnings per share ("EPS") for FYE 2025 declined to 5.50 sen, as compared to 7.44 sen in FYE 2024, reflecting the lower net profit attributable to shareholders.

Foreign Currency Exposure and Risk Management

The Group is exposed to foreign currency risks mainly arising from sales and purchases denominated in United States Dollar ("USD").

To mitigate the impact of foreign exchange volatility and to protect profit margins, the Group enters into forward exchange contracts, particularly in respect of a key high revenue customer where purchases are largely denominated in USD while sales are invoiced in Ringgit Malaysia.

For other transactions, the Group adopts a natural hedging strategy, aligned with its operational cash flow structure. Foreign exchange exposures are subject to ongoing monitoring, enabling management to take timely corrective measures where necessary.

Liquidity and Capital Resources

As at 31 December 2025, the Group's cash and cash equivalents amounted to RM417.51 million, lower than RM1,927.67 million as at 31 December 2024.

The decrease was primarily due to net operating cash outflows of RM1,034.47 million recorded during FYE 2025, as compared to cash generated from operations of RM735.93 million in FYE 2024. The higher operating cash outflows were mainly attributable to increased working capital requirements during the financial year.

Total liabilities decreased to RM1,913.42 million as at 31 December 2025 from RM2,765.37 million in the prior financial year, mainly due to a reduction in trade payables.

As a result, the Group's net gearing ratio improved to 0.70 times in FYE 2025 compared to 1.03 times in FYE 2024, reflecting an improvement in the Group's capital structure and overall financial position.

Management Discussion and Analysis (Cont'd)

CHALLENGES, RISKS, AND CLIMATE RESILIENCE

Geopolitical and Market Uncertainties

The EMS and electrical and electronics (“E&E”) industries continue to operate in an environment characterised by global economic and geopolitical uncertainties, including evolving trade developments and policy measures that may influence demand patterns, cost structures, and supply chain arrangements.

Recent tariff measures introduced by the United States on selected Malaysian products reflect a more cautious global trade environment. Management does not expect these measures to have a material impact on the Group’s operations or financial performance, as direct exports to the United States remain minimal. Nevertheless, broader indirect effects arising from global economic volatility and geopolitical developments are monitored on an ongoing basis.

In response, operational competitiveness is supported through active customer engagement, cost discipline, supply chain optimisation, and business diversification. External developments are continually assessed, and appropriate mitigating actions are undertaken as conditions evolve.

Supply Chain Vulnerabilities and Climate Impact

Operating conditions within the global semiconductor industry remain challenging due to ongoing geopolitical and regulatory developments, including restrictions affecting certain suppliers’ operations. Such developments may pose risks to supply continuity and production scheduling.

Mitigation measures include the maintenance of safety stock, sourcing from alternative suppliers, close collaboration with customers on demand forecasting and second-source qualification, as well as regular monitoring of supplier performance to support operational continuity.

In addition, climate change presents potential risks to operations and supply chains through evolving regulatory requirements, low-emission transition policies, and extreme weather events. These factors may result in higher operating costs or supply disruptions. To enhance resilience, the Group continues to invest in energy-efficient technologies, supplier diversification, business continuity planning, and environmental, social and governance (“ESG”) initiatives.

Talent Retention and Workforce Sustainability

Talent availability has been identified as a structural challenge for Malaysia’s E&E sector. Industry estimates indicate a widening skills gap, particularly in areas related to artificial intelligence, digital technologies, and the green economy.

Recognising the importance of a skilled workforce to business continuity and operational performance, the Group implements initiatives including competitive remuneration, employee development programmes, engagement initiatives, and the Long-Term Incentive Plan (“LTIP”). Partnerships and collaborations with higher education institutions to support internship programmes and employability enhancement initiatives, including participation in the K Youth Development Programme by Khazanah Nasional. Ongoing investments in workforce development and employee well-being are prioritised to support retention and sustain operational capabilities amid evolving industry requirements.

Cybersecurity and IT Governance

The Group operates in an increasingly digitalised business environment where ongoing exposure to cybersecurity and information technology risks, including those arising from the convergence of Information Technology and Operational Technology (IT/OT), is inherent. Such risks encompass system disruptions, cyber threats, vulnerabilities, unauthorised access, threat actors and data breaches, which may adversely impact business continuity, data integrity and operational efficiency.

To mitigate these risks, the Group has implemented a defence-in-depth cybersecurity framework, incorporating layered security controls, restricted system access protocols, regular onsite and offsite data backup and recovery arrangements, as well as secure connectivity and remote access under a zero-trust security model. In parallel, continuous employee awareness and sensitivity programmes are conducted to reinforce sound cybersecurity practices across the organisation. Collectively, these preventive and proactive measures enhance the Group’s cybersecurity posture and support effective IT governance.

Management Discussion and Analysis (Cont'd)

FORWARD-LOOKING STATEMENT

The E&E industry remains a significant contributor to Malaysia's manufacturing sector, supporting exports, investment activity, and employment. In 2025, approved manufacturing investments totalled RM131.3 billion, with the E&E industry accounting for RM28.5 billion, reflecting continued investor interest in the sector. Government initiatives under the Thirteenth Malaysia Plan ("13MP"), including the National Semiconductor Strategy, continue to provide a supportive policy framework for the longer-term development of the E&E ecosystem.

Ongoing diversification of global supply chains, driven by geopolitical considerations, trade dynamics, and recent disruptions, has prompted multinational corporations to reassess manufacturing footprints. ASEAN countries, including Malaysia, remain attractive destinations for selected manufacturing activities, supported by established infrastructure, industrial ecosystems, and workforce capabilities. While developments relating to export controls and trade regulations may continue to influence industry dynamics, such measures have not had a material impact on the Group's operations to date.

From a technology perspective, demand across the E&E sector continues to be influenced by developments in artificial intelligence ("AI"), cloud computing, digital infrastructure, industrial automation, electric vehicles, and fifth generation ("5G") connectivity. In particular, the expansion of cloud services and data-driven applications has supported industry-level demand for server platforms and related technologies, where servers remain essential infrastructure components. In parallel, increasing data transmission requirements in next-generation cloud and AI environments have driven closer integration between computing hardware and optical and photonics-related technologies, complementing the Group's capabilities in data computing and networking manufacturing. These developments provide opportunities for participation in adjacent electronic and optical manufacturing activities, subject to customer requirements and commercial considerations.

Against this backdrop, while the E&E and semiconductor sectors continue to benefit from longer-term structural trends, the operating environment remains subject to uncertainties arising from global economic conditions, supply chain dynamics, energy considerations, and geopolitical developments. Accordingly, the Board remains cautiously optimistic about the Group's prospects. Performance will continue to be influenced by prevailing market conditions, customer demand, cost factors, and execution capabilities. The Board and Management will remain focused on operational discipline, manufacturing execution, capability development, and sustainability considerations to support long-term business resilience and sustainable value creation for shareholders.



Sustainability Statement

INTRODUCTION

NationGate Holdings Berhad (“NationGate” or the “Company”) together with its subsidiaries (collectively, the “Group”) is pleased to present this Sustainability Statement (“Statement”) for the financial year ended 31 December 2025 (“FYE 2025”).

This Statement sets out an overview of the Group’s sustainability goals, commitments, initiatives, practices and performance and highlights our approach to managing sustainability-related impacts and considerations across the economic, environmental, social and governance (“EESG”) dimensions. The Group recognises that sound sustainability practices are essential to supporting long-term value creation, strengthening business resilience, and maintaining the confidence of our stakeholders.



This Statement should be read in conjunction with other relevant sections in our Annual Report namely Management Discussion and Analysis, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control as well as Corporate Governance Report, as sustainability efforts may be better contextualised and narrated in the respective sections.

REPORTING PERIOD, SCOPE AND BOUNDARY

This Statement covers entities under the Group’s control, comprising NationGate Solution (M) Sdn. Bhd. and NationGate System Sdn. Bhd., which are wholly owned subsidiaries, and NationGate Computing Sdn. Bhd., in which the Group holds a 51% equity interest. It presents the sustainability performance and key achievements of the reporting entities for the financial reporting period from 1 January 2025 to 31 December 2025 (“FYE 2025”).

Unless stated otherwise, relevant comparative data from previous financial years has been included, where appropriate, to facilitate meaningful year-on-year comparison and performance tracking.

This Statement focuses on climate-related risks and opportunities that could reasonably be expected to affect the Group’s business model, strategy, financial performance and financial position.

REPORTING FRAMEWORK

This Statement has been prepared in accordance with the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, including the Sustainability Reporting Guide and Toolkits (3rd Edition). In addition, we support the United Nations Sustainability Development Goals (“UNSDGs”) and seek to align our sustainability initiatives with selected goals that are relevant to our business activities and stakeholder expectations.

Sustainability Statement (Cont'd)

FIRST-TIME ADOPTION OF IFRS SUSTAINABILITY DISCLOSURE STANDARDS AND TRANSITION RELIEFS

The Group is reporting under the IFRS Sustainability Disclosures Standards for the first time for the annual reporting period ended 31 December 2025. In preparing this Statement, we have applied the following standards which are relevant to its sustainability-related risks and opportunities:

- IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information; and
- IFRS S2 - Climate-related Disclosures.

As of 31 December 2025, no additional IFRS Sustainability Disclosure Standards have been issued by the International Sustainability Standards Board ("ISSB").

The IFRS Sustainability Disclosure Standards provide certain transition reliefs for the first annual reporting period in which an entity applies the standards. In addition, Bursa Malaysia's Main Market Listing Requirements and Malaysia's National Sustainability Reporting Framework ("NSRF") provide phased implementation provisions for Main Market listed issuers.

In preparing this Statement, we have applied the following transition reliefs:

- Focus on climate-related risks and opportunities in accordance with IFRS S2, while disclosing other sustainability-related risks and opportunities where information is available;
- No presentation of comparative information for climate-related risks and opportunities disclosures; and
- Partial disclosure of Scope 3 greenhouse gas ("GHG") emissions (limited to Category 6: Business Travel and Category 7: Employee Commuting).

We will progressively enhance our disclosures in line with the implementation timeline of NSRF.

CONNECTIVITY WITH FINANCIAL STATEMENTS

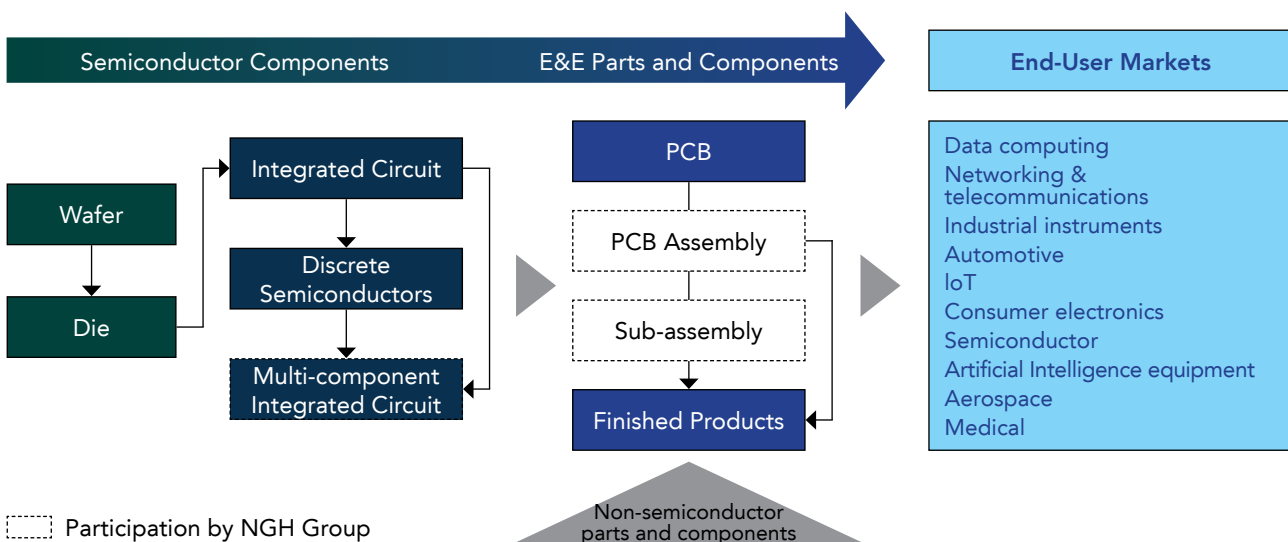
This Statement includes climate-related financial information for FYE 2025 and aligns with the reporting period of the consolidated financial statements.

Where relevant, this Statement establishes linkages with the financial statements to provide a cohesive view of how climate-related risks and opportunities may affect our financial position, financial performance, and cash flows over the short, medium and long term.

The presentation currency of the climate-related financial disclosures is Ringgit Malaysia ("RM"), which aligns with the presentation currency used in the consolidated financial statements. Unless specified otherwise, all amounts are rounded to the nearest million.

OUR VALUE CHAIN

We have activities, resources and relationships that form part of our value chain, which have been considered, where relevant, in the identification of the sustainability matters. In the current reporting period, all metrics reported relate to our own operations.



Sustainability Statement (Cont'd)

STATEMENT OF ASSURANCE

There is neither external assurance nor independent evaluation on the performance data published in this Statement. However, regular audits and reviews are conducted in relation to the policies and procedures quoted in this Statement. This Statement has been reviewed and approved by the Board of Directors ("Board").

AVAILABILITY

This Statement is available on our Company's website at <http://www.nationgate.com.my/>.

POINT OF CONTACT

We value ongoing engagement with our stakeholders and welcome feedback to support the continuous improvement of our sustainability initiatives and reporting approach. Stakeholders may share their feedback with us via email at investorsrelation@nationgate.com.my.

SUSTAINABILITY FRAMEWORK

We have established a Sustainability Policy that serves as the overarching framework governing our sustainability commitments. It outlines our main sustainability pillars, priorities and commitments, and provides guidance for instilling sustainable practices across our operations while aligning them with our sustainability vision.

The Group's sustainability strategies are founded on four (4) main pillars, namely Economic, Environment, Social and Governance sustainability. Through active engagement with our stakeholders, we have identified the material sustainability matters within these pillars. To ensure the effective management of the identified matters, we constantly implement relevant initiatives and strategies. We monitor our progress towards the targets and goals set, which are aligned with our sustainability vision and relevant international framework such as the UNSDGs.

Our sustainability framework is illustrated in the diagram below:



Sustainability Statement (Cont'd)

SUSTAINABILITY FRAMEWORK (CONT'D)

Sustainability Goals			
Economic	Environment	Social	Governance
<ul style="list-style-type: none"> • Deliver quality products and services which meet customers' requirements and expectations • Promote local procurement • Deliver sustainable financial values to shareholders such as growth in revenue and earnings, and dividend payout 	<ul style="list-style-type: none"> • 100% compliance with local regulatory requirements related to environment • Efficient in energy, water and waste management 	<ul style="list-style-type: none"> • Provide equal employment and career growth opportunities for all irrespective of gender, race, religion and disabilities • Provide employment with development and talent retention • 100% compliance to human and labour rights, zero tolerance for discrimination and harassment • Provide safe and healthy working environment • Support local communities through Corporate Social Responsibility programs 	<ul style="list-style-type: none"> • Uphold the high standard of corporate governance and ethics • Zero breaches of data privacy

Alignment with ESG Frameworks



Engagement with Stakeholders

- Investor/ Shareholders • Directors • Management • Employees • Customers • Suppliers/ vendors/ business partners
- Local communities/ societies • Government/ Regulatory authorities

Governance

Board of Directors



Audit and Risk Management Committee



Sustainability and Integrity Working Group (chaired by Group Managing Director)

RISK MANAGEMENT

In addition to our Sustainability Policy, we have established an Enterprise Risk Management ("ERM") Policy that provides a structured and systematic framework for the identification, assessment, prioritisation, monitoring, and reporting of risks and opportunities across our operations.

The risk identification process draws on inputs from multiple sources, including internal operational data, regulatory requirements, industry benchmarks, stakeholder engagement, and other publicly available information. During the reporting period, we have also conducted climate scenario analysis to identify, assess, and prioritise climate-related risks and opportunities. Our ERM framework covers a broad spectrum of risks, encompassing enterprise risks such as strategic, financial, operational, and compliance risks, as well as sustainability-related risks, climate-related risks and corruption risks.

Identified risks and opportunities are assessed based on their nature, likelihood of occurrence, and potential magnitude of impact. This assessment incorporates both qualitative considerations (non-financial parameters) and quantitative thresholds (financial parameters), and is aligned with the risk rating criteria set out in the Group's ERM Policy.

Sustainability Statement (Cont'd)

RISK MANAGEMENT (CONT'D)

Risks and opportunities are monitored on an ongoing basis through periodic reviews, management reporting, and internal monitoring mechanisms to ensure that emerging risks are identified and addressed in a timely manner. On an annual basis, the outcomes of the risk management exercise are reported to the Audit and Risk Management Committee ("ARMC") and the Board. This includes the Group's overall risk and opportunity profile, key risks and opportunities as well as the corresponding mitigation strategies and control measures in place.

Our risk management processes are reviewed periodically and refined where necessary to reflect changes in the operating environment, regulatory expectations, and stakeholder priorities. During the current reporting period, enhancements were made to the ERM Policy to strengthen the integration of sustainability considerations, including the formal incorporation of climate-related risks and opportunities into the Group's risk management framework.

SUSTAINABILITY GOVERNANCE

To embed sustainability throughout our organisation, we adopt a "tone from the top" approach where our sustainability governance is led by our Board of Directors. Our Board is committed to sustainability practices within our organisation and is supported by ARMC and Sustainability and Integrity Working Group ("SIWG" or the "Working Group") in addressing sustainability and integrity-related matters within our Group.

The Board has delegated certain powers to the SIWG to review and administer sustainability and integrity matters, with the roles and responsibilities detailed in the Terms of Reference of the SIWG. The SIWG currently is led by our Group Managing Director, supported by the Chief Operating Officer, and comprises members of the management team and representatives from various departments across the Group. The reporting structure, as well as the roles and responsibilities of the SIWG are illustrated in the diagram below:

Governance	Roles and Responsibilities
Board of Directors	<ul style="list-style-type: none"> • Together with Senior Management, assumes responsibility for the governance of sustainability within the Group, which including climate-related matters. This includes setting the Group's sustainability strategies, priorities and targets, and overseeing the development and implementation of company strategies, business plans, major plans of action and risk management, in respect of sustainability and climate-related risks and opportunities; • The Board provides strategic oversight through the review and monitoring of the Group's key financial plans, ensuring alignment with the Group's strategic direction, long-term value creation, and sustainability priorities across the economic, environmental, social and governance dimensions. The Board is also responsible for overseeing and monitoring Management's implementation of the Group's strategic plan through periodic reviews conducted every six (6) months. In addition, the Board evaluates Management's performance to ensure that the Group is managed effectively and in accordance with its strategic objectives; and • Overseeing the setting of sustainability and climate-related targets, including monitoring progress towards those targets, including reviewing the extent to which relevant performance metrics are incorporated into remuneration policies, where applicable.
Sustainability and Integrity Working Group (Chairman: Dato' Ooi Eng Leong, Managing Director; Deputy Chairman: Mr. Lee Kim San, Chief Operating Officer)	On Sustainability <ul style="list-style-type: none"> • Establish an effective Sustainability Framework to identify, analyse, evaluate, manage and monitor significant sustainability and climate-related issues concerning the Group across the following dimensions: <ol style="list-style-type: none"> (a) Economic Sustainability (b) Environmental Sustainability (c) Social Sustainability (d) Governance Sustainability • Conduct periodic evaluation and update the ARMC on sustainability and climate-related strategies, priorities and targets to continuously improve and ensure its ongoing relevance taking into consideration of best practices and changes in the business environment. Meetings shall be convened at least once every six (6) months, with additional meetings held as necessary;

Sustainability Statement (Cont'd)

SUSTAINABILITY GOVERNANCE (CONT'D)

Governance	Roles and Responsibilities
<p>Sustainability and Integrity Working Group</p> <p>(Chairman: Dato' Ooi Eng Leong, Managing Director; Deputy Chairman: Mr. Lee Kim San, Chief Operating Officer)</p>	<ul style="list-style-type: none"> • Provide ongoing feedback to the ARMC and ensure constant communication on the Group's sustainability and climate-related issues, including key risks and opportunities that may reasonably be expected to affect the Group's financial position, financial performance and cash flows, as well as related developments and management action plans; • Coordinate the identification, assessment, monitoring and management of sustainability and climate-related risks and opportunities, and support their integration into the Group's enterprise risk management ("ERM") framework; • Ascertain whether a sound and effective approach has been adopted in establishing the Group's business continuity planning arrangements including business continuity and disaster recovery plans, and report relevant matters to the ARMC; • Establish and maintain appropriate controls and procedures relating to sustainability and climate-related information, including data collection, validation and documentation processes; • Support the ARMC and the Board in overseeing how sustainability and climate-related risks and opportunities are considered in the Group's strategy, major business decisions and risk management processes, including consideration of material trade-offs associated with such risks and opportunities; and • Assess, in collaboration with Management, whether appropriate resources, skills and competencies are available or will be developed within the Group to manage sustainability and climate-related risks and opportunities.
	<p>On Ethics and Integrity</p> <ul style="list-style-type: none"> • Ensure Top Management commitment by providing oversight of the Group's culture of integrity and monitor the "tone from the top" set across the Group regularly; • Establish and ensure that there are adequate resources and effective corruption risk assessment to identify, analyse, evaluate, manage and monitor significant corruption risk; • Oversee and investigate whistleblowing matters as well as be the custodian of the Group's Anti-Corruption and Bribery Policy and related matters of Malaysian Anti-Corruption Commission Act 2009; • Ensure that there are adequate ethics training programme at all levels and effective communications strategies for the ethics programme reinforcing ethical values and good practice within the Group; • Review and provide direction to resolve any conflict of interest declared by employees and Directors; and • Monitor the adequacy of measures taken to ensure there is an effective and embedded "Speak Up" culture that facilitates the reporting of any issues of concern internally and externally.

STAKEHOLDER ENGAGEMENT









Stakeholders are individuals or groups that influence, or are influenced by, our Group and its activities. We actively engage with our stakeholders through a range of engagement methods and communication channels to better understand and address their concerns, expectations, and priorities. This engagement enables us to align stakeholder interests with our business strategies and decision making processes.

The outcomes of these engagement activities provide valuable insights that help us identify emerging market trends, anticipate potential challenges, and refine our sustainability strategy. By integrating these insights into our business activities, we aim to create long-term value while aligning our operations with the broader interests of the economy, society, and the environment.

The table below summarises our key stakeholders, their sustainability concerns, areas of interest and the engagement channels.

Sustainability Statement (Cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder Groups	Areas of Interest	Engagement Methods	Engagement Frequency
Investor/ Shareholders 	<ul style="list-style-type: none"> Return on investment Business prospects Future roadmap Corporate governance 	<ul style="list-style-type: none"> Annual general meeting Quarter and annual reporting Company's website and social media platform Roadshow/ investor briefing Whistleblowing policy 	<ul style="list-style-type: none"> As needed Quarterly Annually
Directors 	<ul style="list-style-type: none"> Return on investment Business prospects Future roadmap Corporate governance 	<ul style="list-style-type: none"> Board of Directors meetings Corporate events 	<ul style="list-style-type: none"> As needed Quarterly Annually
Management 	<ul style="list-style-type: none"> Financial performance Production performance Business strategy 	<ul style="list-style-type: none"> Management meeting and reporting Corporate events 	<ul style="list-style-type: none"> As needed Monthly Quarterly Annually
Employees 	<ul style="list-style-type: none"> Competitive salary and benefits package Work-life balance Occupational safety and health Diversity and equal opportunities Employee development and talent retention 	<ul style="list-style-type: none"> Employee handbook Performance appraisal Training and development Recreational activities Corporate events 	<ul style="list-style-type: none"> As needed Annually
Customers 	<ul style="list-style-type: none"> Long term relationship Product quality Reliable delivery Competitive prices Customer service and responsiveness 	<ul style="list-style-type: none"> Meetings Customer feedback/ survey Audits and site visits 	<ul style="list-style-type: none"> As needed Annually
Suppliers/ vendors/ business partners 	<ul style="list-style-type: none"> Strategic partnership Fair procurement practices Ethics, integrity and regulatory compliance Prompt payments within credit period Business prospects and financial stability 	<ul style="list-style-type: none"> Meetings Supplier evaluation and assessment on suitability of vendors Reinforcement of Code of Business Conduct & Ethics for ethical practices Audits and site visits 	<ul style="list-style-type: none"> As needed Annually
Local communities/ societies 	<ul style="list-style-type: none"> Impact of operations on surrounding environment Corporate social responsibility Corporate governance 	<ul style="list-style-type: none"> Engagement with local communities in community support programmes and corporate social responsibility events 	<ul style="list-style-type: none"> As needed
Governments/ Regulatory authorities 	<ul style="list-style-type: none"> Compliance with laws and regulations Corporate governance 	<ul style="list-style-type: none"> Formal meetings Audits and site visits Consultation with authorities Participation in industry and government interest groups 	<ul style="list-style-type: none"> As needed

Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT

We have adopted a sustainability management approach grounded in the concept of materiality. This approach enables the Group to assess and prioritise sustainability-related issues that are deemed most material, namely those that reflect our significant economic, environmental, social and governance impacts, as well as matters that substantially influence the decisions and assessments of our stakeholders. By focusing on these key matters, we seek to ensure that our sustainability efforts are aligned with our internal objectives and the broader expectations of stakeholders who are impacted by or have a vested interest in our activities.

Our materiality assessment enables us to identify and prioritise the key sustainability-related risks and opportunities related to sustainability matters. The illustration below summarises our materiality assessment process which is typically made up of three (3) distinctive phases.



We conducted our first materiality assessment exercise in FYE 2022 and subsequently performed a limited-scale review in FYE 2023 to reassess the relevance of the identified sustainability matters. In FYE 2024, a comprehensive materiality assessment was undertaken to identify and prioritise the key sustainability topics that are material to both our Group and our stakeholders. In FYE 2025, we conducted another comprehensive materiality assessment to ensure that our sustainability priorities remain aligned with evolving stakeholder expectations, regulatory developments, and industry trends.

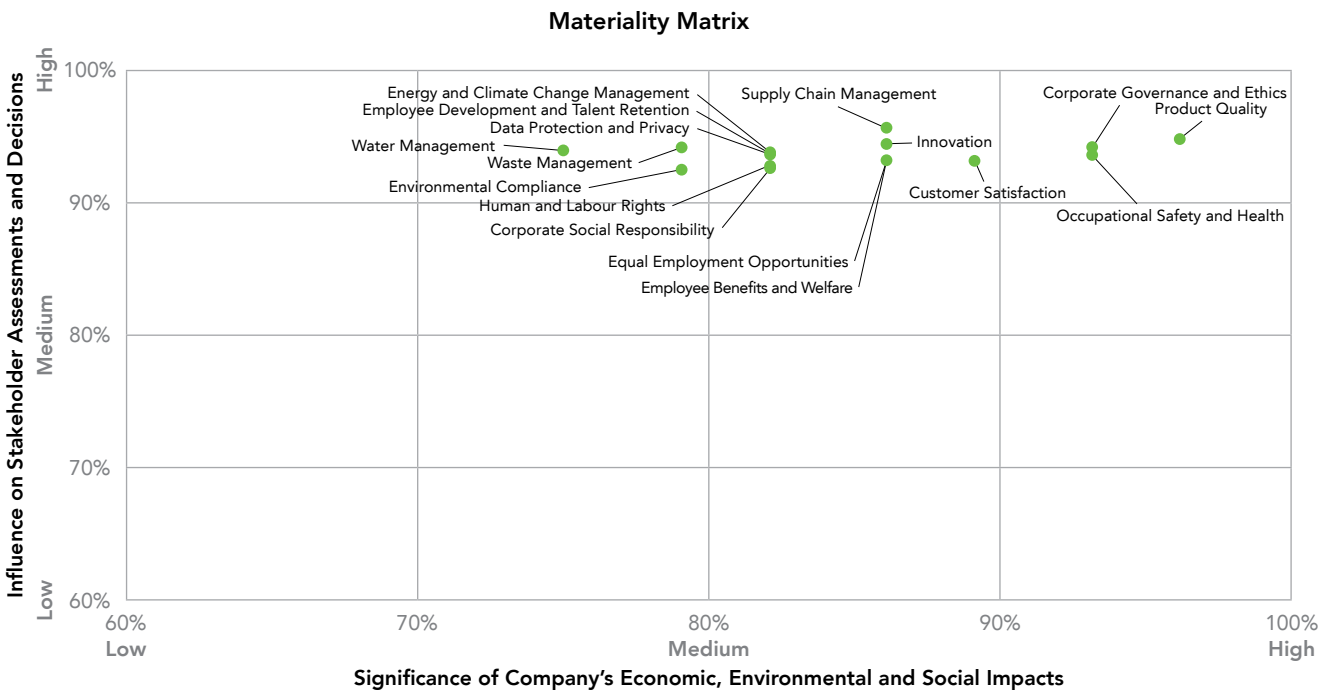
In identifying the relevant sustainability topics, we referred to the internal operational data, regulatory requirements, industry benchmarks and stakeholder engagement. In addition, reference was made to the industry-based disclosure topics and metrics outlined in the industry-based Guidance on Implementing IFRS S2 Climate-related Disclosures, issued by the ISSB. These industry-based topics were considered as part of our assessment to evaluate their applicability to our diverse business segments. While we are not fully adopting all industry-based metrics at this stage, the guidance has informed our understanding of climate-related risks and opportunities that may be relevant to our operations. We will continue to review the applicability of these industry-based disclosures as we progressively enhance our sustainability and climate-related reporting practices in the future.

The materiality assessment process involved direct engagement with both internal and external stakeholders, including employees, investors, customers, suppliers and government representatives. Their views were gathered through a structured survey methodology to capture a balanced and diverse range of perspectives.

The survey responses were analysed and mapped onto a materiality matrix, which highlights the relative significance of each sustainability issue based on its impact on the Group and its importance to stakeholders. The matrix provides a structured representation of our sustainability priorities and serves as a key reference point in guiding our sustainability strategy and disclosures.

Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)



OUR SUSTAINABILITY GOALS

We constantly monitor our performance across our sustainability pillars, aligning our goals and initiatives with the UNSDGs that are most relevant to our operations.



As part of our long-term sustainability strategy, we are committed to achieving Net-Zero emissions by 2050. We are actively developing action plans to reduce carbon emissions across our value chain, integrating climate-conscious practices into our operations, and driving continuous improvements to support the transition towards a low-carbon future.



Sustainability Statement (Cont'd)



OUR SUSTAINABILITY GOALS (CONT'D)

The table below presents the overview of our sustainability goals, target and performance for FYE 2025.

Sustainability Matters	Sustainability Goals	FYE 2025 Performance
<p>Economic</p> <ul style="list-style-type: none"> Product Quality Customer Satisfaction Supply Chain Management 	<ul style="list-style-type: none"> Deliver financial values to shareholders such as growth in revenue and earnings and dividend pay out Deliver quality products and services which meet customers' requirements and expectations Promote local procurement 	<ul style="list-style-type: none"> Revenue increased by 44.4% and gross profit increased by 0.63% No major customer complaints received. Achieved our annual target for customer satisfaction 50% spending with local suppliers
<p>Environment</p> <ul style="list-style-type: none"> Environmental Compliance Water Management Waste Management Energy and Climate Change Management 	<ul style="list-style-type: none"> 100% compliance with local regulatory requirements related to environment Efficient in water, waste and energy management 	<ul style="list-style-type: none"> Zero cases reported for non-compliance and breach of environmental regulations Water intensity is at 0.0331. 93% of non-hazardous and hazardous wastes are diverted from disposal. GHG emissions intensity is at 0.0046.

Sustainability Statement (Cont'd)

OUR SUSTAINABILITY GOALS (CONT'D)

Sustainability Matters	Sustainability Goals	FYE 2025 Performance
<p>Social</p> <ul style="list-style-type: none"> Equal Employment Opportunities Employee Development and Talent Retention Employee Benefits and Welfare Human and Labour Rights Occupational Safety and Health Corporate Social Responsibility 	<ul style="list-style-type: none"> Provide equal employment and career growth opportunities for all irrespective of gender, race, religion and disabilities. The Board comprises at least 30% women directors Provide employment with development and talent retention 100% compliance to human and labour rights, zero tolerance to discrimination and harassment Provide safe and healthy work environment Support local communities through Corporate Social Responsibility ("CSR") programmes 	<ul style="list-style-type: none"> 44% of workforce is represented by female. 33% of the Board is held by women representatives Achieved of 99,319 of total training working hours with an average of 28.4 hours per employees. 701 in total employee turnover Zero substantiated complaints concerning human rights violations 0 work-related fatalities and Lost Time Incident Rate ("LTIR") at 1.37. 1,528 employees trained on health and safety standards Contributed a total of RM880,045 for CSR programmes
<p>Governance</p> <ul style="list-style-type: none"> Corporate Governance and Ethics Data Protection and Privacy 	<ul style="list-style-type: none"> Uphold the high standard of corporate governance and ethics Zero breaches of data privacy 	<ul style="list-style-type: none"> Zero confirmed incidents of corruption. All operations are assessed for corruption-related risks. All employees are trained on policies in relation to anti-bribery and anti-corruption Zero substantiated complaints concerning breaches of customer privacy and losses of customer data

Sustainability Statement (Cont'd)

ECONOMIC

The Group's strategy is firmly anchored in delivering profitable and sustainable growth, which is fundamental to our long-term resilience and success as a public listed company. We recognise that strong and consistent economic performance underpins our ability to create sustainable value for stakeholders. Financial stability enables us to fulfil our obligations to employees through timely remuneration, to government through taxes, to shareholders through attractive returns, to suppliers through ongoing procurement activities, and to communities through donations, sponsorships and internship opportunities.

For FYE 2025, the Group recorded a revenue of RM7.61 billion, representing an increase of 44.4% from RM5.27 billion in FYE 2024. Gross profit increased by RM1.56 million to RM249.57 million (FYE 2024: RM 248.01 million). This was mainly boosted by high demand especially from Data Computing segments. This performance reflects the Group's ability to capitalise on market opportunities while maintaining operational discipline, thereby supporting sustainable economic value creation.

PRODUCT QUALITY

We are committed to delivering high quality products and services that consistently meet our customers' requirements and expectations. In line with this commitment, we place strong emphasis on the quality of services provided to our customers throughout all stages of our operations. Our Quality Management System ("QMS") is designed in accordance with internationally recognised standards and industry best practices. It provides a structured framework to ensure consistency, reliability, and continual improvement across our processes. We believe that the effective implementation of our QMS strengthens our ability to meet and uphold our customers' quality standards and reinforces our dedication to delivering excellence.

To this end, our QMS meets the international standards such as ISO 9001:2015, ISO 14001:2015, AS9100D, ISO 13485:2016 and IATF 16949:2016. Our relentless focus on product quality is evidenced by the absence of any major customer complaints received during the FYE 2025.



We have put in place Quality Assurance ("QA") procedures to ensure that a systematic and structured approach is adopted across our Group to conduct quality inspections and audits. Our Group's QA and Quality Control ("QC") departments work closely alongside the production team to ensure our quality assurance protocols and requirements are consistently communicated and embedded throughout our organisation and that quality control systems are strictly adhered to. We do not generally provide warranties for the assembly and testing of our customer's products. However, any batch of products returned will undergo stringent assessment and investigation procedures to identify the root cause of the issue and facilitate the replacement of products due to component failure, where applicable.

Sustainability Statement (Cont'd)

PRODUCT QUALITY (CONT'D)

Quality Assurance

Our quality assurance framework focuses on establishing rigorous guidelines and implementing effective control measures to ensure that the entire assembly process consistently complies with required standards and customer requirements. These guidelines and measures are designed to uphold product and service quality by incorporating failsafe mechanisms that minimise the risk of human error, as well as by conducting systematic inspections to detect and address potential deficiencies at various stages of the production process. Through this structured approach, we aim to achieve consistent quality outcomes and continuous improvement across our operations. We have put in place a QMS which encompasses a series of checks, inspections and procedures comprising:

QMS	Details
Quality inspections	Quality inspections act as control gates put up throughout the supply chain and assembly process to ensure all processes conform to requirements. It consists of incoming QC, real-time inspection, in-process control and outgoing QC.
Quality audits	Quality audit systems are put in place to assess our assembly process for compliance with standards set by both us and international organisations such as the ISO against documented procedures and specifications. The effectiveness of our quality assurance is tested by our quality assurance personnel and engineers by way of conducting internal quality audits. In addition to internal quality audits, we are also subject to third party quality audits by our customers and certification bodies to ensure that our processes and services comply with requirements and standards.

Quality Control

Our quality control activities comprise a comprehensive and systematic range of checks, tests, and inspections conducted throughout the assembly process to ensure that the quality of our products and services is consistently maintained and aligned with customer specifications and requirements. These controls are designed to prevent quality deviations and ensure that products meet specified performance standards.

Quality control procedures include in-circuit testing, functional testing, failure analysis, drop testing, and accelerated life testing. These tests are performed to verify that our products and services conform to the required functionality, reliability, durability, and overall quality standards stipulated by our customers. Through the implementation of these robust quality control measures, we aim to deliver products that consistently meet customer expectations, contractual obligations and applicable industry standards.

INNOVATION



Industry 4.0 or the “Smart Factory”, refers to an environment in which cyber-physical systems monitor manufacturing processes of the factory and make decentralized decisions. In this context, physical systems become part of the Internet of Things (“IoT”), communicating and cooperating with each other and with humans in real-time via the wireless networks.

Sustainability Statement (Cont'd)

INNOVATION (CONT'D)

Vitrox's V-ONE is an Industry 4.0 software platform that collects BIG Data from Cloud, Fog or Edge environment for advanced analysis, with flexible visualization drill down charts and flexible dashboard to provide meaningful analytics to users on a real time basis, and to extend the platform towards complete data feeding for Artificial Intelligence processing. We consider the platform appropriate to manage the manufacturing processes and commenced our journey with this platform in 2017. The lack of a centralized system to monitor the entire production line of machine performance is a significant challenge in today's manufacturing management. Today, Vitrox Technologies Sdn. Bhd. and NATIONGATE has successfully collaborated on the V-ONE Manufacturing Platform which allows monitoring of the machine health, status, process trends, yield trends and defects correlations with other inspection systems on the same production line and is linked to our ticketing systems to enable a close-loop monitoring, detection and prevention process, all accessible via a convenience touch screen monitor. The successful implementation of Vitrox's V-One Smart Manufacturing Platform at NATIONGATE's SMT lines has resulted double-digit percentage improvements in downtime reduction. On top of that, the platform has enabled real-time monitoring and proactive responses, as well as the exchange of information, best practices, system enhancements and expertise in relation to the adoption of the platform.

We seek to embrace the 4th Industrial Revolution in our business operations. To this end, we have been adopting 4th Industrial Revolution technology innovations, including enhancing the level of automation in our manufacturing processes through the deployment of more automated machineries, utilising 3D imaging for inspection, and investing in IT software to drive the integration of our operational systems, as well as facilitate data collection and analytics, among others.



For our production system, we have machinery and equipment that can link and communicate with one another. Real time data can be collected from these machineries and equipment, stored, retrieved and analysed by our system with the resulting outcome being delivered on demand in reports such as the production output summary reports and production yield rate reports. Besides that, issues encountered in the production lines, including idle machineries, can be identified and flagged promptly via the visual management systems that is embedded in the machineries involved to our operators for their immediate action. The 3D images of our product(s) including assembled PCB(s) can also be captured by our machines to allow for automated comparison with existing reference image(s) when making decisions on quality matters.

Our Group relies on various types of machineries and equipment used in our assembly and testing activities, as well as in our high-precision plastic injection moulding processes.

Sustainability Statement (Cont'd)

INNOVATION (CONT'D)

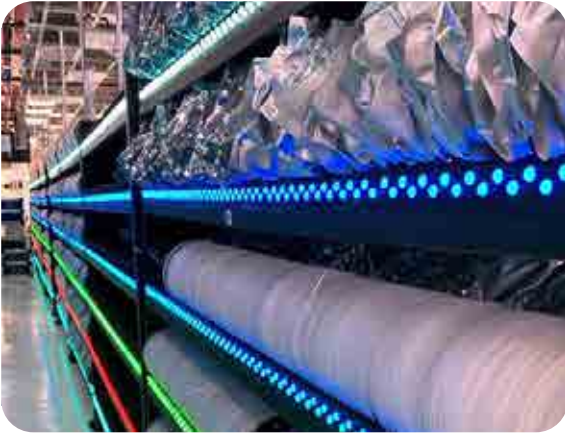
Machinery/ Equipment	Functions
SMT machines	Automated SMT high speed and precision placement machines that pick and place electronic components and mount onto the surface of PCBs.
Inspection machines and equipment	Perform various types of inspections including but are limited to automatic visual inspection, 3D angles inspection and dimension inspection amongst others.
Laser marking machines	Etching barcodes and serialised part identification on PCBs or print barcoding/ fine text on the product automatically using laser methods.
High speed dispensing machines	Glue/ epoxy dispenser onto PCB for holding electric components in place prior to the mounting of the electronics components.
Computer numerical control ("CNC") machines	A machine involved in the raw materials fabrication manufacturing process and are used as a subtractive fabrication method, where material gets removed during the production process.
Auto-insert machines	Automated Pin Through Hole ("PTH") insertion machines that pick and insert electronic components into PCBs.
Semiconductor assembly machineries and equipment	Machineries and equipment that are used for the assembly and testing of semiconductor devices. These include but are not limited to die attach machines, ovens, wafer mounting equipment, wire bonding machines and laser marking machines.
Test equipment	Equipment that is used to perform various type of testing including in circuit test and functional testing.
Automated super-capacitor assembly lines	Used to manufacture super-capacitors known as CAP-XX. This includes arcotronics stacker machine, fill-burp-sealing machine, initial cell test machine, crop and sort machine as well as automated device assembly machine.

We use various key software applications to support our business operations. Certain software is purchased together with the respective machinery, with additional payment for their engineers to perform updates as and when they are available. We also purchase other software that are either licensed on a perpetual basis or subject to periodical renewals with the respective vendor(s).

Software	Description
PanaCIM	<ul style="list-style-type: none"> PanaCIM is a manufacturing execution software solution that provides a computerised system for manufacturers to manage, track, synchronise and document the execution of real-time, physical processes (such as the placement of electronic components on PCB) involved in the transformation of raw materials to semi-finished and/or finished products. It is pre-installed in each of our SMT machines and will be updated periodically by their engineers. No periodical renewal required. One-off fee payment for the use of this software. Users of this software are subject to the standardised terms of use imposed by Panasonic Corporation.
Luvotech ERP	<ul style="list-style-type: none"> We use the Luvotech Manufacturing Resource Planning and Manufacturing Execution System ERP systems to control and manage our master production schedule under a centralised system which includes tracking orders, managing materials procurement, monitoring the progress of production as well as keeping records of quality control and assurance tests to ensure timely deliverables to customer. No periodical renewal required. One-off fee payment for the use of this software.
AutoCAD	<ul style="list-style-type: none"> AutoCAD is a computer-aided design software that allows us to create, modify, analyse and optimise designs for plastic structure parts and enclosures that will be produced via our high precision plastic injection moulding activities. It is subject to periodical renewal, with additional fee payment to be made for extension of use. Users of this software are subject to the standardised terms of use imposed by AutoDesk Inc.

Sustainability Statement (Cont'd)

INNOVATION (CONT'D)



We have also invested in a “Smart Rack” for our Warehouse Management System, which is an innovative and advanced storage solution designed to enhance efficiency, accuracy, and productivity in warehouse operations by leveraging cutting-edge technologies such as IoT Sensing, LED lighting, Smart Inventory Management, Resource Optimization, and System Integration to automate and streamline various processes.

Below summarises its key features and benefits:

- **IoT Sensing:** IoT infra-red sensing and control allow for real-time updates of parts inventory status during the “put in” or “pick up” processes. This ensures real-time visualization of the latest inventory information.
- **LED Lighting:** The Smart racks are equipped with LED lights that highlight the location of parts, making it significantly easier for warehouse operators to locate and retrieve items swiftly. This system adheres to FIFO (First In, First Out) principles to maintain proper inventory rotation.
- **Smart Inventory Management:** The Smart Rack also integrates with the Scienscope X-ray auto recount machine, which can automatically recount and update part quantities. This feature minimizes the risk of errors and improves inventory accuracy.
- **Resource Optimization:** The Smart Racks can substantially improve space utilization, reduce the time required for stock-taking, and enhance overall warehouse productivity, management, and tracking operations.
- **System Integration:** The Smart Racks are also able to integrate with SMT machines. When parts are about to be exhausted, the FIFO “light-on” feature quickly indicates the required pick-up parts, streamlining the process even further.

CUSTOMER SATISFACTION

We recognise that customer satisfaction is a critical driver of our Group’s long-term operational sustainability. Accordingly, we are committed to delivering high-quality products and services that consistently meet and exceed our customers’ expectations. To this end, we conduct regular customer satisfaction surveys to evaluate customer perceptions, identify areas for improvement and drive continuous improvement initiatives. In FYE 2025, we have achieved our annual target for customer satisfaction.

In addition, the Group has received several awards over the years, which serve as meaningful recognition of our ongoing efforts and steadfast commitment to delivering quality products and services. These accolades affirm our ability to meet our customers’ evolving needs and reinforce the trust and confidence placed in us by our stakeholders.

Market Presence

Through our active participation in industry associations, we are able to strengthen our network and explore potential business opportunities with existing and prospective customers. These engagements also enable us to stay abreast of the latest developments in manufacturing technologies, regulatory requirements, industry trends, and market demand. By keeping informed and connected, we are better positioned to continuously improve our operational processes and enhance the quality and competitiveness of our products and services.

We are members of international and local associations as below.

- Penang Skill Development Centre (“PSDC”);
- Federation of Malaysian Manufacturers (“FMM”); and
- Malaysian Semiconductor Industry Association (“MSIA”).

Sustainability Statement (Cont'd)

CUSTOMER SATISFACTION (CONT'D)

We actively participate in international conventions, exhibitions, conferences, and trade fairs to promote our EMS offerings and engage with prospective customers on a global platform. These events provide valuable opportunities to showcase our capabilities, expand our international network, and strengthen brand visibility. Looking ahead, we will continue to proactively participate in relevant trade fairs and exhibitions to further solidify our market presence and support sustainable business growth.



AI Horizon 2025 – We participated in this international AI exhibition and conference at Spice Arena on 8 & 9 August 2025, showcasing emerging technologies and innovations.



10-12 November 2025, we participated in EUMMAS A2S Conference on Global Social and Technological Development and Sustainability (EUMMAS A2S), at Wyndham Acmar, Klang, Malaysia.



Data Centre Nexus 2025 – We participated on 8 May 2025 at Kuala Lumpur, Malaysia

Sustainability Statement (Cont'd)

CUSTOMER SATISFACTION (CONT'D)



Nanshan-Penang Semiconductor Industry Trade Exchange Conference 2025



Business Visit - PCCC (Penang) Committees & SCCCI (Singapore) Business Delegation visited NationGate on 19 June 2025

Over the years, we have been recognized for our commitment to excellence and continuous improvement. In 2025, we received the Best Business Continuity Plan Award from Coherent, highlighting our proactive approach to organizational resilience, as well as the EPF Perak Best Employer Award, recognising our dedication to fostering a positive and supportive workplace for our employees. These accolades reflect our ongoing efforts to uphold high standards in both operational management and employee well-being.



2025 Best Business Continuity Plan Award from Coherent

Sustainability Statement (Cont'd)

SUPPLY CHAIN MANAGEMENT

We are committed to upholding the standards set out by the Responsible Business Alliance (“RBA”) and expect our suppliers to adhere to these same principles. The RBA Code of Conduct establishes clear expectations for safe and healthy working conditions, fair and respectful labour practices, and environmentally responsible business operations throughout the electronics industry supply chain.

As part of our supplier management framework, we require relevant suppliers to provide a valid RBA Validated Audit Report (“VAR”) together with a Corrective Action Plan, where applicable. We reserve the right to audit, assess, and monitor supplier performance on an ongoing basis to ensure continued compliance with our standards and requirements. Should any material non-compliance or violations be identified, the Company may take appropriate remedial actions, including requiring corrective measures or disqualifying the supplier from our approved vendor list.

The RBA Code of Conduct covers the following areas:

Standard	Description	Elements
Labour	<ul style="list-style-type: none"> Upholding the human rights of workers, preventing forced labour and child labour, limiting excessive working hours, providing fair wages and benefits, ensuring humane treatment, non-discrimination and freedom of association. 	<ul style="list-style-type: none"> Freely Chosen Employment Young Workers Working Hours Wages and Benefits Humane Treatment Non-Discrimination Freedom of Association
Health and Safety	<ul style="list-style-type: none"> Providing a safe and healthy working environment to minimizing work-related injury and illness. 	<ul style="list-style-type: none"> Occupational Safety Emergency Preparedness Occupational Injury and Illness Industry Hygiene Physically Demanding Work Machine Safeguarding Sanitation, Food and Housing Health and Safety Communication
Environment	<ul style="list-style-type: none"> Minimizing environmental impact, promoting sustainable use of natural resources, and complying with applicable environmental laws and regulations. 	<ul style="list-style-type: none"> Environmental Permits and Reporting Pollution Prevention and Resource Reduction Hazardous Substances Solid Waste Air Emissions Materials Restrictions Water Management Energy Consumption and GHG Emissions
Ethics	<ul style="list-style-type: none"> Promoting ethical business practices, preventing corruption and bribery, and protecting confidential information. 	<ul style="list-style-type: none"> Business Integrity Non-Improper Advantage Disclosure of Information Intellectual Property Fair Business, Advertising and Competition Protection of Identity and Non-Retaliation Responsible Sourcing of Minerals Privacy
Management System	<ul style="list-style-type: none"> Establishing and maintaining effective management systems, ensuring transparency and accountability, and promoting continuous improvement. 	<ul style="list-style-type: none"> Company Commitment Management Accountability and Responsibility Legal and Customer Requirements Risk Assessment and Risk Management

We have established robust processes and adhere to a strong system of internal controls governing supplier selection. It is our strict policy that supplier selection must not be influenced by the receipt of gifts, hospitality or any form of improper payment. Supplier selection is conducted through a formal and structured process designed to uphold fairness, transparency, and integrity.

Sustainability Statement (Cont'd)

SUPPLY CHAIN MANAGEMENT (CONT'D)

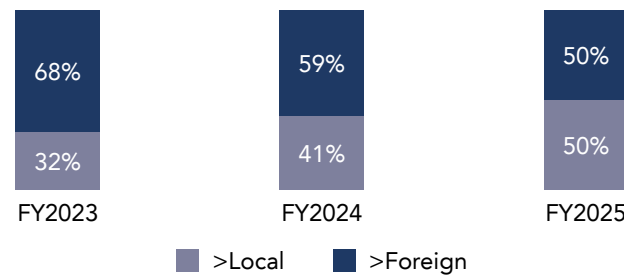
Our tender process includes invitations to multiple qualified parties to submit proposals, with the clear expectation that all competition for the relevant contract is conducted exclusively through the tender process. No party is afforded an unfair advantage through separate or prior closed-door negotiations. Where a bidding process is undertaken, sealed bids are subject to objective evaluation based on predefined criteria, including price, quality, and compliance with our requirements.

As part of our supplier onboarding process, we perform due diligence on all new suppliers, which includes assessments of integrity and corruption-related risks, to ensure alignment with our ethical standards and corporate values.

In addition, to contribute positively to the economic development of the communities in which we operate, we prioritise the procurement from local suppliers, provided they meet our quality, compliance, and performance standards.

The proportion of our procurement spending with local and foreign suppliers are illustrated below:

Proportion of Spending on Local and Foreign Suppliers



	Unit	FYE2023		FYE2024		FYE2025	
		Local Supplier	Foreign Supplier	Local Supplier	Foreign Supplier	Local Supplier	Foreign Supplier
Proportion of Spending	%	32%	68%	41%	59%	50%	50%

ENVIRONMENT

We are committed to upholding high standards of environmental performance and environmental management across all our operations, in full compliance with applicable local and regional environmental laws and regulations. Recognising the growing impacts of climate change, we proactively implement initiatives to reduce our GHG emissions and align our efforts with national climate commitments under the Paris Agreement.

Our environmental management strategy focuses on optimising the resource efficiency, reducing our overall carbon footprint, and minimising waste generation. Through ongoing monitoring and continuous improvement, we seek to mitigate environmental risks, enhance operational efficiency, and contribute to long-term environmental sustainability.

ENVIRONMENTAL COMPLIANCE

We are committed to upholding stringent environmental standards and ensuring compliance with local and regional laws and regulations governing environmental conservation, including the Environmental Quality Act 1974. Our dedication to regulatory compliance is evidenced by successfully passing routine audits conducted by the Department of Environment ("DOE"), which affirming our adherence to environmental laws and regulations. In FYE 2025, the Group recorded no instances of non-compliance or breaches of environmental regulations.

Sustainability Statement (Cont'd)

WATER MANAGEMENT

Growing concerns over water scarcity are driven by factors such as climate change, inadequate water management practices, and water contamination. Although all our operations are not located in water stressed areas, we are committed to contribute to better water management which includes reducing water usage and safeguarding clean water sources. At all operational sites, we source water exclusively from established water supply providers with well-developed and regulated distribution infrastructure. We do not withdraw water from, nor discharge wastewater into, natural bodies of water such as oceans, rivers, lakes, ponds, or wells. Our production activities are designed and managed to ensure that they do not result in water pollution.



We actively promote responsible water usage among our employees by encouraging water-efficient practices within the workplace. In addition, regular inspections and preventive maintenance are carried out to identify and promptly address potential water leakages within our facilities.

To further strengthen our commitment to sustainability and water stewardship, we have implemented a rainwater harvesting system through the installation of storage tanks to collect and store rainwater. This initiative reduces our reliance on municipal water supply while enabling the utilisation of a renewable natural resource for non-potable purposes, such as landscaping and sanitary applications.

	Unit	FYE 2023	FYE 2024	FYE 2025
Total water consumption	m ³	170,283	213,242	252,154
Revenue	RM'000	638,296	5,270,753	7,612,264
Water intensity	m ³ /RM'000	0.2668	0.0405	0.0331

Note:

- Consumption of water is measured based on quantities recorded in water utility bills.
- Water intensity is calculated as the volume of water used (m³) per Group's revenue (RM'000).

Effluent discharge may contain chemicals, metals, organic and inorganic compounds which could be detrimental to the environment. Accordingly, we strive to maintain the quality of wastewater discharged to ensure compliance with applicable local regulatory requirements. During the reporting period, we fully complied with all local regulatory requirements governing wastewater discharge quality.

	Unit	FYE 2023	FYE 2024	FYE 2025
Total contaminated water released	m ³	564	2	62

WASTE MANAGEMENT

We are committed to managing waste in full compliance with all applicable laws and regulatory requirements. By prioritising effective waste management practices, we aim to minimise our environmental footprint while contributing positively to the well-being of the surrounding communities in which we operate.

Our daily operations generate various types of waste, including both hazardous and non-hazardous waste, as outlined in the table below. Our approach to sustainable waste management is guided by the adoption of the 3Rs principle – Reduce, Reuse, and Recycle – as well as ongoing efforts to enhance employee awareness of responsible waste handling and disposal practices.

In addition, we ensure that all waste management procedures, including the handling and disposal of scheduled wastes, are conducted in strict accordance with applicable environmental laws and regulations. Through these measures, we reinforce our commitment to environmental stewardship, regulatory compliance, and continuous improvement in waste management performance.

Sustainability Statement (Cont'd)

WASTE MANAGEMENT (CONT'D)

Non-hazardous wastes	Hazardous wastes
<ul style="list-style-type: none"> • Tray • Roller • Plastic • Carton • Pin 	<p>Scheduled wastes such as:</p> <ul style="list-style-type: none"> • Solder waste • Scrap PCBA • Contaminated empty container • Contaminated rag
	

Waste Management Program and Methodology

- | | |
|---|---|
| <ul style="list-style-type: none"> • Recycling | <ul style="list-style-type: none"> • Recovery • Recycling |
|---|---|

	Unit	FYE 2023	FYE 2024	FYE 2025
Total non-hazardous waste generated	Ton	400.34	913.00	800.12
Total hazardous waste generated	Ton	101.18	106.27	112.34
Recycling of non-hazardous waste	Ton	276.94	805.39	738.91
Recycling and recovery of hazardous waste	Ton	98.31	104.41	108.31
Percentage of non-hazardous and hazardous wastes diverted from disposal	%	75%	89%	93%
Percentage of non-hazardous and hazardous wastes directed to disposal	%	25%	11%	7%

Sustainability Statement (Cont'd)

WASTE MANAGEMENT (CONT'D)

Type of Scheduled Wastes	Unit	FYE 2023	FYE 2024	FYE 2025
SW103	KG	525	0	47
SW104	KG	7,058	7486	7,288
SW109	KG	358	0	66
SW110	KG	69,640	74312	70,616
SW311	KG	219	0	0
SW322	KG	7,916	3920.2	6,561
SW325	KG	2	40	0
SW404	KG	0	0	0
SW409	KG	7,450	7611	8,828
SW410	KG	7,516	10,296*	15,141
SW422	KG	0	0	0
SW429	KG	428	200	3,760
SW102	KG	0	197	181

*Restated FY2024 data to reflect actual data.

ENERGY AND CLIMATE CHANGE MANAGEMENT

According to the World Economic Forum's Global Risks Perception Survey 2025, the most severe long-term global risks include extreme weather events, significant changes to Earth's systems and biodiversity loss. In recognition of these escalating global challenges—particularly those associated with rising energy consumption and GHG emissions—we remain firmly committed to adopting energy-efficient and environmentally responsible practices across our operations.

We have set a long-term ambition to achieve Net-Zero emissions by 2050 and are actively developing comprehensive action plans to translate this commitment into measurable outcomes. Our efforts are focused on embedding sustainable practices across our operations, reducing carbon emissions, and driving continuous improvements to support the transition towards a low-carbon future.

In support of this commitment, we have implemented initiatives such as the installation of rooftop solar panels at Plant 1, Plant 2, Plant 3, and Plant 5. These installations are intended to reduce our reliance on conventional energy sources, lower our carbon footprint, and contribute meaningfully to climate change mitigation efforts. By 2026, Plant 7 will also be equipped with solar panels as part of our broader sustainability strategy. Additionally, the establishment of green wall planter within our premises further bolsters our sustainability endeavours by enhancing air quality and biodiversity, acting as natural carbon sinks, and helping to absorb and mitigate the effects of GHG emissions. Collectively, these initiatives signify our proactive approach towards mitigating climate-related risks and fostering sustainability within our operations.



Sustainability Statement (Cont'd)

ENERGY AND CLIMATE CHANGE MANAGEMENT (CONT'D)

In addition, we support various smaller-scale operational practices which, although not individually significant, collectively contribute to climate change mitigation, such as switching off unused lighting and electronic equipment within our premises.

We actively participated in Earth Hour Event by switching off lights for 60 minutes, aligning with our commitment to raise awareness about climate change and environmental sustainability. In addition, we also encouraged our employees to extend this practice to their homes thereby fostering a culture of conservation beyond the workplace.



Sustainability Statement (Cont'd)

ENERGY AND CLIMATE CHANGE MANAGEMENT (CONT'D)

	Unit	FYE 2023	FYE 2024	FYE 2025
Total energy consumption	kWh	67,094,541	51,927,494	46,443,753
Revenue	RM'000	638,296	5,270,753	7,612,264
Energy intensity	kWh/RM'000	105.1151	9.8520	6.1011

Note:

- For FYE 2025, total energy consumption comprises electricity usage, measured based on actual quantities reflected in our electricity bills, together with renewable energy consumed. Tracking of renewable energy consumption commenced in FYE 2025; therefore, no comparative figures are available for FYE 2023 and FYE 2024.
- The energy intensity represents the amount of energy consumed (kWh) per Group's revenue (RM'000).

	Unit	FYE 2023	FYE 2024	FYE 2025
Total petrol and diesel consumption	Litre	42,153	45,524	45,232.6
Revenue	RM'000	638,296	5,270,753	7,612,264
Petrol and diesel intensity	Litre/RM'000	0.0660	0.0086	0.0059

Note:

- Petrol and diesel consumption is measured based on actual usage recorded from Company-owned vehicles.
- The petrol and diesel intensity represents the volume of petrol and diesel consumed (litre) per Group's revenue (RM'000).

IFRS S2 CLIMATE-RELATED DISCLOSURES

Our basis of preparation and presentation, reporting boundary, and statement of assurance are set out in the Introduction section of this Statement. Outlined below is a summary of the key judgements and significant areas applied in preparing our IFRS S2 climate-related disclosures:

Judgement

Necessary judgement has been applied in determining the information that is relevant, reliable and useful for disclose. This includes interpreting reporting requirements and exercising informed judgement in areas where the standards permit flexibility, particularly where assumptions and estimations are required.

The table below summarises key judgements applied in preparing this Statement.

Topic	Description
Materiality assessment process	<p>To identify relevant climate-related risks and opportunities and determine material information for disclosure, Management applied significant judgement in assessing impacts and dependencies across the value chain that could reasonably be expected to affect the Group's strategy, business model, financial position, and financial performance over the short, medium, and long term.</p> <p>Judgement was also applied in determining which industry-based metrics set out in the Sustainability Accounting Standards Board ("SASB") Standards, such as water usage intensity and energy consumption intensity were most relevant to the Group's operation and risk profile.</p>
GHG emissions	<p>Management exercised judgement when selecting:</p> <ul style="list-style-type: none"> appropriate emission factors for each emissions category; and proxy activity data for Scope 3 emissions where actual data was unavailable. <p>These judgements were necessary due to limitations in data availability across certain parts of the value chain.</p>
Scenario selection	<p>Selecting scenarios for climate-related scenario analysis required the application of judgement to reflect a range of temperature outcomes and transition pathways that capture the uncertainties most likely to affect the Group's strategy, business model, financial position and financial performance under different climate futures.</p>

Sustainability Statement (Cont'd)

IFRS S2 CLIMATE-RELATED DISCLOSURES (CONT'D)

Significant areas of uncertainty

Measurement uncertainty arises from data gaps, reliance on proxy information, external factors, and the use of forward-looking assumptions. These uncertainties are inherent in sustainability-related and climate-related disclosures, given evolving methodologies, limitations in available data, and the complexity associated with assessing future climate-related impacts.

The table below summarises the main sources of measurement uncertainty affecting the amounts disclosed in this Statement.

Topic	Description
GHG emissions	Quantification of GHG emissions is inherently subject to limitations due to incomplete scientific knowledge and the nature of measurement methodologies used to determine emissions factors and activity data. Accordingly, different but acceptable selections of emission factors, estimation approaches, or system boundaries may result in materially different GHG emissions figures being reported.
Resilience assessment	Climate resilience assessments rely on forward-looking assumptions regarding future climate conditions including the frequency and severity of extreme weather events, rising temperatures and long-term climate trends, which may disrupt operations, supply chains and physical assets. These assessments also incorporate assumption related to policy and regulatory developments, such as timing and scopes of new climate-related regulations, carbon pricing mechanisms and reporting requirements, which may affect compliance obligations and cost structures. In addition, assumptions are made regarding technological developments, including the speed and effectiveness of low-carbon technologies, which may influence operational processes, investment decisions and competitiveness as well as market responses, such as changes in customer preferences and demand patterns. Given these factors, climate resilience assessments are subject to inherent uncertainty because the timing, magnitude and interaction of climate-related risks and opportunities may differ from the assumptions applied. As a result, the outcomes of scenario analysis and resilience assessments are indicative in nature and should not be interpreted as predictive of future impacts.

These uncertainties are integrated into the Group's strategic planning, risk management, and capital allocation decisions to strengthen resilience against climate-related risks and support opportunities identified in the climate-related risks and opportunities assessment.

CLIMATE GOVERNANCE

During the financial year under review, the SIWG convened quarterly meetings to review the Group's climate-related strategies, initiatives and action plans. These meetings ensure that the Group's sustainability activities remain aligned with our strategic objectives, regulatory developments and evolving stakeholder expectations.

At the management level, the SIWG is responsible for monitoring key climate-related metrics and performance indicators, assessing progress against internal targets, analysing performance trends, and identifying areas for improvement.

The SIWG also monitors emerging climate-related regulatory developments and reporting requirements to ensure that the Group remains aligned with applicable regulatory expectations and reporting frameworks, including those issued by the ISSB.

Oversight of climate-related risks and opportunities rests with the ARMC and the Board. Key matters discussed at SIWG meetings including risk assessments, performance updates, and recommended actions, are formally reported to the ARMC and subsequently to the Board. This reporting structure enables the ARMC and the Board to exercise independent oversight, provide strategic direction, and make informed decisions on sustainability and climate-related matters.

Board members and SIWG members regularly participate in training and capacity-building programmes to stay current on climate governance, risk management and sustainability reporting standards. When specialised expertise is required, the Board seeks advice from external climate and sustainability experts. Climate performance is not currently linked to executive remuneration, NationGate is in the midst of reviewing the appropriate indicators for potential inclusion in executive remuneration frameworks, with the aim of strengthening accountability and supporting progress towards sustainability goals.

Further information on the roles, responsibilities and oversight of sustainability and climate-related matters are set out in the Sustainability Governance section of this Sustainability Statement.

Sustainability Statement (Cont'd)

CLIMATE RISK MANAGEMENT

During the financial year under review, an independent consultant was engaged to assist the Board and Management in reviewing and updating the Group's enterprise risk profile. As part of this process, climate-related risks and opportunities were identified, assessed and prioritised to enhance understanding of their potential implications for the Group's operations, strategy and long-term value creation. Climate-related risks are assessed using a structured likelihood and impact methodology, supported by both qualitative factors and quantitative thresholds, to determine their nature, likelihood, and magnitude. This approach ensures that climate-related risks are systematically considered alongside other enterprise risks, including strategic, operational, financial, reputational, and corruption-related risks.

In FYE 2025, the Group identified three climate-related risks and two climate-related opportunities that may affect its operations, financial performance and long-term resilience. Of the three risks identified, two were classified as transition risks and one as a physical risk. The Group also considered the potential financial implications of these climate-related risks and opportunities over the short, medium and long-term time horizons. Time horizons are defined based on when the identified risks and opportunities could reasonably be expected to occur, and are aligned with the Group's strategic planning and decision-making horizons, as follows::

- Short term: 0 - 12 months
- Medium term: 1 - 5 years
- Long term: beyond 5 years

The Group's climate-related risks and opportunities are being reviewed on an annual basis as part of the enterprise risk management process, ensuring they are appropriately prioritised relative to other enterprise risks and reflected in ongoing risk monitoring and response activities.

STRATEGY

Climate-related risks and opportunities are identified and assessed using the Group's Enterprise Risk Management (ERM) framework. Risks are evaluated based on their likelihood and potential financial and operational impact, using a standardised risk scoring methodology.

Material climate-related risks are prioritised based on defined thresholds and are incorporated into the Group's risk register for ongoing monitoring and mitigation.

As part of the risk management exercise, the Group has identified the following climate-related risks and opportunities:

a) Risks and opportunities

Climate-related risks

Title	Description	Time horizon
Transition risk: Political and legal risks	<ul style="list-style-type: none"> • Increased pricing of GHG emissions which might increase operating costs (e.g. higher compliance cost) • Enhanced emissions-reporting obligations 	<ul style="list-style-type: none"> • Short • Medium
Transition risk: Technology risk	<ul style="list-style-type: none"> • Costs to transition to lower emissions technology 	<ul style="list-style-type: none"> • Short • Medium
Physical risk: Acute and chronic risks	<p><u>Acute Risks</u></p> <ul style="list-style-type: none"> • Increased severity of extreme weather events such as floods, storms and heatwaves (drought) <p><u>Chronic Risks</u></p> <ul style="list-style-type: none"> • Changes in precipitation patterns and extreme variability in weather patterns • Rising mean surface temperatures and sea levels 	<ul style="list-style-type: none"> • Long

The Group has assessed its climate-related risks and has not identified any individual risk that is currently expected to result in a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Nevertheless, the Group continues to monitor emerging risks and evolving external conditions that may give rise to such uncertainties in future reporting periods. In addition, The Group is progressively enhancing its data collection processes and methodologies to improve the reliability and completeness of future disclosures.

Sustainability Statement (Cont'd)

STRATEGY (CONT'D)

a) Risks and opportunities (Cont'd)

Climate-related opportunities

Title	Description	Time horizon
Resource efficiency	<ul style="list-style-type: none"> Use of lower-emission energy sources 	<ul style="list-style-type: none"> Current
Markets	<ul style="list-style-type: none"> Access to new markets 	<ul style="list-style-type: none"> Current

b) Impact of Climate Related Risks and Opportunities on NationGate's strategies, Value Chain and Financials

The Group acknowledges that climate-related risks and opportunities extend beyond its direct operations and into the broader value chain. Initial assessments have highlighted key areas of exposure, including upstream suppliers, logistics providers and employee commuting. Building on the Climate-Related Risk and Opportunities assessment, NationGate has developed a clearer understanding of how climate factors intersect with and influence our value chain across upstream suppliers, manufacturing operations, logistics and downstream customer demand as summarised below:

NationGate's Value Chain	Potential Climate Impact
Raw Materials / Upstream Suppliers	Exposure to physical climate-related risks may affect the supply of electronic components, metals and specialty chemicals. Extreme weather events, such as floods or droughts may disrupt upstream suppliers' operations, resulting in volatility in raw material availability and pricing. This could affect the continuity of critical inputs required for semiconductor and electronics manufacturing.
Manufacturing / Operations	Exposure to transition-related risks arising from rising energy costs, potential carbon pricing mechanisms and increasingly stringent emissions regulations. Semiconductor and electronics production is energy-intensive and managing these risks may necessitate continued investments in energy efficiency measures, renewable energy sourcing and low-carbon technologies to manage operational costs and maintain regulatory compliance.
Logistics & Distribution	Exposure to fuel price volatility, transport-related emissions regulations and climate-related disruptions such as floods or storms affecting transportation infrastructure, may pose risks to the Group's logistic operations. These risks may lead to higher logistics costs and delays in the distribution of electronic products to global customers.
Customers / Downstream Demand	Climate-related transition risks and opportunities may influence customer demand, as preferences increasingly shift towards energy-efficient, low-carbon, and environmentally responsible electronics. This may create opportunities for NationGate to expand offerings in areas such as sustainable semiconductor solutions, energy-efficient consumer electronics, and climate-aligned industrial applications.

The following section summarises the Group's climate-related risks and opportunities, together with the corresponding mitigation strategies and action plans implemented to address them. At this stage, the Group expects to fund its responses through a combination of internal funding, existing operational budgets and available internal resources. Any additional resource allocation will be assessed based on the scale, urgency and regulatory significance of future developments, as well as operational requirements.

For each identified climate-related risk and opportunity, the Group discloses the associated financial impacts across the current period (i.e. FYE 2025) and, where applicable, short, medium and long-term time horizons, to the extent that such information is available and reasonably estimable. Where financial impacts have not been quantified, this is primarily due to measurement uncertainty, particularly associated with long-term projections, which may limit the reliability and decision-usefulness of such estimates for users of this Sustainability Statement. It is important to note that the quantitative impacts presented are intended solely to illustrate potential exposure and resilience under different climate scenarios. Such information does not constitute financial forecasts, nor should it be interpreted by stakeholders as guidance for projecting or anticipating the Group's future financial performance.

Where applicable, the Group also discloses the current and anticipated effects of climate-related risks and opportunities on its business model and value chain. Based on current assessments, the Group does not expect any material adjustments to the carrying amounts of its reported assets and liabilities within the next 12 months arising from these climate-related matters.

Sustainability Statement (Cont'd)

STRATEGY (CONT'D)

b) Impact of Climate Related Risks and Opportunities on NationGate's strategies, Value Chain and Financials (Cont'd)

Transition risks

Policy and legal risks

Stricter environmental regulations represent a transition climate-related risk for the Group, as evolving legal, regulatory and policy requirements may affect how we operate across different sectors and jurisdictions. As governments and regulators continue to strengthen expectations relating to emissions management, pollution control, waste management and climate-related disclosures, the Group may be required to adapt its operations, processes, systems and reporting practices to remain compliant.

New or revised requirements may increase compliance obligations, monitoring requirements and administrative effort. Progressively tighter standards and more stringent enforcement may necessitate broader operational changes, investment in new systems or technologies and enhancements to internal governance and reporting capabilities. In certain circumstances, failure to respond adequately to such changes may result in operational restrictions, heightened regulatory scrutiny or disruption to affected operations.

The impact of stricter environmental regulations may vary depending on the nature of the business activities involved. Across operational activities, tighter environmental requirements may lead to higher compliance costs, including costs associated with emissions control, scheduled waste management, environmental monitoring, reporting obligations and upgrades to facilities or processes. In addition, evolving sustainability reporting and assurance expectations may require stronger internal controls, more robust data collection processes and increased external support to meet regulatory and stakeholder expectations. In response to these risks, the Group has updated its internal policies to reflect regulatory developments. For instance, the Group's Sustainability Policy has been updated to align with the requirements of IFRS S1 and IFRS S2. Existing compliance controls and management practices provide a foundation for further strengthening the Group's approach to managing regulatory transition risks.

While the Malaysia government has yet to establish a clear guideline on carbon tax, carbon pricing mechanisms implemented in neighbouring countries were referenced during our assessment. Management will remain vigilant on any updates from the government in relation to carbon pricing mechanisms.

There remains uncertainty regarding the pace of environmental regulations evolve, the degree of enforcement that may be applied across different jurisdictions, and the extent to which future requirements may vary by sector. The ultimate impact on the Group will depend on factors including the scale of future regulatory changes, the readiness of affected business units, the availability of practical compliance solutions and the effectiveness of internal monitoring and response mechanisms. Despite these uncertainties, the Group believes it has a reasonable capacity to adapt through its ERM framework, diversified business portfolio and existing compliance management practices. Over time, the Group expects to continue strengthening its internal capabilities, governance processes and operational planning to respond to increasingly stringent environmental requirements in a measured and timely manner.

Technology risk

The transition towards lower-emissions technologies may require significant capital investment and operational adjustments. As regulatory expectations, market preferences, and technological advancements, the Group may need to replace or upgrade existing equipment, systems, or processes with cleaner and more energy-efficient alternatives. These may include adopting of renewable energy solutions, electrifying fleets or machinery, implementation of energy-efficient production technologies, or upgrading digital systems to support emissions monitoring and reporting.

These transitions may lead to increased short to medium term costs, including capital expenditure for new technologies, installation and system integration costs, staff training requirements, and potential operational disruptions during the transition period. Additionally, emerging technologies may carry uncertainties related to reliability, compatibility with existing infrastructure and return on investment, which could pose execution and financial risk.

Failure to adopt appropriate low-emissions technologies in a timely manner may expose the Group to higher operating costs, regulatory non-compliance penalties, reduced competitiveness and reputational risks, particularly as stakeholders increasingly expect organizations to demonstrate tangible progress towards decarbonization and sustainability commitments.

To manage and mitigate these risks, the Group has begun implementing energy efficiency initiatives across its operations. These include the installation of LED lighting and inverter air-conditioning systems to improve energy efficiency and reduce emissions. During the FYE 2025, the Group invested approximately RM90,428 in these improvements.

In addition, rainwater harvesting systems have been installed at selected facilities to support water conservation efforts and improve overall resource efficiency.

Sustainability Statement (Cont'd)

STRATEGY (CONT'D)

b) Impact of Climate Related Risks and Opportunities on NationGate's strategies, Value Chain and Financials (Cont'd)

Physical risk

Natural disasters, including flooding, drought, wildfires and other extreme weather events, represent a physical climate-related risk that may potentially affect the Group's operations, assets and value chain.

Natural disasters may impact the Group's business model and value chain through damage to physical assets, disruption to operations and interruptions to transportation and supply networks. Severe weather conditions may result in damage to buildings, machinery, equipment, inventories and supporting infrastructure, resulting in repair or replacement costs, downtime and delays in fulfilment of customer demand. Flooding and storms may also interrupt access roads, transportation routes and supplier operations, affecting both the inflow of raw materials and the delivery of finished goods.

As at the reporting date, our business model and value chains have not been impacted by climate-related physical risks. The Group has not experienced material disruptions to its operations arising from such events. Nevertheless, the Group continues to monitor its potential exposure to physical climate risks and will consider appropriate risk mitigation and adaptation measures where necessary. In this regard, we have established a Business Continuity Plan, alongside supplier diversification and strengthened operational practices, to enhance resilience against potential disruptions.

Climate-related opportunities

Resource efficiency

The adoption of renewable energy presents a climate-related opportunity for the Group by supporting lower-emission operations, enhancing energy resilience and reducing long-term reliance on conventional energy sources. As energy costs, regulatory expectations and stakeholder focus on decarbonisation continue to evolve, renewable energy initiatives may strengthen the Group's operational efficiency and support its transition towards a lower-carbon business model.

While renewable energy deployment typically requires upfront capital investment, site assessment and technical integration, such investments may contribute to greater energy security, lower operating costs and reduced exposure to electricity price volatility and carbon-related regulatory risks over the longer term.

We implemented solar photovoltaic systems at Plants P3 and P5. During FYE 2025, these systems generated electricity cost savings of approximately RM504,775 comprising RM145,060 from P3 and RM359,715 from P5, by reducing reliance on grid electricity. These savings contributed to lower operating costs and improved cost efficiency.

In addition, the installations resulted in emissions reductions of approximately 277.04 tCO₂e at P3 and 687.11 tCO₂e at P5, demonstrating the immediate environmental benefits of the Group's renewable energy investments. Looking ahead, we expect the total saving to increase up to approximately RM3.1 million in the short term with the planned installation of addition solar panels at Plants P7 and P9.

During FYE 2025, NationGate implemented an AI-driven autonomous HVAC control system at Plant 5 to improve HVAC operational performance and energy efficiency. The deployment delivered measurable energy savings of approximately 20–27%, resulting in an estimated reduction of 620 tonnes of Scope 2 CO₂e annually¹. The implementation demonstrates how NationGate is able to reduce energy consumption and carbon emissions in energy-intensive facility systems without compromising environmental control. It also provides a scalable pathway to strengthening energy performance across our manufacturing operations.

HVAC system is one of the most energy-intensive utility systems globally, contributing towards more than 10% of global greenhouse emission annually. Especially in semiconductor and electronics manufacturing environments, HVAC systems inherently exhibit high energy utilisation, as they are critical for maintaining a stable production environment (including controlling temperature, humidity, and particle counts) to ensure high product quality and regulatory compliance.

At NationGate, HVAC systems account for approximately 40-50% of total energy consumption, making it a key lever for emissions reduction. However, achieving meaningful energy savings without disrupting environmental stability presents a complex operational challenge. Recent advances in AI technology and computing capabilities now enable HVAC systems to be optimised dynamically for maximum energy efficiency while maintaining high reliability and operational performance.

In 2025, NationGate partnered with Axross, an AI technology provider specialising in HVAC optimisation, to pilot an AI-driven autonomous HVAC control system. This initiative reflects NationGate's proactive approach to advancing energy management practices, in alignment with the requirements of the Energy Efficiency and Conservation Act 2024 (EECA).

Sustainability Statement (Cont'd)

STRATEGY (CONT'D)

b) Impact of Climate Related Risks and Opportunities on NationGate's strategies, Value Chain and Financials (Cont'd)

Climate-related opportunities (Cont'd)

The solution was deployed at Plant 5, which is supported by a centralised chiller plant with a total cooling capacity of approximately 1,550 refrigeration tonnes ("RT"). The key project objectives were to improve energy efficiency while maintaining stable environmental control within Class 10k and Class 100k cleanroom areas. The system also enables near real-time tracking of verifiable energy consumption and associated CO₂ emissions, providing transparency over emissions impacts.

¹ Estimated Scope 2 CO₂e reductions were calculated by applying Malaysia's grid emission factor of **0.758 kgCO₂/kWh** to the measured energy savings. Emissions figures are indicative and reflect site-level operational performance.

Exhibit 1: Implementation of AI control & IoT monitoring system at NationGate P5

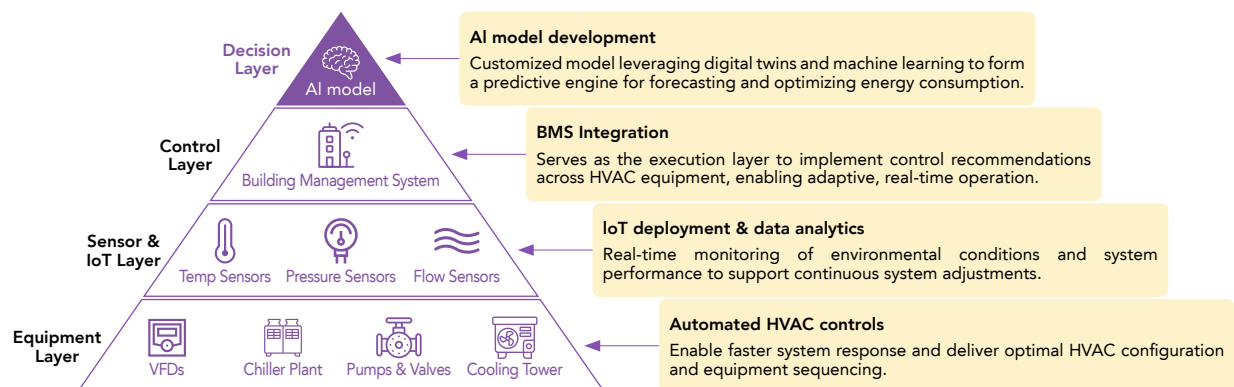


The deployment consists of:

1. **Real-time monitoring** of power consumption and environmental conditions through IoT/Cloud systems.
2. **Digital twin-enabled AI model data training** to reflect site-specific operating characteristics.
3. **Lightweight and secure deployment** through smart sensing technologies, with no disruption to production.

System-level optimisation of energy performance through autonomous real-time AI-driven control.

Exhibit 2: Axross AI HVAC system architecture



Axross's AI system leverages advanced AI computing to forecast thermal demand ahead of time and dynamically coordinate control across HVAC equipment. By continuously optimising setpoints, load distribution, and equipment configurations in real time, it enables system-level efficiency across chillers, pumps, cooling towers, and AHUs, while providing intelligent automation to support facility teams in maintaining stable and compliant cleanroom operations.

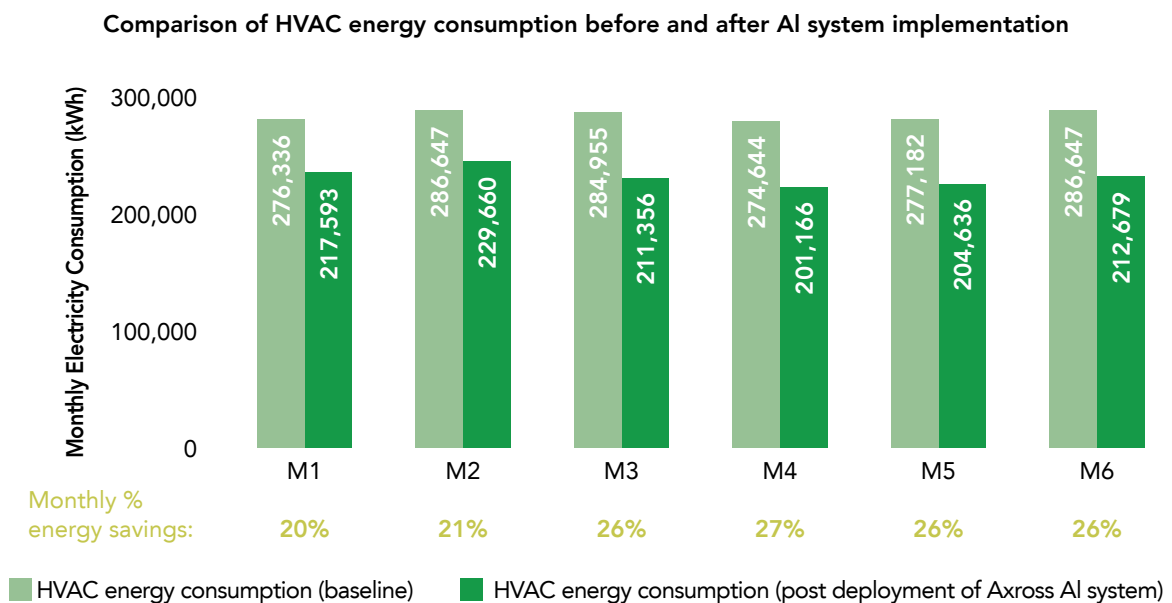
Sustainability Statement (Cont'd)

STRATEGY (CONT'D)

b) Impact of Climate Related Risks and Opportunities on NationGate's strategies, Value Chain and Financials (Cont'd)

Climate-related opportunities (Cont'd)

Exhibit 3: AI system 6-month energy performance report



The deployment at Plant 5 delivered measurable improvements in energy efficiency. Following the go-live AI-driven system, an immediate energy saving of 20% was observed in the first month. Performance improved further to around 26-27% by the six months, as the system continued to learn and optimise its operations².

Average monthly energy consumption decreased from approximately 280,000 kWh per month under baseline conditions to approximately 210,000 kWh per month post-deployment². This corresponds to an estimated annualised emissions reduction of approximately 600 tCO₂e per year¹.

The energy savings demonstrated during this pilot project indicate substantial financial potential, translating into estimated cumulative energy cost savings of approximately RM 2-3 million over a five-year period per deployment at each individual plant. Collectively, these results demonstrate a clear double-bottom-line outcome, delivering measurable reductions in emissions intensity alongside tangible cost efficiencies. Following the successful pilot at Plant 5, this approach forms a scalable framework to support NationGate's broader efforts to strengthen sustainability performance and drive operational excellence across its operations.

² Energy performance was assessed using site-level electricity consumption data measured before and after deployment of the AI-driven autonomous HVAC control system at Plant 5. Energy savings were calculated based on average monthly reductions observed during the reporting period.

Market

The transition towards a low-carbon economy presents the Group with opportunities to expand into emerging markets and provide solutions that support the broader energy transition. This is reinforced by the growing market preference for low-carbon and environmentally responsible products and services, which may drive increased demand for the Group's offerings.

In particular, the Group is exploring opportunities within the Battery Energy Storage System ("BESS") sector, which plays a critical role in enabling renewable energy integration, enhancing grid stability, improving energy management, and providing backup power during outages. As one of the Group's customers operates within the BESS sector, rising demand for BESS infrastructure and deployment may indirectly increase demand for the Group's products and services, creating potential growth opportunities as the global energy transition accelerates.

Sustainability Statement (Cont'd)

STRATEGY (CONT'D)

c) Resilience

Climate Scenario Analysis

To understand how climate change may affect the Group's business, we examined potential future scenarios and key variables that may influence regulatory, market and physical conditions across our operations. In this regard, the Group performed climate-related scenario analysis to evaluate the potential impacts of different climate pathways on its operations and risk exposure.

The scenario analysis aims to assess the resilience of the Group's operations and strategy under a range of plausible future climate conditions. Through this analysis, the Group evaluated how both transition risks and physical climate risks could affect its business model, operational activities and long-term sustainability.

The analysis is based on publicly available climate data and projections from internationally recognised sources, including climate modelling frameworks adopted by the Intergovernmental Panel on Climate Change ("IPCC"). In particular, the assessment considers climate pathways based on the combined Shared Socio-economic Pathways ("SSPs") and Representative Concentration Pathways ("RCPs"), which are widely used in climate modelling to assess potential future climate scenario under different emissions trajectories.

These scenarios represent varying levels of global climate mitigation ambition and therefore reflect different combinations of transition risks and physical climate risks that may affect businesses. By analysing multiple climate pathways, we are able to evaluate how potential changes in climate policies, energy systems and physical climate impacts may influence our operations and strategic priorities over time.

Scenario analysis was performed for the FYE 2025 and will be reviewed annually, with a more comprehensive reassessment undertaken at least once every three years or when significant new climate data that may materially affect the analysis becomes available.

The scenarios represent different levels of global climate mitigation ambition, which influence the pace of decarbonisation, the severity of physical climate impacts and the scale of transition risks faced by businesses.

As part of this assessment, the Group evaluated two representative scenarios based on the SSP pathways: **SSP1-2.6** and **SSP2-4.5**, each reflecting different assumptions regarding climate policy ambition, technological development, emissions trajectories and the resulting physical and transition climate impacts, as summarised below:

Climate Scenario	Impact on the Group's strategy and business model
Scenario 1: Low Emissions Scenario (SSP1-2.6) High Transition Risk	<p>This scenario reflects a future in which strong global climate policies are implemented to significantly reduce greenhouse gas emissions, limiting global temperature increases to approximately 0.9°C to 2.3°C by 2100. Governments introduce more stringent climate regulations, including expanded carbon pricing mechanisms and accelerated decarbonisation policies. Renewable energy deployment increases rapidly, supported by advancements in energy storage technologies and widespread investments in low-carbon infrastructure.</p> <p>Under this pathway, the transition towards a low-carbon economy occurs more rapidly, which may increase transition risks in the near term to the Group due to regulatory changes, evolving market expectations and shifts in energy systems. However, physical climate risks are comparatively lower, as global mitigation efforts help limit the severity of climate impacts.</p> <p>In response, we plan to accelerate decarbonisation across operations, prioritising energy efficiency initiatives, renewable energy adoption, and low-carbon product innovation.</p>

Sustainability Statement (Cont'd)

STRATEGY (CONT'D)

c) Resilience (Cont'd)

Climate Scenario Analysis

Climate Scenario	Impact on the Group's strategy and business model
Scenario 2: Intermediate Emissions Scenario (SSP2-4.5) Moderate Transition and Physical Risk	<p>This scenario represents a continuation of current global development trends, where climate mitigation efforts progress gradually but without aggressive policy intervention. Carbon pricing mechanisms and climate regulations continue to develop across jurisdictions, albeit at a moderate pace. Renewable energy capacity expands steadily, although the pace of technological deployment and infrastructure development varies across regions.</p> <p>Under this pathway, global temperatures are projected to increase by approximately 1.7°C to 3.2°C by 2100, resulting in a moderate increase in the frequency and intensity of extreme weather events. This scenario reflects a balanced exposure to both transition risks and physical climate risks for the Group.</p> <p>In response, moderate operational efficiency improvements will be implemented following careful assessment and prioritisation.</p>

The Group evaluated two climate pathways, SSP1-2.6 and SSP2-4.5, reflecting Management's view that global stakeholders are likely to implement meaningful measures to address climate change, thereby reducing the plausibility of the extreme high-emission scenario (SSP5-8.5). This selection represents a balanced approach, combining ambition in mitigation efforts with recognition of the practical challenges of sustainability. Scenario analysis will continue to be reviewed periodically to ensure relevance and alignment with evolving global actions and scientific developments.

Based on the scenario analysis, the Group's business model is assessed to be reasonably resilient under both transition and physical climate scenarios. Under a lower-carbon transition pathway, the Group anticipates increased compliance and transition costs, alongside opportunities for operational efficiency improvements. Under a higher-emissions pathway, exposure to physical risks such as extreme weather events may intensify, potentially disrupting operations and supply chains.

To strengthen resilience, the Group is implementing adaptive strategies, including infrastructure improvements, diversification of supply sources, and enhanced risk monitoring. These measures embed climate considerations into decision-making and support long-term sustainability.

METRICS AND TARGETS

Climate Transition Plan

The Group is committed to supporting global climate action and has set a long-term target to achieve net-zero GHG emissions by 2050. To advance this commitment, quantitative climate-related targets have been established to reduce environmental impact and improve energy efficiency across all operational sites within the reporting boundary. Specifically, the Group aims to achieve a 50% reduction in Scope 2 greenhouse gas emissions (tCO₂e) and a 50% reduction in energy intensity (kWh/RM'000) by 2050, measured against a 2022 base year, with interim milestones including a 16% reduction by 2030.

While a formal climate-related transition plan has not yet been finalised, the Group has identified several initiatives that will progressively support the transition towards lower-carbon operations. These initiatives include:

- Employee engagement programmes to promote energy-saving awareness and behavioural changes, such as shutting down idle machinery.
- Optimisation of production capacity through improved scheduling to minimise unnecessary weekend overtime.
- Deployment of automation and sensors to optimise temperature control and lighting utilisation.
- Energy efficiency upgrades, including replacing equipment with higher-efficiency models, enhancing HVAC systems (e.g., insulating cool air pipes, ducts, and building envelopes), and conducting energy audits to identify and address areas of energy waste.

Sustainability Statement (Cont'd)

METRICS AND TARGETS (CONT'D)

In addition, the Group is undertaking a significant initiative to reduce transportation-related emissions by enabling employees to relocate to a newly constructed hostel, scheduled for completion on 31 December 2026. While the hostel is not developed by NationGate, the initiatives nonetheless provide a meaningful opportunity to reduce daily commuting requirements and associated transportation costs. Based on current assumptions, annual transportation cost savings of approximately RM815,188 are projected from 2027 onwards. This initiative also supports workforce growth, with the DL headcount expected to increase by 132.7% compared to 2025, thereby ensuring sustainable commuting solutions are in place to accommodate expansion.

The Group intends to strengthen its transition planning over time, incorporating additional operational data, evolving regulatory guidance, and emerging technological solutions to ensure that its pathway to net-zero remains credible, resilient, and aligned with stakeholder expectations.

Progress towards these targets will be monitored using the relevant metrics, with performance against interim and long-term milestones reviewed periodically as part of our climate governance processes. Performance trends will be tracked and reported to provide stakeholders with a transparent view of the Group's progress in reducing emissions and improving energy efficiency.

The table below summarises our Scope 1, 2 and 3 of GHG emissions data:

	Unit	FYE 2023	FYE 2024	FYE 2025
Direct emissions - Scope 1	tCO ₂ e	112	124	456
Indirect emissions - Scope 2	tCO ₂ e	43,971	34,031	33,252
Indirect emissions - Scope 3	tCO ₂ e	-*	988	1,255
Total GHG emissions	tCO ₂ e	44,083	35,143	34,963
Revenue	RM'000	638,296	5,270,753	7,612,264
GHG emissions intensity	tCO ₂ e/RM'000	0.0691	0.0067	0.0046

Note:

*Data was unavailable as tracking commenced from FYE 2024.

- Scope 1 GHG emissions comprise emissions generated from the consumption of petrol and diesel in vehicles, calculated based on the reported fuel consumption. For FYE 2023 and FYE 2024, Scope 1 emissions comprise petrol and diesel. From FYE 2025 onwards, the reporting scope has been expanded to incorporate emissions from refrigerant gases R22 and R410A. Scope 1 emissions for FYE 2023 and FYE 2024 were calculated using the emission factor obtained from US EPA 2021 AR5, while the emissions factors from Department for Environment Food and Rural Affairs ("DEFRA") 2025 were applied for FYE 2025.
- Scope 2 GHG emissions comprise emissions generated from electricity consumption, calculated based on the energy usage. For FYE 2023 and FYE 2024, emissions were calculated using the emission factor obtained from the Malaysia Energy Commission 2019 Grid Emission Factor, while for FYE 2025 emission factor from the Malaysia Energy Commission 2024 Grid Emission Factor were applied.
- Scope 3 GHG emissions currently focuses solely on business travel and employee commuting. For employee commuting and business travel by road, the emissions for Scope 3 in FYE 2023 and FYE 2024 were calculated using the emission factors from the US EPA 2021 AR5, while DEFRA 2025 emission factors were applied for FYE 2025. Emissions from business travel by air are based on data stated on flight tickets.
- The GHG emissions intensity is calculated as Total GHG emissions per Group's revenue (RM'000).

We currently disclose Scope 3 GHG emissions for Category 6 (Business Travel) and Category 7 (Employee Commuting). Looking forward, we are committed to progressively expanding our Scope 3 disclosures. By FYE 2027, we expect to disclose all material categories of Scope 3 emissions, in line with our Net Zero Transition Plan and regulatory requirements. In the interim, our disclosures will continue to cover Categories 6 and 7, while we prepare for broader coverage.

In addition, we reaffirm our commitment to disclose all material categories of Scope 3 emissions by FYE 2027.

Sustainability Statement (Cont'd)

NationGate Holdings Berhad IFRS S2

Date & Time: 2026-04-17 08:58:17
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO2e)	456	Net Zero Emission by 2050	No assurance
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	34368	Net Zero Emission by 2050	No assurance
GHG emissions	Scope 2 Market-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	33252	Net Zero Emission by 2050	No assurance
GHG emissions	Scope 3	Metric tonnes of carbon dioxide equivalents (tCO2e)	1255	—	No assurance
GHG emissions	Scope 3 Cat.6: Business travel	Metric tonnes of carbon dioxide equivalents (tCO2e)	18	—	No assurance
GHG emissions	Scope 3 Cat.7: Employee commuting	Metric tonnes of carbon dioxide equivalents (tCO2e)	1237	—	No assurance
GHG emissions	Amount and Percentage of operation susceptible to climate transition risk	Amount (RM'000) and percentage(%)	0(0%)	—	No assurance
GHG emissions	Amount and Percentage of operation susceptible to climate physical risk	Amount (RM'000) and percentage(%)	0(0%)	—	No assurance
GHG emissions	Amount and Percentage of revenue aligned with climate transition opportunities	Amount (RM'000) and percentage(%)	0(0%)	—	No assurance
GHG emissions	Capital Deployment - the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	RM'000	90	—	No assurance
GHG emissions	Annual sourcing of renewable electricity	%	3.2	—	No assurance

Sustainability Statement (Cont'd)

SOCIAL

We are committed to fostering a safe, inclusive and non-discriminatory workplace that provides equal opportunities for all employees. We respect and uphold human rights by adhering to internationally recognised human rights principles and standards across our operations. In addition, we remain dedicated to promoting societal well-being through responsible business practices and positive social contributions.

EQUAL EMPLOYMENT OPPORTUNITIES

We are committed to fostering a diverse and inclusive workplace that is free from discrimination and harassment of any kind. This commitment is embedded in our Code of Business Conduct & Ethics, which sets out clear expectations for fair, ethical and respectful conduct across all levels of the organisation.

It is our policy that the recruitment, advancement, and retention of employees are conducted strictly on the basis of merit and suitability for the role, without regard to any form of discrimination prohibited by law which including but not limited to, discrimination based on gender, race, age, religion, or political inclination. Our policies and employment practices are designed to ensure that all employees are treated, and treat one another, with fairness, respect, and dignity.

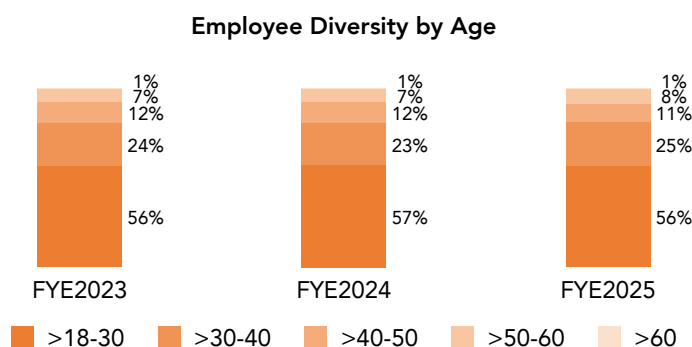
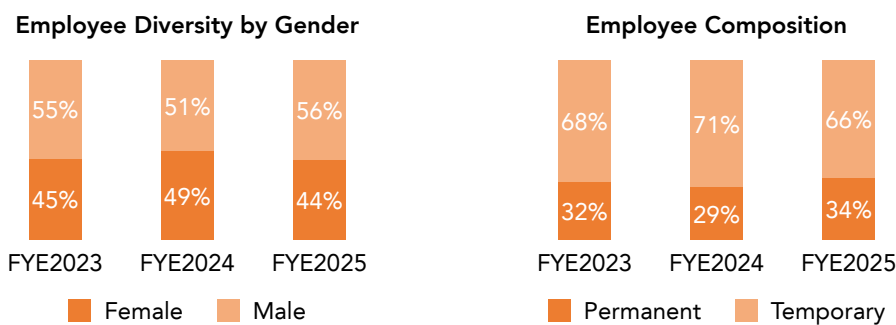
Any conduct involving discrimination, harassment or unfair treatment will not be tolerated. All employees are required to comply with our policies on equal opportunity, non-discrimination and fair employment, and to actively uphold a workplace culture that values mutual respect and professionalism and ethical behaviour.

Workforce Diversity and Inclusion

We recognise the strength of having a diverse workforce and an inclusive environment. This is affirmed by our Group's Gender Diversity Policy, which requires that at least 30% of the Board comprise women directors. In FYE 2025, the Board comprised 2 women directors out of a total of 6 directors, which represents 33% women directors. This demonstrates the Group's commitment to promoting Board gender diversity, as we had exceeded the prevailing requirement under Practice 5.9 of the Malaysian Code on Corporate Governance ("MCCG"), which recommends a minimum of 30% women directors on Board.

In FYE 2025, we recorded total headcount of 3,501 pax (FYE 2024: 3,019 pax). The details of our employee profile are presented as below:

Employee Diversity



Sustainability Statement (Cont'd)

EQUAL EMPLOYMENT OPPORTUNITIES (CONT'D)

Employee Diversity (Cont'd)

	FYE 2023		FYE 2024		FYE 2025	
	No.	%	No.	%	No.	%
Total Employees	2,694		3,019		3,501	
	No.	%	No.	%	No.	%
Employee Breakdown by Gender						
Male	1,487	55%	1,528	51%	1,953	56%
Female	1,207	45%	1,491	49%	1,548	44%
Employee Breakdown by Age						
>18-30	1,503	56%	1,735	57%	1,971	56%
>30-40	647	24%	690	23%	865	25%
>40-50	321	12%	348	12%	369	11%
>50-60	201	7%	220	7%	267	8%
>60	22	1%	26	1%	29	1%
Employee Breakdown by Gender and Employee Category						
Senior Management – Male	56	89%	73	90%	80	86%
Senior Management – Female	7	11%	8	10%	13	14%
Middle Management – Male	72	71%	73	64%	78	66%
Middle Management – Female	30	29%	41	36%	41	34%
Executive – Male	177	56%	211	57%	284	61%
Executive – Female	139	44%	156	43%	185	39%
Non-Executive – Male	1,182	53%	1,171	48%	1,511	54%
Non-Executive – Female	1,031	47%	1,286	52%	1,309	46%
Employee Breakdown by Age and Employee Category						
Senior Management – >18-30	1	2%	2	2%	3	3%
Senior Management – >30-40	3	5%	7	9%	9	10%
Senior Management – >40-50	22	35%	28	35%	29	31%
Senior Management – >50-60	30	48%	35	43%	39	42%
Senior Management – >60	7	11%	9	11%	13	14%
Middle Management - >18-30	12	12%	8	7%	12	10%
Middle Management - >30-40	20	20%	24	21%	26	22%
Middle Management - >40-50	21	21%	24	21%	23	19%
Middle Management - >50-60	45	44%	53	46%	53	45%
Middle Management - >60	4	4%	5	5%	5	4%
Executive - >18-30	132	42%	150	41%	196	42%
Executive - >30-40	45	14%	76	21%	115	25%
Executive - >40-50	70	22%	67	18%	64	14%
Executive - >50-60	66	21%	70	19%	89	19%
Executive - >60	3	1%	4	1%	5	1%
Non-Executive - >18-30	1,358	61%	1,575	64%	1,760	62%
Non-Executive - >30-40	579	26%	583	24%	715	25%
Non-Executive - >40-50	208	9%	229	9%	253	9%
Non-Executive - >50-60	60	3%	62	3%	86	3%
Non-Executive - >60	8	0%	8	0%	6	0%
Employee Breakdown by Employment Contract						
Permanent Staff	858	32%	864	29%	1,204	34%
Contractors/ Temporary Staff	1,836	68%	2,155	71%	2,297	66%
Employee Breakdown by Nationality						
Malaysian	879	33%	894	30%	1,204	34%
Non-Malaysian	1,815	67%	2,125	70%	2,297	66%

Sustainability Statement (Cont'd)

EQUAL EMPLOYMENT OPPORTUNITIES (CONT'D)

Board Diversity

	FYE 2023		FYE 2024		FYE 2025	
	No.	%	No.	%	No.	%
Director Breakdown by Gender						
Male	4	67%	4	67%	4	67%
Female	2	33%	2	33%	2	33%
Director Breakdown by Age						
>50-60	3	50%	3	50%	3	33%
>60	3	50%	3	50%	3	67%

Employee New Hire

	FYE 2023	FYE 2024	FYE 2025
	No.	No.	No.
New Hire by Gender			
Male	318	303	680
Female	467	480	251
New Hire by Age			
>18-30	653	594	654
>30-40	87	113	184
>40-50	26	62	65
>50-60	18	11	28
>60	1	3	0
Total	785	783	931

Employee Turnover

	FYE 2023	FYE 2024	FYE 2025
	No.	No.	No.
Employee Turnover by Gender			
Male	192	185	347
Female	170	147	354
Employee Turnover by Age and Employee Category			
Senior Management - >18-30	0	0	0
Senior Management - >30-40	4	2	2
Senior Management - >40-50	1	0	14
Senior Management - >50-60	10	6	2
Senior Management - >60	1	2	1
Middle Management - >18-30	0	3	4
Middle Management - >30-40	4	4	10
Middle Management - >40-50	11	9	5
Middle Management - >50-60	2	2	6
Middle Management - >60	0	2	0
Executive - >18-30	43	27	62
Executive - >30-40	20	15	36
Executive - >40-50	6	12	16
Executive - >50-60	7	6	6
Executive - >60	0	1	0
Non-Executive - >18-30	159	140	362
Non-Executive - >30-40	71	76	128
Non-Executive - >40-50	21	17	40
Non-Executive - >50-60	1	7	5
Non-Executive - >60	1	1	2
Total	362	332	701

Sustainability Statement (Cont'd)

EQUAL EMPLOYMENT OPPORTUNITIES (CONT'D)

Employee Turnover (Cont'd)

We continue to observe that employees aged below 30 years represent the largest group for both employee turnover and new hires, as they are generally in the early stages of their career journey and are actively seeking for new opportunities. Accordingly, we constantly engage with our employees to better understand their needs and expectations, enabling us to identify areas for improvement and enhance their overall working experience with us.

EMPLOYEE DEVELOPMENT AND TALENT RETENTION

We view continuous employee development as a strategic investment in our future and a key driver in attracting and retaining high-performing talent. We are committed to nurturing our employees through a wide range of learning and development opportunities that support both professional growth and personal advancement. By equipping our workforce with the relevant skills, knowledge, and competencies, we enable them to excel in their respective fields, which in turn enhances overall productivity, operational efficiency, and long-term organisational performance.

In FYE 2025, we have carried out a total of 99,319 of training (FYE 2024: 64,302 hours) with an average of 28.4 training hours per employee (FYE 2024: 21.3 training hours per employee).

	Unit	FYE 2023	FYE 2024	FYE 2025
Total Training Hours	Hours	42,245	64,302	99,319
Total Amount invested in Employee Learning and Development	RM	209,447	491,298	470,010
Total Training Hours by Gender				
Male	Hours	20,543	29,598	36,923
Female	Hours	21,702	34,704	62,396
Total Training Hours by Employee Category				
Senior Management	Hours	1,208	1,264	1,198
Middle Management	Hours	3,656	4,283	3,897
Executive	Hours	4,292	8,033	8,754
Non-Executive	Hours	33,089	50,722	85,470

Outlined below is a summary of the types of training and development programmes implemented during the year:

Training Types	Description
Orientation	<ul style="list-style-type: none"> One time induction programme to welcome new employees. Cover key topics including company overview, key corporate policies, overview of employee benefits and attendance requirements, as well as health and safety procedures. Facility tour to help new employees to get acquainted with new workplace.
On-the-Job ("OJT") Training	<ul style="list-style-type: none"> Focus on departmental goals by delivering the necessary skills, knowledge, and core competencies to new employees to perform the task efficiently. Mentoring programme drives rich learning and development for both mentees and mentors.
Technical Skills Training	<ul style="list-style-type: none"> Job-specific training which focus on building employee's prerequisite technical skills and competencies relevant to his role. Regular training is conducted to keep abreast of latest development.
Soft Skills Training	<ul style="list-style-type: none"> To enable our employees to work together as a team for the benefit of their own and the organisation's success. The training module covers the topics such as leadership, communication, teamwork, collaboration, time management, problem-solving skills etc.
Mandatory Training	<ul style="list-style-type: none"> All employees are required to undergo Safety and Health Training. All employees are expected to discharge their respective duties in line with our standards and policies.

Sustainability Statement (Cont'd)

EMPLOYEE DEVELOPMENT AND TALENT RETENTION (CONT'D)

We proactively collaborate with colleges, universities and industry partners across Malaysia by participating in career fairs, forum talks and various partnership initiatives. Through these interactions, we furnish interested candidates with comprehensive insights into our Company's background and corporate culture, while highlighting career opportunities within our organisation.



On 17 February 2025 UniMAP visited NationGate P5 – Seminar presented on Mind-Conditioning of Adversity Quotient (AQ) at P5 Auditorium.



At 23 & 24 June 2025, we participated in UniMAP Northern Industrial Career Engagement 2025

Sustainability Statement (Cont'd)

EMPLOYEE DEVELOPMENT AND TALENT RETENTION (CONT'D)



UMHackathon 2025 - We sponsored RM8,000 to promote digital innovation, engage high-potential students, and strengthen our future talent pipeline.



UOW Industrial Visit 2025

Throughout the year, we conducted structured training initiatives to support employees in adapting to the Group's operations, enhancing their capabilities, and fostering professional growth.



Stress Management Training 2025

Sustainability Statement (Cont'd)

EMPLOYEE BENEFITS AND WELFARE

We recognise that a committed and engaged workforce is a key driver of our success. Accordingly, we strive to provide a positive and conducive working environment that supports our employees in maintaining a reasonable standard of living and achieving a healthy work-life balance. We comply fully with applicable local labour laws and regulations, including, but not limited to, the Employment Act 1955 and minimum wage requirements.

To foster a healthy and balanced work environment, we are committed to creating opportunities for employees to connect with one another, spend quality time with their families, and pursue personal interests outside of work. We place emphasis on minimising overtime and only encourage it when operationally necessary, such as to meet customer requirements or regulatory deadlines.

In addition, we organise wellness programmes and sports-related activities to promote an active lifestyle and support our employees' physical and mental well-being. Through these initiatives, we aim to cultivate a supportive workplace culture that enhances employee morale, engagement, and long-term productivity.



Futsal Tournament 2025



Bowling Tournament 2025

Sustainability Statement (Cont'd)

EMPLOYEE BENEFITS AND WELFARE (CONT'D)



Badminton Tournament 2025



Pop-Up Zumba Session 2025



Tea Talk Session

Sustainability Statement (Cont'd)

EMPLOYEE BENEFITS AND WELFARE (CONT'D)

All our employees are entitled to national and state public holidays. In addition, our employees are entitled to annual leave, medical leave, marriage leave, maternity leave, paternity leave etc. The details of employee benefits and welfare are outlined below:

Statutory Benefits	Leave Provision	Employment Benefits & Welfare	Facilities
<ul style="list-style-type: none"> • Adhere to minimum wages requirements • Statutory contributions (EPF, SOCSO, EIS and Income Tax) • Overtime payments • National and state public holidays 	<ul style="list-style-type: none"> • Annual leave • Medical leave • Hospitalization leave • Marriage leave • Maternity leave • Paternity leave • Compassionate leave • Replacement leave 	<ul style="list-style-type: none"> • Shift allowance • Outstation allowance • Penang bridge toll subsidy • Transport allowance • Marriage gift • New birth gift • Employee appreciation gift • Festival goodies • Annual salary increment • Performance bonus • Long service award • Star award (employee recognition award) • Bereavement gift • General Practitioner ("GP") clinic visit • Hospitalisation and surgical coverage • Recreational activities • Flexible working time • Foreign worker permit • Accommodation and transportation 	<ul style="list-style-type: none"> • Car park • Cafeteria • Pantry • Personal lockers • Prayer rooms • Training rooms • Auditorium • Meeting rooms • In-house clinic

Throughout the year, we organized a diverse range of programs and festive celebrations aimed at fostering team cohesion, boosting employee morale, and celebrating our shared achievements. These activities provided employees with opportunities for relaxation, networking, and cross-departmental collaboration, while also reinforcing our company values, promoting inclusivity, and strengthening a positive workplace culture.



Chinese New Year 2025 celebration

Sustainability Statement (Cont'd)

EMPLOYEE BENEFITS AND WELFARE (CONT'D)



Departmental Employee Appreciation Luncheon 2025



Ramadan and Hari Raya 2025 celebration



Diwali 2025 celebration

Sustainability Statement (Cont'd)

EMPLOYEE BENEFITS AND WELFARE (CONT'D)



Singing Sensation 2025



Free Pads Day



Unlock Exclusive Banking Perks with U@Work by UOB 2025

Sustainability Statement (Cont'd)

EMPLOYEE BENEFITS AND WELFARE (CONT'D)



Coffee Break with ZUS Coffee 2025



Service Award Ceremony 2025

Sustainability Statement (Cont'd)

EMPLOYEE BENEFITS AND WELFARE (CONT'D)



Christmas 2025 celebration



2025 EPF Perak Best Employer Award

HUMAN AND LABOUR RIGHTS

We respect and comply with all internationally recognised standards, as well as applicable local laws and regulations related to the protection of human and labour rights. We recognise the critical importance of preventing and eliminating all forms of human rights abuses, including harassment, discrimination, coercion, threats, or any other inappropriate behaviour. This commitment is embedded in our Code of Business Conduct & Ethics, which explicitly prohibits forced labour or child labour across our operations.

Sustainability Statement (Cont'd)

HUMAN AND LABOUR RIGHTS (CONT'D)

Our Human Resource Department plays a central role in overseeing human rights related matters, including the prevention of forced and child labour, and ensuring the protection of employees' rights. The department is responsible for ensuring that our operations comply with regulatory requirements set by the Department of Labour, as well as relevant international standards. To strengthen compliance, Human Resource personnel are regularly briefed on the minimum legal age for employment, and strict age verification procedures are implemented during the recruitment process to prevent the hiring of underage workers.

We encourage all stakeholders to report suspected human and labour rights violations within our operation without fear of retaliation through our whistleblowing mechanism. In FYE 2025, there were no substantiated complaints concerning human rights violations, including child and forced labour, discrimination or harassment.

	Unit	FYE 2023	FYE 2024	FYE 2025
Number of substantiated complaints concerning human rights violations	No.	0	0	0

OCCUPATIONAL SAFETY AND HEALTH

The health, safety and well-being of our employees, contractors, visitors and communities are vital to our operations. We are committed to:

- Establish and maintain a safe and healthy environment for all employees and visitors;
- Integrate safety and health issues in all aspects at the workplace;
- Identify and eliminate hazards to prevent any accidents;
- Promote safety consciousness and responsibility and provide adequate training to enhance the safety awareness to employees; and
- Involve all employees in safety and health planning and implementation.

We established Safe and Health Committee which consists of employee representatives from different departments, to oversee the Group's safety and health related matters. The Safe and Health Committee performs periodic workplace inspection to identify and manage any safety and health hazard risks to prevent workplace accidents. The outcome of these inspections are subsequently discussed during the Safe and Health Committee meeting on a quarterly basis. To promote safety consciousness and enhance safety awareness among our employees, we provide various safety-related trainings programs on workplace safety procedures to ensure that they are equipped with relevant knowledge and skills to carry out their duties safely, while remaining up to date with applicable regulatory requirements.

In addition, we established and launched an in-house clinic during the year to provide employees with convenient access to primary healthcare services, supporting early medical treatment and minimising work disruptions.



Fire Drill Exercise

Sustainability Statement (Cont'd)

OCCUPATIONAL SAFETY AND HEALTH (CONT'D)



NationGate In-House Clinic Opening 2025

Below summarises the number of staff trained on health and safety standards:

	Unit	FYE 2023	FYE 2024	FYE 2025
Number of staff trained on health and safety standards	No.	989	1,255	1,528

In FYE 2025, there were no work-related injuries. All the injuries were investigated by Safety and Health Officer and closed with necessary corrective action.

	Unit	FYE 2023	FYE 2024	FYE 2025
Number of work-related fatalities	No.	0	0	0
Lost Time Injury Frequency Rate ("LTIFR")	%	0.25	0.58	1.37

Note:

- a) LTIFR refers to the number of lost time injuries occurring in a workplace per 1 million hours worked. $LTIFR = \frac{\text{No. of lost time injury incidents}}{\text{total man hours}} \times 1,000,000$

We have complied to the best of our ability, with the existing laws and regulations relevant to our operations, including Occupational Safety and Health Act 1994 (Amendment 2022), Fire Services Act 1988 and the Prevention and Control of Infectious Diseases Act 1988, among others.

CORPORATE SOCIAL RESPONSIBILITY

Internship Programme

We offer internship opportunities to provide students with exposure to a professional working environment where they can apply classroom knowledge to real-world situations. Through hands-on experience, interns are able to develop practical skills, industry insight and workplace competencies that support their personal growth and prepare them for successful future careers.

Throughout the year, we participated in Internship and Career Fairs to attract and engage potential interns, supporting the development of our internship programs and fostering a pipeline of future talent for the Group.

Sustainability Statement (Cont'd)

CORPORATE SOCIAL RESPONSIBILITY (CONT'D)



On 5 March 2025, we participated in UOW Malaysia KDU Penang Internship and Career Fair 2025



On 19 & 20 April 2025, we participated in UM Internship and Career Fair 2025

Local Communities Development

We recognise the importance of giving back to the communities in which we operate and contributing positively to their social well-being. As part of our commitment to corporate social responsibility, we undertake various initiatives aimed at supporting community development and fostering meaningful engagement. Outlined below are some of the Corporate Social Responsibility initiatives undertaken by the Group during the year:

	Unit	FYE2023	FYE2024	FYE 2025
Total amount invested where the target beneficiaries are external parties	RM	16,080	387,082	880,044
Total number of beneficiaries of the investment in community	No.	4 families 3 schools 28 children	1 family 139 students 1 school 15 children 19 institute	28 institutes 15 societies 37students

Sustainability Statement (Cont'd)

CORPORATE SOCIAL RESPONSIBILITY (CONT'D)

Local Communities Development (Cont'd)



On 11 Jan 2025, we participated in Bantuan Awal Persekolahan di SJKT Nibong Tebal, Penang.



On 20 April 2025, we participated in the Fund-Raising Charity Food Fair organised by Sekolah Semangat Maju Taiping, a school dedicated to supporting children with intellectual disabilities. We collaborated to run a booth offering a delightful selection of desserts and snacks, with all proceeds donated to support the school's programs and facilities.

Sustainability Statement (Cont'd)

CORPORATE SOCIAL RESPONSIBILITY (CONT'D)

Local Communities Development (Cont'd)



We supported a charitable organization and celebrated Parents' Day by distributing ang pau to senior citizens, bringing joy and appreciation to the community's golden generation.



On 25 May 2025, we supported a community initiative organised by the Global Federation of Chinese Business Women at SJK(C) Shang Wu, contributing to charitable activities in support of the local community.



On 27 July 2025, NationGate participated as a gold sponsor in the Love.Hope Run 2025 held at Queensbay Mall, Penang, supporting the charity run aimed at making a positive social impact and promoting community engagement.

Sustainability Statement (Cont'd)

CORPORATE SOCIAL RESPONSIBILITY (CONT'D)

Local Communities Development (Cont'd)



On 30th July 2025, we involved in blood donation.



In August 2025, we provided a sponsorship of RM5,000 to support the 11th Juvenile Peace Cup in China, organised by Kelab Sukan dan Rekreasi PJC, Selangor, as part of our commitment to promoting youth sports development and community engagement

Sustainability Statement (Cont'd)

CORPORATE SOCIAL RESPONSIBILITY (CONT'D)

Local Communities Development (Cont'd)



On 18 October 2025, we organized a beach cleaning initiative, inviting volunteers to help remove waste and protect marine ecosystems. This activity enhanced environmental stewardship, raised community awareness, and reinforced our commitment to sustainability.



On 13 & 14 September 2025, we participated in the 5th Ding Feng Cup 2025 International Wushu Championship at The Top Grand Ballroom, KOMTAR, Penang, Malaysia.

Sustainability Statement (Cont'd)

CORPORATE SOCIAL RESPONSIBILITY (CONT'D)

Local Communities Development (Cont'd)



On 27 September 2025, we participated in the 2nd Oriental Drums Event World Harmony Drums by 10,000 Drummers at Stadium Batu Kawan.



On 23 October 2025, we contributed to a RM10,000 donation drive at Pusat Jagaan Rumah Sejahtera Permatang Tinggi, organized by Majlis Pusat Kebajikan SeMalaysia, supporting residents' welfare and fostering community engagement.

Sustainability Statement (Cont'd)

CORPORATE SOCIAL RESPONSIBILITY (CONT'D)

Local Communities Development (Cont'd)



On 29 November 2025, we sponsored the Program Bantuan Awal Persekolahan Kadun Jawi 2026 at SJK(T) Nibong Tebal, supporting students' access to educational resources.



On 16 December 2025, we organized a Nutritional Food Preparation Session with students from Sekolah Semangat Maju Taiping, a school for children with intellectual disabilities.



On 28 November 2025, we sponsored RM30,000.00 to Penang Heart Safe Society for Mass CPR AED 2025. The training event held on 7 Dec 2025 for 10,000 participants.

Sustainability Statement (Cont'd)

GOVERNANCE

Governance is a fundamental pillar of our sustainability framework and is seamlessly embedded across all aspects of the Company's functions and processes. It serves as a cornerstone of transparency and accountability, guiding the way we manage risks, uphold strong ethical standards, and ensure long-term operational and business sustainability. Through robust governance practices, we strive to maintain the trust and confidence of our stakeholders while supporting responsible and resilient decision-making across the organisation.

CORPORATE GOVERNANCE AND ETHICS

Code of Business Conduct & Ethics

Our Code of Business Conduct & Ethics ("Code") sets out the principles and standards that guide the conduct and decision-making of every employee and director. Through the Code, we seek to cultivate a culture of integrity, transparency and accountability across the organisation. Our commitment to the highest standards of ethical conduct underpins all aspects of the Company's operations and is expected to be reflected in our dealings with suppliers, customers, governmental authorities, the broader community, fellow employees, and shareholders alike.

Our Code covers the standards for the following areas:

- Compliance with laws, rules and regulations;
- Abuse of powers;
- Insider trading;
- Anti-money laundering;
- Protection of confidential information;
- Conflict of interest;
- Equal opportunity and non-discrimination;
- Environment, health and safety;
- Quality of public disclosure;
- Compliance of the Code and reporting of any illegal or unethical behaviour;
- Anti-corruption and bribery;
- Gift, entertainment, hospitality and travel;
- CSR, donation and sponsorship;
- Procurement process;
- Facilitation payments;
- Dealings with public officials; and
- Political contributions.

In FYE 2025, there were no non-compliance cases and breach of Code of Business Conduct & Ethics.

Anti-Bribery and Anti-Corruption Policy

We are committed to conducting our business fairly, honestly, and transparently at all times. We expressly prohibit the offering, soliciting, giving, or accepting of bribes, whether directly or indirectly, for the purpose of gaining any improper business advantage. Every employee and director are expected to act with integrity and to deal fairly with customers, suppliers, public authorities, one another, and all other stakeholders, in accordance with sound ethical business practices. No bribes, kickbacks, facilitation payments, or any other improper payments of any kind shall be made, offered, promised, or authorised, directly or indirectly, to any party for the purpose of obtaining or retaining business, or securing any form of favourable treatment or action.

With the implementation of the new Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, which introduces corporate liability provisions for bribery and corruption offences that came into effect on 1 June 2020, we have established an Anti-Bribery and Anti-Corruption Policy, with the following purposes:

- Set out the responsibilities of the Group, and the responsibilities of in observing and upholding the Group's position on bribery and corruption, in order to ensure that the Group comply with applicable laws, regulations and policies and procedures;
- Ensure that the Group has adequate procedures in place to prevent and detect bribery and corruption;
- Provide information and guidance to employees on how to recognise and deal with potential bribery and corruption issues; and
- Protect the Group against the possible penalties and repercussions resulting from acts of bribery and corruption or being associated with such behaviour.

Sustainability Statement (Cont'd)

CORPORATE GOVERNANCE AND ETHICS (CONT'D)

Anti-Bribery and Anti-Corruption Policy (Cont'd)

The Anti-Bribery and Anti-Corruption Policy applies to directors, senior management and employees, including any individual employed on a full time, probationary, contractual or temporary basis. As stated in our policy, all forms of corruption, extortion, and embezzlement are strictly prohibited and will result in disciplinary action, including immediate termination and/ or legal actions against the employee or director concerned. Employees are encouraged to raise concerns about any instances, or suspicion of malpractice at the earliest possible stage through their line manager or Whistleblowing channel.

To ensure the effective implementation of the Anti-Bribery and Anti-Corruption Policy, we provide relevant training and communication to all new employees as part of their induction program. A copy of the Policy is also made available to all employees through our intranet.

	Unit	FYE2023	FYE2024	FYE2025
Senior Management	%	100%	100%	100%
Middle Management	%	100%	100%	100%
Executive	%	100%	100%	100%
Non-Executive	%	100%	100%	100%

Although the Policy is specifically written for employees, we expect that contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Group will comply with the relevant provisions of the Policy when performing such work or services. The Policy is made available on our Company's website, allowing such parties to view it from time to time. In addition, this Policy will be communicated to them at the commencement of the business relationship, and as appropriate thereafter.

In FYE 2025, we have engaged an independent consulting firm, to conduct Corruption Risk Management ("CRM") assessment across our operations. Through this assessment, we identified the potential corruption-related risks, assess its impact and likelihood of occurrence and ensure that appropriate controls and action plans were implemented to mitigate the identified corruption-related risks.

	Unit	FYE2023	FYE2024	FYE2025
Operations assessed for corruption-related risks	%	100%	100%	100%

In FYE 2025, there were no confirmed incidents of corruption.

	Unit	FYE2023	FYE2024	FYE2025
Number of confirmed incidents of corruption	No.	0	0	0

Whistleblowing Policy

We are committed to upholding the principles of transparency, integrity, impartiality, and accountability in the conduct of our business and affairs. We expect that any wrongdoing, including fraud, corruption, serious financial impropriety, or gross mismanagement, will be reported promptly, and we facilitate this through established internal reporting mechanisms.

In this regard, we have implemented a Whistleblowing Policy to provide a safe and confidential avenue for employees and stakeholders—including shareholders, customers, and suppliers—to raise concerns, thereby enabling appropriate action to be taken in a timely and effective manner. The policy supports the reporting of genuine concerns without fear of retaliation and reinforces our commitment to ethical conduct and good governance.

Sustainability Statement (Cont'd)

CORPORATE GOVERNANCE AND ETHICS (CONT'D)

Whistleblowing Policy (Cont'd)

All employees and stakeholders of the Group are encouraged to report, at the earliest opportunity and through appropriate channels, any suspected or actual improprieties relating to financial reporting, regulatory compliance, malpractice, or unethical business conduct, including bribery and corruption. Through this framework, we aim to promote accountability, strengthen internal controls and uphold the highest standards of corporate governance.

The Whistleblowing Policy outlines the procedures for reporting of a wrongdoings which includes who can disclose, what to disclose, when to disclose and how to proceed. The objectives of Whistleblowing Policy are to:

- Encourage whistleblower to be confident in raising serious genuine concerns and to question and act on those concerns;
- Facilitate early disclosure in a responsible manner by establishing procedures for stakeholders to raise genuine concerns or allegations through an appropriate channel upon discovery of possible wrongdoing(s);
- Address disclosure in an appropriate and timely manner. Disclosed matters may be prioritized according to the nature or seriousness of the alleged wrongdoing(s) or reported risk(s) and the magnitude of the impact;
- Protect identity of whistleblower upon receipt of report on a confidential and anonymous basis; and
- Treat both whistleblower and alleged wrongdoer fairly. Status of disclosure shall be informed to the whistleblower while alleged wrongdoer will be informed of the allegations at an appropriate time and be given opportunity to answer the allegations. Identities and personal information of the whistleblower and alleged wrongdoer will only be revealed to persons involved in investigations on a "need-to-know" basis only.

The types of concerns can be reported through whistleblowing mechanism includes but not limited to the following:

- Acceptance of favour;
- Corruption, blackmail or fraud;
- Criminal offence;
- Misuse of Group's funds or assets;
- Gross mismanagement within the Group;
- Serious financial irregularity or impropriety within the Group;
- Serious breach of Code of Business Conduct & Ethics;
- An act or omission which creates a substantial or specific danger to the lives, health, or safety of employees, the public or the environment;
- Failure to comply within the provisions of other Acts of Parliament where the wrongdoer knowingly disregards or does not comply with such provisions;
- Knowingly directing or advising a person to commit any of the above wrongdoings; and
- Concealment of any or a combination of the above.

In FYE 2025, there were no whistleblowing reports being reported.

Our policies and procedures namely Code of Business Conduct & Ethics, Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy are made available on our Company's website at <http://www.nationgate.com.my/>.

Sustainability Statement (Cont'd)

DATA PROTECTION AND PRIVACY

We are committed to safeguarding the privacy and personal data of our customers, suppliers and employees. To this end, we protect our information assets and personal data through the implementation of integrated data protection and information security strategies designed to prevent unauthorised access, misuse, or loss.

Certain categories of information relating to our products, operational processes and employees are regarded as confidential, and any unauthorised disclosure of such information could materially harm the Group's interests. Accordingly, the unauthorised disclosure, use, or theft of the Group's confidential information may result in disciplinary action and, where appropriate, legal proceedings against the employee or director concerned.

Every employee has a responsibility to protect the confidentiality, integrity, and security of the Group's records and information, and to comply with all applicable internal policies and procedures governing data protection and information security.

Below are examples of our measures, protocols and practices that we have implemented to protect data privacy:

- Use of firewall, anti-virus and anti-malware protection;
- Use of physical security measures;
- Password Policy for accessing to PCs, notebooks and servers, which requires users to periodically change the passwords;
- Control over access to data information to prevent unauthorised access;
- Employees sign Non-Disclosure Agreement;
- Disaster Recovery Plan to ensure continuity of operations in the event of major systems failure or catastrophe; and
- Scheduled backup on an external drive which is placed outside of the Company's premises.

In FYE 2025, there were no substantiated complaints concerning breaches of customer privacy and losses of customer data.

	Unit	FYE 2023	FYE 2024	FYE 2025
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	No.	0	0	0

Corporate Governance Overview Statement

The Board of Directors (“Board”) of NationGate Holdings Berhad (“Company” or “NGH”) recognises the importance of practicing high standards of corporate governance is essential in building a sustainable business and creating long-term value for the shareholders and stakeholders and to enhance the performance of the Company and its subsidiaries (“Company”). The Board is committed to upholding high standards of integrity and transparency in its governance and ensuring corporate practices are implemented and maintained throughout the Company.

The Board is pleased to present the Corporate Governance Overview Statement (“Statement”) to provide shareholders and investors with an overview of the corporate governance practices adopted by the Company in achieving the intended outcomes as set out in the new Malaysian Code on Corporate Governance (“MCCG”) with the following three (3) key principles, under the leadership of the Board during the financial year ended 31 December 2025 (“FYE 2025”):

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

This Statement also serves as a compliance with Paragraph 15.25 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and shall be read together with the Corporate Governance Report (“CG Report”) of the Company for the FYE 2025 published on the Company’s website at <http://www.nationgate.com.my/> and Bursa Securities’ website: <https://www.bursamalaysia.com>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1.0 Board’s Leadership on Objectives and Goals

1.1 Strategic Aims, Value and Standards

Our Board is responsible to provide leadership to set the Company’s strategic plan, values, standards and ensure necessary resources are in place to achieve the long-term sustainable success of the Company for the benefit of stakeholders. The Board assumes ultimate accountability and responsibility for the performance and affairs of the Company and is collectively responsible for meeting the objectives and goals of the Company as stipulated in the Board Charter.

The Board is made up of a combination of Executive Directors who are involved in strategic formulation, implementation and day-to-day operations while Independent Non-Executive Directors (“INEDs”) who are involved in decision evaluation and approval.

To assist the Board in fulfilling its duties and responsibilities, the Board has delegated specific responsibilities to the Board Committees which operate within their defined roles and responsibilities as set out in their respective Terms of Reference (“TOR”), which are made available on our Company’s website:

- Audit and Risk Management Committee (“ARMC”)
- Remuneration Committee (“RC”)
- Nomination Committee (“NC”)

The Board has also established a topic-specific Committee, Sustainability and Integrity Working Group (“SIWG”), to which it has delegated certain powers to review and administer sustainability and integrity matters. The SIWG’s TOR is also made available on our Company’s website.

During FYE 2025, the Board reviewed business and financial performance through the regular updates received from the Company’s Managing Director (“MD”), Chief Operating Officer (“COO”) and the Finance Director (“FD”) during the Board meeting.

Through the regular updates received from the Board meeting, the Board is kept abreast on the conduct, business activities and development of the Company and able to discuss and advise the Management in its formulation of the Company’s business strategies. Discussions would include the deployment of resources efficiently and effectively in achieving the objectives to be met. In making its decisions, the Board would be guided by the Company’s values and standards.

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

1.0 Board's Leadership on Objectives and Goals (Cont'd)

1.2 The Chairman of the Board

Dato' Seri Wong Siew Hai, an INED, was appointed as the Chairman of the Board. He assumed the role of a leader with responsibility for instilling good corporate governance practices. He chaired all the Board meetings during FYE 2025, led discussions and provided effective leadership to the Board.

The roles and responsibilities of the Chairman are enunciated in the Board Charter, which is made available on our Company's website.

1.3 Chairman and Chief Executive Officer

The Board is headed by Dato' Seri Wong Siew Hai, Chairman of the Board whereas the Company MD is Dato' Ooi Eng Leong. The role of the Board Chairman is to ensure the effective functioning of the Board while the Company MD is to ensure effective implementation of the Company's business plan, lead and manage the Company's operations. The Company MD also acts as a link between the Independent Directors and the Management to align management actions to Board decisions and strategies. The distinct and separate roles and responsibilities of the Chairman and Company MD are as set out in the Board Charter of the Company, which is available on our Company's website.

The position of the Chairman of the Board and the Company MD are held by different individuals to ensure an appropriate balance of role, power and authority, such that no one individual has unfettered powers during Board discussions and decision making.

For better safeguard the interest of our stakeholders, the Board is balanced by a majority of INEDs on the Board to foster greater objectivity in the Boardroom.

1.4 Chairman and Board Committees

The Chairman, Dato' Seri Wong Siew Hai is not a member of the various Board subcommittees.

1.5 Company Secretary

The Board is supported and assisted by suitably qualified, competent and capable Company Secretary, namely Ms. Hing Poe Pyng (MAICSA 7053526)(SSM PC No. 202008001322). The Company Secretary is qualified as per Section 235(2) of the Companies Act 2016 and is registered with the Companies Commission of Malaysia ("CCM").

The roles and responsibilities of the Company Secretary are outlined in the Board Charter, which is made available on our Company's website.

1.6 Access to Information and Meeting Materials

As stated in the Board Charter, the minimum number of Board Committee meetings to be held in a financial year is four (4) meetings. Additional meetings may be called at any time, at the discretion of the Chairman. In FYE 2025, a total of five (5) Board meetings were held with good attendance from the Board.

All Board and Board Committees' meeting are determined in advance with approved agenda to facilitate Directors' time planning. Prior to the respective meetings, Board members are provided with pre-circulated Board papers and related meeting materials to enable them to make informed decisions. The notice of the meetings shall be given in writing at least seven (7) days prior to the meetings, to enable sufficient time for the Directors to prepare for the meetings and to facilitate informed decision making.

The minutes will record the deliberation, in terms of the issues discussed, and the conclusions thereof. Company Secretary is responsible for the proper maintenance of the records of Board and Board Committees meetings and record of discussions on key deliberations and decisions taken. Minutes of the meeting are circulated to the members of the Board and Board Committees, and the Management for review and comments in a timely manner. The draft minutes will then be tabled at the following meeting for confirmation. The Company Secretary will also notify and follow up with the Management of any actions to be taken or further updates to be provided to the Board. The updates and action plans for the items identified as matters arising would be discussed at the next Board and Board Committee meetings.

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

2.0 Demarcation of Responsibilities

2.1 Board Charter

The Board is guided by a Board Charter which clearly defines the respective roles and responsibilities of the Board, Board Committees, individual Directors and Management as well as matters reserved for the Board. It sets out the principles for the operation of the Board and describes the functions of the Board and those functions delegated to Management of the Company.

The Board Charter is kept under continuous review and updated to ensure it remain consistent with the Board's objectives and kept up-to-date with changes in regulations and governance practices.

The Board Charter is made available on our Company's website.

3.0 Good Business Conduct and Healthy Corporate Culture

3.1 Code of Conduct & Ethics

The Board is responsible for promoting good corporate governance culture within the Company which reinforces ethical, prudent and professional behavior. We aim to foster a culture of honesty and accountability. Our commitment to the highest level of ethical conduct should be reflected in all the Company's dealings with its suppliers, customers, the government, public, among employees and shareholders.

Accordingly, the Company has adopted a Code of Business Conduct & Ethics ("Code"), formally approved by the Board, which summarize the standards that guide the actions of employee and directors. The employees and directors are clear that they must adhere to the spirit and language of this Code seeking to avoid the appearance of improper behavior.

As part of the Company's commitment in upholding high ethical standards, the Code is extended to third parties through the Supplier Code of Conduct and Declaration ("Supplier Code"). The Supplier Code defines the basic requirement of supplier on the activities that are strictly prohibited as well as respective responsibilities towards their stakeholders. Mechanisms are in place to report instances of bribery, fraud, corruption, unethical behaviour and irregularities.

The Company has adopted a zero-tolerance policy against all forms of bribery and corruption and is committed to fair, honest and transparent conduct of business. In respect to this, the Company has implemented a comprehensive Anti-Bribery and Corruption ("ABAC") Policy which provides information and guidance to employees, senior management and directors on how to recognize and deal with potential bribery and corruption issues. Although the ABAC Policy is written specifically to the internal employees, senior managers and directors, the Company also expects that the contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Company will comply with it in relevant part when performing such work or services.

In FYE 2025, no misconduct cases were being reported.

The Code and ABAC Policy are made available on the Company's website.

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

3.0 Good Business Conduct and Healthy Corporate Culture (Cont'd)

3.2 Whistleblowing Policy

The Company is committed to values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs. It expects the wrongdoings such as fraud, corruption, serious financial impropriety and gross mismanagement to be reported and facilitates this through internal mechanism.

In respect to this, the Board has formalised a Whistleblowing Policy, with the aims to promote a workplace conducive to open communication regarding the Company's business practices. The Whistleblowing Policy provides a mechanism for stakeholders of the Company (such as employees employed full time, on probation, contractually or temporarily), people performing services for the Company (such as contractors and service providers), members of the public who are natural persons, not being incorporated or unincorporated bodies, to raise genuine concerns, channel their complaints or to provide information on wrongdoings and improper conduct which may adversely impact the Company. The Whistleblowing Policy outlines who can disclose, what to disclose, when to disclose, how and to whom a concern may be properly raised, distinguishes a concern from a personal grievance and allows the whistleblower the opportunity to raise a concern outside their management line and in confidence.

The whistleblowing report will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. The unauthorized disclosure of whistleblower's information or the identity of a whistleblower by any employee may constitute misconduct for which, if established, disciplinary measures will be imposed.

In FYE 2025, no whistleblowing incidents were reported.

The Whistleblowing Policy is accessible to the public for reference on the Company's website.

4.0 Addressing Sustainability Risks and Opportunities

4.1 Governance of Sustainability

As stated in the Board Charter, the Board together with Senior Management, takes responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets. The Board shall promote sustainability within the aspects of environment, social, governance and economy.

The Company has formed SIWG, led by the Company MD with the support from key functional group, to identify, analyse, evaluate, manage and monitor sustainability issues with emphasis on economic, environmental, workplace and governance. To better discharge the duties of SIWG, a TOR has been formalised which outlines the reporting structure, duties and responsibilities of the working group. The SIWG's TOR is made available on our Company's website.

4.2 Communication of Company's Sustainability Strategies, Priorities, Targets and Performance

The Board understands that meeting the needs of all stakeholders is fundamental to building trust and confidence and forms the foundation of good governance in the Company. Our sustainability strategy is guided by a materiality assessment which defines the sustainability focus areas that are most important to the Company and its stakeholders that the Company believe, will have the most impact on its business.

The details pertaining to the sustainability strategies, priorities, stakeholder groups, engagement methods and performance are communicated to both internal and external stakeholders through the Company's Sustainability Statement in Annual Report 2025, which is made available on our Company's website. The Sustainability Statement is prepared in accordance with the Main Market Listing Requirements ("MMLR") issued by Bursa Malaysia Securities Berhad, referencing the Sustainability Reporting Guide (3rd Edition).

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

4.0 Addressing Sustainability Risks and Opportunities (Cont'd)

4.3 Board Keeps Abreast of the Relevant Sustainability Issues

The Board acknowledges the importance to keep fully abreast of knowledge, risks and opportunities as well as current and future trends on sustainability matters.

During FYE 2025, the Board has attended a number of continuous professional development program covering various topics in relation to sustainability. Moving forward, the Board aspires to be constantly abreast of current sustainability issues and regulatory requirements.

4.4 Performance Evaluation of Board and Senior Management

The Board assessment/evaluation is being conducted annually. The Board evaluation on 25 February 2026 in respect of FYE 2025 takes into consideration the performance of the Board in addressing the Company's material sustainability risks and opportunities and also the conduct of the Board to stay abreast with and understand the sustainability issues relevant to the Company and its business.

The Company has implemented a yearly performance review for the Senior Management. The assessment criteria for the said evaluation takes into account, amongst others, sustainability risks such as financial and people development.

4.5 Sustainability Strategy (Step Up)

The SIWG is chaired by the Company MD to oversee the planning and execution of sustainability strategies and ensure that our sustainability matters are implemented throughout our business operations. The Company MD is supported by the Company COO and Heads of Department.

The reporting structure, duties and responsibilities of the SIWG has been formalised and documented in the TOR of SIWG, which is made available on our Company's website.

II. BOARD COMPOSITION

5.0 Board Objectivity

5.1 Board Appointment

The NC is empowered by the Board to review the required mix of skills, experience and other qualities of the Board and to assess the effectiveness of the Board as a whole as well as contribution by each director, through annual assessment.

Annually, each of the Directors will give confirmation to disclose any potential or actual conflict of interests arises. This is one of the criteria to enable the Board/ NC to assess the Directors' independence as and when any new interest or relationship develops.

During the financial year under review, the NC had assessed the effectiveness of the Board, the Committees, the contribution of each individual Director and performance of Independent Directors. The NC is satisfied with the assessment results.

In accordance with Clause 76(3) of the Company's Constitution. The NC has reviewed Dato' Seri Wong Siew Hai and Dato' Faiza Binti Zulkifli performance who is retired and eligible for re-election at the forthcoming AGM. The NC is satisfied with the assessment result and recommendation has been made to the Board on their re-election. The Board concurred with the NC's recommendation and the rationale and reasons for recommending the re-election of each Directors are detailed in the Notice of the forthcoming AGM.

Upon assessment of independence of the Independent Directors, the tenure of individual Independent Directors would be presented to the NC for review annually.

As of 31 December 2025, none of the Independent Directors had served the Company for more than 9 years as per Malaysian Code of Corporate Governance ("MCCG") recommendations.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

5.0 Board Objectivity (Cont'd)

5.2 Composition of the Board

Our Board comprises a majority (67%) of INEDs with the composition as shown below:

- 2 Executive Directors; and
- 4 INEDs

This composition enables the Board to provide an objective judgement in the best interest of the Company taking into account diverse perspectives and insights.

5.3 Tenure of Independent Non-Executive Director

As stated in the Board Charter, the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a non-Independent non-executive Director. The Board may subject to the assessment of the NC on an annual basis, recommend for an Independent Director who has served a consecutive or cumulative term of nine (9) years to remain as an Independent Director subject to Shareholders' approval with justification given. If the Board continues to retain the Independent Director after the ninth (9th) year, the Board should seek annual Shareholders' approval through a two-tier voting process. After the twelfth (12th) year, an Independent Director must observe a cooling-off period of three (3) years before re-appointment.

At present, all our Independent Directors have not exceeded this limit.

5.4 Appointment of Board and Senior Management

The Board believes that a truly diverse and inclusive Board will leverage the differences of its members, to achieve stewardship and in turn, retains its competitive advantage.

As stated in the Board Charter, the Board shall be of a size and take into consideration the representation of the interest of certain shareholders or group of shareholders with the benefit of diversity in perspectives, experience, skill sets, gender mix, ethnicities and age to understand and deal with the current and emerging issues of the Company's business and operations.

The NC is mindful of its responsibilities to conduct all Board appointment processes through various approaches in a manner to promote Board diversity. In determining the process for the identification of suitable candidates, the following attributes or factors will be considered:

- Skills, knowledge, expertise and experience;
- Professionalism;
- Commitment (including time commitment) to effectively discharge his/ her role as a Director;
- Contribution and performance;
- Background, character, integrity and competence; and
- Boardroom diversity including gender diversity.

In addition, the Board has adopted the Fit and Proper Policy to ensure appointing the right person with the right skills, experience and credibility. This Policy aims to provide a formalised and clear parameter on the selection process of Directors and Senior Management Personnel, which will improve and strengthen the Board independence, quality and diversity.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

5.0 Board Objectivity (Cont'd)

5.4 Appointment of Board and Senior Management (Cont'd)

The diversity in the gender, age, race/ethnicity (culture background) and nationality of the existing Board and Key Senior Management is as follows:

	Age				Gender	
	<30	46-50	51-55	≥56	Male	Female
Number of Directors	0	0	0	6	4	2
Number of Key Senior Management	1	2	1	2	5	1

	Race / Ethnicity				Nationality	
	Malay	Chinese	Indian	Others	Malaysian	Foreigner
Number of Directors	1	5	0	0	6	0
Number of Key Senior Management	0	5	1	0	6	0

5.5 Identify Candidates for Board Appointment

The NC is responsible to perform screening, evaluation and nomination of the new Board Member's appointment. The procedures for the appointment of Directors and the criteria used by the NC in the selection process are provided in the TOR of NC.

In sourcing new Directors, the NC is empowered to utilize independent sources to identify suitably qualified candidates and does not solely rely on recommendations from existing directors, management or major shareholders to identify a short-list of suitable candidates for consideration.

5.6 Details of interest, position and relationship

The profile and details of the Directors are published in the Annual Report. The particulars of each director are disclosed in accordance with the Appendix 9c of the MMLR of Bursa Malaysia Securities Berhad, which include the following:

- the name, age, gender, nationality, qualification and whether the position is an executive or non-executive one and whether such director is an independent director;
- working experience and occupation;
- the date the person was first appointed to the board;
- the details of any board committee to which the person belongs;
- any other directorship in public companies and listed issuers;
- any family relationship with any director and/or major shareholder of the listed issuer;
- the nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the listed issuer or its subsidiaries;
- other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any; and
- the number of board meetings attended in the financial year.

In the notice of the Company's AGM, the Board included comments on whether the Board supports the resolutions relating to the re-election of the retiring Directors. In addition, the Board provided insights into the rationale behind the re-election of the retiring Directors. These decisions were grounded in the satisfactory performance evaluations conducted annually, as outlined in the fit and proper policy.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

5.0 Board Objectivity (Cont'd)

5.7 Nomination Committee

The NC is chaired by Dato' Faiza Binti Zulkifli, the INED of the Company. In accordance to the NC TOR, the NC shall comprise at least three (3) members, exclusively of non-executive Directors, a majority of whom must be independent which are free from any business relationship that would materially interfere with their judgement as members of the Committee. The present NC comprises exclusively of INEDs as follows:

- Dato' Faiza Binti Zulkifli (INED/Chairman)
- Ms. Ju Siew Lee (INED/Member)
- Dato' Seri Lee Kah Choon (INED/Member)

5.8 Diversity of Board and Senior Management

The Board comprises two (2) women Directors out of six (6) Directors, which represents 33% women Directors. This demonstrates the Company's commitment on Board gender diversity as we had exceeded the prevailing requirement of Practice 5.9 of the MCCG to have at least 30% women Directors on Board.

5.9 Gender Diversity Policy

The Board recognises the importance of diversity in contributing to the sustainable development of the Company, the appointment of Board and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The Company does not discriminate on the basis of ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability.

The Board has disclosed the Company's policy on gender diversity in the Annual Report.

6.0 Overall Effectiveness of the Board and Individual Directors

6.1 Annual Evaluation of Effectiveness of the Board, Board Committees and Directors

The Company carried out the assessment of the Board and Board Committees on 25 February 2026. The assessment was conducted internally via the NC taking into consideration the criteria guided by the Corporate Governance Guide of Bursa Malaysia Berhad. As stated in the TOR of NC, the NC is tasked to review annually the effectiveness of the Board by taking into consideration the present size, structure and composition of the Board and Board committees as well as the required mix skills, experience and competency required. The NC is also responsible for assessing annually the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director, including the directors' time commitment, character, experience and integrity. The assessment findings revealed that the Board, its Committees and Individual Directors have met the criteria used and satisfied the requirements.

All assessments and evaluations carried out by the NC in the discharge of all its functions shall be properly documented.

In addition, the NC also assesses annually the independence of the Independent Directors and this activity is disclosed in the annual report of the Company. The results of the evaluation were discussed by the NC which were then reported to the Board. The Board did not engage any external party to undertake an independent assessment of the Directors.

During the FYE 2025, the Directors have evaluated their own training needs on a continuous basis and attended the following:-

Director	Type of training
Dato' Seri Wong Siew Hai	<ul style="list-style-type: none"> - Silicon Malaysia Conference - Transform Silicon Malaysia by 2030. Innovate and Lead - ASEAN Semiconductor Summit 2025 - Shaping the future of the ASEAN's Semiconductor Industry - Financial Review Asia Summit 2025 - Strengthening ties, Securing Growth - MDV NextWave 2025 - Driving Economic Transformation & Sustainability Through Technology - Ikhlas Capital Annual Conference 2025

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

6.0 Overall Effectiveness of the Board and Individual Directors (Cont'd)

6.1 Annual Evaluation of Effectiveness of the Board, Board Committees and Directors (Cont'd)

Director	Type of training
Dato' Ooi Eng Leong	<ul style="list-style-type: none"> - Emergency Drill Refresher Training - ESD Refresher Training - Kaizen Internal training - Annual Declaration Adherence to Company Policies - RBA Awareness Training - Responsible Mineral Initiatives Awareness training - Awareness on Hijacking , Robbery , Theft ,Burglary , Terrorism , Civil disturbance & Strike - Mandatory Accreditation Programme Part II – Leading for Impact (LIP) - ISO28000 awareness - Awareness on Cybersecurity & cyber attack
Lee Kim San	<ul style="list-style-type: none"> - Emergency Drill Refresher Training - ESD Refresher Training - Kaizen Internal training - Annual Declaration Adherence to Company Policies - RBA Awareness Training - Responsible Mineral Initiatives Awareness training - Awareness on Hijacking , Robbery , Theft ,Burglary , Terrorism , Civil disturbance & Strike - Mandatory Accreditation Programme Part II – Leading for Impact (LIP) - ISO28000 awareness - Awareness on Cybersecurity & cyber attack
Dato' Seri Lee Kah Choon	<ul style="list-style-type: none"> - 23rd-What to Do with Stocks that are in Capital Losses? Seminar by Bursa - Annual Signature Financial Planning Symposium 2025 - Malaysia's Second Take-off: Exploring Policy-Driven Investment Opportunities. Organised by Bursa Malaysia - Service Tax 2025: Comprehensive Briefing for Construction, Healthcare, Education, Rental & Financial Services by FPAM - Executive Business Immersion Program in High Tech Application In Businesses jointly organised by SIDC & IMD - Seminar: Contemporary issues in Anti Money Laundering & Anti Terrorism Financing by Nature of Life Academy
Dato' Faiza Binti Zulkifli	<ul style="list-style-type: none"> - Water Reform by Malaysia Water Association - Strategic Plan SPAN 2026 – 2030. Towards a sustainable, reliable and affordable water services
Ju Siew Lee	<ul style="list-style-type: none"> - Sustainable Value Creation–An Organisation-Wide Perspective - Investigation & Prosecution of Money Laundering (AMLA) cases in Malaysia

Corporate Governance Overview Statement (Cont'd)

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

III REMUNERATION

7.0 Level and Composition of Remuneration

7.1 Remuneration Policy

The Board has adopted a Remuneration Policy and Procedures, with the aim to attract and retain quality members of the Board and Senior Management. The Policy serves as a guiding document to determine the remuneration of Directors and Senior Management, taking into account the demands, complexities and performance of the Company as well as skills and experience required. It also sets out an overarching framework for the development and administration of a fair and transparent framework for the remuneration of Directors and Senior Management.

The Remuneration Policy and Procedures has outlined the following key contents:

- Remuneration principles
- Remuneration structures
- Remuneration policies and procedures for Non-Executive Directors, Executive Directors and Senior Management
- Governance of remuneration

The Board and RC will review the on-going appropriateness and relevance of the Remuneration Policy and Procedures. The Policy is made available on the Company's website.

7.2 Remuneration Committee

As stated in the Remuneration Policy and Procedures, the RC as delegated by the Board is responsible to implement the Remuneration Policy and Procedures including reviewing and recommending matters relating to the remuneration of Directors and Senior Management.

The RC comprises exclusively INEDs of the Company and is governed by its TOR, which is available on the Company's website. The current members of the RC are as follows:

- Dato' Seri Lee Kah Choon (INED/Chairman)
- Ms. Ju Siew Lee (INED/Member)
- Dato' Faiza Binti Zulkifli (INED/Member)

8.0 Remuneration of Directors and Key Senior Management

8.1 Directors' Remuneration

The detailed disclosure on named basis for the remuneration of individual directors, including the breakdown of individual directors on fees, salary, bonus, benefits in-kind and other emoluments for FYE 2025 are as disclosed below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Ooi Eng Leong	Executive Director	-	6.0	-	-	-	-	6.0	-	6.0	660.0	44.0	25.0	142.2	877.2
2	Lee Kim San	Executive Director	-	6.0	-	-	-	-	6.0	-	6.0	420.0	28.0	10.6	132.9	597.5
3	Dato' Seri Wong Siew Hai	Independent Director	55.0	9.0	-	-	-	-	64.0	55.0	9.0	-	-	-	-	64.0
4	Dato' Seri Lee Kah Choon	Independent Director	45.0	10.3	-	-	-	-	55.3	45.0	10.3	-	-	-	-	55.3
5	Dato' Faiza Binti Zulkifli	Independent Director	45.0	10.2	-	-	-	-	55.2	45.0	10.2	-	-	-	-	55.2
6	Ju Siew Lee	Independent Director	50.0	10.5	-	-	-	-	60.5	50.0	10.5	-	-	-	-	60.5

Corporate Governance Overview Statement (Cont'd)

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

III REMUNERATION (CONT'D)

8.0 Remuneration of Directors and Key Senior Management (Cont'd)

8.2 Key Senior Management's Remuneration

The Board may consider disclosing the remuneration of the top six senior management on a band basis at a later stage if the Board, after thorough consideration and deliberation, determines that such disclosure will not have a detrimental impact on the management of the Group's human resources. Nonetheless, the Board continually reviews the remuneration of top senior management to ensure it is aligned with their responsibilities, individual performance, and the overall performance of the Group.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I AUDIT AND RISK MANAGEMENT COMMITTEE

9.0 Effective and Independent Audit and Risk Management Committee

9.1 Chairman of the Audit and Risk Management Committee

In accordance with the TOR of ARMC, the Chairman of the ARMC shall be appointed by the members of the Committee and must not be the chairman of the Board.

The ARMC is chaired by Ms. Ju Siew Lee who is not the Chairman of the Board. This ensures the Board is able to objectively review the ARMC's findings and recommendations.

9.2 Former Key Audit Partner

As stated in the TOR of ARMC, a former partner of the external audit firm is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the Committee.

The Company has not appointed any former partner of external audit firm to be a member of the ARMC.

9.3 Suitability, Objectivity and Independence of the External Auditors

The ARMC had on 21 April 2025 assessed the external auditors, namely Grant Thornton Malaysia PLT, based on inter alia, the following factors:-

1. Quality of service including level of knowledge, capabilities, experience and quality of previous work
2. Communication and interaction such as ability to provide constructive observations, implications and recommendations in areas which require improvements
3. Independence, objectivity, professionalism and caliber of external auditors
4. Audit scope and fees as well as the provision of non-audit services does not impede their independence
5. Ability to perform the audit work within the agreed timeframe
6. Inputs and opinions from the Company's personnel who constantly deal with the external audit team throughout the year.

The External Auditors has provided assurance to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with By-Laws of the Malaysian Institute of Accountants.

The ARMC was satisfied with the performance and independence of the External Auditors.

9.4 Composition of the Audit and Risk Management Committee (Step Up)

In accordance to the TOR of ARMC, the ARMC shall be appointed by the Board and shall comprise at least three (3) members, consisting solely of INEDs who are free from any business or other relationship that would materially interfere with their judgement as members of the ARMC.

The present ARMC of the Company comprises solely of INEDs, namely:

- Ms. Ju Siew Lee (INED/Chairman)
- Dato' Faiza Binti Zulkifli (INED/Member)
- Dato' Seri Lee Kah Choon (INED/Member)

Corporate Governance Overview Statement (Cont'd)

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

I AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

9.0 Effective and Independent Audit and Risk Management Committee (Cont'd)

9.5 Qualification of the Audit and Risk Management Committee

All members of the ARMC are financial literate, competent and able to understand matters under the purview of the ARMC including the financial reporting process. They are able to review the Company's financial reporting process and information to ascertain whether the financial reporting reflects the Company's actual performance. The Chairman of the ARMC namely Ms. Ju Siew Lee is a Chartered Accountant by profession.

All members of the ARMC have undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. Summary of training programmes, seminars and forums attended by ARMC members in the FYE 2025 are disclosed under page 88 to 89 of this Annual Report.

In addition, the ARMC is also kept updated by the Management, Company Secretary, External and Internal Auditors on changes to accounting and auditing standards, practices and rules.

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10.0 Risk Management

10.1 Effective Risk Management ("ERM") and Internal Control Framework

The Board recognises the importance of having a sound framework for internal controls and risk management. In respect to this, the Company has established an ERM Framework which is aligned with ISO 31000:2018 Risk Management Standards. The ERM framework enables the Company to have a structured process for risk management which includes identification, analysis, treatment, monitoring, review and reporting of risks across the Company.

The Company had engaged an independent professional firm to provide ERM awareness session to the identified employees, focusing the introduction of risk, importance of risk management and ERM methodology.

In 2025, the risk assessment process was performed and encompassed both ERM and Corruption Risk Management ("CRM"), addressing both business and corruption-related risks. The process involved the identification, ranking and prioritisation of the Group's key risks, taking into account their potential impact and likelihood of occurrence. Additionally, it included the identification of controls to manage these risks to the desired level.

The risk assessment activities during the financial year under review encompassed:

- Strategic discussion with Executive Directors and Senior Management to understand the strategic concerns from Top Management; and
- Interviews with Management identified personnel to elicit risk information, scrutinise and validate preliminary risks and current controls.

The results of the risk assessment, encompassing both ERM and CRM, were reviewed by Senior Management before being presented to the ARMC on 24 November 2025 and to the Board on 26 November 2025.

The Statement on Risk Management and Internal Control ("SORMIC") in Company's Annual Report 2025 provides an overview on the state of the risk management and internal control in the Company.

Corporate Governance Overview Statement (Cont'd)

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

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

10.0 Risk Management (Cont'd)

10.2 Features of Risk Management and Internal Control Framework

The Board has disclosed the overview of the risk management framework and internal control system within the Company and the adequacy and effectiveness of the framework in the SORMIC of the Annual Report 2025.

The Board is satisfied with the existing level of systems of risk management and internal control. The Board also received assurance from the Managing Director, Executive Director and Finance Director that to the best of their knowledge that the Company's risk management and internal control systems are adequate and effective.

The SORMIC was reviewed by the Company's External Auditors.

10.3 Risk Management Committee (Step Up)

The Board has formed its ARMC to oversee the risk management framework and policies in the Company. In accordance to the TOR of ARMC, the ARMC shall be appointed by the Board and shall comprise at least three (3) members, consisting solely of INEDs which are free from any business or other relationship that would materially interfere with their judgement as members of the Committee.

The present ARMC of the Company comprises solely of INEDs, namely:

- Ms. Ju Siew Lee (INED/Chairman)
- Dato' Faiza Binti Zulkifli (INED/Member)
- Dato' Seri Lee Kah Choon (INED/Member)

11.0 Effective Governance, Risk Management and Internal Control Framework

11.1 Internal Audit Function and Effectiveness Review

The internal audit ("IA") function is outsourced to an independent professional service provider namely YNC Business Consultant Sdn. Bhd. ("YNC") to assist the ARMC and the Board in discharging their responsibilities. The outsourced Internal Auditors reports directly to the ARMC and provides the Board with independent, objective and reasonable assurance on the effectiveness of the internal controls in the Company.

In accordance with Paragraph 15.15(3)(e) of the MMLR, the summary of work of the IA function is disclosed in the Annual Report 2025, under ARMC Report.

In ensuring that the duties and responsibilities of Internal Auditors are fully discharged, functioning effectively and independently, the TOR of the ARMC stipulates that the ARMC is responsible to:

- Review and report the same to the Board on the adequacy of the scope, functions, competency and resources of the IA function without interference from the Management, and that it has the necessary authority to carry out its work;
- Review and report the same to the Board on the IA program, processes, the results of the IA program, processes or investigation undertaken, and whether or not appropriate action is taken on the recommendations of the IA function;
- Ensure that appropriate action is taken on the recommendations of the internal auditors, where necessary;
- Review the assistance and cooperation given by the employees of the Company to the internal auditors;
- Review any appraisal or assessment of the performance of the internal auditors;
- Review the effectiveness of the Company's IA function including compliance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and make recommendations necessary for improvement of the internal audit function;
- Approve any appointment or termination of the internal auditors; and
- Review any letter of resignation of internal auditors and request the resigning firm to submit its reasons for resigning.

Corporate Governance Overview Statement (Cont'd)

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

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

11.0 Effective Governance, Risk Management and Internal Control Framework (Cont'd)

11.2 Internal Audit Effectiveness Review

The IA function is outsourced to YNC, an independent professional firm. The internal audit engagement is led by an Executive Director, Ms. Phoon Yee Min, who is a Certified Internal Auditor ("CIA"), member of Association of Chartered Certified Accountants ("ACCA") and member of Malaysia Institute of Accountants ("MIA"). She has accumulated over 20 years of experience in Audit and Advisory engagement. She is further supported by other YNC professional staffs. All the personnel deployed by YNC do not have any family relationship or conflicts of interest with our Company that could impair their objectivity and independence during the course of their work.

The Internal Auditors conducted their work in consideration of the broad principles of the International Professional Practice Framework ("IPPF") of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders.

In FYE 2025, the Internal Auditors had reported their observations and findings according to the approved Internal Audit Plan to the ARMC.

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

I ENGAGEMENT WITH STAKEHOLDERS

12.0 Communication with Stakeholders

12.1 Effective, Transparent and Regular Communication with its Stakeholders

The Board ensures that the communication with its stakeholders is accurate, transparent, timely and with high-quality disclosure. In respect to this, the Board has established various communication channels with its stakeholders.

The Annual Report remains a vital and convenient source of essential information for investors, shareholders and stakeholders. Annual Report is made available on our Company's website.

The Company's website serves as a platform to provide information about the Company. The Company's website also has a dedicated Investor Relations ("IR") section containing annual report, quarterly report, announcement, corporate governance and stock information. Contact details of the IR including its email investorsrelation@nationgate.com.my are also listed on the website to facilitate dialogue and queries from shareholders.

The detailed stakeholder engagement method is set out in the Company's Sustainability Report.

II CONDUCT OF GENERAL MEETINGS

13.0 Engagement with Shareholders

13.1 Notice of Annual General Meeting

The Board endeavours to provide shareholders with adequate time to consider the resolutions that will be discussed and decided during the AGM. Where the shareholders are not able to attend the AGM, they may appoint proxies to attend, vote and ask question on their behalf.

The notice of the Company's fourth AGM was circulated to shareholders on 29 April 2025, which is at least 28 days prior to the date of the meeting, i.e. 29 May 2025.

13.2 Directors' Participation at General Meetings

All the Directors, Chairman of the Board and Chairpersons of the Board Committees attended the fourth AGM held on 29 May 2025 to provide meaningful response to questions addressed to them. They are fully aware of their respective scope of responsibilities and will come prepared to address any issues that the shareholders may raise within the scope of the responsibilities of the Board Committees that they lead.

Corporate Governance Overview Statement (Cont'd)

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

II CONDUCT OF GENERAL MEETINGS (CONT'D)

13.0 Engagement with Shareholders (Cont'd)

13.3 Voting

The Company conducted its fourth AGM on 29 May 2025, physically at Straits 1, Level 9, Crowne Plaza Penang Straits City, Jalan Bagan Luar, Bandar Selat, 12000 Butterworth, Pulau Pinang, Malaysia. Electronic voting was adopted to ensure accurate recording of votes and all resolutions put to vote by poll. An independent scrutineer has been appointed to validate the votes cast and results of each resolution put to vote were announced at the meeting. An announcement detailing the results, including the total number of votes cast for and against each resolution and the respective percentages has been announced via Bursa Securities' website after the conclusion of the AGM.

Shareholders who are unable to attend the AGM are advised to appoint proxies to attend and vote on their behalf by completing the proxy form enclosed in the Annual Report and depositing it at the Registered Office at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

13.4 Interaction with Shareholders in General Meetings

The Board regards its AGM or other general meetings as an opportunity to communicate directly with shareholders and endeavour to encourage shareholders to participate in these meetings.

The fourth AGM held on 29 May 2025 was conducted physically. The Company's financial and non-financial performance has been presented during the AGM. The Board Chairman provided appropriate and sufficient time and encourage shareholders to pose questions, express opinions and give suggestions about the issues throughout the entire meeting. The Finance Director, Corporate Services Director, Joint Company Secretaries and external auditors were present during the AGM to engage with shareholders and address any areas of interest or concern brought up by the shareholders.

13.5 Virtual General Meeting

No meetings were conducted virtually during the FYE 2025.

13.6 Minutes of the General Meeting

The Board understand that the minutes of AGM reflects the mutual understanding and resolutions reached between the shareholders and Directors of the Company. The minutes also provide meaningful information to shareholders especially for the absentee shareholders to keep track with the AGM that they are unable to attend.

The minutes of the Company's fourth AGM (held on 29 May 2025), which details the meeting proceedings including the Q&A discussions, were published on the Company's and Bursa Securities website on 29 May 2025 i.e. no later than 30 business day after the AGM.

Statement On Risk Management And Internal Control

INTRODUCTION AND SCOPE

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and Principle B of the Malaysian Code on Corporate Governance 2021 (“MCCG”), with the guidance on the Statement on Risk Management and Internal Control 2025: Guidelines for Directors of Listed Companies, the Board of Directors of NationGate Holdings Berhad (“NationGate” or the “Company”) and its subsidiaries (“Group”) is pleased to present the Statement on Risk Management and Internal Control.

The primary objective of this Statement is to assist stakeholders in understanding how the Board of Directors (“Board”) of NationGate discharges its responsibilities in respect of governance, risk management and internal control, and how these systems support the achievement of the Group’s strategies, objectives and sustainable value creation. The Statement outlines the nature and scope of risk management and internal control of the Group for the financial year ended 31 December 2025 and up to the approval date of this Statement.

The Group’s risk management and internal control systems applies principally to the Company and its subsidiaries but does not apply to the associate, as the Board does not have direct control over their operations and risk management practices. Nevertheless, the Board ensures that appropriate governance structures are in place to safeguard the Group’s interests in these entities.

Certain disclosures within this Statement may be presented in general terms where the information is commercially sensitive, while still ensuring that stakeholders are provided with sufficient assurance on the effectiveness of the Group’s risk management and internal control practices.

BOARD’S RESPONSIBILITY

The Board affirms its overall responsibility for establishing, maintaining and reviewing the adequacy and effectiveness of the Group’s governance, risk management and internal control systems. The Board recognises the importance of maintaining a sound system of internal control and risk management to safeguard the shareholders’ investment and the Group’s assets, and to discharge their stewardship responsibilities in identifying and reviewing risks and ensuring the implementation of appropriate systems to manage these risks. However, the Board acknowledges that risk management and internal control systems have inherent limitations. They are designed to manage risks within tolerance levels, not to eliminate them entirely. Accordingly, these systems provide reasonable, but not absolute assurance against material misstatement, financial losses, fraud and breaches of laws or regulations.

In fulfilling its responsibilities, the Board provides leadership and oversight of the Group’s governance, risk management, and internal control framework. It establishes clear roles and delegated authority, sets the Group’s risk appetite and governance policies, and ensures that principal and emerging risks are identified, assessed, and managed in alignment with the Group’s strategies and long-term sustainability. The Board also oversees assurance arrangements, engaging with internal and external auditors and other assurance providers to support effective monitoring.

The Board has delegated the oversight of the risk management and the internal control systems to the Audit and Risk Management Committee (“ARMC”) which is comprised solely of Independent Non-Executive Directors. Through the ARMC, the Board reviews the Group’s risk profile and significant risks on a periodic basis, including assessing these risks against the Group’s risk appetite and operating environment. The Board also reviews, through the ARMC, the adequacy and integrity of the Group’s internal control systems and, where appropriate, requires the Management to implement appropriate internal controls and mitigation measures to address emerging risks or areas of control deficiencies. The Management demonstrates, through its actions as well as its policies, the necessary commitment to competence, integrity and fostering a climate of trust within the organisation. These processes have been in place for the financial year under review and up to the date of approval of this Statement for inclusion in this Annual Report.

Statement On Risk Management And Internal Control (Cont'd)

RISK MANAGEMENT FRAMEWORK

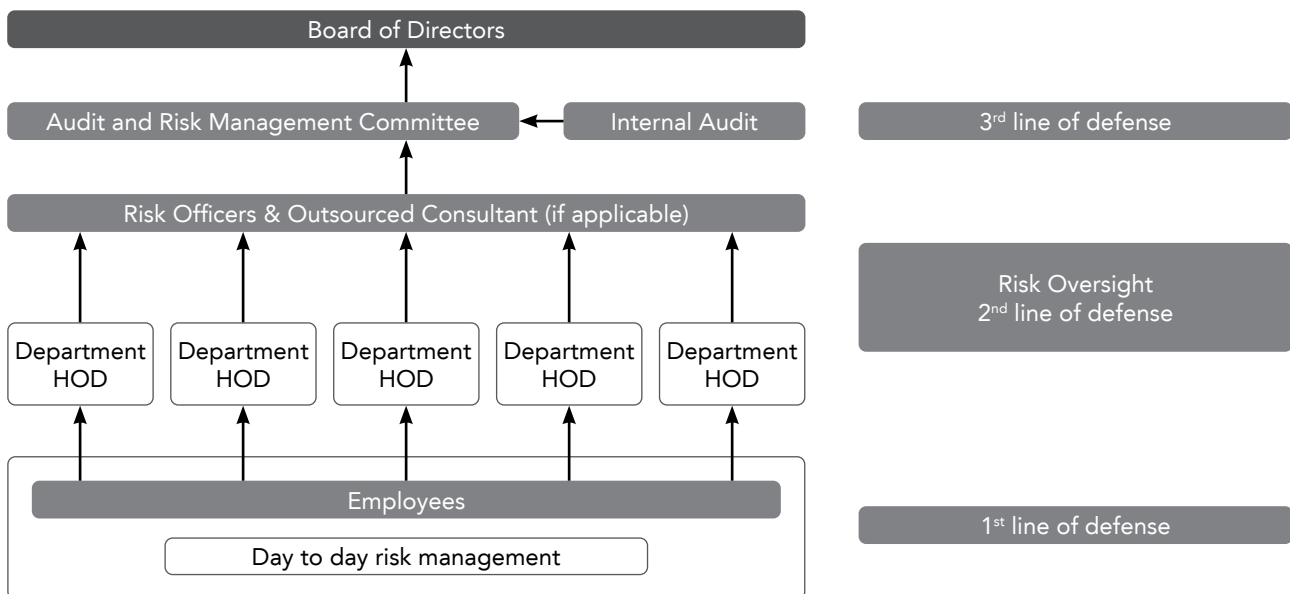
The Board, the ARMC and Senior Management recognises that risk management is an integral part of business management. Risk management is embedded into the process of objective setting, the organisation's culture, performance optimization, decision making and long-term value creation.

The Group has established an Enterprise Risk Management ("ERM") framework that aligned with the International Organisation for Standardisation ("ISO") 31000 International Risk Management Standards. This framework provides a structured and methodical approach for the timely identification, assessment, reporting, and management of principal risks. It also ensures the implementation, monitoring, and review of mitigation actions. The framework sets out governance structures, processes, and control responsibilities across the Group, thereby maintaining a sound control environment.

The ERM framework is reviewed regularly by Senior Management and the ARMC and approved by the Board. Updates are communicated to relevant employees to ensure consistent application.

Sustainability risks including climate-related risks are included in the Board's risk oversight responsibilities. Hence, the Group has integrated processes of identifying, assessing, and managing climate-related risks and opportunities ("CRRO") into the overall ERM framework. This includes conducting scenario analysis to assess the potential implications of transition and physical risks on the Group's strategy, operations and financial performance.

The Group's risk reporting and governance structure, which is aligned with the Three Lines Model ensuring clear accountability and effective oversight, is outlined as below:



The risk assessment was outsourced to an independent professional firm, YNC Business Consulting Sdn. Bhd. ("YNC"), to assist the Board and Management in updating the Group's risk profile. In 2025, the risk assessment process encompassed the ERM, Corruption Risk Management ("CRM"), and CRRO, addressing business and corruption-related risks, as well as climate-related risks and opportunities. In alignment with ISSB Standards IFRS S1 and S2 as well as the National Sustainability Reporting Framework ("NSRF"), the Board ensures that sustainability risks including climate-related risks are embedded within the overall risk profile rather than treated as stand-alone issues. The process involved the identification, ranking and prioritisation of the Group's key risks, taking into account their potential impact and likelihood of occurrence. Additionally, it included the identification of controls to manage these risks to the desired level.

Statement On Risk Management And Internal Control (Cont'd)

RISK MANAGEMENT FRAMEWORK (CONT'D)

The risk assessment activities during the financial year under review encompassed:

- Strategic discussion with Executive Directors and Senior Management to understand the Group's risk appetite, risk parameters and strategic concerns;
- Interviews with Management identified personnel to elicit risk information, scrutinise and validate preliminary risks and current controls; and
- The ARMC received and reviewed the annual risk management report summarises business risks, climate-related risks and opportunities, corruption risks, including its key action plans to address the top risks and opportunities.

Discussions were carried out by YNC with the Executive Director, Senior Management and Sustainability and Integrity Working Group on scenario analysis. The process involves identifying relevant climate-related scenarios aligned with internationally recognised frameworks, gathering insights on business exposures, and assessing CRRO under the selected scenarios. Current and potential impacts are also identified, and action plans are formulated to address the risks and opportunities faced by the Group.

The results of the risk assessment, encompassing the ERM, CRM, and CRRO, were reviewed by Senior Management before being presented to the ARMC and the Board on 24 November 2025. The Senior Management, ARMC and Board are aware of high-risk areas in the operations and strategies of the Group. All discussions or deliberations at the Board and ARMC meetings in relation to the Company's risk management and internal control systems are properly recorded and minuted by the Company Secretary.

INTERNAL AUDIT FRAMEWORK

The salient elements of the Group's internal control framework are described below:

a) Organisation Structure and Limit of Authority

The Group has an organisational structure that well defines lines of responsibility, delegation of authority, segregation of duties and flow of information, aligned to the operational requirements of the business of the Group within management, which provides the levels of accountability and responsibility of the respective job functions of management. The Group has established authorisation limits and approval levels for management to follow including those requiring approval from the Board. No single individual should be accorded with unfettered powers.

b) Policies and Procedures

Formalised and documented internal policies, standards and procedures are in place to ensure compliance with internal controls and relevant laws and regulations. The policies and procedures are subject to review and enhancement as and when necessary to ensure that documentation remains current and relevant. These include, but are not limited to, the following key policies and frameworks:

- Code of Business Conduct and Ethics summarises the standards that guide Directors and employees in daily business. The ethical standards are extended to business partners through a Supplier Code of Conduct;
- Human resource policies and performance reward systems that support the business objectives and risk management and internal control systems;
- Whistleblowing channel to allow employees and external stakeholders to report concerns relating to unethical conduct, breaches of laws or regulations, and weaknesses in internal controls; and
- Business Continuity Policy that establishes the escalation protocols for major incidents to ensure timely management and Board-level response.

c) Strategic Business Planning Process

Business plans are established in which the Group's business objectives, strategies and targets are articulated. Business planning and budgeting are undertaken to establish plans and targets against which performance is monitored on an ongoing basis.

Statement On Risk Management And Internal Control (Cont'd)

INTERNAL AUDIT FRAMEWORK (CONT'D)

d) Integrity and Ethical Values

The Board acknowledges that “tone from the top” is a key driver for healthy corporate culture and serves to form the bedrock of value creation. In respect to this, the Board adopts the Anti Bribery and Corruption Policy and Code of Business Conduct and Ethics. The Whistleblowing Policy is also established to provide avenue for the stakeholders to raise genuine concerns about possible improprieties in matters of financial reporting, compliance, malpractices and unethical business conduct such as bribery and corruption within the Group at the earliest opportunity and in an appropriate way.

e) Approval of the Annual Internal Audit Plan

Internal audit activities will be carried out based on the annual internal audit plan approved by the ARMC and takes into consideration feedback from the Management. During the financial year under review, the risk based internal audit plan covering identified areas was reviewed and approved by the ARMC and periodic testing and evaluation of internal controls were undertaken to ensure their effectiveness.

INTERNAL AUDIT FUNCTION

The Group outsourced the internal audit function to YNC, an independent professional firm. The firm is free from any relationships or conflicts of interest, which could impair its objectivity and independence of the internal audit function. The firm does not have any direct operational responsibility or authority over any of the activities audited. Functionally, the Internal Auditors report directly to the ARMC. The primary responsibility of the Internal Auditors is to assist the Board and the ARMC in reviewing and assessing management systems of internal control and procedures. The ARMC reviews and approves the Internal Audit Engagement and fees to ensure the independence and objectivity of the Internal Auditors.

The Internal Auditors executed the internal audit work based on a risk-based internal audit plan which had been approved by the ARMC before the commencement of work. The Internal Auditors will conduct their work in consideration of the broad principles of the International Professional Practices Framework (“IPPF”) of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders.

The internal audit engagement by YNC was led by an Executive Director, namely Ms Phoon Yee Min who is a Certified Internal Auditor (“CIA”), member of Association of Chartered Certified Accountants (“ACCA”) and member of Malaysia Institute of Accountants (“MIA”). She has accumulated over 20 years of experience in Audit and Advisory engagement. She was further supported by other YNC professional staff. All the personnel deployed by YNC will not have any family relationship or conflicts of interest with the Group that could impair their objectivity and independence during the course of their work.

During the financial year under review, the internal auditors executed the risk-based annual audit plan, assessed the adequacy and effectiveness of internal controls and risk management processes in the following areas:

- Inventory Management; and
- Information Technology Management.

In addition, follow-up reviews on Management’s action plans and continuous improvement initiatives arising from previously raised internal audit findings were conducted to ensure effective monitoring.

Statement On Risk Management And Internal Control (Cont'd)

REVIEW BY THE EXTERNAL AUDITORS

The external auditors, Grant Thornton Malaysia PLT, have reviewed the Statement on Risk Management and Internal Control pursuant to Paragraph 15.23 of the MMLR of Bursa Malaysia and in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the financial year under review.

The external auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraph 7 of the Statement on Risk Management and Internal Control 2025: Guidelines for Directors of Listed Companies, nor is the Statement factually inaccurate. AAPG 3 does not require the external auditors to consider whether this Statement covers all risk and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures.

CONCLUSION

The Board is of the view that the risk management and internal control systems are operating satisfactorily and effectively to safeguard the interest of stakeholders and assets of the Group for the financial year under review, and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the annual report of the Company.

The Board has received assurance from the Managing Director and Finance Director that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the framework adopted by the Group. The Board remains committed to continuous improvement through periodic reassessment of risk appetite, integration of sustainability considerations, and proactive identification of emerging risks to strengthen resilience and long-term value creation.

This Statement on Risk Management and Internal Control is made in accordance with a resolution passed in the Board of Directors' meeting held on 23 April 2026.

Audit and Risk Management Committee Report

NationGate Holdings Berhad (“NGH” or the “Company”) and its subsidiaries (“Group”) is pleased to present the Audit and Risk Management Committee (“ARMC”) Report for the financial year ended 31 December 2025.

COMPOSITION

The ARMC comprised solely of Independent Non-Executive Directors as below:

Name	Designation	Directorship
Ju Siew Lee	Chairman	Independent Non-Executive Director
Dato’ Seri Lee Kah Choon	Member	Independent Non-Executive Director
Dato’ Faiza Binti Zulkifli	Member	Independent Non-Executive Director

The current composition of ARMC is in line with Paragraphs 15.09(1)(a) and (b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), Practice 1.4 of the Malaysian Code on Corporate Governance (“MCCG”), where the Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee and Step Up Practice 9.4 of MCCG, which stipulated the Audit Committee should comprise solely of Independent Directors.

The ARMC is chaired by Ms. Ju Siew Lee who is not the Chairman of the Board, which is aligned with the Practice 9.1 of the MCCG. Ms. Ju Siew Lee is a member of the Malaysian Institute of Accountants (“MIA”). Therefore, the Group complies with the requirements of Paragraph 15.09(1)(c)(i) of the MMLR which stipulates that at least one member of the ARMC must be a member of MIA.

All members of the ARMC are financial literate, competent and able to understand matters under the purview of the ARMC including the financial reporting process. They are able to review the Group’s financial reporting process and information to ascertain whether the financial reporting reflects the Group’s actual performance.

MEETINGS AND ATTENDANCE

The ARMC convened five (5) meetings during the financial year ended 31 December 2025. The attendance of the members is tabulated below.

Name of ARMC members	Attendance	Percentage of Attendance
Ju Siew Lee	5 of 5 meetings	100%
Dato’ Seri Lee Kah Choon	5 of 5 meetings	100%
Dato’ Faiza Binti Zulkifli	5 of 5 meetings	100%

Executive Directors, Finance Director and other relevant key personnel as appropriate are invited to attend the meetings to facilitate direct communication and provide clarification on audit issues, financial reports and operations of the Group. Representatives of the internal auditors and external auditors are also invited to attend the meetings to present their respective reports.

The Company Secretary acts as secretary to the ARMC. Notice of meetings and supporting documents were circulated to the ARMC members at least seven (7) days prior to the meeting, providing the ARMC with relevant and timely information for effective discussions during the meeting. The minutes of each meeting are kept and distributed electronically to the ARMC members and Board of Directors.

TERMS OF REFERENCE

The Terms of Reference (“TOR”) of the ARMC, which outline the composition, authority, duties and responsibilities, meeting and disclosure are published on the Company’s website at <http://www.nationgate.com.my>.

Audit and Risk Management Committee Report (Cont'd)

SUMMARY OF ACTIVITIES OF ARMC

The activities undertaken by the ARMC in discharging its functions and duties during the financial year under review are summarized as below:

Financial Reporting

- Reviewed the Group's unaudited quarterly financial reports and the audited financial statements, prior to recommending to the Board for its approval and release of the Group's financial results to Bursa Securities.
- Discussed and reviewed the integrity of information, regulatory and accounting standard compliance in the quarterly financial reports and audited financial statements focusing particularly on changes in or implementation of major accounting policies, major judgement areas, significant and unusual events and compliance with applicable accounting standards.

External Audit

- Reviewed the Audit Planning Memorandum which outlined the external auditors' audit team, audit scope and materiality, initial assessment of the significant audit risks, summary of audit approach, proposed audit timeline and reporting schedule besides proposed audit fees for the financial year under review.
- Held private discussions with the external auditors, in the absence of the management, to review and discuss area of concern. No major concerns were raised by the external auditors.
- Reviewed the external auditors' report and their opinion in relation to the audited financial statements of the Company and the Group, including any significant findings in relation to the audit.
- Performed annual assessment on the independence and performance of the external auditors. ARMC is satisfied with the outcome of assessment and recommended for their re-appointment as external auditor as well as the proposed audit fees to the Board.

Internal Audit

- Reviewed and recommended the appointment of internal auditors.
- Reviewed and approve the internal audit plan proposed by the internal auditors to ensure the adequacy of the scope and coverage of work.
- Reviewed the internal audit reports, assessed the audit findings, management comments, audit recommendations for improvements and actions taken for improvement.
- Reported to the Board on the internal audit activities, significant audit findings and actions taken for improvement.

Conflict of Interest, Related Party Transactions ("RPT") and Recurrent Related Party Transactions ("RRPT")

- Reviewed any conflict of interest situation and RPT on quarterly basis.
- Reviewed RRPT on quarterly basis to ascertain if the transactions were at arm's length basis and in ordinary course of business.
- Reviewed the proposed RRPT for shareholders' mandate before recommended to the Board.

Other Activities

- Reviewed and recommended the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report to the Board for approval.
- Reviewed the TOR of ARMC.

Audit and Risk Management Committee Report (Cont'd)

SUMMARY OF ACTIVITIES CARRY OUT BY ARMC DURING THE FINANCIAL YEAR

The activities undertaken by the ARMC in discharging its functions and duties during the financial year under review are summarized as below:

a.) Financial Reporting

The ARMC reviewed the unaudited quarterly financial reports as well as the annual financial statements of the Group before recommended to the Boards for its approval.

Date of meetings	Financial Statements
24 February 2025	Unaudited Fourth Quarter Interim Financial Report for the quarter ended 31 December 2024.
21 April 2025	Draft audited financial statements for the financial year ended 31 December 2024.
26 May 2025	Unaudited First Quarter Interim Financial Report for the quarter ended 31 March 2025.
25 August 2025	Unaudited Second Quarter Interim Financial Report for the quarter ended 30 June 2025.
24 November 2025	Unaudited Third Quarter Interim Financial Report for the quarter ended 30 September 2025.

b.) External Auditors

- i) The ARMC conducted two (2) private sessions with the external auditors on 24 February 2025 and 24 November 2025, with the absence of the management of the company, to discuss on their area of concerns arising from the audit performed.
- ii) On 24 February 2025, the ARMC reviewed the audit findings report in respect of their audit for the financial year ended 31 December 2024.
- iii) On 21 April 2025, the ARMC reviewed and discussed on the annual audited financial statements for financial period ended 31 December 2024. It was unanimously resolved that the annual audited financial statements be recommended to the Board for approval.

On the even date, the ARMC considered the external auditors' performance, tenure, independence and objectivity, technical competency, audit quality and adequacy of resources in their evaluations of external auditors' performance.

The ARMC was satisfied with the performance of Messrs Grant Thornton Malaysia PLT ("GTM") and had recommended the re-appointment of GTM as external auditors to the Board subject to the shareholders' approval at the company forthcoming fourth Annual General Meeting.

- iv) On 24 November 2025, the ARMC discussed and reviewed the external auditors' Audit Planning Memorandum for the financial year ended 31 December 2025 outlining their audit team, objectives and scope, recent development of the Group, key identified risks, audit approach, proposed audit timeline and reporting schedule and proposed audit fees before the commencement of the audit for the Group's financial statements.

The ARMC also reviewed the proposed audit fees of the external auditors and presented to the Board of Directors for approval.

Audit and Risk Management Committee Report (Cont'd)

SUMMARY OF ACTIVITIES CARRY OUT BY ARMC DURING THE FINANCIAL YEAR (CONT'D)

c.) Internal Auditors

During the financial year under review, the Group continued to outsource its internal audit function to YNC Business Consulting Sdn Bhd ("YNC"), an independent professional firm to provide the internal audit services for the Group. YNC assists both the Board and the ARMC by conducting independent assessments on the adequacy and effectiveness of the Group's internal control system, based on an Internal Audit Plan approved by the ARMC before the commencement of work. The Internal Auditors report directly to the ARMC to ensure independence from Management.

- i.) On 24 February 2025, the ARMC reviewed the 2025 internal audit ("IA") plan which covers key processes for Inventory Management and Information Technology.
- ii.) On 24 February 2025, the ARMC reviewed Enterprise Risk Management ("ERM") 2024 reports and Corruption Risk Management ("CRM") 2024 reports.
- iii.) On 26 May 2025, the ARMC reviewed the Cycle 1, 2025 IA report received on Inventory Management which covering audit findings, management response and their recommendations for improvement, as well as the follow-up results of the agreed management's action plans arising from the past IA findings.
- iv.) On 24 November 2025, the ARMC reviewed the Cycle 2, 2025 IA report received on Information Technology Management which covering audit findings, management response and their recommendations for improvement, as well as the follow-up results of the agreed management's action plans arising from the past IA findings.
- v.) On 24 November 2025, the ARMC reviewed the 2026 internal audit plan which covers key processes for Facility Management and Production Planning and Control (Plant 7).
- vi.) On 24 November 2025, the ARMC reviewed Enterprise Risk Management ("ERM") update including Climate-Related Risks and Opportunities ("CRRO") Assessment 2025 reports, updated Enterprise Risk Management Policy ("ERM" Policy) and Corruption Risk Management Update 2025.
- vii.) On 24 November 2025, the ARMC reviewed the adequacy of the scope, functions, competency and resources of the Internal Audit function.

The total cost incurred for the internal audit function for the financial period ended 31 December 2025 was RM40,000.

The internal audit findings, description, implications, recommendations for improvement and management response and action plan were tabled to the ARMC for their review and deliberations. The internal auditors monitored and follow-through the implementation of management's action plan to ascertain that all key risk and control weaknesses are being properly addressed.

Further details on the internal audit function are reported in the Statement on Risk Management and Internal Control of this Annual Report.

d.) Conflict of Interest, RPT and RRPT

On 21 April 2025, the ARMC reviewed the Group's RRPT value to be included in the circular for proposed new shareholders' mandate for RRPT to be submitted to Bursa Malaysia Securities Berhad and mandate for the RRPT ("RRPT Circular") before recommending to the Board.

The ARMC also review the conflict of interest or potential conflict of interest situation on quarterly basis. The summary of potential conflict of interest is stated in Key Senior Management's Profile.

e.) Others

The details of non-audit fees for the Company and the Group are stated below.

Nature of Services	Company RM	Group RM
Tax compliance service fees	5,000	57,500
Review of Statement on Risk Management and Internal Control	3,000	3,000
Professional fees	26,266	26,266

Statement of Directors' Responsibility

Pursuant to the provisions of the Companies Act 2016, and Paragraph 1 5.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Directors are required to prepare the annual audited financial statements, including the cash flows and results, that give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year.

In the preparation of these financial statement, the Directors have taken the following measures:

- i. appropriate accounting policies have been adopted and applied consistently;
- ii. reasonable and prudent judgements and estimates have been made;
- iii. all applicable approved accounting standards in Malaysia, such as Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 have been adhered to;
and
- iv. the financial statements have been prepared on a going concern basis.

The Directors have ensured that proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statement was made in accordance with a resolution of Board of Directors dated 23 April 2026.

Additional Compliance Information

1. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered to the Company and the Group for the financial period ended 2025 by the Company's Auditors and its local affiliate are as follows:

	Audit Fees (RM)	Non-Audit Fees* (RM)
Company	45,000	8,000
Group	307,000	60,500

* Non-Audit fees comprise of Review of Statement of Risk Management and Internal Control and professional fees for tax compliance services.

2. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 36 (ii) to the financial statements.

3. MATERIAL CONTRACTS INVOLVING DIRECTORS, CHIEF EXECUTIVE OR MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Company and its subsidiary involving Directors', Chief Executive and major shareholders' interests during the financial year ended 31 December 2025.

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

Total Income	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Revenue		7,612,264	5,270,753
Other income		98,002	87,853
Interest/Finance income		42,005	18,641
Dividend income			
Share of profit of associates		3	2
Total		7,752,274	5,377,250
Total Assets		2,972,213	3,737,220

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Interest income		14,419	6,018
Total		14,419	6,018

Additional Compliance Information (Cont'd)

DISCLOSURE OF FINANCE DATA FOR SHARIAH SCREENING (CONT'D)

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Cash and bank balances (exclude cash in hand)		286,514	1,622,912
Cash in hand		19	66
Total Cash		286,533	1,622,978
Conventional Account/Instruments			
Cash and bank balances (exclude cash in hand)		130,979	304,693
Total Cash		130,979	304,693

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Current			
Bank overdrafts		-	-
Banker's acceptances		213,069	672,714
Revolving credit and loans		11,000	21,000
Hire purchase payables		-	-
Term loans		7,917	5,715
Non-Current			
Hire purchase payables		-	-
Term loans		106,203	31,528
Total Financing		338,189	730,957

Conventional Borrowing	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Current			
Bank overdrafts		-	-
Banker's acceptances		395,013	249,107
Revolving credit and loans		3,000	3,000
Hire purchase payables		3,916	9,205
Term loans		-	-
Non-Current			
Hire purchase payables		474	6,366
Term loans		-	-
Total Debt		402,402	267,679

Directors' Report

For The Financial Year Ended 31 December 2025

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

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

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

RESULTS

	GROUP RM	COMPANY RM
Profit for the financial year	<u>142,290,346</u>	<u>27,338,187</u>
Attributable to:		
Owners of the Company	125,067,152	27,338,187
Non-controlling interest	<u>17,223,194</u>	<u>-</u>
	<u>142,290,346</u>	<u>27,338,187</u>

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

DIVIDENDS

Since the end of the previous financial year, the Company had declared the following dividends:

- (i) Final single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2024 amounting to RM5,691,698 on 19 March 2025 and paid on 18 April 2025;
- (ii) Special single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2024 amounting to RM22,766,767 on 19 March 2025 and paid on 18 April 2025;
- (iii) First interim single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2025 amounting to RM5,691,698 on 25 June 2025 and paid on 23 July 2025;
- (iv) Second interim single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2025 amounting to RM5,692,995 on 27 August 2025 and paid on 29 September 2025; and
- (v) Third interim single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2025 amounting to RM5,656,611 on 26 November 2025 and paid on 23 December 2025.

Subsequent to the financial year end, the Company had declared the following dividends:

- (i) Fourth interim single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2025 amounting to RM5,656,611 on 25 February 2026 and paid on 26 March 2026; and
- (ii) Special single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2025 amounting to RM22,626,448 on 16 March 2026 and payable on 17 April 2026.

The current financial statements do not reflect these declared dividends. Such declared dividends will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

Directors' Report (Cont'd)

For The Financial Year Ended 31 December 2025

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM698,356,757 to RM699,997,186 by way of issuance of 965,300 new ordinary shares pursuant to Employee Share Grant Program ("ESGP"). The fair value of the ESGP amounting to RM1,640,429 was transferred from ESGP reserve to share capital upon vesting of ESGP.

The new ordinary shares issued during the financial year ranked *pari passu* in all respects with the existing ordinary shares of the Company.

TREASURY SHARES

During the financial year, the Company repurchased 15,000,000 units of its issued ordinary shares from the open market for a total consideration of RM14,981,253, including transaction costs of RM46,803. The average price paid for the shares repurchased was approximately RM0.99563 per share and was financed by internally generated funds. The shares repurchased are held as treasury shares and treated in accordance with the requirements of Section 127(6) of the Companies Act 2016.

As at 31 December 2025, the Company held 15,000,000 treasury shares out of its total 2,277,644,810 issued ordinary shares. Further relevant details are disclosed in Note 21 to the financial statements.

EMPLOYEE SHARE GRANT PROGRAM ("ESGP")

The establishment of ESGP under Long Term Incentive Plan ("LTIP") of up to 15% of the Company's total number of issued shares for eligible directors and employees of the Group was approved by the shareholders of the Company at an Extraordinary General Meeting held on 20 July 2023. The LTIP is governed by the By-Laws and it shall be in force for a period of 5 years from 1 December 2023. The directors may, if the directors deem fit and upon the recommendation of the LTIP committee, extend the LTIP for a period of up to a maximum of 5 years immediately from the expiry of the first 5 years, provided that the LTIP does not exceed a maximum period of 10 years in its entirety.

The salient features of the LTIP are disclosed in Note 41 to the financial statements.

As at 31 December 2025, the movement of the ESGP during the financial year is as follows:

Grant date	Number of ESGP				Balance at 31.12.2025
	Balance at 1.1.2025	Granted	Vested	Forfeited	
28.8.2024	2,203,710	-	(446,600)	(249,310)	1,507,800
1.7.2025	-	3,580,000	(518,700)	-	3,061,300

Directors' Report (Cont'd)

For The Financial Year Ended 31 December 2025

DIRECTORS

The directors of the Company in office since the beginning of the financial year to the date of this report are:

Directors of the Company:

Dato' Seri Wong Siew Hai

* Dato' Ooi Eng Leong

* Lee Kim San

Dato' Seri Lee Kah Choon

Dato' Faiza Binti Zulkifli

Ju Siew Lee

* The directors are also directors of the subsidiaries.

Directors of the subsidiaries:

Davindra Singh Gendeh

Fan Jian

Li, Zhe

Chang Tsui Shi (appointed on 14.11.2025)

Ooi Yeuan Xiong (appointed on 23.9.2025)

Lee, Yui-Lin (appointed on 30.6.2025)

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholding kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares in the Company during the financial year are as follows:

	Number of ordinary shares			
	Balance at 1.1.2025	Bought	Sold	Balance at 31.12.2025
The Company				
Direct Interest:				
Dato' Seri Wong Siew Hai	4,600,800	10,000	-	4,610,800
Dato' Ooi Eng Leong	1,097,804,300	1,000,000	-	1,098,804,300
Lee Kim San	12,910,500	114,500	(600,000)	12,425,000
Dato' Seri Lee Kah Choon	1,750,000	-	(750,000)	1,000,000
Deemed Interest:				
[^] Dato' Seri Wong Siew Hai	907,800	75,000	(20,000)	962,800
[#] Dato' Ooi Eng Leong	147,587,300	7,600	-	147,594,900
[^] Lee Kim San	-	1,400	-	1,400

	Number of ESGP			
	Balance at 1.1.2025	Granted	Vested	Balance at 31.12.2025
Direct Interest:				
Lee Kim San	59,500	70,000	(24,500)	105,000
Deemed Interest:				
[^] Lee Kim San	-	9,600	(1,400)	8,200

[^] Deemed interested pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of shares held by his children.

[#] Deemed interested pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of shares held by his spouse and child.

Directors' Report (Cont'd)

For The Financial Year Ended 31 December 2025

DIRECTORS' INTERESTS IN SHARES (CONT'D)

By virtue of his shareholdings in the Company, **Dato' Ooi Eng Leong** is also deemed interested in the shares of all the subsidiaries of the Company, to the extent that the Company has interests.

Other than the above, none of the other directors holding office at the end of the financial year has any interests in shares in the company and its related corporations during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Fees	195,000	-	195,000
Salaries, bonus and allowances	52,000	1,152,000	1,204,000
EPF	-	230,400	230,400
ESGP expenses	-	42,035	42,035
Benefits-in-kind	-	35,625	35,625
	247,000	1,460,060	1,707,060

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in Note 36 to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The insurance premium paid and professional indemnity coverage for the directors and officers of the Company during the financial year amounted to RM45,000 and RM30 million respectively.

OTHER STATUTORY INFORMATION

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

- (i) to ascertain that proper 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 there were no bad debts to be written off and no provision for doubtful debts was required; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

- (i) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or
- (ii) which would render the value attributed to the current assets of the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

Directors' Report (Cont'd)

For The Financial Year Ended 31 December 2025

OTHER STATUTORY INFORMATION (CONT'D)

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

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

In the opinion of the directors:

- (i) no contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) 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 to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENTS

The details of the significant events are disclosed in Note 42 to the financial statements.

EVENT AFTER THE REPORTING PERIOD

The details of the event after the reporting period are disclosed in Note 43 to the financial statements.

AUDITORS

The auditors, **Grant Thornton Malaysia PLT**, have expressed their willingness to continue in office.

The total amount of fees paid to or receivable by the auditors and its affiliate as remuneration for their services to the Group and the Company for the financial year ended 31 December 2025 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	307,000	45,000
Assurance related and non-audit services	60,500	8,000
Total	<u>367,500</u>	<u>53,000</u>

The Company has agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

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

Dato' Ooi Eng Leong

Lee Kim San

Penang,

Date: 23 April 2026

Directors' Statement

In the opinion of the directors, the financial statements set out on pages 119 to 174 are properly drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 December 2025** and of their financial performance and cash flows for the financial year then ended.

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

Dato' Ooi Eng Leong

Lee Kim San

Date: 23 April 2026

Statutory Declaration

I, **Dato' Ooi Eng Leong**, the director primarily responsible for the financial management of **NationGate Holdings Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 119 to 174 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **23rd**)
day of **April 2026**.)

Dato' Ooi Eng Leong

Before me,

Goh Suan Bee (P125)
Commissioner for Oaths

Independent Auditors' Report

To The Members Of NationGate Holdings Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NationGate Holdings Berhad**, which comprise the statements of financial position as at **31 December 2025** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 119 to 174.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 December 2025** and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Independent Auditors' Report (Cont'd)

To The Members Of NationGate Holdings Berhad

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Valuation of inventories <i>(Note 12 to the financial statements)</i></p> <p>The Group holds significant inventories as at 31 December 2025 which exposes the Group to a risk that the inventories may become slow moving or recorded above their realisable value. Besides, it is also exposed to risks of inaccurate valuation due to inaccurate physical or costing records.</p> <p>We focus on this area as it involves estimation uncertainty by the management in determining the accuracy of inventories written down and in assessing the adequacy of inventories not stated at the lower of cost and net realisable value.</p>	<p>Our audit procedures in relation to the valuation of inventories included, amongst others, the followings:</p> <ul style="list-style-type: none"> • Obtained an understanding of: <ul style="list-style-type: none"> - the Group's inventory management process; - how the Group identifies and assesses inventories written down; and - how the Group makes the accounting estimates for inventories written down; • Reviewed the consistency of the application of management's methodology in determining and estimating the inventories written down from year to year; • Attended the year end physical inventory counts to observe the inventory count procedure carried out and separately identify if there are any inventories which are slow moving or obsolete; • Made inquiries of management regarding the action plans to clear the aged inventories; • Reviewed the costing method used by the Group and assessed whether it is consistent with prior year. This process involved understanding how material, labour and overhead cost are allocated to the inventories and verifying that the data used by the management was up-to-date; • Performed substantive testing to verify cost of raw materials to supplier invoices on a sampling basis; • Reviewed and tested the net realisable value of inventories on a sampling basis; and • Obtained and tested the reliability of the inventories ageing worksheet provided by the management. From there, we have assessed management's evaluation on non-provision of write-down for slow moving inventories through enquiries and corroborating with other supporting evidence.

Independent Auditors' Report (Cont'd)

To The Members Of NationGate Holdings Berhad

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Revenue recognition (Note 28 to the financial statements)</p> <p>The Group's revenue is mainly derived from the assembly and testing of electronic components/products and semiconductor devices and is recognised at a point in time.</p> <p>We focus on this area as the magnitude and voluminous transactions may give rise to a higher risk of material misstatements in respect of the timing and amount of revenue recognised.</p>	<p>Our audit procedures in relation to the revenue recognition included, amongst others, the followings:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's revenue recognition process and application surrounding the occurrence of revenue and thereafter tested key controls on the effectiveness of the controls applied; • Performed analytical procedures on the trend of revenue recognised to identify for any abnormalities; • Performed substantive testing on a sampling basis to verify that revenue recognition criteria was properly applied by checking to the documents which evidenced the delivery of goods to the customers; • Assessed whether revenue was recognised in the correct period by testing cut-off through assessing sales transactions taking place at either side of the reporting date as well as reviewing credit notes and sales returns issued after the reporting date; • Reviewed the sales contracts entered into with customers having special delivery arrangement (Note 15 to the financial statements) and verified that revenue recognition is in accordance with the accounting standards; and • Reviewed the sales ledger to identify any sales transactions that were entered using journals or non-sales invoices references and evaluated the nature of the transactions to determine whether they were <i>bona fide</i> transactions.

There are no key audit matters to be communicated in the audit of the separate financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Directors' Responsibilities for the Financial Statements

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

Independent Auditors' Report (Cont'd)

To The Members Of NationGate Holdings Berhad

Directors' Responsibilities for the Financial Statements (Cont'd)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Independent Auditors' Report (Cont'd)

To The Members Of NationGate Holdings Berhad

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matter

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

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Teh Khang Xuen
No. 03805/12/2027 J
Chartered Accountant

Penang

Date: 23 April 2026

Statements of Financial Position

As At 31 December 2025

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	386,113,489	331,314,763	-	-
Right-of-use assets	5	16,852,358	4,203,459	-	-
Investment properties	6	90,634,375	14,508,737	-	-
Goodwill	7	16,767,973	-	-	-
Investment in subsidiaries	8	-	-	663,225,141	697,844,014
Investment in an associate	9	400,204	397,296	-	-
Deferred tax assets	10	11,538,829	10,624,000	-	-
Amount due from subsidiaries	11	-	-	5,622,105	-
		<u>522,307,228</u>	<u>361,048,255</u>	<u>668,847,246</u>	<u>697,844,014</u>
Current assets					
Inventories	12	1,141,397,591	899,947,331	-	-
Trade receivables	13	814,205,645	494,078,121	-	-
Other receivables, deposits and prepayments	14	53,537,545	24,401,096	1,749	7,170
Contract assets	15	11,433,512	13,095,468	-	-
Amount due from subsidiaries	11	-	-	15,000,000	29,218,015
Current tax assets		11,663,986	2,653,635	254,936	42,217
Derivative financial assets	16	-	14,183,082	-	-
Investment securities	17	155,836	131,243	-	-
Fixed deposit with a licensed bank	18	-	10,000	-	-
Cash and bank balances	19	417,511,794	1,927,671,274	19,540,984	7,755,347
		<u>2,449,905,909</u>	<u>3,376,171,250</u>	<u>34,797,669</u>	<u>37,022,749</u>
TOTAL ASSETS		<u>2,972,213,137</u>	<u>3,737,219,505</u>	<u>703,644,915</u>	<u>734,866,763</u>
EQUITY AND LIABILITIES					
Equity attributable to the owners					
Share capital	20	699,997,186	698,356,757	699,997,186	698,356,757
Treasury shares	21	(14,981,253)	-	(14,981,253)	-
Reserves	22	(130,970,035)	(132,834,724)	2,373,177	512,479
Retained profits	23	457,721,223	382,006,941	16,114,095	34,275,677
		1,011,767,121	947,528,974	703,503,205	733,144,913
Non-controlling interests		47,021,220	24,324,895	-	-
Total equity		<u>1,058,788,341</u>	<u>971,853,869</u>	<u>703,503,205</u>	<u>733,144,913</u>
Non-current liabilities					
Other payables, accruals and provision	24	1,418,954	-	-	-
Borrowings	25	106,676,894	37,894,237	-	-
Lease liabilities	5	12,255,955	340,715	-	-
Contract liabilities	26	21,942,808	10,284,350	-	-
Deferred tax liabilities	10	3,089,000	7,516,000	-	-
		<u>145,383,611</u>	<u>56,035,302</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade payables	27	971,138,385	1,600,615,569	-	-
Other payables, accruals and provision	24	89,794,399	71,027,427	141,710	1,721,850
Contract liabilities	26	21,808,007	24,886,900	-	-
Borrowings	25	633,914,367	960,741,530	-	-
Lease liabilities	5	4,833,925	4,029,400	-	-
Derivative financial liabilities	16	28,994,532	-	-	-
Current tax liabilities		17,557,570	48,029,508	-	-
		<u>1,768,041,185</u>	<u>2,709,330,334</u>	<u>141,710</u>	<u>1,721,850</u>
Total liabilities		<u>1,913,424,796</u>	<u>2,765,365,636</u>	<u>141,710</u>	<u>1,721,850</u>
TOTAL EQUITY AND LIABILITIES		<u>2,972,213,137</u>	<u>3,737,219,505</u>	<u>703,644,915</u>	<u>734,866,763</u>

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

Statements of Comprehensive Income

For The Financial Year Ended 31 December 2025

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	28	7,612,263,855	5,270,752,988	28,500,000	57,000,000
Cost of sales		<u>(7,362,693,635)</u>	<u>(5,022,738,750)</u>	-	-
Gross profit		249,570,220	248,014,238	28,500,000	57,000,000
Other income		98,001,677	87,853,392	2,569	992
Administrative expenses		<u>(136,894,934)</u>	<u>(98,548,570)</u>	<u>(1,408,952)</u>	<u>(2,856,501)</u>
Operating profit		210,676,963	237,319,060	27,093,617	54,144,491
Finance income	29	42,005,370	18,641,057	1,203,208	2,104,333
Finance costs	30	<u>(56,221,621)</u>	<u>(25,257,623)</u>	<u>(781,843)</u>	-
Share of profit from an associate		<u>2,908</u>	<u>2,092</u>	-	-
Profit before taxation	31	196,463,620	230,704,586	27,514,982	56,248,824
Taxation	32	<u>(54,173,274)</u>	<u>(51,497,798)</u>	<u>(176,795)</u>	<u>(586,786)</u>
Profit for the financial year		142,290,346	179,206,788	27,338,187	55,662,038
Total other comprehensive income, net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		<u>3,991</u>	<u>13,444</u>	-	-
Total comprehensive income for the financial year		<u>142,294,337</u>	<u>179,220,232</u>	<u>27,338,187</u>	<u>55,662,038</u>
Profit attributable to:					
Owners of the Company		125,067,152	160,190,024	27,338,187	55,662,038
Non-controlling interests		<u>17,223,194</u>	<u>19,016,764</u>	-	-
		<u>142,290,346</u>	<u>179,206,788</u>	<u>27,338,187</u>	<u>55,662,038</u>
Total comprehensive income attributable to:					
Owners of the Company		125,071,143	160,203,468	27,338,187	55,662,038
Non-controlling interests		<u>17,223,194</u>	<u>19,016,764</u>	-	-
		<u>142,294,337</u>	<u>179,220,232</u>	<u>27,338,187</u>	<u>55,662,038</u>
Earnings per share attributable to owners of the Company (sen)					
- Basic	33	<u>5.50</u>	<u>7.44</u>		
- Diluted	33	<u>5.50</u>	<u>7.44</u>		

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

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 December 2025

NOTE	Attributable to Owners of the Company							Total Equity RM		
	Share Capital RM	Treasury Shares RM	ESGP Reserve RM	Foreign Currency Translation Reserve RM	Merger Reserve RM	Distributable Retained Profits RM	Non- controlling Interests RM			
2025										
	Balance at beginning	698,356,757	-	512,479	13,444	(133,360,647)	382,006,941	947,528,974	24,324,895	971,853,869
	Total comprehensive income for the financial year	-	-	-	3,991	-	125,067,152	125,071,143	17,223,194	142,294,337
	Transactions with owners of the Company:									
	Dividends	-	-	-	-	-	(45,499,769)	(45,499,769)	-	(45,499,769)
	Changes in ownership interests in a subsidiary	-	-	-	-	-	(3,853,101)	(3,853,101)	5,473,101	1,620,000
	Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	30	30
	Issuance of shares to ESGP	1,640,429	-	(1,640,429)	-	-	-	-	-	-
	Purchase of treasury shares	-	(14,981,253)	-	-	-	-	(14,981,253)	-	(14,981,253)
	Recognition of equity-settled share-based payment	-	-	3,501,127	-	-	-	3,501,127	-	3,501,127
	Balance at end	699,997,186	(14,981,253)	2,373,177	17,435	(133,360,647)	457,721,223	1,011,767,121	47,021,220	1,058,788,341

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

Consolidated Statement of Changes in Equity (Cont'd)

For The Financial Year Ended 31 December 2025

NOTE	Attributable to Owners of the Company							Total Equity RM
	Share Capital RM	ESGP Reserve RM	Foreign Currency Translation Reserve RM	Merger Reserve RM	Distributable Retained Profits RM	Non- controlling Interests RM	Total RM	
2024								
	304,540,409	-	-	(133,360,647)	243,569,037	7,308,131	414,748,799	422,056,930
			13,444	-	160,190,024	19,016,764	160,203,468	179,220,232
	-	-	-	-	-	-	-	-
	-	-	-	-	(21,752,120)	(2,000,000)	(21,752,120)	(23,752,120)
34								
	670,882	(670,882)	-	-	-	-	-	-
20/22								
	396,643,848	-	-	-	-	-	396,643,848	396,643,848
22								
	-	1,183,361	-	-	-	-	1,183,361	1,183,361
20								
	(3,498,382)	-	-	-	-	-	(3,498,382)	(3,498,382)
	393,816,348	512,479	-	-	(21,752,120)	(2,000,000)	372,576,707	370,576,707
	698,356,757	512,479	13,444	(133,360,647)	382,006,941	24,324,895	947,528,974	971,853,869

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

Statement of Changes in Equity

For The Financial Year Ended 31 December 2025

	NOTE	Share Capital RM	Treasury Shares RM	Non- distributable ESGP Reserve RM	Distributable Retained Profits RM	Total Equity RM
2025						
Balance at beginning		698,356,757	-	512,479	34,275,677	733,144,913
Total comprehensive income for the financial year		-	-	-	27,338,187	27,338,187
<i>Transactions with owners of the Company:</i>						
Dividends	34	-	-	-	(45,499,769)	(45,499,769)
Issuance of shares pursuant to ESGP	20/22	1,640,429	-	(1,640,429)	-	-
Purchase of treasury shares	21	-	(14,981,253)	-	-	(14,981,253)
Recognition of equity-settled share-based payment	22	-	-	3,501,127	-	3,501,127
Balance at end		699,997,186	(14,981,253)	2,373,177	16,114,095	703,503,205
2024						
Balance at beginning		304,540,409	-	-	365,759	304,906,168
Total comprehensive income for the financial year		-	-	-	55,662,038	55,662,038
<i>Transactions with owners of the Company:</i>						
Dividends	34	-	-	-	(21,752,120)	(21,752,120)
Issuance of shares pursuant to:						
- ESGP	20/22	670,882	-	(670,882)	-	-
- Private placement	20	396,643,848	-	-	-	396,643,848
Recognition of equity-settled share-based payment	22	-	-	1,183,361	-	1,183,361
Shares issuance expenses	20	(3,498,382)	-	-	-	(3,498,382)
Balance at end		698,356,757	-	512,479	34,275,677	733,144,913

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

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	196,463,620	230,704,586	27,514,982	56,248,824
Adjustments for:				
Accretion of interest on lease liabilities	502,380	175,591	-	-
Depreciation of:				
- property, plant and equipment	46,351,837	45,394,336	-	-
- right-of-use assets	6,241,404	3,880,116	-	-
- investment properties	2,065,429	303,935	-	-
Dividend income	-	(2,992)	(28,500,000)	(57,000,000)
ESGP expenses	3,501,127	1,183,361	-	-
Fair value loss/(gain) on derivative financial assets	43,177,614	(14,183,082)	-	-
Fair value gain on short term investment	(2,569)	(16,471)	(2,569)	(16,471)
Fair value (gain)/loss on investment securities	(24,643)	163,242	-	-
(Gain)/Loss on disposal of property, plant and equipment	(348,303)	10,094	-	-
Interest expenses	55,719,241	25,082,032	781,843	-
Interest income	(42,005,370)	(18,641,057)	(1,203,208)	(2,104,333)
Inventories written down:				
- addition	1,449,531	8,534,348	-	-
- reversal	(4,121,111)	(448,182)	-	-
Property, plant and equipment written off	32,164,365	7,099,965	-	-
Share of profit from an associate	(2,908)	(2,092)	-	-
Unrealised (gain)/loss on foreign exchange	(59,580,676)	26,514,674	12,428	11,234
Operating profit/(loss) before working capital changes/Balance carried forward	281,550,968	315,752,404	(1,396,524)	(2,860,746)

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

Statements of Cash Flows (Cont'd)

For The Financial Year Ended 31 December 2025

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Operating profit/(loss) before working capital changes/Balance brought forward	281,550,968	315,752,404	(1,396,524)	(2,860,746)
Net changes in:				
Inventories	(228,960,302)	(677,809,733)	-	-
Receivables	(336,527,305)	(358,340,760)	5,421	(6,170)
Payables	(603,133,219)	1,472,506,159	(1,580,140)	1,670,290
Contract assets	1,661,956	(4,713,157)	-	-
Contract liabilities	4,800,138	34,576,733	-	-
Cash (used in)/generated from operations	(880,607,764)	781,971,646	(2,971,243)	(1,196,626)
Income tax paid	(98,141,683)	(20,962,564)	(389,514)	(1,804,096)
Interest paid	(55,719,241)	(25,082,032)	(781,843)	-
Net cash (used in)/from operating activities	(1,034,468,688)	735,927,050	(4,142,600)	(3,000,722)
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividend received	-	2,992	13,500,000	28,000,000
Investment in subsidiaries	-	-	-	(25,000,004)
Interest received	42,005,370	18,641,057	1,203,208	2,104,333
Withdrawal of fixed deposits with licensed banks	-	10,740,530	-	-
Net cash outflow on acquisition of subsidiaries	(40,312,538)	-	-	-
Proceeds from disposal of:				
- property, plant and equipment	421,732	28,000	-	-
- short term fund	2,569	16,471	2,569	16,471
- shareholding in a subsidiary to non-controlling interests	1,620,000	-	1,620,000	-
Proceeds from redemption of redeemable non-cumulative non-convertible preference shares	-	-	36,500,000	-
Purchase of:				
- investment properties	(57,506,917)	-	-	-
- property, plant and equipment	(129,557,324)	(138,287,405)	-	-
Net cash (used in)/from investing activities	(183,327,108)	(108,858,355)	52,825,777	5,120,800
Balance carried forward	(1,217,795,796)	627,068,695	48,683,177	2,120,078

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

Statements of Cash Flows (Cont'd)

For The Financial Year Ended 31 December 2025

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
Balance brought forward		(1,217,795,796)	627,068,695	48,683,177	2,120,078
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(45,499,769)	(21,752,120)	(45,499,769)	(21,752,120)
Dividends paid to non- controlling interest		-	(2,000,000)	-	-
Net change in subsidiaries' balances		-	-	23,583,482	(369,706,434)
Payment of lease liabilities	A	(6,672,918)	(4,097,772)	-	-
Purchase of treasury shares		(14,981,253)	-	(14,981,253)	-
Proceeds from issuance of shares pursuant to private placement		-	396,643,848	-	396,643,848
Proceeds from issuance of shares to non-controlling interest		30	-	-	-
Share issuance expenses		-	(3,498,382)	-	(3,498,382)
(Repayment)/Drawdown of bankers' acceptance	A	(280,919,463)	871,842,872	-	-
Repayment of hire purchase	A	(11,181,552)	(21,250,706)	-	-
Repayment of revolving credit	A	(10,000,000)	-	-	-
Drawdown of term loans	A	79,806,866	37,820,131	-	-
Repayment of term loans	A	(2,929,616)	(18,969,388)	-	-
Net cash (used in)/from financing activities		(292,377,675)	1,234,738,483	(36,897,540)	1,686,912
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,510,173,471)	1,861,807,178	11,785,637	3,806,990
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		3,991	13,444	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING		1,927,681,274	65,860,652	7,755,347	3,948,357
CASH AND CASH EQUIVALENTS AT END		417,511,794	1,927,681,274	19,540,984	7,755,347
The cash and cash equivalents are represented by:					
Cash and bank balances		417,511,794	1,927,671,274	19,540,984	7,755,347
Fixed deposits with licensed banks		-	10,000	-	-
		417,511,794	1,927,681,274	19,540,984	7,755,347

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

Statements of Cash Flows (Cont'd)

For The Financial Year Ended 31 December 2025

A. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for total liabilities arising from financing activities is as follows:

	Balance at beginning RM	Net cash flows RM	Unrealised gain on foreign exchange RM	Others ¹ RM	Balance at end RM
GROUP					
2025					
Bankers' acceptance	921,821,853	(280,919,463)	(32,820,741)	-	608,081,649
Hire purchase	15,571,295	(11,181,552)	-	-	4,389,743
Revolving credit	24,000,000	(10,000,000)	-	-	14,000,000
Term loans	37,242,619	76,877,250	-	-	114,119,869
Lease liabilities	4,370,115	(6,672,918)	-	19,392,683	17,089,880
Total liabilities arising from financing activities	<u>1,003,005,882</u>	<u>(231,896,683)</u>	<u>(32,820,741)</u>	<u>19,392,683</u>	<u>757,681,141</u>
2024					
Bankers' acceptance	38,089,162	871,842,872	11,889,819	-	921,821,853
Hire purchase	36,822,001	(21,250,706)	-	-	15,571,295
Revolving credit	24,000,000	-	-	-	24,000,000
Term loans	18,391,876	18,850,743	-	-	37,242,619
Lease liabilities	8,292,296	(4,097,772)	-	175,591	4,370,115
Total liabilities arising from financing activities	<u>125,595,335</u>	<u>865,345,137</u>	<u>11,889,819</u>	<u>175,591</u>	<u>1,003,005,882</u>

Notes:

¹ The others consists of non-cash item represented by:

	2025 RM	2024 RM
Accretion of interest on lease liabilities	502,380	175,591
Addition of lease liabilities	<u>18,890,303</u>	-
	<u>19,392,683</u>	<u>175,591</u>

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

Notes to the Financial Statements

31 December 2025

1. GENERAL INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang.

The principal place of business of the Company is located at 2005, Tingkat Perusahaan Satu, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors on 23 April 2026.

Principal Activities

The principal activities of the Company consist of investment holding. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of Measurement

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

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

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Financial Statements (Cont'd)

31 December 2025

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of Measurement (Cont'd)

Fair Value Measurement (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and Presentation Currency

Ringgit Malaysia ("RM") is the presentation currency of the Group and of the Company.

The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operations have different functional currencies.

2.4 Adoption of Amendments to MFRSs

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial years except for the adoption of the following amendments to MFRSs that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

Initial application of the above amendments to MFRSs did not have any material impact to the financial statements.

2.5 Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group and for the Company:

Effective for annual period beginning on or after 1 January 2026

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments

Annual Improvements to MFRS Accounting Standards - Volume 11

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

Effective for annual period beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosures

Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency

Notes to the Financial Statements (Cont'd)

31 December 2025

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards Issued But Not Yet Effective (Cont'd)

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards/amendments and improvements to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for *MFRS 18 Presentation and Disclosure in Financial Statements*.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to *MFRS 107 Statement of Cash Flows and MFRS 134 Interim Financial Reporting*.

The amendments will have an impact on the Group's and on the Company's presentation of statements of comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group is currently assessing the impact of *MFRS 18* and plans to adopt the new standard on the required effective date.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3.1 Judgements made in applying accounting policies

There are no significant areas of critical judgement in applying accounting policies that have any significant effect on the amount recognised in the financial statements.

3.2 Key sources of estimation uncertainty

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

(i) Useful lives of depreciable assets

The Group's major fixed assets which are subject to key sources of estimation uncertainty are its machinery and equipment. Management estimates the useful lives of these assets to be 2 to 25 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of these assets. Therefore, future depreciation charges could be revised.

The carrying amount and depreciation of plant and equipment are disclosed in Note 4 to the financial statements.

Notes to the Financial Statements (Cont'd)

31 December 2025

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (Cont'd)

(ii) Inventories

The management reviews for damage, slow-moving and obsolete inventories. This review requires judgements and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

The inventories written down are disclosed in Note 12 to the financial statements.

(iii) Provision for expected credit losses ("ECL") of trade receivables

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future.

The information about the ECL on the Group's trade receivables is disclosed in Note 38.3 (iii) to the financial statements.

Notes to the Financial Statements (Cont'd)

31 December 2025

4. PROPERTY, PLANT AND EQUIPMENT GROUP	Leasehold land RM	Buildings RM	Buildings improvements RM	Plant and machinery RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Capital work- in-progress RM	Total RM
Balance at beginning	40,661,896	80,671,266	604,013	226,256,522	111,292,798	34,450,243	6,949,593	25,005,687	525,892,018
Acquisition of a subsidiary (Note 8)	860,341	14,263,103	-	83,885,432	20,654,249	11,803,420	52,000	933,978	132,452,523
Additions	15,973,600	10,639,465	-	22,307,907	36,407,288	7,653,935	360,060	36,215,069	129,557,324
Disposals	-	-	-	(1,977,508)	(6,128)	-	-	-	(1,983,636)
Written off	-	(5,500,000)	(604,013)	(40,112,299)	(7,380,718)	(11,287,803)	-	-	(64,884,833)
Transfer to investment properties (Note 6)	(10,951,250)	(10,074,395)	-	-	-	-	-	-	(21,025,645)
Reclassification	-	41,158,375	-	-	-	-	-	(41,158,375)	-
Balance at end	46,544,587	131,157,814	-	290,360,054	160,967,489	42,619,795	7,361,653	20,996,359	700,007,751
Accumulated depreciation									
Balance at beginning	1,849,544	6,668,037	191,118	120,164,358	46,194,994	15,121,124	4,388,080	-	194,577,255
Acquisition of a subsidiary (Note 8)	438,455	6,844,067	-	71,173,221	19,714,425	9,715,172	52,000	-	107,937,340
Current charge	739,069	1,693,027	5,309	20,211,370	18,591,543	4,222,799	888,720	-	46,351,837
Disposals	-	-	-	(1,905,781)	(4,426)	-	-	-	(1,910,207)
Written off	-	(295,494)	(196,427)	(27,541,005)	(2,008,872)	(2,678,670)	-	-	(32,720,468)
Transfer to investment properties (Note 6)	(181,914)	(159,581)	-	-	-	-	-	-	(341,495)
Balance at end	2,845,154	14,750,056	-	182,102,163	82,487,664	26,380,425	5,328,800	-	313,894,262
Carrying amount	43,699,433	116,407,758	-	108,257,891	78,479,825	16,239,370	2,032,853	20,996,359	386,113,489

Notes to the Financial Statements (Cont'd)

31 December 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2024	Leasehold land RM	Buildings RM	Buildings improvements RM	Plant and machinery RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Capital work- in-progress RM	Total RM
At cost									
Balance at beginning	10,210,646	64,888,468	604,013	214,701,351	77,658,247	25,356,334	6,320,000	-	399,739,059
Additions	30,451,250	20,882,798	-	17,790,163	34,099,070	9,428,844	629,593	25,005,687	138,287,405
Disposals	-	-	-	(69,000)	-	-	-	-	(69,000)
Written off	-	(5,100,000)	-	(6,165,992)	(464,519)	(334,935)	-	-	(12,065,446)
Balance at end	40,661,896	80,671,266	604,013	226,256,522	111,292,798	34,450,243	6,949,593	25,005,687	525,892,018
Accumulated depreciation									
Balance at beginning	1,227,646	5,030,149	169,883	100,604,430	33,052,324	10,617,535	3,477,339	-	154,179,306
Current charge	621,898	1,730,373	21,235	24,238,093	13,238,858	4,633,138	910,741	-	45,394,336
Disposals	-	-	-	(30,906)	-	-	-	-	(30,906)
Written off	-	(92,485)	-	(4,647,259)	(96,188)	(129,549)	-	-	(4,965,481)
Balance at end	1,849,544	6,668,037	191,118	120,164,358	46,194,994	15,121,124	4,388,080	-	194,577,255
Carrying amount	38,812,352	74,003,229	412,895	106,092,164	65,097,804	19,329,119	2,561,513	25,005,687	331,314,763

Notes to the Financial Statements (Cont'd)

31 December 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (i) The leasehold land and buildings of the Group are pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 25 to the financial statements.
- (ii) The carrying amount of property, plant and equipment acquired under hire purchase as disclosed in Note 25 to the financial statements are as follows:

	GROUP	
	2025 RM	2024 RM
Plant and machinery	10,850,794	27,315,038
Motor vehicles	65,104	153,067
Furniture and fittings	-	195,824
	<u>10,915,898</u>	<u>27,663,929</u>

- (iii) On 29 May 2023, a wholly-owned subsidiary of NationGate Solution (M) Sdn. Bhd. ("NSM"), NationGate System Sdn. Bhd. ("NSY") has entered into a Sale and Purchase Agreement with a third party to acquire leasehold land and buildings for a total purchase consideration of RM10,500,000. The transaction has been completed during the financial year.
- (iv) On 23 June 2025, a wholly-owned subsidiary of the Company, NSM has entered into a Sale and Purchase Agreement with a third party to acquire leasehold land and buildings for a total purchase consideration of RM13,500,000. The transaction has been completed during the financial year.
- (v) Included in the property, plant and equipment written off is an amount of **RM17,106,716** (2024: RM5,100,000) arising from the demolition of certain assets during the financial year following the management's assessment that these assets were no longer in use. In addition, plant and machinery with a carrying amount of **RM12,568,966** (2024: RM Nil) were written off during the financial year following the retirement of obsolete production assets. The property, plant and equipment written off was recognised in the statements of comprehensive income under cost of sales.
- (vi) The information of right-of-use assets included in property, plant and equipment are as follows:

	Carrying amount RM	Additions RM	Acquisition of a subsidiary RM	Current depreciation RM
GROUP				
2025				
Leasehold land	<u>43,699,433</u>	<u>15,973,600</u>	<u>421,886</u>	<u>739,069</u>
2024				
Leasehold land	<u>38,812,352</u>	<u>30,451,250</u>	<u>-</u>	<u>621,898</u>

Material accounting policy information

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Notes to the Financial Statements (Cont'd)

31 December 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Leasehold land and buildings	Amortise over the lease period of 22 to 56 years
Building improvements	Amortise over the lease period of the leasehold land and buildings
Plant and machinery (including solar photovoltaic "PV" system)	4% - 50%
Furniture and fittings	8% - 33.33%
Renovation	2% - 20%
Motor vehicles	16% - 20%

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Group as a lessee

The Group has lease contracts for premises used as warehouse and factory for its operations which generally have lease terms of 1 year with the option to extend the lease for another 3 years. The Group expects that it is reasonably certain that it will exercise the options to extend the leases and has factored the extension options as part of the lease term for the leases of warehouse and factory. The lease contracts restrict the Group from assigning and subleasing the leased assets.

The Group also has leases of hostel, factory premises and factory equipment with lease terms of 12 months or less and leases of office equipment of low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Right-of-use assets

Set out below are the carrying amount of right-of-use assets recognised and the movements during the financial year:

GROUP

	Warehouse and factory	
	2025 RM	2024 RM
Balance at beginning	4,203,459	8,083,575
Addition	18,890,303	-
Depreciation	(6,241,404)	(3,880,116)
Balance at end	<u>16,852,358</u>	<u>4,203,459</u>

Notes to the Financial Statements (Cont'd)

31 December 2025

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Lease liabilities

Set out below are the carrying amount of lease liabilities recognised and the movements during the financial year:

	GROUP	
	2025	2024
	RM	RM
Balance at beginning	4,370,115	8,292,296
Addition	18,890,303	-
Accretion of interest	502,380	175,591
Payment	<u>(6,672,918)</u>	<u>(4,097,772)</u>
Balance at end	<u>17,089,880</u>	<u>4,370,115</u>
Represented by:		
Non-current liabilities	12,255,955	340,715
Current liabilities	<u>4,833,925</u>	<u>4,029,400</u>
	<u>17,089,880</u>	<u>4,370,115</u>

The maturity analysis of lease liabilities is disclosed in Note 38.4 to the financial statements.

The following are amounts recognised in profit or loss:

	GROUP	
	2025	2024
	RM	RM
Accretion of interest on lease liabilities	502,380	175,591
Depreciation of right-of-use assets	6,241,404	3,880,116
Lease payments on:		
- low-value assets	897,816	62,335
- short-term leases	<u>3,364,245</u>	<u>634,634</u>
Total amount recognised in profit or loss	<u>11,005,845</u>	<u>4,752,676</u>

The Group's total cash outflows for leases amounted to **RM10,934,979** (2024: RM4,794,741).

Material accounting policy information

Right-of-use assets

The Group recognises right-of-use asset at the commencement date of the lease (i.e., the date of the underlying assets are available for use). Right-of-use asset is measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset over 4 years.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Short-term leases and leases of low-value assets

The Group applies recognition exemption for short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the Financial Statements (Cont'd)

31 December 2025

6. INVESTMENT PROPERTIES

GROUP

	Leasehold land RM	Buildings RM	Total RM
2025			
At cost			
Balance at beginning	4,113,615	11,852,035	15,965,650
Addition	-	57,506,917	57,506,917
Transfer from property, plant and equipment (Note 4)	10,951,250	10,074,395	21,025,645
Balance at end	<u>15,064,865</u>	<u>79,433,347</u>	<u>94,498,212</u>
Accumulated depreciation			
Balance at beginning	329,406	1,127,507	1,456,913
Current charge	515,830	1,549,599	2,065,429
Transfer from property, plant and equipment (Note 4)	181,914	159,581	341,495
Balance at end	<u>1,027,150</u>	<u>2,836,687</u>	<u>3,863,837</u>
Carrying amount	<u>14,037,715</u>	<u>76,596,660</u>	<u>90,634,375</u>
2024			
At cost	<u>4,113,615</u>	<u>11,852,035</u>	<u>15,965,650</u>
Accumulated depreciation			
Balance at beginning	250,171	902,807	1,152,978
Current charge	79,235	224,700	303,935
Balance at end	<u>329,406</u>	<u>1,127,507</u>	<u>1,456,913</u>
Carrying amount	<u>3,784,209</u>	<u>10,724,528</u>	<u>14,508,737</u>

(i) Group as a lessor

The Group has entered into operating leases on its investment properties. The leases are having fixed term range from 1 year to 3 years with an option to renew the lease for another 3 years.

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

	GROUP	
	2025 RM	2024 RM
Rental income from income generating properties	4,560,506	1,620,000
Direct operating expenses	<u>133,070</u>	<u>61,726</u>

Notes to the Financial Statements (Cont'd)

31 December 2025

6. INVESTMENT PROPERTIES (CONT'D)

(i) Group as a lessor (Cont'd)

Future minimum rental receivables under a non-cancellable operating lease are as follows:

	GROUP	
	2025 RM	2024 RM
Within one year	8,659,440	1,620,000
More than one year and less than five years	12,642,020	675,000
	<u>21,301,460</u>	<u>2,295,000</u>

(ii) Investment properties are pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 25 to the financial statements.

(iii) The fair value of investment properties for disclosure purposes are disclosed in Note 39.2 to the financial statements.

Material accounting policy information

Investment properties are initially measured at cost, including transaction costs. Cost includes expenditures that are directly attributable to the acquisition of the investment property.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of investment properties is provided on a straight-line basis to write off the cost of each property to its residual value over its estimated useful lives, at the following annual rates:

Leasehold land	Amortise over the lease period of 25 and 51 years
Buildings	2% - 4%

7. GOODWILL

The goodwill is allocated to the Group's cash-generating unit ("CGU") arising from acquisition of NationGate Plus Sdn. Bhd. (formerly known as Valeo Malaysia CDA Sdn. Bhd.) ("NPS") as follows:

	GROUP	
	2025 RM	2024 RM
Arising from acquisition of a subsidiary (Note 8(i))	<u>16,767,973</u>	<u>-</u>

The recoverable amount of the CGU is determined based on the fair value of NPS. Accordingly, no impairment loss is required for the goodwill arising from the acquisition of NPS.

Notes to the Financial Statements (Cont'd)

31 December 2025

8. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2025 RM	2024 RM
Unquoted shares, at cost		
Balance at beginning	179,160,653	154,160,649
Addition	-	25,000,004
Disposal	(1,620,000)	-
Balance at end	177,540,653	179,160,653
Unquoted redeemable non-cumulative non-convertible preference shares ("RNCNCPS")		
Balance at beginning	517,500,000	-
Issuance	-	517,500,000
Redemption	(36,500,000)	-
Balance at end	481,000,000	517,500,000
Employee share grant program ("ESGP") granted to the employees of subsidiaries	4,684,488	1,183,361
	663,225,141	697,844,014

The details of the subsidiaries, which was incorporated and its principal place of business in Malaysia, except indicated below, are as follows:

Name of entities	Effective Equity Interest		Principal Activities
	2025	2024	
NationGate Solution (M) Sdn. Bhd. ("NSM")	100%	100%	Assembly and testing of electronic components and products.
NationGate Computing Sdn. Bhd. ("NCS")	51%	60%	Manufacture of server, network switches and other electronic components.
CloudGate Technology Sdn. Bhd. ("CGT")	100%	100%	Dormant. The intended principal activity is in the assembly and testing of electronic components and products.
NationGate Land Sdn. Bhd. ("NLS")	100%	100%	Warehousing, manufacturer, general carriers, agents, importers and exporters, wholesalers and retailers and general trading.
* CloudGate System Pte. Ltd. ("CGS") (Incorporated in Singapore)	100%	100%	Dormant. The intended principal activity is sales and trading of electronic devices.
Indirect - held through NSM NationGate System Sdn. Bhd. ("NSY")	100%	100%	Assembly and testing of electronic components and products and semiconductor devices.
Indirect - held through NCS NationGate TT (M) Sdn. Bhd. ("NTT")	35.7%	-	Research and development on engineering and technology and manufacturing of electronic applications components.
Indirect - held through NSY * NPS	100%	-	Manufacturing of plastic injection moulded parts/ components, printed circuit board assemblies, final test and assembly of modules and products.

* Not audited by Grant Thornton Malaysia PLT

Notes to the Financial Statements (Cont'd)

31 December 2025

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(i) Acquisition of NPS

On 24 December 2025, a wholly-owned subsidiary of the Company, NSY has entered into a Sales and Purchase Agreement with Valeo Management to acquire the entire equity interest in NPS for a cash consideration of RM60,888,000 as disclosed in Note 42(ii) to the financial statements. The acquisition has been completed on 31 December 2025 and NSY has fully paid the purchase consideration to Valeo Management.

The management of the Company believed that the acquisition of NPS will enable the Group to expand its existing business operation.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of NPS as at the date of acquisition were as follows:

	Fair value RM	Carrying amount RM
Property, plant and equipment	24,515,183	24,515,183
Deferred tax assets	68,829	68,829
Inventories	9,818,378	9,818,378
Trade receivables	19,172,429	19,172,429
Other receivables, deposits and prepayments	2,125,093	2,125,093
Current tax assets	786,880	786,880
Cash and bank balances	20,575,462	20,575,462
Trade payables	(17,665,649)	(17,665,649)
Other payables, accruals and provision	(11,497,151)	(11,497,151)
Contract liabilities	(3,779,427)	(3,779,427)
Total identifiable net assets at fair value	<u>44,120,027</u>	
Purchase consideration transferred	<u>(60,888,000)</u>	
Goodwill arising from acquisition	<u>(16,767,973)</u>	

The purchase price allocation for this acquisition is still incomplete and the Group is currently in the process of finalising its identification and measurement of all intangible assets and its allocated goodwill. Thus, the net identifiable assets were determined on a provisional basis as the final results of the independent valuation have not been finalised as at the date of this report. The Group has up to 12 months to complete such purchase price allocation. Accordingly, on a provisional basis, a goodwill of RM16,797,973 is recognised and the carrying amount of the intangible assets, property, plant and equipment and the amortisation of the property, plant and equipment will be adjusted accordingly on a retrospectively basis when the valuation is finalised.

The goodwill of RM16,797,973 comprises the value of expected synergies arising from the acquisition by way of strengthening the Group's market position in the industrial product.

Acquisition-related costs

Transaction costs of RM468,120 were expensed off and are included in administrative expenses.

Impact of the acquisition on the Statements of Comprehensive Income

From the date of acquisition, NPS had resulted RM Nil to the Group's revenue and profit before taxation respectively for the financial year. If the acquisition had occurred on 1 January 2025, the Group's revenue would have been increased by RM147,442,174 and the Group's profit before taxation would have been increased by RM25,048,765 for the financial year.

Notes to the Financial Statements (Cont'd)

31 December 2025

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(i) Acquisition of NPS (Cont'd)

Analysis of cash flows on acquisition

	RM
Cash paid (included in cash flows from investing activities)	(60,888,000)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	<u>20,575,462</u>
Net cash inflow on acquisition	<u>(40,312,538)</u>

(ii) Subscriptions of ordinary shares in subsidiaries

2024

(a) On 8 February 2024, the Company has entered into a Share Sale Agreement with Heap Seong Chan Company Sdn. Berhad to acquire 2,000,000 ordinary shares, representing 100% equity interest of NLS, for a total purchase consideration of RM25,000,000. The acquisition had been completed during the financial year.

(b) On 14 March 2024, the Company had subscribed to 2 ordinary shares in CGS representing 100% equity interest in CGS for a total cash consideration of RM4.

(iii) Subscriptions of RNCNCPS issued by subsidiaries

2024

The Company has subscribed the RNCNCPS issued by its subsidiaries by way of offsetting with the amount due from subsidiaries as shown follows:

Subsidiaries	Number of RNCNCPS	Amount of RNCNCPS RM
2024		
NSM	143,700,000	143,700,000
NSY	<u>373,800,000</u>	<u>373,800,000</u>
	<u>517,500,000</u>	<u>517,500,000</u>

(iv) Redemptions of RNCNCPS issued by subsidiaries

2025

On 24 December 2025, the Company has redeemed 3,700,000 and 32,800,000 RNCNCPS issued by NSM and NSY for a cash consideration of RM3,700,000 and RM32,800,000 respectively.

(v) Disposal of partial equity interest in NCS

On 13 January 2025, the Company has disposed of 1,620,000 ordinary shares, representing 9% equity interest in NCS, to the minority shareholder of NCS for a cash consideration of RM1,620,000. Subsequent to the disposal, the equity interest held by the Company in NCS reduced from 60% to 51%.

Notes to the Financial Statements (Cont'd)

31 December 2025

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(vi) Subsidiary with material non-controlling interests ("NCI")

The Group's subsidiary, NCS, has material NCI which is set out as follows.

	2025	NCS	2024
Carrying amount of NCI (RM)	48,943,361		24,324,895
Profit allocated to NCI (RM)	19,145,365		19,016,764
Equity interest held by NCI	<u>49%</u>		<u>40%</u>

The summarised financial information presented below is the amount before intercompany elimination.

	2025	2024
	RM	RM
Assets and liabilities		
Non-current assets	32,729,019	19,156,700
Non-current liabilities	(21,942,808)	(10,284,350)
Current assets	1,550,159,371	263,612,761
Current liabilities	<u>(1,460,947,968)</u>	<u>(211,649,588)</u>
Net assets	<u>99,997,614</u>	<u>60,835,523</u>
Results		
Revenue	<u>2,364,682,048</u>	<u>1,000,284,363</u>
Net profit for the financial year, representing total comprehensive income for the financial year	<u>39,072,174</u>	<u>47,541,909</u>
Net cash (used in)/from:		
Operating activities	(475,576,602)	(58,608,759)
Investing activities	(5,840,709)	(14,013,339)
Financing activities	<u>510,758,851</u>	<u>89,014,810</u>
Net change in cash and cash equivalents	<u>29,341,540</u>	<u>16,392,712</u>
Other information		
Dividend paid to NCI	<u>-</u>	<u>2,000,000</u>

Material accounting policy information

Investment in subsidiaries are measured in the Company's statement of financial position at cost less any impairment.

Notes to the Financial Statements (Cont'd)

31 December 2025

9. INVESTMENT IN AN ASSOCIATE

	GROUP	
	2025 RM	2024 RM
Unquoted shares, at cost	396,601	396,601
Share of post-acquisition result	3,603	695
	<u>400,204</u>	<u>397,296</u>

Details of the associate, which is incorporated and its principal place of business is in Malaysia, is as follows:

Name of entity	Effective Equity Interest		Principal Activities
	2025	2024	
NationGate Integration (M) Sdn. Bhd. ("NIM")	40%	40%	Dormant. The intended principal activity is the provision of electronics manufacturing services activities.

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

	2025 RM	2024 RM
Financial position as at 31 December		
Assets and liabilities		
Current assets	1,005,732	999,350
Current liabilities	(5,222)	(6,109)
Net assets	<u>1,000,510</u>	<u>993,241</u>
Summary of financial performance for the financial year ended 31 December		
Profit for the financial year, representing total comprehensive income	<u>7,269</u>	<u>5,232</u>
Reconciliation of net assets to carrying amount		
As at 31 December		
Group's share of net assets, representing carrying amount in the statements of financial position	<u>400,204</u>	<u>397,296</u>
Group's share of results for the financial year ended 31 December		
Group's share of profit	<u>2,908</u>	<u>2,092</u>

Contingent liabilities and capital commitments

The associate has no contingent liabilities or capital commitments as at the end of the reporting period.

Material accounting policy information

The Group's investment in an associate is accounted for using the equity method. In the Company's separate financial statements, investment in an associate is measured at cost less any impairment losses.

Notes to the Financial Statements (Cont'd)

31 December 2025

10. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP	
	2025 RM	2024 RM
Balance at beginning	3,108,000	(9,600,000)
Acquisition of a subsidiary	68,829	-
Recognised in profit or loss	8,816,215	12,319,000
	<u>11,993,044</u>	<u>2,719,000</u>
(Over)/Under provision in prior year	(3,543,215)	389,000
	<u>8,449,829</u>	<u>3,108,000</u>

The recognised deferred tax assets/(liabilities), after appropriate offsetting, are as follows:

	GROUP	
	2025 RM	2024 RM
Deferred tax assets	11,538,829	10,624,000
Deferred tax liabilities	(3,089,000)	(7,516,000)
	<u>8,449,829</u>	<u>3,108,000</u>

The deferred tax assets/(liabilities) as at the end of the reporting period are represented by the temporary differences arising from the following:

	GROUP	
	2025 RM	2024 RM
Property, plant and equipment	(11,586,000)	(11,743,000)
Contract assets	-	(106,000)
Contract liabilities	9,261,000	3,929,000
Others	10,774,829	11,028,000
	<u>8,449,829</u>	<u>3,108,000</u>

11. AMOUNT DUE FROM SUBSIDIARIES

	COMPANY	
	2025 RM	2024 RM
Non-current assets		
Amount due from subsidiaries		
- Interest bearing at 4.72% (2024: 5.13%) per annum	5,353,451	-
- Non-interest bearing	268,654	-
	<u>5,622,105</u>	<u>-</u>
Current assets		
Amount due from subsidiaries		
- Interest bearing at Nil (2024: 5.13%) per annum	-	218,015
- Non-interest bearing	15,000,000	29,000,000
	<u>15,000,000</u>	<u>29,218,015</u>
Total	<u>20,622,105</u>	<u>29,218,015</u>

Notes to the Financial Statements (Cont'd)

31 December 2025

11. AMOUNT DUE FROM SUBSIDIARIES (CONT'D)

The amount due from subsidiaries is non-trade related, unsecured, and classified based on the expected timing of realisation.

The currency profile of the amount due from subsidiaries is as follows:

	COMPANY	
	2025 RM	2024 RM
Ringgit Malaysia	20,622,105	29,050,000
Singapore Dollar	-	168,015
	<u>20,622,105</u>	<u>29,218,015</u>

12. INVENTORIES

	GROUP	
	2025 RM	2024 RM
At cost:		
Raw materials	537,710,094	293,167,903
Work-in-progress	248,286,317	220,549,980
Finished goods	350,498,687	134,485,963
Goods-in-transit	4,902,493	251,743,485
	<u>1,141,397,591</u>	<u>899,947,331</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	7,365,365,215	5,014,652,584
Inventories written down:		
- Addition	1,449,531	8,534,348
- Reversal	(4,121,111)	(448,182)

The reversal of inventories written down was made when the related inventories were consumed in the production of goods or sold.

Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of all inventories is calculated using the weighted average cost method.

13. TRADE RECEIVABLES

The currency profile of the trade receivables is as follows:

	GROUP	
	2025 RM	2024 RM
Ringgit Malaysia	557,900,146	182,468,225
United States Dollar ("US Dollar")	231,692,279	311,609,896
Euro	24,613,220	-
	<u>814,205,645</u>	<u>494,078,121</u>

The normal credit terms granted to trade receivables range from **7 to 120 days** (2024: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

Included in the trade receivables is an amount of **RM80,000** (2024: RM67,805) due from a company in which a director the Company has substantial financial interests.

Notes to the Financial Statements (Cont'd)

31 December 2025

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Other receivables	37,900,334	2,154,553	-	4,420
Deposits	4,184,263	4,097,699	1,000	1,000
Prepayments	11,452,948	18,148,844	749	1,750
	53,537,545	24,401,096	1,749	7,170

- (i) Included in the other receivables of the Group is an amount of **RM32,898,061** (2024: RM Nil) receivables from the suppliers in respect of the goods returned during the financial year.
- (ii) Included in the deposits of the Group is an amount of **RM Nil** (2024: RM1,050,000) paid to a third party for the acquisition of industrial premises pursuant to the Sale and Purchase Agreement dated 29 May 2023 entered by NSY for a purchase consideration of RM10,500,000. The transaction has been completed during the financial year.
- (iii) Included in the prepayments of the Group is an amount of **RM Nil** (2024: RM3,389,900) being the partial purchase consideration paid for the acquisition of industrial premises as disclosed in Note 14(ii) to the financial statements. The transaction has been completed during the financial year.

The currency profile of the other receivables, deposits and prepayments is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	17,219,355	17,201,785	1,749	7,170
US Dollar	36,295,132	6,856,172	-	-
Singapore Dollar	22,117	23,002	-	-
Chinese Yuan	-	319,218	-	-
Euro	941	919	-	-
	53,537,545	24,401,096	1,749	7,170

15. CONTRACT ASSETS

	GROUP	
	2025 RM	2024 RM
Balance at beginning	13,095,468	8,382,311
Increase as a result of recognising revenue	11,433,512	13,095,468
Decrease due to issuance of sales invoices	(13,095,468)	(8,382,311)
Balance at end	11,433,512	13,095,468

Contract assets are in respect of goods delivered but not yet invoiced. Provisions of the contract entered with the customer enable the Group the right to invoice goods delivered to the customer's destination point 60 days from the date of delivery regardless of whether the goods are picked up by the customer. As such, revenue is recognised at point of delivery since the Group has satisfied all its performance obligations.

Notes to the Financial Statements (Cont'd)

31 December 2025

16. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

The Group enters into foreign currency forward contracts to manage its exposure to purchases transactions that are denominated in US Dollar. Foreign currency forward contracts are recognised as derivatives, categorised as fair value through profit or loss ("FVTPL") and are measured at their fair values with gains or losses recognised in the profit or loss. The foreign currency forward contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure. Such derivatives do not qualify for hedge accounting.

During the financial year, the Group recognised a loss of **RM43,177,614** (2024: gain of RM14,183,082) arising from fair value changes of derivative (liabilities)/assets. The fair value changes are attributable to changes in foreign exchange spot and forward rate. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 39.1 to the financial statements.

Notional amount	Derivative (liabilities)/assets amount RM	Settlement date	Terms	Forward rates
GROUP				
2025				
RM1,441,810,648 (equivalent to USD397,735,045)	(28,994,532)	10.2.2026 to 21.10.2026	41 to 351 days	RM4.05 to RM4.21/USD
2024				
RM405,420,313 (equivalent to USD94,000,000)	14,183,082	10.1.2025 to 5.5.2025	84 to 125 days	RM4.40 to RM4.47/ USD

17. INVESTMENT SECURITIES

	GROUP	
	2025 RM	2024 RM
Financial assets at FVTPL:		
Shares quoted in Malaysia	153,000	84,000
Shares quoted outside Malaysia	1,264	1,643
Quoted warrants in Malaysia	1,572	4,200
Quoted redeemable preference shares in Malaysia	-	41,400
Total investment securities	155,836	131,243

The currency profile of the investment securities is as follows:

	GROUP	
	2025 RM	2024 RM
Ringgit Malaysia	154,572	129,600
Singapore Dollar	1,264	1,643
	155,836	131,243

Notes to the Financial Statements (Cont'd)

31 December 2025

17. INVESTMENT SECURITIES (CONT'D)

Material accounting policy information

Investment securities are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

18. FIXED DEPOSIT WITH A LICENSED BANK

The fixed deposit with a licensed bank is denominated in Ringgit Malaysia.

In prior year, the effective interest rate per annum and maturity of fixed deposit with a licensed bank at the end of the reporting period is 3.50% per annum and 6 months respectively.

19. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash in hand	18,598	65,864	2	2
Cash at bank	409,183,198	1,884,765,594	19,540,982	7,755,345
Repo	8,309,998	42,839,816	-	-
	417,511,794	1,927,671,274	19,540,984	7,755,347

The currency profile of the cash and bank balances is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	184,803,160	244,458,470	19,540,984	7,755,347
US Dollar	230,642,082	1,683,163,661	-	-
Euro	2,019,570	-	-	-
Singapore Dollar	46,982	49,143	-	-
	417,511,794	1,927,671,274	19,540,984	7,755,347

The effective interest rates per annum and maturities of repo at the end of reporting period range from **2.25% to 3.50%** (2024: 2.90% to 2.95%) per annum and **1 day** (2024: 1 day) respectively.

20. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2025	2024	2025 RM	2024 RM
Issued and fully paid with no par value:				
Balance at beginning	2,276,679,510	2,073,933,300	698,356,757	304,540,409
Issuance of shares pursuant to:				
- Private placement	-	202,369,310	-	396,643,848
- Employee share grant program ("ESGP")	965,300	376,900	1,640,429	670,882
Share issuance expenses	-	-	-	(3,498,382)
Balance at end	2,277,644,810	2,276,679,510	699,997,186	698,356,757

Notes to the Financial Statements (Cont'd)

31 December 2025

20. SHARE CAPITAL (CONT'D)

2025

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM698,356,757 to RM699,997,186 by way of issuance of 965,300 new ordinary shares pursuant to ESGP. The related fair value of the ESGP amounting to RM1,640,429 was transferred from the ESGP reserve to share capital upon vesting of ESGP.

2024

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM304,540,409 to RM698,356,757 by way of issuance of:

- (i) 202,369,310 new ordinary shares through a private placement at an issue price of RM1.96 per ordinary share; and
- (ii) 376,900 new ordinary shares pursuant to ESGP. The related fair value of the ESGP amounting to RM670,882 was transferred from the ESGP reserve to share capital upon vesting of ESGP.

21. TREASURY SHARES

The Company's mandate relating to the share buyback of up to 10% of the existing total paid-up share capital, inclusive of all treasury shares that have been bought back, was approved by the shareholders of the Company at the annual general meeting held on 29 May 2025.

During the financial year, the Company repurchased 15,000,000 units of its issued ordinary shares from the open market for a total consideration of RM14,981,253, including transaction costs of RM46,803. The average price paid for the shares repurchased was approximately RM0.99563 per share and was financed by internally generated funds. The shares repurchased are held as treasury shares and treated in accordance with the requirements of Section 127(6) of the Companies Act 2016.

Out of the total 2,277,644,810 issued and paid-up ordinary shares as at 31 December 2025, 15,000,000 ordinary shares are held as treasury shares by the Company.

As at the end of the reporting period, the number of outstanding ordinary shares in issue and fully paid after the set off is therefore 2,262,644,810 ordinary shares.

Treasury shares have no rights to voting, dividends and participation in other distribution.

22. RESERVES

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable:					
ESGP reserve	22.1	2,373,177	512,479	2,373,177	512,479
Foreign currency translation reserve	22.2	17,435	13,444	-	-
Merger reserve	22.3	(133,360,647)	(133,360,647)	-	-
		<u>(130,970,035)</u>	<u>(132,834,724)</u>	<u>2,373,177</u>	<u>512,479</u>

Notes to the Financial Statements (Cont'd)

31 December 2025

22. RESERVES (CONT'D)

22.1 ESGP reserve

The ESGP reserve represents the value of equity-settled shares granted to employees of certain subsidiaries. This reserve is made up of the cumulative value of services received from employees recorded on the grant date of shares granted and is reduced by the vesting of share grants.

22.2 Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operation whose functional currency is different from that of the Group's presentation currency.

22.3 Merger reserve

The merger reserve arose from the difference between the carrying value of the investment and the nominal value of the shares of a subsidiary upon consolidation under the merger accounting principles.

23. RETAINED PROFITS

The franking of dividends is under the single tier system and therefore there is no restriction to distribute dividends subject to the availability of retained profits.

24. OTHER PAYABLES, ACCRUALS AND PROVISION

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current liabilities:				
Other payables				
- Retention sum payable	<u>1,418,954</u>	-	-	-
Current liabilities:				
Other payables				
- Third parties	34,495,543	32,530,330	31,960	1,620,000
- Related parties	1,696,701	830,610	-	-
Accruals	45,687,709	31,877,214	109,750	101,850
Deposits received	3,154,717	1,055,848	-	-
Provision for product attrition				
Balance at beginning	4,733,425	2,980,284	-	-
Additions during the financial year	26,304	1,753,141	-	-
Balance at end	<u>4,759,729</u>	<u>4,733,425</u>	-	-
Total current other payables, accruals and provision	<u>89,794,399</u>	<u>71,027,427</u>	<u>141,710</u>	<u>1,721,850</u>
Total other payables, accruals and provision	<u>91,213,353</u>	<u>71,027,427</u>	<u>141,710</u>	<u>1,721,850</u>

Notes to the Financial Statements (Cont'd)

31 December 2025

24. OTHER PAYABLES, ACCRUALS AND PROVISION (CONT'D)

The currency profile of other payables, accruals and provision is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	81,309,109	57,015,734	141,710	1,721,850
US Dollar	9,173,532	12,623,462	-	-
Euro	487,141	7,747	-	-
Japanese Yen	232,512	1,318,044	-	-
Singapore Dollar	11,059	55,586	-	-
Chinese Yuan	-	6,854	-	-
	91,213,353	71,027,427	141,710	1,721,850

Related parties refers to companies in which a director of the Company has substantial financial interests. The amount is unsecured, non-interest bearing and with credit term range from **7 to 90 days** (2024: 30 to 90 days).

25. BORROWINGS

	GROUP	
	2025 RM	2024 RM
Non-current liabilities		
Secured:		
Hire purchase	473,684	6,366,190
Term loans	106,203,210	31,528,047
	106,676,894	37,894,237
Current liabilities		
Secured:		
Bankers' acceptance	608,081,649	921,821,853
Hire purchase	3,916,059	9,205,105
Revolving credit	14,000,000	24,000,000
Term loans	7,916,659	5,714,572
	633,914,367	960,741,530
Total borrowings	740,591,261	998,635,767

The currency profile of borrowings is as follows:

	GROUP	
	2025 RM	2024 RM
Ringgit Malaysia	208,913,989	121,156,914
US Dollar	531,677,272	877,478,853
	740,591,261	998,635,767

Notes to the Financial Statements (Cont'd)

31 December 2025

25. BORROWINGS (CONT'D)

The borrowings of the Group, except for hire purchase, are secured by way of:

- (i) Legal charge over certain leasehold land, building and investment properties of the Group as disclosed in Note 4 and 6 to the financial statements respectively; and
- (ii) Corporate guarantees of the Company.

The hire purchases is secured over the leased assets as disclosed in Note 4 to the financial statements.

A summary of the effective interest rates and the maturities of the borrowings are as follows:

	Effective interest rates per annum (%)	Total RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM	More than 5 years RM
GROUP						
2025						
Bankers' acceptance	3.85 to 5.33	608,081,649	608,081,649	-	-	-
Hire purchase	2.08 to 3.10	4,389,743	3,916,059	473,684	-	-
Revolving credit	4.52 to 4.75	14,000,000	14,000,000	-	-	-
Term loans	4.05 to 5.04	114,119,869	7,916,659	11,610,409	23,849,482	70,743,319
2024						
Bankers' acceptance	3.40 to 5.82	921,821,853	921,821,853	-	-	-
Hire purchase	1.68 to 3.10	15,571,295	9,205,105	5,967,183	399,007	-
Revolving credit	4.20 to 5.36	24,000,000	24,000,000	-	-	-
Term loans	4.30 to 5.13	37,242,619	5,714,572	6,394,821	10,237,448	14,895,778

26. CONTRACT LIABILITIES

	GROUP	
	2025 RM	2024 RM
Deposits received from customers	5,265,616	18,900,228
Service-type warranties	38,485,199	16,271,022
	43,750,815	35,171,250
Represented by:		
Non-current liabilities	21,942,808	10,284,350
Current liabilities	21,808,007	24,886,900
	43,750,815	35,171,250

Notes to the Financial Statements (Cont'd)

31 December 2025

26. CONTRACT LIABILITIES (CONT'D)

26.1 Deposits received from customers

	GROUP	
	2025 RM	2024 RM
Balance at beginning	18,900,228	594,517
Acquisition of a subsidiary	3,779,427	-
Decrease on recognition of revenue	(19,903,461)	(492,533)
Increase on receiving deposits for sales orders	2,489,422	18,798,244
Balance at end	<u>5,265,616</u>	<u>18,900,228</u>

When the Group receives a deposit before production commences, this will give rise to contract liabilities at the start of a contract. The deposit will be reversed and recognised as revenue upon satisfying the performance obligation within the contract.

The performance obligation arising from all deposits received are expected to be satisfied within one year.

26.2 Service-type warranties

	GROUP	
	2025 RM	2024 RM
Balance at beginning	16,271,022	-
Decrease on recognition of revenue	(9,458,068)	(1,688,994)
Increase on receiving payments for the warranties	31,672,245	17,960,016
Balance at end	<u>38,485,199</u>	<u>16,271,022</u>
Represented by:		
Non-current liabilities	21,942,808	10,284,350
Current liabilities	16,542,391	5,986,672
	<u>38,485,199</u>	<u>16,271,022</u>

Service-type warranties relate to the consideration received from the customers for the provision of warranties for the purchases of the products of the Group, which revenue is recognised over time, which the warranty period is covered.

27. TRADE PAYABLES

The currency profile of trade payables is as follows:

	GROUP	
	2025 RM	2024 RM
Ringgit Malaysia	9,025,202	3,199,395
US Dollar	958,661,481	1,596,552,521
Euro	3,344,376	761,704
Japanese Yen	71,001	83,252
Singapore Dollar	36,325	-
Pound Sterling	-	18,697
	<u>971,138,385</u>	<u>1,600,615,569</u>

The normal credit terms granted by trade payables range from **7 to 120 days** (2024: 30 to 120 days) and they are non-interest bearing.

Notes to the Financial Statements (Cont'd)

31 December 2025

28. REVENUE

28.1 Disaggregation revenue information

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Type of goods and services:				
Provision of assembly and testing of electronic components and products	7,602,805,787	5,268,842,442	-	-
Sales of service-type warranties	9,458,068	1,688,994	-	-
Total revenue from contracts with customers	7,612,263,855	5,270,531,436	-	-
Dividend income from subsidiaries	-	-	28,500,000	57,000,000
Rental income	-	221,552	-	-
Total other revenue	-	221,552	28,500,000	57,000,000
Total revenue	7,612,263,855	5,270,752,988	28,500,000	57,000,000
			GROUP	
			2025 RM	2024 RM
Timing of revenue recognition:				
At point in time			7,602,805,787	5,268,842,442
Over time			9,458,068	1,688,994
Total revenue from contracts with customers			7,612,263,855	5,270,531,436
Geographical markets of revenue:				
Malaysia			6,516,589,513	3,044,112,474
Singapore			698,138,427	1,760,649,747
Ireland			143,558,272	-
United States of America			67,407,132	61,096,461
Germany			43,564,098	43,311,395
Other Asia Pacific countries			111,384,646	322,117,533
Canada			7,394,610	5,920,103
Turkey			7,327,648	-
United Kingdom			5,949,864	2,252,030
Denmark			5,494,920	3,722,910
France			4,262,014	5,912,634
Seychelles			-	20,861,447
Others			1,192,711	574,702
Total revenue from contracts with customers			7,612,263,855	5,270,531,436

Notes to the Financial Statements (Cont'd)

31 December 2025

28. REVENUE (CONT'D)

28.2 Contract balances

	GROUP	
	2025 RM	2024 RM
Trade receivables (Note 13)	814,205,645	494,078,121
Contract assets (Note 15)	11,433,512	13,095,468
Contract liabilities (Note 26)	<u>(43,750,815)</u>	<u>(35,171,250)</u>

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially satisfied) at the end of the reporting date, is as follow:

	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 year and less than 5 years RM	Total RM
GROUP				
2025				
Contract liabilities	<u>21,808,007</u>	<u>14,804,204</u>	<u>7,138,604</u>	<u>43,750,815</u>
2024				
Contract liabilities	<u>24,886,900</u>	<u>5,986,672</u>	<u>4,297,678</u>	<u>35,171,250</u>

28.3 Performance obligation

The performance obligations of the Group for each type of goods or services have been disclosed in the material accounting policy information below.

Material accounting policy information

(i) **Provision of assembly and testing of electronic components and products**

Revenue from provision of assembly and testing of electronic components and products includes the manufacturing and assembling of electronic components and revenue is recognised at a point in time upon shipment or delivery to a dedicated destination point.

(ii) **Sale of service-type warranties**

The Group provides a warranty beyond fixing defects that existed at the time of sale of goods. These service-type warranties are sold together with the sale of goods. Contracts for bundled sales of goods and service-type warranties comprise two performance obligations because the goods and service-type warranties are both sold on a stand-alone basis and are distinct within the context of the contract. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranties and recognised as a contract liability in the statements of financial position. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

Notes to the Financial Statements (Cont'd)

31 December 2025

29. FINANCE INCOME

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest income from:				
- Subsidiaries	-	-	922,900	2,032,434
- Fixed deposits with licensed banks and repo	42,005,370	18,641,057	280,308	71,899
	42,005,370	18,641,057	1,203,208	2,104,333

30. FINANCE COSTS

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Accretion of interest on lease liabilities	502,380	175,591	-	-
Interest expenses on:				
- Bankers' acceptance	51,701,909	21,259,638	-	-
- Bank overdraft	22,026	22,812	-	-
- Hire purchase	622,449	1,829,455	-	-
- Amount due to subsidiaries	-	-	781,843	-
- Revolving credit	856,868	1,135,054	-	-
- Term loan	2,515,989	835,073	-	-
	56,221,621	25,257,623	781,843	-

31. PROFIT BEFORE TAXATION

This is arrived at:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
After charging:				
Fees for statutory audit:				
- Grant Thornton Malaysia PLT				
- Current year	307,000	248,000	45,000	40,000
- Under provision in prior year	-	2,500	-	-
- Other auditor	10,138	8,586	-	-
Fees for assurance related and non-audit services:				
- Grant Thornton Malaysia PLT	3,000	43,000	3,000	43,000
- Affiliate of Grant Thornton Malaysia PLT	57,500	53,000	5,000	5,000
- Other auditor	950	1,030	-	-

Notes to the Financial Statements (Cont'd)

31 December 2025

31. PROFIT BEFORE TAXATION (CONT'D)

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Depreciation of:				
- property, plant and equipment	46,351,837	45,394,336	-	-
- right-of-use assets	6,241,404	3,880,116	-	-
- investment properties	2,065,429	303,935	-	-
Directors' fee	195,000	195,000	195,000	195,000
Inventories written down:				
- addition	1,449,531	8,534,348	-	-
- reversal	(4,121,111)	(448,182)	-	-
Fair value loss on derivative financial liabilities	43,177,614	-	-	-
Fair value loss on investment securities	-	163,242	-	-
Property, plant and equipment written off	32,164,365	7,099,965	-	-
Preliminary expenses	5,258	-	-	-
Lease payments for:				
- low-value assets	897,816	62,335	-	-
- short-term leases	3,364,245	634,634	-	-
Loss on disposal of property, plant and equipment	-	10,094	-	-
Loss on foreign exchange:				
- realised	-	-	138	-
- unrealised	-	26,514,674	12,428	11,234
* Staff costs	150,318,670	122,290,579	52,000	54,900
And crediting:				
Dividend income	-	2,992	-	-
Fair value gain on derivative financial assets	-	14,183,082	-	-
Fair value gain on investment securities	24,643	-	-	-
Fair value gain on short term investment	2,569	16,471	2,569	16,471
Gain on disposal of property, plant and equipment	348,303	-	-	-
Gain on foreign exchange:				
- realised	20,047,193	68,266,164	-	927
- unrealised	59,580,676	-	-	-
Unwinding discount on trade receivable	10,686,365	-	-	-
Rental income	4,560,506	1,761,452	-	-
* Staff costs				
- Salaries, overtime, allowances, bonus and other related expenses	136,761,426	112,917,370	52,000	54,900
- Contributions to defined contribution plans ("EPF")	7,848,675	6,585,695	-	-
- Social security contributions ("SOCSO")	2,117,699	1,528,562	-	-
- Employment insurance scheme ("EIS")	89,743	75,591	-	-
- ESGP expenses	3,501,127	1,183,361	-	-
	150,318,670	122,290,579	52,000	54,900

Notes to the Financial Statements (Cont'd)

31 December 2025

31. PROFIT BEFORE TAXATION (CONT'D)

Included in the staff costs of the Group and of the Company are executive and non-executive directors' emoluments as shown below:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Executive directors:				
Directors of the Company				
- Salaries and bonus	1,204,000	1,168,000	-	-
- EPF	230,400	233,600	-	-
- ESGP expenses	42,035	31,228	-	-
	1,476,435	1,432,828	-	-
Directors of the subsidiaries				
- Salaries and bonus	846,016	705,300	-	-
- EPF	115,596	174,160	-	-
- ESGP expenses	56,773	49,072	-	-
	1,018,385	928,532	-	-
Total executive directors' remuneration	2,494,820	2,361,360	-	-
Non-executive directors:				
Directors of the Company				
- Allowances	52,000	54,900	52,000	54,900
Total executive and non-executive directors' remuneration	2,546,820	2,416,260	52,000	54,900

The estimated money value of benefits-in-kind received or receivable by the directors of the Company and the director of a subsidiary during the financial year amounted to **RM35,625** (2024: RM35,625) and **RM16,000** (2024: RM15,000) respectively.

32. TAXATION

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysian income tax:				
Based on results for the financial year				
- Current tax	(75,013,690)	(64,384,589)	(285,747)	(586,786)
- Deferred tax relating to the origination and reversal of temporary differences	8,816,215	12,319,000	-	-
	(66,197,475)	(52,065,589)	(285,747)	(586,786)
Over/(Under) provision in prior year				
- Current tax	15,567,416	178,791	108,952	-
- Deferred tax	(3,543,215)	389,000	-	-
	12,024,201	567,791	108,952	-
	(54,173,274)	(51,497,798)	(176,795)	(586,786)

Notes to the Financial Statements (Cont'd)

31 December 2025

32. TAXATION (CONT'D)

The reconciliation of taxation of the Group and of the Company are as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before taxation	196,463,620	230,704,586	12,514,982	56,248,824
Share of profit of an associate	(2,908)	(2,092)	-	-
	196,460,712	230,702,494	12,514,982	56,248,824
Income tax at Malaysian statutory tax rate of 24%	(47,150,571)	(55,368,599)	(3,003,596)	(13,499,718)
Income not subject to tax	-	3,414,733	3,240,000	13,681,061
Expenses not deductible for tax purpose	(24,762,114)	(4,199,629)	(522,151)	(768,129)
Pioneer income not subject to tax [^]	-	85,712	-	-
Deferred tax assets recognised on reinvestment allowance	2,357,289	-	-	-
Utilisation of reinvestment allowance	3,357,921	4,002,194	-	-
	(66,197,475)	(52,065,589)	(285,747)	(586,786)
Over provision in prior year	12,024,201	567,791	108,952	-
	(54,173,274)	(51,497,798)	(176,795)	(586,786)

[^] NSY has been granted pioneer status under the Promotion of Investments Act, 1986 by the Malaysian Industrial Development Authority which exempts 70% of statutory income in relation to the production of its products for the period from 1 July 2020 to 30 June 2025.

33. EARNINGS PER SHARE

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the Group's profit attributable to the owners of the Company by the weighted average number of shares in issue, excluding treasury shares, at the end of the financial year as follows:

	GROUP	
	2025	2024
Profit attributable to the owners of the Company (RM)	125,067,152	160,190,024
Weighted average number of shares in issue, excluding treasury shares	2,275,653,525	2,153,648,750
Basic earnings per share (sen)	5.50	7.44

Notes to the Financial Statements (Cont'd)

31 December 2025

33. EARNINGS PER SHARE (CONT'D)

(ii) Diluted earnings per share

The diluted earnings per share is calculated by dividing the profit for the financial year by the weighted average number of ordinary shares in issue, excluding treasury shares, during the financial year after adjusting for the dilutive effects of all potential ordinary shares as follows:

	GROUP	
	2025	2024
Profit attributable to the owners of the Company (RM)	<u>125,067,152</u>	<u>160,190,024</u>
Weighted average number of shares in issue, excluding treasury shares	2,275,653,525	2,153,648,750
Adjustment for conversion of ESGP	-	74,208
	<u>2,275,653,525</u>	<u>2,153,722,958</u>
Diluted earnings per share (sen)	<u>5.50</u>	<u>7.44</u>

34. DIVIDENDS

	COMPANY	
	2025 RM	2024 RM
In respect of the financial year ended 31 December 2023		
- Final single tier dividend of 0.25 sen per ordinary share	-	5,184,833
In respect of the financial year ended 31 December 2024		
- First interim single tier dividend of 0.25 sen per ordinary share	-	5,184,833
- Second interim single tier dividend of 0.25 sen per ordinary share	-	5,690,756
- Third interim single tier dividend of 0.25 sen per ordinary share	-	5,691,698
- Final single tier dividend of 0.25 sen per ordinary share	5,691,698	-
- Special single tier dividend of 1.0 sen per ordinary share	22,766,767	-
In respect of the financial year ended 31 December 2025		
- First interim single tier dividend of 0.25 sen per ordinary share	5,691,698	-
- Second interim single tier dividend of 0.25 sen per ordinary share	5,692,995	-
- Third interim single tier dividend of 0.25 sen per ordinary share	5,656,611	-
	<u>45,499,769</u>	<u>21,752,120</u>

Notes to the Financial Statements (Cont'd)

31 December 2025

34. DIVIDENDS (CONT'D)

Subsequent to the financial year end, the Company had declared the following dividends:

- (i) Fourth interim single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 December 2025 amounting to RM5,656,611 on 25 February 2026 and paid on 26 March 2026; and
- (ii) Special single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2025 amounting to RM22,626,448 on 16 March 2026 and payable on 17 April 2026.

The current financial statements do not reflect these declared dividends. Such declared dividends will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

35. OPERATING SEGMENT

The management determines the business segments based on the reports reviewed and used by the directors for strategic decisions making and resources allocation.

The Group has only one reportable business segment of manufacturing, which relates principally to the provision of electronic manufacturing services ("EMS"). This segment mainly comprises the assembly and testing of electronic components and products to produce completed printed circuit boards, semi-finished sub-assemblies, fully assembled electronic products (under *NSM, NSY, NCS and NPS*) and semiconductor devices (under *NSY*). Accordingly, no business segmental information is presented.

Other operating segments that do not meet the quantitative thresholds of an individual reporting segment consist of investment holding and others. Accordingly, these segments are not presented as a separate reportable segments as they are not material to the Group.

Geographical segments

Revenue of the Group based on geographical location of its customers are disclosed in Note 28 to the financial statements. The Group's non-current assets are entirely located in Malaysia.

Major customer

There is no single customer that contributed to 10% or more of the Group's revenue during the financial year.

36. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group has related party relationship with its subsidiaries, key management personnel and the following parties:

Related parties

Nation Robo Sdn. Bhd.
SkyGate Precision (M) Sdn. Bhd.
SkyGate Sciences Sdn. Bhd.
SkyGate Integration Sdn. Bhd.
VS Solution Services Sdn. Bhd.

Relationship

Companies in which a director of the Company has substantial financial interests.

Notes to the Financial Statements (Cont'd)

31 December 2025

36. RELATED PARTY DISCLOSURES (CONT'D)

(ii) Related party transactions

Related party transactions have been entered into at terms agreed between the parties during the financial year.

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Staff cost charged to:				
- SkyGate Integration Sdn. Bhd.	80,000	-	-	-
Purchase from:				
- VS Solution Services Sdn. Bhd.	914,755	557,424	-	-
- SkyGate Integration Sdn. Bhd.	1,165,129	-	-	-
Purchase of property, plant and equipment from:				
- VS Solution Services Sdn. Bhd.	1,566,830	1,526,811	-	-
Rental payment to:				
- Nation Robo Sdn. Bhd.	2,177,549	-	-	-
- SkyGate Precision Sdn. Bhd.	890,147	-	-	-
- SkyGate Sciences Sdn. Bhd.	4,125,091	3,338,253	-	-
Dividend receivable/received from subsidiaries	-	-	28,500,000	57,000,000
Interest receivable/received from subsidiaries	-	-	922,900	2,032,434
Interest expenses paid to subsidiaries	-	-	781,843	-
Net advances to/(from) subsidiaries	-	-	23,583,482	(369,706,434)

(iii) Compensation of key management personnel

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly and entity that provides key management personnel services to the Group and the Company.

Key management personnel includes all the directors of the Company and its subsidiaries and certain members of senior management of the Group.

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' fee	195,000	195,000	195,000	195,000
Salaries, allowances and bonus	2,712,651	2,721,170	52,000	54,900
EPF	439,900	494,411	-	-
ESGP expenses	98,808	119,558	-	-
	3,446,359	3,530,139	247,000	249,900
Analysed as:				
- Directors	2,741,820	2,611,260	247,000	249,900
- Key management personnel	704,539	918,879	-	-
	3,446,359	3,530,139	247,000	249,900

Notes to the Financial Statements (Cont'd)

31 December 2025

36. RELATED PARTY DISCLOSURES (CONT'D)

(iii) Compensation of key management personnel (Cont'd)

The key management personnel have been granted with the following number of share grants:

	GROUP	
	2025	2024
	Number of ESGP	
Balance at end	176,800	-
Granted	245,300	268,000
Vested	(78,200)	(40,200)
Forfeited	-	(51,000)
	<u>343,900</u>	<u>176,800</u>

The ESGP were granted on the same terms and conditions as those offered to other employees of the Group, as disclosed in Note 41 to the financial statements.

37. CAPITAL COMMITMENT

	GROUP	
	2025	2024
	RM	RM
Contracted but not provided for:		
- Leasehold land	-	4,302,671
- Buildings	106,781,002	66,246,984
- Plant and machinery	3,395,989	29,036,377
- Renovation	-	109,560
- Furniture and fitting	3,718,344	2,580,125
	<u>113,895,335</u>	<u>102,275,717</u>

Notes to the Financial Statements (Cont'd)

31 December 2025

38. FINANCIAL INSTRUMENTS

38.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") and FVTPL.

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2025			
Financial assets			
Trade receivables	814,205,645	814,205,645	-
Other receivables and refundable deposits	42,084,597	42,084,597	-
Investment securities	155,836	-	155,836
Cash and bank balances	417,511,794	417,511,794	-
	1,273,957,872	1,273,802,036	155,836
Financial liabilities			
Trade payables	971,138,385	971,138,385	-
Other payables and accruals	86,453,624	86,453,624	-
Derivative financial liabilities	28,994,532	-	28,994,532
Borrowings	740,591,261	740,591,261	-
	1,827,177,802	1,798,183,270	28,994,532
2024			
Financial assets			
Trade receivables	494,078,121	494,078,121	-
Other receivables and refundable deposits	5,202,252	5,202,252	-
Investment securities	131,243	-	131,243
Derivative financial assets	14,183,082	-	14,183,082
Fixed deposits with licensed banks	10,000	10,000	-
Cash and bank balances	1,927,671,274	1,927,671,274	-
	2,441,275,972	2,426,961,647	14,314,325
Financial liabilities			
Trade payables	1,600,615,569	1,600,615,569	-
Other payables and accruals	66,294,002	66,294,002	-
Borrowings	998,635,767	998,635,767	-
	2,665,545,338	2,665,545,338	-

Notes to the Financial Statements (Cont'd)

31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Categories of financial instruments (Cont'd)

	Carrying amount RM	AC RM	FVTPL RM
COMPANY			
2025			
Financial assets			
Other receivables and refundable deposits	1,000	1,000	-
Amount due from subsidiaries	20,622,105	20,622,105	-
Cash and bank balances	19,540,984	19,540,984	-
	40,164,089	40,164,089	-
Financial liability			
Other payables and accruals	141,710	141,710	-
2024			
Financial assets			
Other receivables and refundable deposits	5,420	5,420	-
Amount due from subsidiaries	29,218,015	29,218,015	-
Cash and bank balances	7,755,347	7,755,347	-
	36,978,782	36,978,782	-
Financial liability			
Other payables and accruals	1,721,850	1,721,850	-

38.2 Financial risk management

The Group is exposed to a variety of financial risks arising from its operations and use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

38.3 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises principally from its trade receivables.

(i) Credit risk concentration profile

The Group's major concentration of credit risk that accounted for 10% or more of total trade receivables at the end of reporting period is as follows:

	GROUP	
	2025	2024
Number of customers	2	1
Percentage of trade receivables	79%	35%

Notes to the Financial Statements (Cont'd)

31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.3 Credit risk (Cont'd)

(ii) Exposure to credit risk

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

(iii) Assessment of allowance for ECL

(a) Trade receivables

Credit risk arising from trade customers is addressed by the application of credit evaluation and close monitoring procedures by the management. The Group typically gives the existing customers credit terms of **7 to 120 days** (2024: 30 to 120 days). In deciding whether credit terms shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness.

New customers are subject to a credit evaluation process and existing customers' risk profiles are reviewed regularly with a view to setting appropriate terms of trade and credit limits. Where appropriate, further sales are suspended and legal actions are taken to attempt recoveries and mitigate losses.

In addition, as set out in Note 2.6.2 (iii), the Group assesses allowance for ECL under MFRS 9 on trade receivables based on a provision matrix, the expected loss rates are based on the payment profile for sales in the past as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

The ageing of trade receivables of the Group is as follows:

	GROUP	
	2025	2024
	RM	RM
Not past due	770,145,452	393,438,038
1 to 30 days past due	22,720,423	52,659,741
31 to 60 days past due	3,157,347	17,690,630
61 to 90 days past due	2,227,608	3,220,478
Past due more than 90 days	15,954,815	27,069,234
	44,060,193	100,640,083
	814,205,645	494,078,121

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record. None of the trade receivables that are neither past due nor impaired has been renegotiated during the financial year.

The Group has trade receivables amounting to **RM44,060,193** (2024: RM100,640,083) that are past due at the end of the reporting period but not impaired as the management is of the view that these past due amounts will be collected in due course.

Notes to the Financial Statements (Cont'd)

31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.3 Credit risk (Cont'd)

(iii) Assessment of allowance for ECL (Cont'd)

(b) Intercompany balances

The Company provides advances to its subsidiaries and monitors their results regularly.

The maximum exposure to credit risk is represented by the carrying amount in the Company's statement of financial position.

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of these advances.

(c) Financial guarantees

The Company had issued unsecured financial guarantees to licensed banks for banking facilities granted as follows:

	COMPANY	
	2025	2024
	RM	RM
Corporate guarantee given to licensed banks for banking facilities granted to subsidiaries		
- Limit	<u>2,881,682,270</u>	<u>1,715,882,585</u>
- Utilisation	<u>743,479,620</u>	<u>1,046,077,626</u>

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment. The directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

38.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

Notes to the Financial Statements (Cont'd)

31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.4 Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
GROUP						
2025						
<i>Non-derivative financial liabilities</i>						
Trade payables	971,138,385	971,138,385	971,138,385	-	-	-
Other payables and accruals	86,453,624	86,453,624	85,034,670	1,418,954	-	-
Borrowings	740,591,261	770,433,193	638,196,345	16,039,507	33,876,576	82,320,765
Lease liabilities	17,089,880	18,573,936	5,543,381	5,201,900	7,828,655	-
Financial guarantee*	-	743,479,620	743,479,620	-	-	-
	1,815,273,150	2,590,078,758	2,443,392,401	22,660,361	41,705,231	82,320,765
<i>Derivative financial liabilities</i>						
Foreign currency forward contracts	28,994,532	28,994,532	28,994,532	-	-	-
Total undiscounted financial liabilities	1,844,267,682	2,619,073,290	2,472,386,933	22,660,361	41,705,231	82,320,765
2024						
<i>Non-derivative financial liabilities</i>						
Trade payables	1,600,615,569	1,600,615,569	1,600,615,569	-	-	-
Other payables and accruals	66,294,002	66,294,002	66,294,002	-	-	-
Borrowings	998,635,767	1,009,656,340	963,319,402	13,817,011	14,405,869	18,114,058
Lease liabilities	4,370,115	4,439,253	4,097,772	341,481	-	-
Financial guarantee*	-	1,046,077,626	1,046,077,626	-	-	-
Total undiscounted financial liabilities	2,669,915,453	3,727,082,790	3,680,404,371	14,158,492	14,405,869	18,114,058

* This has been included for illustration purpose only as the related financial guarantees have not crystallised as at the end of the reporting period.

The financial liabilities of the Company as at the end of the reporting period will mature in less than one year based on the carrying amounts reflected in the financial statements.

Notes to the Financial Statements (Cont'd)

31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.5 Interest rate risk

The Group's fixed rate instruments are exposed to a risk of change in their fair values due to changes in interest rates. The Group's and the Company's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's and the Company's interest-bearing financial instruments based on their carrying amounts as at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed rate instruments				
Financial assets	8,309,998	42,849,816	-	-
Financial liabilities	<u>612,471,392</u>	<u>937,393,148</u>	<u>-</u>	<u>-</u>
Floating rate instruments				
Financial assets	-	-	5,353,451	218,015
Financial liabilities	<u>128,119,869</u>	<u>61,242,619</u>	<u>-</u>	<u>-</u>

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss nor designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have impacted the Group's and the Company's profit before taxation and equity by the amount shown below and a corresponding decrease would have an equal but opposite effect. These changes are considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables remain constant.

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
(Decrease)/Increase in profit before taxation	<u>(320,300)</u>	<u>(153,107)</u>	<u>13,384</u>	<u>545</u>
(Decrease)/Increase in equity	<u>(243,428)</u>	<u>(116,361)</u>	<u>10,172</u>	<u>414</u>

38.6 Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than the Group's functional currency. The currency giving rise to this risk is primarily the US Dollar. The Group also maintains US Dollar denominated bank account to facilitate the deposits of the Group's revenue denominated in US Dollar as well as to pay for purchases denominated in US Dollar. The Group mitigates the exposure to this risk by entering into foreign currency forward contracts.

Notes to the Financial Statements (Cont'd)

31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.6 Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonable possible change in the foreign currencies exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit before taxation and equity. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have affected profit before taxation and equity by the amount shown below and a corresponding weakening of the RM would have an equal but opposite effect.

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
US Dollar	102,987,732	48,502,511	-	-
Other currencies	(2,252,168)	185,796	-	16,802
Increase/(Decrease) in profit before taxation	<u>100,735,564</u>	<u>48,688,307</u>	<u>-</u>	<u>16,802</u>
Increase/(Decrease) in equity	<u>76,559,039</u>	<u>37,003,113</u>	<u>-</u>	<u>12,769</u>

38.7 Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's financial assets designated at FVTPL will fluctuate because of changes in market prices. Equity price risk arises from the Group's other investments which are the quoted equity securities.

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the executive directors of the Company.

Sensitivity analysis for equity price risk

A 5% increase in share prices of the quoted equity securities at the end of the reporting period, with all other variables held constant, would have impacted on the Group's profit before taxation and equity by the amount shown below, and a decrease would have an equal but opposite effect, arising as a result of higher/lower fair value gain on investment securities.

	GROUP	
	2025 RM	2024 RM
Increase in profit before taxation and equity	<u>7,792</u>	<u>6,562</u>

39. FAIR VALUE MEASUREMENT

39.1 Fair value measurement of financial instruments

The carrying amounts of financial assets and financial liabilities (other than investments in quoted financial instruments and derivative financial (liabilities)/assets) of the Group and of the Company as at the end of the reporting period approximate their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the non-current portion of hire purchase are reasonable approximation of fair values due to their insignificant impact of discounting.

Notes to the Financial Statements (Cont'd)

31 December 2025

39. FAIR VALUE MEASUREMENT (CONT'D)

39.1 Fair value measurement of financial instruments (Cont'd)

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

	Fair value of financial instruments			Total RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
GROUP					
2025					
Financial asset					
Investment securities	155,836	-	-	155,836	155,836
Financial liability					
Derivative financial liabilities	-	28,994,532	-	28,994,532	28,994,532
2024					
Financial assets					
Investment securities	131,243	-	-	131,243	131,243
Derivative financial assets	-	14,183,082	-	14,183,082	14,183,082
	131,243	14,183,082	-	14,314,325	14,314,325

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

Fair value measurement

Investment securities

The investments in quoted securities are quoted in an active market which are carried at fair value by reference to their quoted closing bid price at the end of the reporting period.

Derivative financial assets/(liabilities)

The derivative financial assets/(liabilities) arising from the fair value changes on the foreign currency forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the current contract using a risk-free interest rate.

Notes to the Financial Statements (Cont'd)

31 December 2025

39. FAIR VALUE MEASUREMENT (CONT'D)

39.2 Fair value measurement of non-financial assets

The following table shows the levels within the hierarchy of non-financial assets for which fair value is disclosed as at the end of the reporting period:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Carrying amount RM
GROUP					
2025					
Investment properties	-	-	92,500,000	92,500,000	90,634,375
2024					
Investment properties	-	-	13,600,000	13,600,000	14,508,737

The fair value for investment properties for disclosure purposes is categorised under Level 3 of the fair value hierarchy (refer to Note 2.2 to the financial statements for definition of fair value hierarchy). The fair value is derived based on appraisal performed by independent professional valuers using the Comparison Approach for its existing use. The Comparison Approach entails comparing the land with similar properties that were sold recently and is adjusted for positive and negative factors of time (market improvement), location, size and tenure of the property.

The building is valued by taking into consideration of the estimated cost to construct a new similar building based on market prices for materials, labour and contractor's overhead. From this total, depreciation is then deducted using an appropriate rate to take into consideration the age of the building, physical deterioration, obsolescence and economic factors. The most significant input into this valuation approach is price per square foot of comparable properties.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

40. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy remain unchanged and are to maintain a strong capital base to support its businesses and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust its capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts.

The Group considers its total equity and total loans and borrowings to be the key components of its capital structure and monitor capital using a debt-to-equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP	
	2025 RM	2024 RM
Total borrowings	740,591,261	998,635,767
Total equity	1,058,788,341	971,853,869
Gearing ratio (times)	0.70	1.03

Notes to the Financial Statements (Cont'd)

31 December 2025

41. EMPLOYEE SHARE GRANT PROGRAM ("ESGP")

The establishment of ESGP under Long Term Incentive Plan ("LTIP") of up to 15% of the Company's total number of issued shares for eligible directors and employees of the Group was approved by the shareholders of the Company at an Extraordinary General Meeting held on 20 July 2023. The LTIP is governed by the By-Laws and it shall be in force for a period of 5 years from 1 December 2023. The directors may, if the directors deem fit and upon the recommendation of the LTIP committee, extend the LTIP for a period of up to a maximum of 5 years immediately from the expiry of the first 5 years, provided that the LTIP does not exceed a maximum period of 10 years in its entirety.

The salient features of the LTIP are as follows:

- (i) The total number of new ordinary shares which are available to be issued under the LTIP shall not exceed 15% of the total issued and fully paid-up share capital of the Company (excluding treasury shares) at any time throughout the duration of the ESGP.
- (ii) The number of new ordinary shares of the Company allocated to any employee or director ("Eligible Persons") of the Group, either singly or collectively through persons connected with such Eligible Persons who holds 20% or more of the issued and paid-up share capital of the Company (excluding any treasury shares) does not exceed 10% of the total number of new ordinary shares to be issued under the ESGP.
- (iii) The new ordinary shares of the Company allocated to the directors and senior management of the Company and of its subsidiaries shall not exceed 70% of the total number of new ordinary shares to be issued under the ESGP.
- (iv) The director and senior management of the Group shall not participate in the deliberation or discussion of their respective allocation.
- (v) Eligible Persons of the Group, as at the date of award, must be at least 18 years of age and is not an undischarged bankrupt; employed by the Group on full-time basis or serving in a specific designation under an employment contract and has not served a notice of resignation or received notice of termination; been in employment of the Group for a period of at least 6 months prior to the date of award and must be a confirmed employee. LTIP Committee may determine any other criteria for the Eligible Persons from time to time.
- (vi) A grantee shall not be entitled to any dividends, rights and/or other distributions on his/her unvested ESGP.
- (vii) The shares arising upon vesting of ESGP shall, upon allotment and issuance, rank *pari passu* in all respects with the existing shares of the Company.
- (viii) The shares arising upon vesting of ESGP will not be subjected to any retention period or restriction on transfer unless otherwise as stated in the LTIP Awards as determined by the LTIP Committee. An eligible director who is a non-executive director shall not sell, transfer or assign the ESGP granted to him within 1 year from the date of award.
- (ix) The number of ESGP may be adjusted as a result of any alteration in capital structure of the Company by way of a capitalisation of profits or reserves, rights issue, bonus issue or subdivision of the share capital of the Company or reduction in share capital, if any, made by the Company.
- (x) The ESGP price shall be determined by the LTIP Committee based on the fair value of the ESGP, which will take into account, amongst others, the market price of the shares of the Company as at or prior to the award date of ESGP.
- (xi) The ESGP may be terminated by the Company at any time before the date of expiry without obtaining the approvals or consents from the Eligible Persons or shareholders.

Notes to the Financial Statements (Cont'd)

31 December 2025

41. EMPLOYEE SHARE GRANT PROGRAM ("ESGP") (CONT'D)

As at 31 December 2025, the movement of the ESGP during the financial year is as follows:

Grant date	Number of ESGP				Balance at 31.12.2025
	Balance at 1.1.2025	Granted	Vested	Forfeited	
28.8.2024	2,203,710	-	(446,600)	(249,310)	1,507,800
1.7.2025	-	3,580,000	(518,700)	-	3,061,300

42. SIGNIFICANT EVENTS

- (i) On 14 July 2025, an order to inspect, search, and seize under Section 31(1) of the Malaysian Anti-Corruption Commission Act 2009 from Malaysian Anti-Corruption Commission ("MACC") was issued to NationGate Solution (M) Sdn Bhd ("NSM") at the premises of NSM, a wholly-owned subsidiary of the Company, as part of their ongoing investigation.

NSM has on 20 January 2026 received a notification dated 19 January 2026 from the IRBM that the investigation has been completed and NSM's records are proper. NSM's bank account that has been previously earmarked by the MACC has been regularised.

- (ii) On 24 December 2025, the NationGate System Sdn. Bhd. ("NSY") has entered into a Sale and Purchase Agreement ("Agreement") with Valeo Management to acquire the entire equity interest in Valeo Malaysia CDA Sdn. Bhd. ("Valeo") for a cash consideration of RM60,888,000. The acquisition has been completed on 31 December 2025 and the Company has fully paid the purchase consideration to Valeo Management. Valeo had subsequently changed its name to NationGate Plus Sdn. Bhd.

Pursuant to the Sale and Purchase Agreement, the final purchase price shall be determined as follows:

- (a) In the event the audited amount of Valeo as at 31 December 2025 computed based on the Adjustment Formula as stated in the Agreement is more than 110% of RM60,888,000, the final purchase price shall be equal to the amount computed by the auditor;
- (b) In the event the audited amount of Valeo as at 31 December 2025 computed based on the Adjustment Formula as stated in the Agreement is less than 90% of RM60,888,000, the final purchase price shall be equal to the amount computed by the auditor; and
- (c) In the event the audited amount of Valeo as at 31 December 2025 computed based on the Adjustment Formula as stated in the Agreement within 10% of RM60,888,000, no adjustment is required to the purchase consideration.

As at the date of this report, the final purchase price has yet to be determined, as the amount of Valeo as at 31 December 2025 is still in the process of being audited and finalised. As at 31 December 2025, unaudited amount of Valeo computed based on the Adjustment Formula as stated in the Agreement is within 10% of RM60,888,000. Accordingly, no contingent consideration has been recognised and there is no adjustment to the purchase consideration and goodwill as at 31 December 2025.

43. EVENT AFTER THE REPORTING PERIOD

On 15 January 2025, a wholly-owned subsidiary of the Company, CGT had subscribed 51% equity interest in NationGate Inc.

List of Properties

No.	Postal address / Title details	Description / Existing use	Land area (Sq Ft)	Tenure	Approximate Age of Building (Years)	Carrying Amount (RM'000)	Date of Acquisition
(a)	PT 76 held under HSD 44452 ("PT 76") & Lot 9168 held under PN 10342 ("Lot 9168"), all in Mukim 01, Daerah Seberang Perai Tengah, Negeri Pulau Pinang bearing the postal address of 1413, Solok Perusahaan 1, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Industrial land with a single storey detached factory annexed with a single storey factory office Industrial land with office, storage space and manufacturing facilities for NSM	59,910	PT 76: Leasehold 99 years (expiring on 27 November 2073) Lot 9168: Leasehold 60 years (expiring on 07 September 2070)	33 years	6,399	18 November 2019
(b)	PT 1076, Mukim 01, Daerah Seberang Perai Tengah, Pulau Pinang held under HSD 44098 bearing the postal address of 2422, Solok Perusahaan 1, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Industrial land with a double-storey office block annexed with 1½-storey detached factory office, storage space and manufacturing facilities for NSM	43,727	Leasehold 60 years (expiring on 21 February 2042)	33 years	6,909	18 November 2019
(c)	Lot 683, Mukim 01, Daerah Seberang Perai Tengah, Negeri Pulau Pinang held under PN 1338, bearing the postal address of 1415, Lorong Perusahaan 1, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Industrial land with a double-storey detached factory cum office block	84,798	Leasehold 99 years (expiring on 22 August 2072)	52 years	14,205	12 October 2020
(d)	Plot 44, 45, 46 & 47, Mukim 01, Daerah Seberang Perai Tengah, Negeri Pulau Pinang held under HSD 44436 bearing the postal address of 2005, Tingkat Perusahaan 1, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Industrial land with a three-storey detached office block annexed with double-storey detached factory, doublestorey detached guard house and single-storey guard house, pump house, chemical house and TNB sub-station leasehold office, storage space and manufacturing facilities for NSM	124,712	Leasehold 99 years (expiring on 14 May 2072)	53 years	52,813	09 June 2017

List of Properties (Cont'd)

No.	Postal address / Title details	Description / Existing use	Land area (Sq Ft)	Tenure	Approximate Age of Building (Years)	Carrying Amount (RM'000)	Date of Acquisition
(e)	PT 2995, Mukim 01, Daerah Seberang Perai Tengah, Pulau Pinang held under HSD 30937 bearing the postal address of 2496, Lorong Perusahaan Baru 2, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Industrial land with a single-storey detached factory, office-cum-warehouse, warehouse, guard house, TNB sub-station, pump house, car & motorcycle shed	188,385	Leasehold 60 years (expiring on 18 September 2049)	24 years	76,430	1 August 2023
(f)	Plot 49, 50, 51, 52, 53 & 54, Mukim 01, Daerah Seberang Perai Tengah, Negeri Pulau Pinang held under HSD 44396 bearing the postal address of 1400, Solok Perusahaan 1, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Industrial land with single-storey detached office block, single-storey detached factory with mezzanine floor, single-story detached with factory, guard house, pump house, TNB sub-station and car porch	272,905	Leasehold 99 years (expiring on 26 August 2070)	54 years	18,114	21 June 2024
(g)	PT 1194, Mukim Asam Kumbang, Daerah Larut Matang, Perak held under HSD 78338 bearing the postal address of Lot 10563, Jalan Perusahaan 3, Kawasan Perusahaan Kamunting, 34600 Kamunting, Perak Darul Ridzuan	Industrial land with double-storey detached office block and a single-storey detached factory, canteen, store, pump house, chemical store & water treatment plant, toilets, TNB sub-station, Genset room, guard house, motorcycle & car parking sheds, and open-sided general stores	174,246	Leasehold 99 years (expiring on 14 July 2081)	32 years	52,074	29 May 2023
(h)	PT 649, Mukim 01, Daerah Seberang Perai Tengah, Pulau Pinang held under HSD 44412 bearing the postal address of 1000 & 1028, Tingkat Perusahaan 1, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Industrial land with three-storey detached office block, single-storey detached factory, lobby, finished goods area, toilets, TNB sub-station, raw material area, production area, switch room, packing area, guardhouse	43,560	Leasehold 99 years (expiring on 29 August 2071)	23 years	14,964	13 June 2025
	Plot 43, Mukim 01, Daerah Seberang Perai Tengah, Pulau Pinang held under HSD 44433 bearing the postal address of 1000 & 1028, Tingkat Perusahaan 1, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Industrial land with single-storey detached factory, raw material area, finished goods area, production area, packaging area, parking bays	43,560	Leasehold 99 years (expiring on 21 February 2072)	23 years		

List of Properties (Cont'd)

No.	Postal address / Title details	Description / Existing use	Land area (Sq Ft)	Tenure	Approximate Age of Building (Years)	Carrying Amount (RM'000)	Date of Acquisition
(i)	PT 1574 (Plot 410), Mukim 01, Daerah Seberang Perai Tengah, Pulau Pinang held under HSD 39803 bearing the postal address of 2492, Lorong Perusahaan 8, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Industrial land with a double-storey office block with an annexed 1.5-storey factory cum warehouse, 1.5-storey factory, guard house & other ancillary rooms, TNB substation and other ancillary buildings.	164,904	Leasehold 60 years (expiring on 11 August 2046)	24 years	7,841	2 May 2019
	PT 1576 (Plot 411), Mukim 01, Daerah Seberang Perai Tengah, Pulau Pinang held under HSD 39804 bearing the postal address of 2486, Lorong Perusahaan 8, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Double-storey office block with mezzanine and annexed with factory cum warehouse, guard house and other ancillary buildings.	83,445	Leasehold 60 years (expiring on 11 August 2046)	24 years		

Analysis of Shareholdings

As At 2 April 2026

Total Number of Issued Shares	: 2,262,644,810*
Class of Shares	: Ordinary Shares with equal voting rights
Total number of Shareholders	: 20,643
Voting right	: One vote per ordinary shares

* Excluding 15,000,000 ordinary shares held as treasury shares

ANALYSIS BY SIZE OF HOLDINGS AS AT 2 APRIL 2026

Holdings	No. of Holders	%	No. of Shares	%
1 - 99	216	1.046	3,330	0.000
100 - 1,000	3,820	18.505	2,161,182	0.095
1,001 - 10,000	9,747	47.216	49,094,714	2.169
10,001 - 100,000	5,782	28.009	192,889,356	8.524
100,001 - 113,132,239 (*)	1,076	5.212	767,605,828	33.925
113,132,240 and above (**)	2	0.009	1,250,890,400	55.284
Total	20,643	100	2,262,644,810	100

* Less than 5% of the issued shares

** 5% and above of the issued shares

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 2 APRIL 2026

(Without aggregating securities from different securities accounts belonging to the same registered holder)

Name of Shareholders	Shareholding	%
1. OOI ENG LEONG	1,103,304,300	48.76
2. TAN AH GEOK	147,586,100	6.52
3. CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	41,967,200	1.85
4. CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	32,782,400	1.45
5. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 2 - WAWASAN	30,780,700	1.36
6. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 3 - DIDIK	26,000,000	1.15
7. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	21,990,900	0.97
8. CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	17,042,000	0.75
9. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3	14,462,184	0.64
10. HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	14,014,700	0.62
11. HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	12,949,610	0.57
12. LEE KIM SAN	12,425,000	0.55
13. CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA PUBLIC TAKAFUL BHD.	12,410,300	0.55

Analysis of Shareholdings (Cont'd)

As At 2 April 2026

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 2 APRIL 2026 (CONT'D)

	Name of Shareholders	Shareholding	%
14.	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	11,907,804	0.53
15.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (AMUNDI)	11,041,000	0.49
16.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	9,822,000	0.43
17.	RHB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR DAVINDRA SINGH GENDEH	9,433,500	0.42
18.	PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR TA SHUN DHER (M)	9,422,600	0.42
19.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	7,401,500	0.33
20.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR ISHARES CORE MSCI EMERGING MARKETS ETF	7,254,400	0.32
21.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	7,165,184	0.32
22.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)	6,824,100	0.30
23.	CHUA MING CHEE	6,000,000	0.27
24.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (AIIMAN)	5,407,600	0.24
25.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEGDED SECURITIES ACCOUNT FOR SUBRAMANIAM PILLAI A/L SANKARAN PILLAI (M18)	5,350,000	0.24
26.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR KENANGA SYARIAHEXTRA FUND (N14011960240)	5,104,100	0.23
27.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (AIIMAN IS EQ)	4,833,300	0.21
28.	WONG SIEW HAI	4,630,800	0.20
29.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR EMERGING MARKETS SMALL CAPITALIZATION EQUITY INDEX NONLENDABLE FUND	4,448,400	0.20
30.	HE SWEE HONG	4,257,000	0.19

Analysis of Shareholdings (Cont'd)

As At 2 April 2026

SUBSTANTIAL SHAREHOLDERS AS AT 2 APRIL 2026

Name of Shareholders	Direct		Indirect	
	No. of Shares Held	%	No. of Shares Held	%
Dato' Ooi Eng Leong	1,103,304,300	48.762	147,586,100*	6.523
Datin Tan Ah Geok	147,586,100	6.523	1,103,304,300*	48.762

* Deemed interested by virtue of his/her spouse's interest in the Company pursuant to Section 8(4) of the Companies Act, 2016

DIRECTORS' SHAREHOLDING AS AT 2 APRIL 2026

Name	Director Shareholdings		Indirect Shareholding	
	No. of Shares Held	%	No. of Shares Held	%
Dato' Seri Wong Siew Hai	4,630,800	0.205	967,800*	0.043
Dato' Ooi Eng Leong	1,103,304,300	48.762	147,594,900^	6.523
Lee Kim San	12,425,000	0.549	1,400*	0.000
Dato' Seri Lee Kah Choon	1,000,000	0.044	-	-
Dato' Faiza Binti Zulkifli	-	-	-	-
Ju Siew Lee	-	-	-	-

* Deemed interested by virtue of Section 59(11)(c) of the Companies Act, 2016 via children

^ Deemed interested by virtue of Section 8 of the Companies Act, 2016 via spouse (147,586,100 shares) and Section 59(11)(c) of the Companies Act, 2016 via child (8,800 shares)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 5th Annual General Meeting ("AGM" or "5th AGM") of the Company will be held at The Light 1, Level 1, The Light Hotel Penang, Lebuh Tenggiri 2, 13700 Seberang Jaya, Pulau Pinang on Thursday, 28 May 2026 at 11.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business:

- | | | |
|----|--|--|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2025 and the Reports of the Directors and Auditors thereon. | Please refer to the Explanatory Notes |
| 2. | To re-elect Dato' Seri Wong Siew Hai who retires in accordance with Article 76(3) of the Company's Constitution. | Ordinary Resolution 1 |
| 3. | To re-elect Dato' Faiza Binti Zulkifli who retires in accordance with Article 76(3) of the Company's Constitution. | Ordinary Resolution 2 |
| 4. | To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. | Ordinary Resolution 3 |
| 5. | To approve the payment of Directors' fees of up to an amount of RM195,000.00 for the financial year ending 31 December 2026. | Ordinary Resolution 4 |
| 6. | To approve the payment of Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM168,000.00 from 29 May 2026 until the next Annual General Meeting of the Company. | Ordinary Resolution 5 |

As Special Business :

7. To consider and if thought fit, to pass with or without modifications the following resolutions:-

AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

Ordinary Resolution 6

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (the "Act"), Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and subject always to the approval of all the relevant regulatory authorities, the Board of Directors of the Company be and is hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").

THAT such approval on the Proposed General Mandate shall be in force until:

- a. the conclusion of the next AGM of the Company held after the approval was given;
- b. the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting; whichever is the earlier.

Notice of Annual General Meeting (Cont'd)

7. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (CONT'D)

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

8. PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Ordinary
Resolution 7

"THAT subject always to the provisions of the Companies Act 2016 (the "Act"), the Company's Constitution, Listing Requirements or other regulatory authorities, approval be and is hereby given to the Company and/ or its subsidiaries to enter into recurrent related party transactions with the related parties as set out in Appendix I of the Circular to Shareholders dated 29 April 2026 ("the Circular"), which are necessary for the day to day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders as set out in the Circular ("Mandate").

THAT the Directors be empowered to do all such acts and things be considered necessary or expedient to give full effect to the Mandate with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be imposed by the relevant authorities.

THAT such Mandate shall commence upon passing this ordinary resolution and to be in force until:

- (a) the conclusion of the next AGM of the Company at which time the authority shall lapse unless the authority is renewed by a resolution passed at the meeting; or
- (b) the expiration of the period within which the next AGM after that date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting; whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

9. To transact any other business for which due notices shall have been given in accordance with the Companies Act 2016.

By Order of the Board,

HING POE PYNG (MAICSA 7053526)
SSM Practicing No: 202008001322
Company Secretary

Date: 29 April 2026

Notice of Annual General Meeting (Cont'd)

Notes :

- (1) A member entitled to attend and vote at this AGM is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (2) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (3) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (4) Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of shareholdings to be represented by each proxy are specified in the instrument appointing the proxies.
- (5) For the purpose of determining who shall be entitled to participate in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 19 May 2026. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM or appoint a proxy to participate, speak and vote on his/her/its behalf.
- (6) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, this proxy form must be deposited at the registered office of the Company situated at 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 Georgetown, Pulau Pinang.
 - (ii) By electronic means via email
The Proxy Form can be electronically lodged via Vistra Share Registry and IPO (MY) portal ("The Portal") at <https://srmy.vistra.com>. Please refer to the Administrative Guide for the 5th AGM on the procedures for electronic lodgement of the Proxy Form.
- (7) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 Georgetown, Pulau Pinang not less than twenty-four (24) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (8) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- (9) Last date and time for lodging the proxy form is on Wednesday, 27 May 2026 at 11.00 a.m..
- (10) All resolutions as set out in this notice of 5th AGM are to be voted by poll.

Notice of Annual General Meeting (Cont'd)

Explanatory Note on Ordinary Business

Item 1 of the Agenda

To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.

This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.

Ordinary Resolution 1 and 2 – Re-election of retiring Directors

The details and profile of the retiring Directors, Dato' Seri Wong Siew Hai and Dato' Faiza Binti Zulkifli who are standing for re-election at the AGM is set out in the Directors' profile of the Annual Report 2025. The Board through the Nomination Committee ("NC") had conducted an annual assessment on the performance and contribution of the individual Directors including the retiring Directors for the financial year ended 31 December 2025 based on a set of prescribed criteria. Based on the results of the annual assessment, the performance of each individual Director was found to be satisfactory and the NC has assessed that each individual Director was fit and proper to continue to hold the position as a Director of the Company.

Premised on the satisfactory outcome of the assessments, the Board endorsed the recommendation of the NC to seek members' approval for the re-election of Dato' Seri Wong Siew Hai and Dato' Faiza Binti Zulkifli as Directors of the Company.

Ordinary Resolution 4 – Directors' Fees

The proposed Ordinary Resolution 4 is to facilitate the payment of Directors' fees on current financial year ending 31 December 2026 and assuming that all Directors will hold office until the end of the financial year. In the event the Directors' fees proposed is insufficient (e.g. due to enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

Ordinary Resolution 5 – Directors' Benefits

The proposed Ordinary Resolution 5 is to facilitate the payment of Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 from 29 May 2026 until the next AGM of the Company up to an aggregate amount of RM168,000.00.

Explanatory Note on Special Business

Ordinary Resolution 6 – Authority to Allot and Issue Shares pursuant to Section 75 and 76 of the Companies Act 2016

The Board is desirous of seeking a renewal of the general mandate for issuance of shares at the 5th AGM. The proposed Ordinary Resolution 6, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's current and/or future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the total number of the issued shares (excluding treasury shares) of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, there were no new shares issued pursuant to the mandate granted to the Directors at the 4th AGM held on 29 May 2025 and which will lapse at the conclusion of the 5th AGM.

Ordinary Resolution 7 – Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 7, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. This authority, unless revoked or varied by the Company in general meeting will expire at the next AGM of the Company. Please refer to the Circular to Shareholders dated 29 April 2026 for more information.

PERSONAL DATA POLICY

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming AGM.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the explanatory note on the proposed Ordinary Resolution 6 as stated in the Notice of AGM of the Company for details.

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PROXY FORM

NATIONGATE HOLDINGS BERHAD
Registration No. 202101004230 (1404529-K)

CDS Account No.
No. of shares held

I / We _____ Tel : _____
[Full name in Block, NRIC/Passport/Company No.]

of _____
(Full Address)

being member(s) of **NATIONGATE HOLDINGS BERHAD**, hereby appoint:

Full Name (in block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (delete as appropriate)

Full Name (in block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him*, the Chairman of the Meeting, as *my/our proxy to vote for me/us and on my/our behalf at the 5th Annual General Meeting ("AGM" or "5th AGM") of the Company to be held at The Light 1, Level 1, The Light Hotel Penang, Lebuh Tenggiri 2, 13700 Seberang Jaya, Pulau Pinang on Thursday, 28 May 2026 at 11.00 a.m. or any adjournment thereof, and to vote as indicated below:

AGENDA

To receive the Audited Financial Statements for the financial year ended 31 December 2025 and the Reports of the Directors and Auditors thereon		For	Against
Ordinary Resolution			
1.	Re-election of Dato' Seri Wong Siew Hai as Director		
2.	Re-election of Dato' Faiza Binti Zulkifli as Director		
3.	Re-appointment of Grant Thornton Malaysia PLT as Auditors		
4.	Approval of payment of Directors' fees		
5.	Approval of payment of Directors' benefits		
6.	Authority to allot and issue shares		
7.	Proposed New and Renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature		

Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____

Signature*
Member

*Manner of execution:

- If you are an individual member, please sign where indicated.
- If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the Constitution of your corporation.
- If you are corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes :

- A member entitled to attend and vote at this AGM is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of shareholdings to be represented by each proxy are specified in the instrument appointing the proxies.
- For the purpose of determining who shall be entitled to participate in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 19 May 2026. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM or appoint a proxy to participate, speak and vote on his/her/its behalf.



- (6) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
- (i) In hard copy form
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The Proxy Form can be electronically lodged via *Vistra Share Registry and IPO (MY) portal ("The Portal")* at <https://srmy.vistra.com>. Please refer to the Administrative Guide for the 5th AGM on the procedures for electronic lodgement of the Proxy Form.
- (7) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 Georgetown, Pulau Pinang not less than twenty-four (24) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (8) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- (9) Last date and time for lodging the proxy form is on Wednesday, 27 May 2026 at 11.00 a.m..

PERSONAL DATA POLICY

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.

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Affix
Postage
Stamp

The Secretary
NATIONGATE HOLDINGS BERHAD
202101004230 (1404529-K)

51-8-A Menara BHL,
Jalan Sultan Ahmad Shah,
10050 Georgetown,
Pulau Pinang, Malaysia

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www.nationgate.com.my

NATIONGATE HOLDINGS BERHAD

Registration No. 202101004230 (1404529-K)

2005, Tingkat Perusahaan Satu,
Kawasan Perusahaan Perai,
13600 Perai, Pulau Pinang, Malaysia

Tel: +604-398 9001