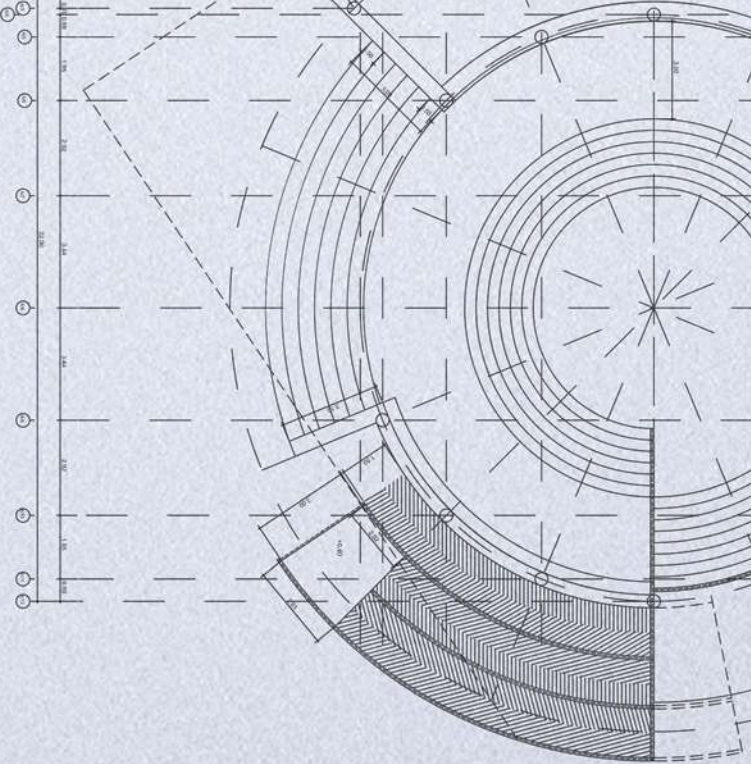


Eonmetall Group Berhad

Registration No. 200301029197 (631617-D)
(Incorporated in Malaysia)



eonmetall

**PRECISION PLANNING
EXCELLENCE**

ANNUAL REPORT 2025



eonmetal

PRECISION PLANNING EXCELLENCE

Since turning the page toward a new identity, our journey has continued to evolve with clarity and purpose, a moment of reinvention that set the direction for what comes next. Today, the narrative advances with a vision shaped by precision planning, foresight, and an unwavering commitment to excellence. Beyond lines and sketches lies more than intent. It reflects our determination to build systems and solutions that transcend technological advancement, harness innovation, and embrace automation. Each detail becomes a deliberate step forward, shaping a path defined by careful planning, resilience, and the enduring possibilities that lie ahead.

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Board of Directors

Dato' Mohammad Radhi Bin Abdul Razak
Independent Non-Executive Chairman

Datin Tan Pak Say
Managing Director & Chief Executive Officer

Dato' Goh Cheng Huat
Executive Director

Goh Hong Kent
Executive Director & Chief Operating Officer

Chan Theng Sung
Independent Non-Executive Director

Datuk Yogeessvaran A/L Kumaraguru
Independent Non-Executive Director

Goh Kee Seng
Non-Independent Non-Executive Director

Company Secretaries

Tai Yit Chan (MAICSA 7009143)
(SSM PC No. 202008001023)

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

Audit Committee

Chan Theng Sung Chairman

Dato' Mohammad Radhi Bin Abdul Razak Member

Datuk Yogeessvaran A/L Kumaraguru Member

Nominating Committee

Datuk Yogeessvaran A/L Kumaraguru Chairman

Chan Theng Sung Member

Dato' Mohammad Radhi Bin Abdul Razak Member

Remuneration Committee

Datuk Yogeessvaran A/L Kumaraguru Chairman

Chan Theng Sung Member

Dato' Mohammad Radhi Bin Abdul Razak Member

Registered Office

170-09-01, Livingston Tower
Jalan Argyll, 10050 George Town, Pulau Pinang

Telephone No. : (04) 229 4390

Facsimile No. : (04) 226 5860

Email : boardroom-kl@boardroomlimited.com

Stock Exchange Listing

Main Market of Bursa Malaysia
Securities Berhad

Stock Code : 7217

Stock Name : EMETALL

Head Office

Lot 1258 & 1259, MK 12
Jalan Seruling
Kawasan Perusahaan Valdor
14200 Sungai Bakap, Penang

Telephone No. : (04) 582 8323

Facsimile No. : (04) 582 1525

Email : info@eonmetall.com

Website : www.eonmetall.com

Registrar

Securities Services (Holdings) Sdn. Bhd.
197701005827 (36869-T)

Suite 18.05, MWE Plaza

No. 8 Lebuhr Farquhar

10200 George Town, Penang.

Telephone No. : (04) 263 1966

Facsimile No. : (04) 262 8544

Email : www.securities-services.com.my

Auditors

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206

Chartered Accountants

51-21-F, Menara BHL

Jalan Sultan Ahmad Shah

10050 George Town, Penang

Telephone No. : (04) 222 0288

Facsimile No. : (04) 222 0299

Principal Bankers

Al Rajhi Banking & Investment
Corporation (Malaysia) Berhad
AmBank (M) Berhad

Bank Of China (Malaysia) Berhad

CIMB Bank Berhad

HSBC Bank Malaysia Berhad

Malayan Banking Berhad

RHB Bank Berhad

United Overseas Bank (M) Berhad

GROUP STRUCTURE & PRINCIPAL ACTIVITIES

AS AT 31ST DECEMBER 2025



Eonmetall Group Berhad

Registration No. 200301029197 (631617-D)

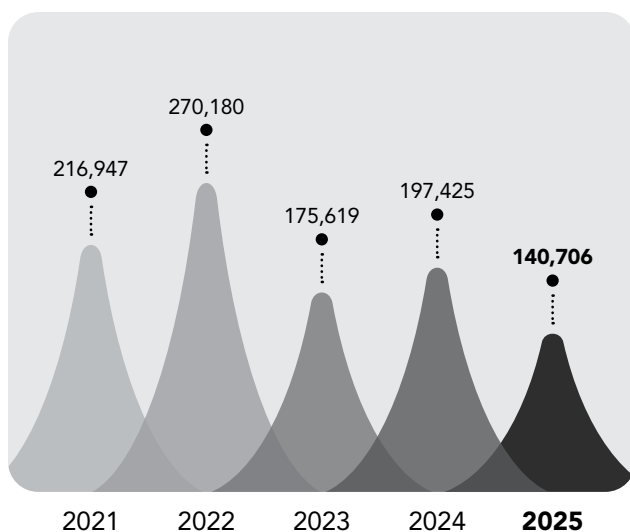


GROUP FINANCIAL HIGHLIGHTS

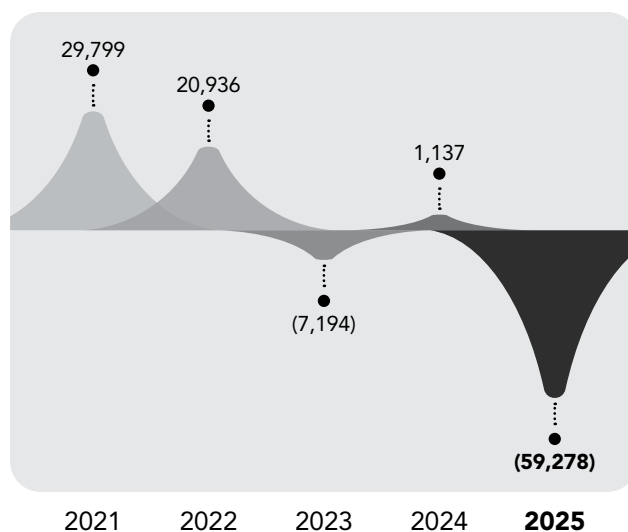
Financial year ended 31 December	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
INCOME					
Turnover	216,947	270,180	175,619	197,425	140,706
(Loss)/Profit Before Tax	29,799	20,936	(7,194)	1,137	(59,278)
(Loss)/Profit attributable to Owners of the Company	24,164	17,675	(6,741)	3,078	(51,376)
FINANCIAL POSITION					
Total assets	511,732	608,263	529,352	731,391	701,025
Share Capital	106,097	137,426	137,734	145,748	164,846
Shareholders' Fund	274,142	319,496	317,303	531,205	503,431
PER SHARE					
Gross dividend (%)	0.0	2.6	0.0	0.0	0.0
Net assets per share (RM)***	1.35	1.28	1.15	1.87	1.52
Basic (Loss)/Earnings per share (sen)***	11.86	7.06	(2.44)	1.08	(15.54)

*** Based on weighted average number of shares in issue net of treasury shares during the financial year.

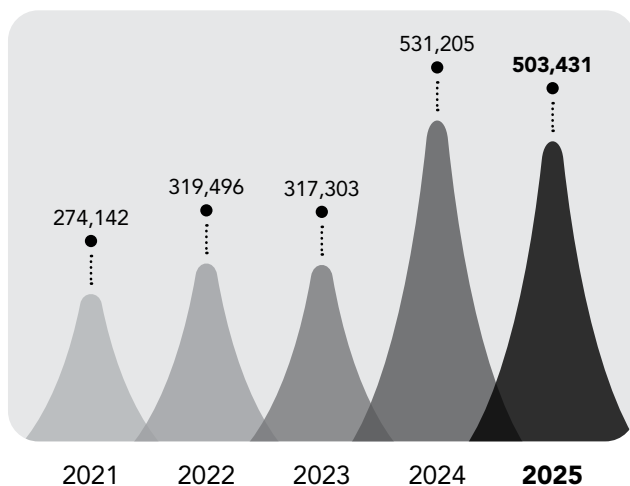
Turnover (RM'000)



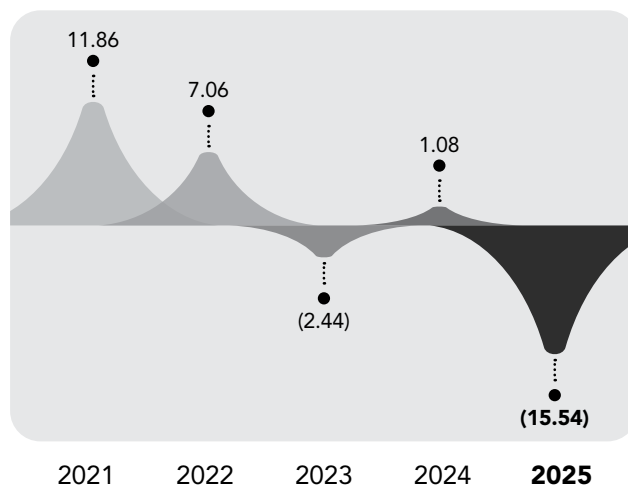
(Loss)/Profit Before Tax (RM'000)



Shareholders' Fund (RM'000)



Basic (Loss)/Earnings per share (sen)



DATO' MOHAMMAD RADHI BIN ABDUL RAZAK

PSM, DSPN, KMN



Gender
Male



Age
63



Nationality
Malaysian

Independent Non-Executive Chairman

Dato' Mohammad Radhi Bin Abdul Razak was appointed to the Board of Eonmetall on 30 May 2022 and re-designated as Independent Non-Executive Chairman on 1 December 2025.

He is a member of Audit Committee, Remuneration committee and Nominating Committee.

He started his career in 1992 as assistant director of Ministry of Finance.

Later in 2001, he joined the Ministry of International Trade and Industry as a director where he was mainly responsible for sectoral policy division on iron and steel. He was a deputy director of Economy Planning Unit, Ministry of Economic Affairs in 2015.

In 2019, he was promoted as director of Development Budget of Economy Planning Unit, Ministry of Economic Affairs.

He was also Deputy Secretary General responsible for policy and monitoring in the Ministry of Entrepreneur Development and Cooperatives from 2020 until 2022.

He has attended five (5) board meetings held during the financial year ended 31 December 2025.

DATIN TAN PAK SAY



Gender
Female



Age
64



Nationality
Malaysian

Managing Director & Chief Executive Officer

Datin Tan Pak Say was appointed to the Board on 3 January 2025. At the same time, she also appointed as Managing Director & Chief Executive Officer.

Datin Tan Pak Say has been actively involved in the steel industry since mid-1980 upon completion of secondary education. She is instrumental in developing the business of Leader Steel Holdings Berhad Group to its present size. Previously, Datin Tan was also involved in the development of business under Eonmetall Group Berhad ("Eonmetall") via her directorship in a few principal subsidiary of Eonmetall up to 31 July 2021.

Currently, she is the Managing Director of Leader Steel Holdings Berhad and its subsidiaries.

She has attended five (5) board meetings held during the financial year ended 31 December 2025.

DATO' GOH CHENG HUAT



Gender
Male



Age
65



Nationality
Malaysian

Executive Director

Dato' Goh Cheng Huat was appointed to the Board on 3 March 2005 and re-designated as Executive Director on 1 January 2013.

Dato' Goh is the founder of the Group and accumulated extensive experience and expertise in the manufacturing of iron and steel products. He also contributed his innovative ideas in the steel manufacturing process with various invention and enhancement of steel making machine and its related processes. His zeal and untiring efforts to improve steel products making processes did not go unnoticed, for in year 1999, he was awarded a patent for "Process For The Manufacturing Of Steel Products And Apparatus" and "4x2 High Cold Roll Angle Bar Machine". He is also the key inventor for "Recovery Oil From Palm Mesocarp Fibres", where the patent was granted in year 2009. His visionary approach and keen business acumen certainly augur well for the Group especially in its business direction. In recognition of his entrepreneur skills, he was conferred the 1990 Young Entrepreneur Award by the Ministry of Youth and Sports.



In year 2013, he obtained his Master of Business Administration from the National University of Singapore.

Dato'Goh presently serves as Group Managing Director at Maybulk Berhad and is also an Executive Director of Leader Steel Holdings Berhad and its subsidiaries.

He also sits on the Board of subsidiaries of Eonmetall and several other private companies.

He has attended five (5) board meetings held during the financial year ended 31 December 2025.

GOH HONG KENT



Gender
Male



Age
43



Nationality
Malaysian

Executive Director & Chief Operating Officer

Goh Hong Kent was appointed to the Board on 7 September 2020.

His career began in 2005 as the Personal Assistant to the Managing Director of Leader Steel Holdings Berhad. Later that year, he joined Eonmetall Technology Sdn Bhd as Assistant Operations Manager, where he was primarily responsible for overseeing the Purchasing Department. Following his promotion to Operations Manager in 2007, his portfolio expanded to lead both the Purchasing and Human Resources departments.

In 2010, he was promoted to General Manager, taking charge of the overall steel business activities for Eonmetall Industries Sdn Bhd and Eonmetall Systems Sdn Bhd. On 1 January 2013, he was officially appointed as the Chief Operating Officer (COO).

Under his direction, the Group make a significant a strategic entry into the United States' large-scale retail market. This was accomplished by leading the redesign of the light duty racking line to meet export standards. This strategic modification effectively remove logistical obstacles and establish the Group's presence internationally.

Additionally, he led the Group's shift from conventional manufacturing to becoming a provider of high-value Engineering Service Solutions by collaborating with the "Constructor" brand to propel further growth to the Group.

Currently, he is a director of subsidiary of Leader Steel Holdings Berhad. He also sits on the Board of certain subsidiaries of Eonmetall and several other private companies.

He has attended four (4) out of five board meetings held during the financial year ended 31 December 2025.



CHAN THENG SUNG



Independent Non-Executive Director

Chan Theng Sung was appointed to the Board on 24 February 2022.

He was appointed as the Chairman of Audit Committee on 24 February 2023. He is also a member of Nominating Committee and Remuneration Committee.

Mr Chan graduated from University of Malaya with a Bachelor of Economics (Hons) (1971) and a post graduate Diploma in Accounting (1976). He is a Chartered Accountant of Malaysian Institute of Accountants and a member of Chartered Taxation Institute of Malaysia.

In 1977, he was appointed as the Manager of Financial and Statutory Accounts Department, Petronas group of companies. In 1981, he joined Body Fashion (M) Sdn Bhd as Financial Controller cum Company Secretary. Since 1983, he started his own Public Practice.

He attended all five (5) board meeting held during the financial year ended 31 December 2025.

DATUK YOGEE SVARAN A/L KUMARAGURU



Independent Non-Executive Director

Datuk Yogeesvaran A/L Kumaraguru was appointed to the Board of Eonmetall as Independent Non-Executive Director on 31 May 2023.

He is the Chairman of Nominating Committee and Remuneration Committee. He is also a member of Audit Committee.

He has served 36 years in the Malaysian Administrative and Diplomatic Service. He was Deputy Director General of the Economic Planning Unit, Prime Minister's Department from 2012 to August 2017. He was responsible for overseeing six (6) divisions namely Macroeconomics, Services Industry, Manufacturing, Science and Technology Industry, Environmental Economics and Natural Resources, Knowledge Economy, and National Development Budget.

In 2017, he assumed the post of Secretary General of the Ministry of Plantation and Commodities until his retirement where he oversaw industry policy, strategy formulation and programme implementation for agro commodities.

Currently, he is a trustee of Yayasan MySDG.

He has attended four (4) out of five (5) board meetings held during the financial year ended 31 December 2025.

GOH KEE SENG



Gender
Male



Age
70



Nationality
Malaysian

Non-Independent Non-Executive Director

Goh Kee Seng was appointed to the Board on 3 March 2005.

He graduated from National Taiwan University of Taiwan in year 1979 with a Bachelor of Science in Agricultural Chemistry.

His career started in 1980 when he joined Brion Research Institute of Taiwan. Following that, he spent 10 years on extensive travelling in the Asean countries while taking up regional postings in Brunei, Singapore and Malaysia. In 1991 he started his own business and has since ventured into various industries ranging from software, biotechnology to food industries. Currently, he is actively running a regional food business covering from beverage ingredient manufacturing to franchise operation in various countries.

He also sits on the board of a subsidiary of Eonmetall and several other private companies.

He has attended all five (5) board meetings held during the financial year ended 31 December 2025.

NOTES

- Other than Dato' Goh Cheng Huat and Datin Tan Pak Say, who are major shareholders of Eonmetall, none of the other Directors has any direct or indirect shareholdings of Eonmetall. Datin Tan Pak Say is the spouse of Dato' Goh Cheng Huat.
- Other than the following Directors, none of the other Directors has any family relationship, as defined under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, with any other Directors and/or major shareholders of Eonmetall:
 - Dato' Goh Cheng Huat and Datin Tan Pak Say being husband and wife;
 - Goh Hong Kent who is the son of Dato' Goh Cheng Huat and Datin Tan Pak Say and the nephew of Goh Kee Seng;
 - Dato' Goh Cheng Huat and Goh Kee Seng being siblings.
- None of the Directors has any conflict of interest with Eonmetall Group other than as disclosed in the notes to audited financial statements. Details of the potential conflict of interest involving certain Director is disclosed in the Audit Committee Report in this Annual Report.
- Except as disclosed by Dato' Goh Cheng Huat and Datin Tan Pak Say, none of the other Directors holds any other directorship in public companies.
- None of the Directors has been convicted of any offences, other than traffic offences, within the past 5 years.
- None of the Directors has public sanction or penalty imposed by the relevant regulatory bodies during the financial year

◆ DATIN TAN PAK SAY

MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

◆ DATO' GOH CHENG HUAT

EXECUTIVE DIRECTOR

◆ GOH HONG KENT

DIRECTOR & CHIEF
OPERATING OFFICER

For the profile of the above Directors, please refer to profile of directors of this Annual Report. The above Directors are referred to as the Executive Team.

OOI TEIK HUAT



Gender
Male



Age
56



Nationality
Malaysian

Chief Financial Officer

He was appointed on 3 January 2025 as Chief Financial Officer. He is a member of the Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA). He also has a practicing certificate which qualifies him to act as Company Secretary.

He worked in an international accounting firm for more than 8 years before joining a subsidiary of Can-One Berhad as Finance Manager in 1995. He was appointed as Executive Director of Can-One Berhad Group in 2005 and left the position to assume the role of Group Chief Financial Officer of Kian Joo Can Factory Berhad Group in July 2012 and left in June 2021.

He joined Leader Steel Holdings Berhad in September 2021 and was appointed as Chief Financial Officer cum Business Controller of Leader Steel Holdings Berhad on 25 November 2021.

He was appointed as Chief Financial Officer on 18 May 2022 and was appointed to the Board on 13 January 2023 as Executive Director of Maybulk Berhad.



PROFILE OF KEY SENIOR MANAGEMENT



TEH IVAN



Gender
Male



Age
54



Nationality
Malaysian

Deputy General Manager

Teh Ivan joined Eonmetall Industries Sdn Bhd, a wholly-owned subsidiary company of Eonmetall as Deputy General Manager on 3 January 2017 and was promoted as General Manager on 1 January 2025 in charge of Steel product and trading activity division. He has over 20 years of experience in the manufacturing field which includes managing production lines, handling store arrangements and product quality checking.

He graduated from Penang Skill And Development Center with Higher National Diploma In Mechanical Engineering in 2001. In 1994, he started his career with MS Elevators Sdn Bhd, a company involved in the manufacturing of steel products, mainly responsible for packing and delivery. In 1997 when he graduated with a Diploma In Business Administration, he was promoted to Senior Sourcing Engineer where he was in charge of materials for production, overseeing delivery of finished products and stock planning.

During the year of 2000 to 2005, he was promoted to Engineering of Mechanical Assembly Section where he takes lead over bigger departments. In year 2006, he was again promoted to Senior Sourcing Engineer where he manages to achieve a significant cost reduction under his planning and guidance to the department. Before he left MS Elevators Sdn Bhd, he was Assistant Purchasing Manager where he managed to further reduce the cost from few major vendors during the period of service.

In 2010, he joined Symmetry Medical Malaysia as Material Manager, a company involved in medical device solutions, including orthopedic implants, surgical instruments, and sterilization cases and trays. He was responsible for all procurement activities, forecast and involve in developing a supply base to comply with the requirements of ISO regulations.

In 2012, he assumed the position of Operation Manager in Marco Jewel Sdn Bhd, a company involved in doors manufacturing and he was responsible to lead a management team which include manufacturing, quality control, engineering, shipping, marketing, purchasing and human resources.

CHIA KANG YAO



Gender
Male



Age
36



Nationality
Malaysian

Group Financial Controller

Chia Kang Yao was promoted as Group Financial Controller on 11 September 2024. He is a member of the Malaysian Institute of Accountants (MIA) and a Fellow of the Association of Chartered Certified Accountants (FCCA).

In year 2016, he joined the Group to assist in the corporate function and is responsible for statutory reporting, corporate governance and management reporting.

Following his promotion to Accountant in 2018, he was responsible for overall corporate function, statutory reporting, corporate governance and management reporting and assisted in finance.

In 2021, he was promoted as Corporate & Finance Assistant Manager and subsequently in 2022 as Corporate & Finance Manager where he was in-charge of overall corporate and finance function and was responsible for finance, statutory reporting, corporate governance and management reporting of the Group. In 2024, he oversee the whole accounting, finance and corporate department.

PROFILE OF KEY SENIOR MANAGEMENT

YAP PUI FOONG



Gender
Female



Age
36



Nationality
Malaysian

Deputy General Manager

Yap Pui Foong joined Eonmetall Industries Sdn Bhd, a wholly-owned subsidiary company of Eonmetall as Technical Manager on 17 April 2023, responsible for overseeing structural engineering functions as well as managing key account sales. She has over 13 years of experience in structural engineering. On 1 2025, she was promoted to Deputy General Manager of Constructor SEA Sdn. Bhd., another wholly owned subsidiary of Eonmetall Group Berhad. In her current position, she leads the team in expanding storage solutions under the Constructor brand across the Southeast Asia region.

She graduated with Bachelor of Mechanical Engineering (Honours) from University Malaysia Sabah in 2013. She began her career with Favelle Favco Crane (M) Sdn Bhd as Structural Engineer, where she was involved in analyzing the structural integrity of offshore crane systems. In 2015, she joined Schaefer Systems International Sdn Bhd as Senior Structural Engineer. During her tenure, she was responsible for the structural design and analysis of racking systems, including seismic design of racking, automated storage and retrieval systems (ASRS), and integrated platform systems across the Asia Pacific region.

Notes :

- None of the Key Senior Management except Mr Ooi Teik Huat holds any directorship in other public companies or listed issuers.
- None of the Key Senior Management has any family relationship, as defined under the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, with any other Directors and/or major shareholders of the Company.
- None of the Key Senior Management has any conflict of interest with Eonmetall Group.
- None of the Key Senior Management has been convicted of any offences, other than traffic offences, within the past 5 years.
- None of the Key Senior Management has public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



On behalf of the Board of Directors ("Board") of Eonmetall Group Berhad ("Eonmetall" or "the Company"), I present the Annual Report and Audited Financial Statements of the Group for the financial year ended 31 December 2025 ("FYE 2025").

Leadership Transition

FYE 2025 signified a year of transition with changes in the Board of Directors and senior management team.

Dato' Wahab Bin Hamid and Madam Tang Yin Kham, both Independent Non-Executive Directors retired from the Board on 3 January 2025.

Mr Yeoh Cheng Chye stepped down from the position of Managing Director and redesignated Non-Executive Non-Independent Director. He resigned from the Board on 1 March 2026.

On behalf of the Board, I would like to convey our gratitude and appreciation to their past contributions to the Group.

On 3 January 2025, Datin Tan Pak Say was appointed as the new Managing Director and Chief Executive Officer of the Group. Datin Tan brought a wealth of experience to the Group as she has been active in the steel industry for more than 40 years.

On the same day, Mr Ooi Teik Huat was appointed as the Chief Financial Officer of the Group on an interim basis.

On 14 September 2025, the Group lost the leadership of the late Chairman, Tan Sri Dato' Mohd Desa Bin Pachi, following his demise. On behalf of the Board, I wish to express our utmost appreciation for his contributions to the Group.

On 1 December 2025, I was appointed to assume the role of Chairman of the Board. I am fully committed to follow the footsteps of the late chairman to ensure continuity in leadership, creation of long-term value and instillation of strong governance in the Group.

Financial Performance

The Group recorded a loss before taxation ("LBT") of approximately RM59.3 million in FYE 2025, compared to a profit before taxation ("PBT") of RM1.1 million in FYE 2024.

The results for FYE 2025 were impacted by lower revenue and higher impairment provisions and write-off in respect of inventories and receivables. The Group continues to face margin compression amid a competitive environment, and the impairment and write-offs were made as a result of prudent assessment in response to the current market conditions.

In additions, the results of FYE 2024 were boosted by one-of compensation received on disposal of property.

The results of the Group are further analysed in the Management Discussion and Analysis section of the Annual Report.

Strategic Developments and Outlook

The operating landscape remained challenging, driven by global economic uncertainties, commodity price volatility, and competitive pricing pressures within the steel and manufacturing sectors. Looking ahead, geopolitical developments in early 2026, including tensions in the Middle East, may further impact supply chains, energy costs and overall market sentiment.

The Group remains focused on improving operational efficiency, strengthening cost control, enhancing resilience, and maintaining disciplined credit and inventory management. While near-term conditions remain uncertain, these initiatives are expected to support performance stabilisation and gradual recovery.

Events Subsequent To Financial Year End

Subsequent to the financial year, the Group announced a proposed disposal of land in Kapar, Selangor, for a total consideration of approximately RM273.28 million. This exercise represents a strategic monetisation of non-core assets and is expected to strengthen the Group's financial position and liquidity, enabling better capital allocation towards core operations and growth initiatives.

Sustainability and Appreciation

The Group continues to enhance its commitment to environmental, social and governance ("ESG") practices in line with evolving regulatory expectations and long-term sustainability goals.

On behalf of the Board, I extend our appreciation to the management team and employees for their dedication, and to our shareholders, customers, financiers, business partners and authorities for their continued support.

**DATO' MOHAMMAD
RADHI BIN ABDUL RAZAK**

Independent Non-Executive Chairman

Overview:

This Management Discussion and Analysis (“MD&A”) is prepared by the Management of Eonmetall Group Berhad (“the Company”) and its subsidiaries (“the Group”) to provide an in-depth analysis of the financial performance for the financial year ended 31 December 2025 (“FYE2025”).

FYE2025 marked a significant period of capital restructuring and strategic focus for the Group. A key milestone was the successful execution of a Private Placement of up to 30% of the total number of issued shares, initiated in the latter half of 2025. This exercise has significantly bolstered our capital base and improved the Group’s liquidity position, providing the necessary financial flexibility to support our future expansion plans and improve operational efficiency.

While this MD&A incorporates forward-looking statements based on Management’s reasonable expectations, these inherently involve uncertainties. Actual future performance may differ materially from projections due to global economic shifts and local regulatory changes.



Business Overview:

The Group is principally engaged in the manufacturing and sale of material handling systems under the “Eonmetall” and “Constructor” marques. Both have emerged as leading brands in their respective categories across Asia and Australasia. Since 2019, our exclusive manufacturing and marketing partnership in Asia with Gonvarri Material Handling AS (“GMH”) has continued to strengthen our position as a premier provider of high-end steel storage solutions.

In the Machinery and Equipment Segment, the Group continues to leverage its patented processing technology for Palm Fibre Oil Extraction (“PFOE”) and Palm Kernel Oil Extraction (“PKOE”) plants. We remain highly optimistic about the domestic outlook for this segment, as the local market for these specialized plants remains robust, supported by sustained interest from Malaysian palm oil millers.

The Group has secured confirmed orders scheduled for delivery and implementation in 2026. These orders provide clear revenue visibility and underscore the continued demand for our extraction technology as millers seek to optimize their yields in a favorable CPO price environment.

The Group’s industrial land, measuring 2,876,579 square feet and located in Mukim of Kapar, District of Klang, Selangor, represents a key asset within the Group’s portfolio. On 19 March 2026, the Group entered into a conditional sale and purchase agreement to dispose of this land on an as-is, where-is basis for a total consideration of RM273.8 million.

Proceeds from disposal will be utilised to repay bank borrowings, incidental transaction costs and for future investment.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

Steel Product and Trading Activity

In 2026, the industry faced further complexity due to escalating geopolitical tensions in the Middle East. While not a direct trade partner for all products, the conflict may indirectly inflate operating costs through surging global energy prices and heightened maritime insurance premiums.

Furthermore, while our sourcing is primarily intra-regional, we have observed a tightening of vessel availability within Asia. As global carriers reroute their larger fleets to bypass high-risk zones, it creates a 'displacement effect' where fewer vessels are available for regional routes. This capacity crunch, combined with higher war-risk insurance premiums across the shipping industry, has led to increased freight surcharges. Coupled with the 2025 national minimum wage adjustment and Ringgit volatility, these factors continue to pressure our manufacturing margins.

Machinery and Equipment Segment

Despite a moderation in general market demand, the Machinery and Equipment Segment continues to see encouraging interest. High crude palm oil ("CPO") prices remain a key catalyst for machinery investment. This is evidenced by a pending order for which a partial deposit has already been received, underpinning the Group's optimism for the segment's growth.

The Group aimed to capitalise on this opportunity and will work with the players in the palm oil industry in Malaysia and Indonesia to develop and build PFOE and PKOE machinery.

The Management will continue to closely monitor industrial development and exercise caution in managing the Group's operations in the upcoming financial year to safeguard the Group's business interests and assets.

Financial Performance of the Group

The financial results of the Group for FYE2025, compared to the preceding financial year, are summarized as follows:

	FY2025	FY2024	Increase/ (Decrease)
Revenue (RM'000)	140,706	197,425	(56,719)
Gross profit ("GP")(RM'000)	1,605	14,760	(13,155)
(Loss)/Profit before taxation ("LBT", "PBT") (RM'000)	(59,278)	1,137	(60,415)
(Loss)/Profit after taxation ("LAT", "PAT") (RM'000)	(51,408)	3,093	(54,501)
(Loss)/Earnings before interest, taxes, depreciation and amortisation ("EBITDA") (RM'000)	(40,001)	23,873	(63,874)
Gross assets (RM'000)	701,025	731,391	(30,366)
Shareholders' equity (RM'000)	503,431	531,206	(27,775)
Total borrowings and lease liabilities (RM'000)	138,060	138,234	(174)
No. of share in issue at year end, including treasury shares ('000)	399,189	307,783	91,406
Net assets per share (RM)	1.52	1.87	
Earnings per share (sen)			
- Basic	(15.54)	1.08	
- Diluted	(15.54)	1.08	
Debt/Equity ratio (times)	0.27	0.26	

Revenue decreased by RM56.7 million to RM140.7 million (FY2024: RM197.4 million) mainly due to lower sales from Steel Segment.

Along with the decrease in revenue, GP declined by RM13.2 million to RM1.6 million (FY2024: RM14.8 million), resulting in a lower gross profit margin. This was attributable to higher raw material costs and competitive pricing pressures in the steel market.

The Group recorded a LBT of RM59.3 million in FY2025, compared to a profit before tax of RM1.1 million in FY2024. The loss was mainly due to a one-off expense arising from the impairment on property, plant and equipment as well as the inventories written down. These have led to LAT recorded during the year, despite higher deferred tax asset recognised.

The Group's gross assets decreased by RM30.4 million to RM701.0 million, while shareholders' equity reduced by RM27.8 million to RM503.4 million, attributed to the loss recorded, offset by increase in share capital arising from private placement exercise completed during the financial year.

Financial Performance of the Group (Cont'd)

Revenue

Revenue contributions from the respective segments are as follows:

	FYE2025 RM'000	FYE2024 RM'000	Increase/ (Decrease)
Steel Segment	144,862	224,530	(79,668)
Machinery Segment	16,349	11,506	4,843
Others	2,275	1,574	701
Total Gross Revenue	163,486	237,610	(74,124)
Inter-Segment Revenue	(22,780)	(40,185)	17,405
Net Revenue	140,706	197,425	(58,177)

The decrease in Steel Segment revenue was attributable to 45% decline in local sales. Conversely, revenue from the Machinery Segment increased by RM4.8 million or 42.1% to RM16.3 million (FY2024: RM11.5 million).

Employee Share Option Scheme ("ESOS")

During the financial year ended 31 December 2025, no share option was exercised.

On 10 November 2025, the Company cancelled 34,200,000 Tranche 1 ESOS Options (including 9,400,000 held by Directors) originally granted and accepted, as the original Option Price of RM0.48 was no longer viable given current market conditions.

Following the cancellation, the Company offered 59,000,000 new ESOS Options to eligible employees at a revised Option Price of RM0.2283, reflecting the prevailing market price. The new options which were vested immediately and remain exercisable until 7 October 2026, unless there is any extension to the ESOS scheme.

Private placement Exercise

The Private Placement, which entailed the total issuance of 91,405,947 shares at an average issue price of RM0.211 per ordinary share, was completed on 06 November 2025.

Key Business Risks

The Group is exposed to a wide range of business risks, and the management is constantly monitoring and implementing risk-mitigating strategies to address these challenges.

Customer concentration risks

The Group's revenue stream is diversified, with only one customer contributing more than 20% of sales in FYE2025.

Credit risks

It is an industry practice to sell products on credit terms, typically granting customers between 30 to 120 days, subject to a credit evaluation process. The management conducts an annual review of credit terms and limits for each customer, with monthly assessments using ageing reports to identify potential slow-paying customers. This allows the management to take appropriate action for debt recovery.

Pricing risks

The Group's businesses are exposed to the volatility in commodity prices, particularly steel prices. The cost of steel is influenced by the international supply and demand of the commodity and can be affected by geopolitical factors.

To mitigate the impact of adverse steel price movements, the Group consistently monitors international steel prices and assesses its inventory position.

MANAGEMENT DISCUSSION AND ANALYSIS

Key Business Risks (Cont'd)

Supply Chain risks

The Group imported more than 40% of its steel direct materials to cater for its production needs.

To mitigate the risk of material shortages, the Group carefully plans for material procurement ahead of production and keeps 4 months of steel direct material in its inventory.

Contract performance risks

In the Machinery Segment, the Group entered into contracts with its customers to build PKOE and PFOE plants.

The Group places significant emphasis on contractual risks by implementing robust contract reviews and legal safeguards to mitigate potential project delays, cost overruns, and disputes. The Group also maintains comprehensive quality control measures, best practices, and policies to ensure compliance with industry standards and timely project execution to fulfil its contractual obligations.

Foreign currency risks

The Group's exposure to foreign currency risks arises from transactions originating in currencies other than its functional currency. The fluctuations in foreign currency exchange rate, especially the United State Dollars (USD) will have an impact on the financial performance of the Group.

In FY2025, approximately 43.9% of Steel Segment revenue were denominated in USD.

The Group also procure more than 40% of steel material from foreign source.

The Group constantly monitors the movements in USD to minimize exposure to these foreign currencies. When appropriate, the Group enters foreign currency contracts to lock in the exchange rates for these currencies.

Liquidity and capital management risk

The Group maintains a healthy level of cash and cash equivalents and holds committed credit facilities from financial institutions to fulfil its short-term and long-term obligations. Long-term assets will be financed through long-term loans, with any excess funds placed in interest-bearing assets.

Interest rate risk

The Group's interest rate risks arise mainly from bank borrowings and finance leases. The Group borrowed at both fixed and floating rates to achieve desired interest rate profile and to manage the exposure to interest rate risks.

Investment risk

The Group announced that Eonmetall Land Sdn Bhd (a wholly-owned subsidiary) had on 19 March 2026 entered into a conditional sale and purchase agreement with WG Malaysia VIII Sdn Bhd in relation to the proposed disposal of a parcel of freehold land measuring approximately 2,876,579 square feet located in Mukim Kapar, Daerah Klang, Negeri Selangor for a cash consideration of approximately RM273.28 million.

These investments are subject to inherent risks, as they do not guarantee the desired returns.

Cyber risks

The evolution of cybercrime and cyber-threats due to the acceleration in digital technologies and infrastructure pose a great challenge to the Group's information system.

The Group take accountability to manage the growing threat of cyber-attacks including protecting data related to our stakeholders and business information. The following measures have been taken:

- Installation of Firewall and Antivirus applications and keep systems up to date with the latest patches to ensure proper functionality;
- Monitor Antivirus status for all users' computers/ notebooks to ensure the devices are secured and free of risk from any cyber-attack.

Prospect

Looking into 2026, the Group enters a transformative phase defined by the commencement of Malaysia's carbon tax and the full implementation of the EU Carbon Border Adjustment Mechanism (CBAM). These regulatory shifts, alongside the ongoing two-year national moratorium on new steel capacity, necessitate a strategic pivot toward high-value 'Green Steel' and operational decarbonization. The Group remains vigilant against the residual impacts of global trade protectionism and the sustained pressure of domestic cost hikes in labour and energy.



About this statement

Eonmetall Group Berhad and its subsidiaries (“Eonmetall”) are pleased to present this Sustainability Statement (“this Statement”) for the financial year ended 31 December 2025. This Statement provides an overview of the Group’s sustainability performance during FYE2025, unless stated otherwise.

Scope and Basic of Scope

This Statement focuses on sustainability matters and performance of the Group’s three key subsidiaries, namely Eonmetall Industries Sdn Bhd (“EMI”), Eonmetall Technology Sdn Bhd (“EMT”) and Eonmetall Systems Sdn Bhd (“EMS”), all of which are wholly owned. Other subsidiaries, as shown in the Group Structure and Principal Activities as at 31 December 2025 in the Group’s Annual Report for FYE2025, have been excluded on the basis that they were either dormant, had no operational activity, or their activities were deemed non-material to the Group’s overall sustainability impact during the reporting period.

To ensure transparency and year-on-year comparability, certain FYE2024 data points have been restated or updated where indicated. These adjustments stem from our ongoing efforts to refine our internal data collection methodologies and enhance the accuracy of our sustainability disclosures. This Sustainability Statement for FYE2025 was formally reviewed and approved by the Board of Directors on 29 April 2026.

Reporting Framework

This Statement has been prepared according to Bursa Malaysia’s Listing Requirements for Main Market Listed Issuer, with reference to Bursa Malaysia’s Sustainability Reporting Guide (3rd edition). The Board of Directors remains committed to the principles set out in the Malaysian Code on Corporate Governance. As the sustainability landscape in Malaysia evolves—particularly with the shift toward integrated reporting and climate-related disclosures—the Group continues to monitor regulatory developments to ensure our reporting remains robust, transparent, and aligned with stakeholder expectations.

Feedback

We welcome and encourage our stakeholders to provide feedback pertaining to this Statement and the issues covered. If you have any questions or concerns regarding this Statement, please feel free to reach out to us via the following:

Eonmetall Group Berhad

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Kawasan Perusahaan Valdor,
14200 Sungai Bakap, Penang, Malaysia.
Email: info@eonmetall.com
Phone: +604-582 8323



Our Approach to Sustainability

Sustainability Governance

Eonmetall remains committed to a high standard of corporate governance, recognising that a robust Environment, Social and Governance (“ESG”) framework is fundamental to long-term value creation and organisational resilience. Our sustainability practices are governed by the Board Charter and a suite of internal policies designed to ensure transparency, ethical conduct, and alignment with stakeholder interests.

The Group employs a structured, three-tier governance model to ensure that sustainability is not merely a reporting requirement, but a strategic driver integrated across all operational levels. The roles and responsibilities for each tier are defined as follows:

Tier 1: Strategic Leadership (The Board of Directors)

The Board holds ultimate responsibility for Eonmetall’s sustainability strategy and performance. They are responsible for the strategic integration of ESG considerations into Eonmetall’s long-term business trajectory, ensuring that sustainability risks and opportunities are identified and prioritised. Beyond policy approval and the determination of material sustainability matters, the Board plays a pivotal role in fostering a corporate culture that values sustainable development, ensuring these values are distilled across all levels of the Group’s workforce and operational subsidiaries.

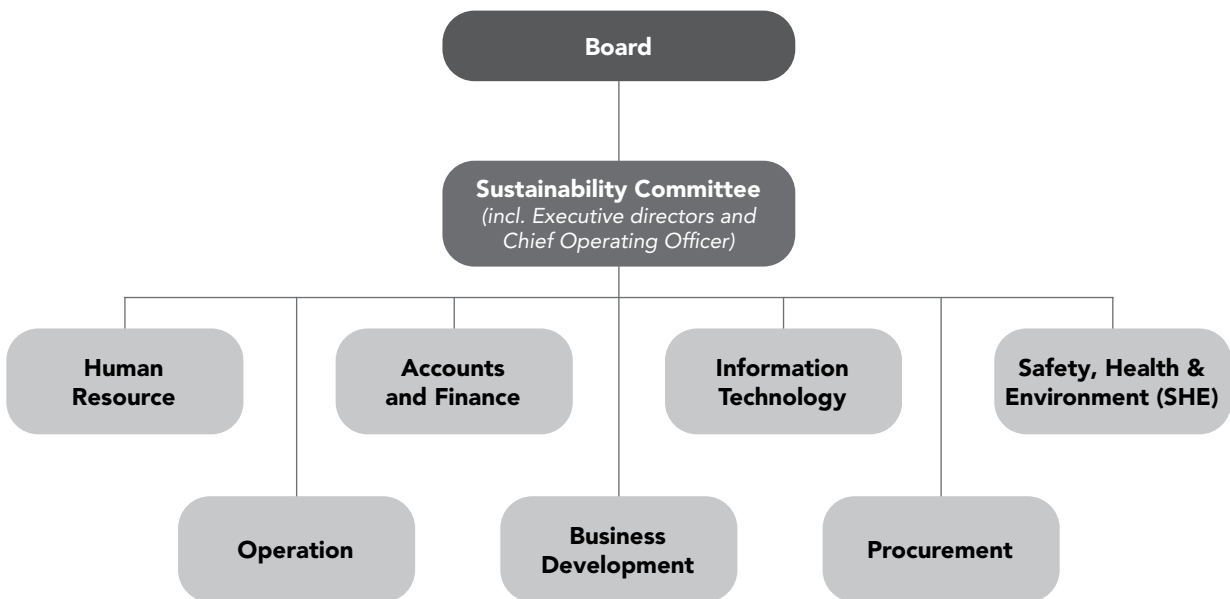
Tier 2: Tactical Management (Sustainability Committee)

The Sustainability Committee (“SC”), comprising Executive Directors and the Chief Operating Officer (“COO”), acts as the bridge between board-level strategy and operational execution. The SC provides tactical oversight to ensure that Eonmetall’s sustainability outcomes remain strictly aligned with our internal ESG Policy and the evolving regulatory standards set by Bursa Malaysia. The Committee monitors the efficacy of the Group’s sustainability methodologies and ensures that the Group’s reporting remains transparent, accurate, and reflective of our actual ESG progress.

Tier 3: Operational Execution (Heads of Department)

This level is responsible for the granular, day-to-day implementation of sustainability initiatives across the Group’s functions. The HODs ensure that department-specific KPIs are met and that sustainability objectives are integrated into routine decision-making processes. This decentralised execution model ensures that Eonmetall’s sustainability commitments are translated into measurable actions, contributing to the Group’s overall resilience and responsible growth.

By maintaining this rigorous three-tier structure, Eonmetall ensures that sustainability considerations are a permanent fixture in our decision-making processes. This governance framework applies across the entire Group, ensuring that all subsidiaries operate under a unified mandate of responsible and sustainable growth.



Sustainability Governance Structure of Eonmetall Group Berhad

Our Approach to Sustainability (Cont'd)

Sustainability Governance (Cont'd)

To reinforce our governance structure, Eonmetall has established a comprehensive suite of policies, Standard Operating Procedures (“SOPs”), and guidelines. These documents serve as the foundation for our ethical conduct and operational integrity.

As of FYE2025, the following key governance documents remain in effect and are reviewed periodically to ensure continued relevance with evolving regulatory requirements. These are publicly accessible via the Investor Relations section of our corporate website:

- Board Charter
- Whistleblower Policy
- Code of Conduct
- Code of Ethics
- Anti-Bribery and Anti-Corruption Policy
- Environmental, Social and Governance (“ESG”) Policy
- Conflict of Interest Policy
- Personal Data Protection Act (“PDPA”) Policy

Stakeholder Engagement

At Eonmetall, we recognise that proactive stakeholder engagement is a cornerstone of our sustainability strategy. By maintaining open, transparent, and consistent communication channels, we are better positioned to identify emerging risks, capitalise on market opportunities, and align our corporate objectives with the expectations of our diverse stakeholder base. Our engagement framework focuses on six primary stakeholder groups that significantly influence, or are influenced by, our business operations: including shareholders and investors, customers, suppliers, regulatory authorities and industry associations, local communities and employees.

Building on the foundations established in previous years, our approach in FYE2025 continued to move beyond compliance toward a more targeted and value-driven engagement model. We employ a mix of formal and informal platforms—ranging from annual general meetings and regulatory audits to informal community outreach and employee feedback loops—to ensure a holistic understanding of the sustainability concerns most material to our stakeholders. This iterative process of listening and responding allows Eonmetall to refine its sustainability priorities and ensure that our initiatives remain both relevant and impactful. The following table provides a high-level summary of our engagement activities, the frequency of interaction, and the key areas of focus for each stakeholder group during the reporting period.

Stakeholders Groups	Engagement methods	Frequency	Key areas of concern/interest	Our response
Shareholders and investors	<ul style="list-style-type: none"> ◆ Investor briefing ◆ Corporate announcements ◆ Extraordinary General Meeting ◆ Annual General Meeting 	<ul style="list-style-type: none"> ◆ As required ◆ Annually 	<ul style="list-style-type: none"> ◆ Corporate Governance Integrity ◆ Sustainable business growth ◆ Shareholder returns and value creation ◆ Financial and operational robustness 	<ul style="list-style-type: none"> ◆ Regular dissemination of corporate strategy and financial results. ◆ Extending robust governance standards to the supply chain
Customers	<ul style="list-style-type: none"> ◆ Daily engagement ◆ Site visits ◆ Digital media outreach ◆ Feedback assessment 	<ul style="list-style-type: none"> ◆ As required ◆ On-going ◆ Monthly ◆ Annually 	<ul style="list-style-type: none"> ◆ Quality assurance & product safety standards ◆ Competitive & ethical pricing strategies ◆ Innovation & continuous product evolution 	<ul style="list-style-type: none"> ◆ Driving product excellence ◆ Enhancing product – market fit
Suppliers	<ul style="list-style-type: none"> ◆ Briefing visits ◆ Whistleblower platform ◆ Evaluation of suppliers and registration 	<ul style="list-style-type: none"> ◆ As required ◆ On-going ◆ Annually 	<ul style="list-style-type: none"> ◆ Procurement integrity ◆ Local economic impact ◆ Supply chain compliance ◆ Value chain resilience 	<ul style="list-style-type: none"> ◆ Upholding transparency in the supply chain ◆ Supplier performance benchmarking
Regulatory authorities	<ul style="list-style-type: none"> ◆ Compliance efforts 	<ul style="list-style-type: none"> ◆ On going 	<ul style="list-style-type: none"> ◆ Ethical corporate culture ◆ Fair labour practices ◆ Workplace safety & health integrity 	<ul style="list-style-type: none"> ◆ Compliance with regulatory requirements ◆ Strict compliance with practices outlined in the Malaysia Code on Corporate Governance ◆ Support government initiatives

SUSTAINABILITY STATEMENT

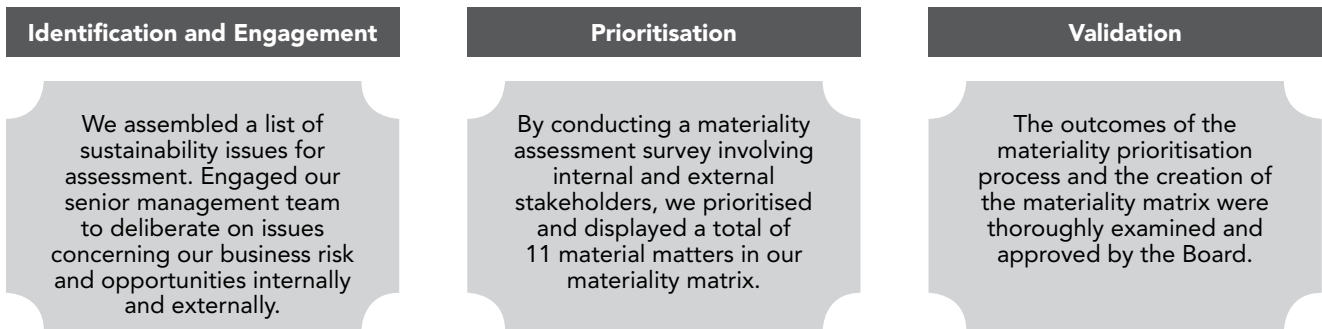
Our Approach to Sustainability (Cont'd)

Stakeholder Engagement (Cont'd)

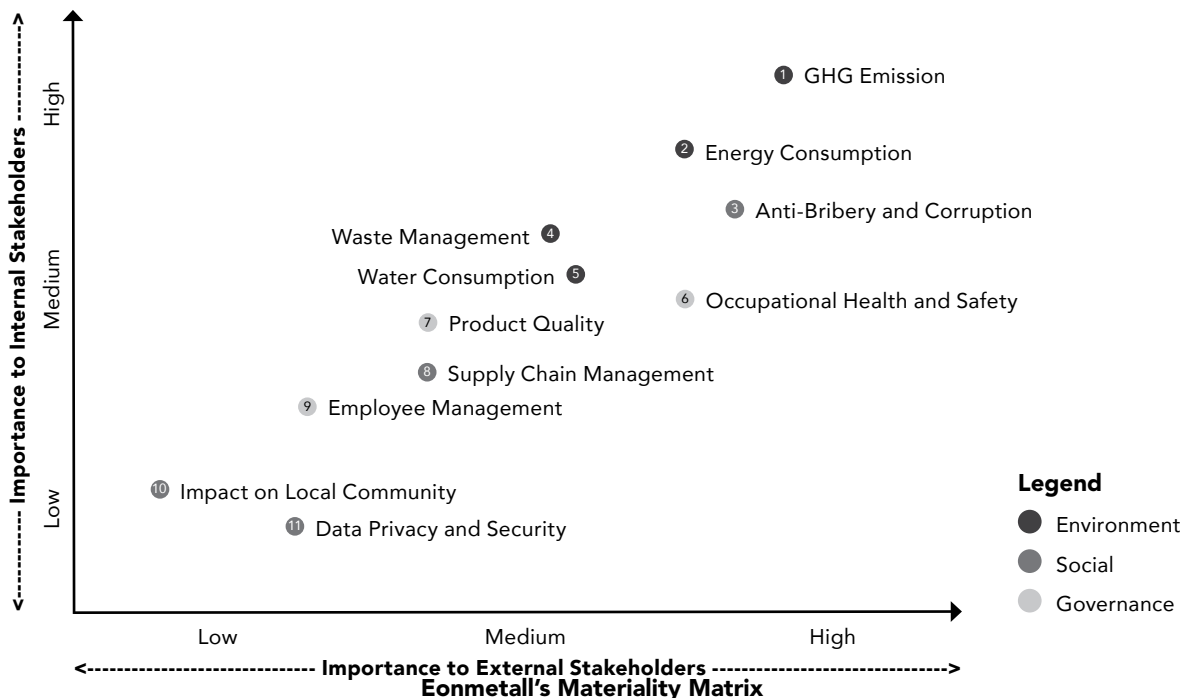
Stakeholders Groups	Engagement methods	Frequency	Key areas of concern/interest	Our response
Local communities	<ul style="list-style-type: none"> Charity events Informal visits 	<ul style="list-style-type: none"> As required 	<ul style="list-style-type: none"> Social and environmental responsibility Create job opportunities for local communities 	<ul style="list-style-type: none"> Financial grants and in-kind contributions
Employees	<ul style="list-style-type: none"> Internal communication Performance reviews Training courses Employee engagement activities 	<ul style="list-style-type: none"> On going Annually As required 	<ul style="list-style-type: none"> Competitive pay and benefits Talent cultivation Recognition & Reward Systems Safe working environment 	<ul style="list-style-type: none"> Two-way Communication Upskilling and Reskilling Upholding Fair & Non-discriminatory Employment Competitive Remuneration & Benefits

Materiality Assessment

The Group recognises that specific ESG issues impact our ability to create long-term value. We continue to rely on the comprehensive materiality assessment conducted in FYE 2023, which remains relevant in identifying the issues of highest significance to both our stakeholders and the Group. The process and results are summarised below:



The materiality matrix below reflects the outcome of the materiality assessment conducted in FYE2023, with updates made based on the materiality review performed in FYE2025.



Our Approach to Sustainability (Cont'd)

Materiality Assessment

Based on the materiality review conducted, the 11 material matters remain relevant to the Group, with their order of significance as presented in the table below.

Order	Material Topics
1	GHG emission
2	Energy Consumption
3	Anti-Bribery and Corruption
4	Waste Management
5	Water Consumption
6	Occupational Health and Safety
7	Product Quality
8	Supply Chain Management
9	Employee Management
10	Impact on Local Community
11	Data Privacy and Security

Sustainability Framework

The group's framework is underpinned by three strategic pillars: Environmental Stewardship, Social Responsibility, and Operational Governance. We strive to reduce our environmental impact through smarter operations, cultivate an inclusive and supportive environment for our employees and communities, and uphold the highest standards of transparency. By aligning our business goals with these ESG principles, we ensure that the value we create for our stakeholders is both significant and sustainable.

Vision
To be a leader in steel racking manufacturing through sustainable innovation, ensuring our legacy ensues for future generations.

Mission
To reduce environmental impact, support local communities and employee well-being and maintain responsible business practices. We are committed to integrating environmental responsibility into all aspects of our operations, driving continuous improvement, and creating enduring value.

Three Core Pillars

Environmental	Social	Governance
Reduce GHG emissions and minimise environmental impact from our operations	Cultivate a diverse culture, promote employee wellness, and support local communities	Provide excellent services, create value for stakeholders while uphold transparency and accountability
GHG Emissions	Occupational Health and Safety	Anti-Bribery and Corruption
Energy Consumption	Product Quality	Data Privacy and Security
Waste Management	Employee Management	
Water Consumption	Impact on Local Community	
	Supply Chain Management	

Management approach to Material Matters

Environmental Performance

Water Management

The Group remains committed to efficient water management, particularly in water-intensive steel descaling processes. We mitigate shortage risks by tracking usage across our premises to identify consumption anomalies and by fostering a culture of conservation through employee awareness campaigns and signage.

In FYE2025, our water consumption was 31,180 M3 (31.180 megalitres), representing a 20.4% decrease from FYE2024. This reduction was primarily attributed to a decrease in production output following a softening in sales. Additionally, the Group's transition toward leaner production processes and a reduction in overtime (OT) hours further optimised our resource usage, ensuring more sustainable and efficient operations throughout the financial year.

Water consumption for FYE2023 and FYE2024				
Indicator	Unit	FYE2025	FYE2024	FYE2023
Total volume of water consumed	m ³	31,180 (31.180 megalitres)	39,183 (39.183 megalitres)	36,383 (36.383 megalitres)

Energy Management

The Group views responsible energy management as a key pillar of sustainable steel production. We are committed to transitioning toward cleaner energy sources and enhancing operational efficiency to reduce our carbon footprint and reliance on finite resources.

A significant milestone in FYE2025 was the transition from Liquefied Petroleum Gas (LPG) to Natural Gas, which commenced in October 2024. This shift significantly reduced our LPG consumption as Natural Gas became a primary energy source for our heating processes. Additionally, we have refined our vehicle fleet data tracking; fuel for certain lift trucks previously miscategorised has been rectified, with FYE2024 Diesel and Petrol data updated to accurately reflect consumption across our forklifts and fleet.

In FYE2025, total energy consumption fell to 30,762.65 GJ, a 20.6% decrease from the previous year. This was driven by lower production volumes following a softening in sales, alongside the implementation of leaner production processes and a reduction in overtime (OT).

Energy Consumption for FYE2023 and FYE2024				
Energy Type	Unit	FYE2025	FYE2024	FYE2023
Scope 1 – Diesel	Gigajoules	1,617.61	2,486.13*	2,304
Scope 1 – Petrol	Gigajoules	935.53	983.74*	702
Scope 1 – Liquefied Petroleum Gas (LPG)	Gigajoules	6,616.92	17,698	19,925
Scope 1 – Natural Gas	Gigajoules	13,424	3,266	-
Scope 2 – Electricity	Gigajoules	8,168.59	15,040	15,686
Total energy consumption	Gigajoules	30,762.65	38,750	38,619
Energy Intensity	GJ / Revenue (RM'million)	202.09	164.89	170.53

* Updated data

While total consumption decreased in FYE2025, the intensity ratio saw a marginal increase. This is primarily attributed to the under-utilisation of production capacity following a softening in market demand, where fixed operational loads were distributed over a lower production volume. We expect intensity to normalise as our transition to lean manufacturing fully matures.

Management approach to Material Matters (Cont'd)

Environmental Performance (Cont'd)

Greenhouse Gas Emissions

Eonmetall continues its commitment to transparent climate-related disclosures, having commenced Greenhouse Gas ("GHG") emissions reporting in FYE2023. In our third year of reporting, we have further strengthened our data collection processes and enhanced the accuracy of emissions quantification, guided by the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) ("the Protocol"). The Group continues to adopt the operational control approach, and for FYE2025, emissions are categorised into Scope 1, Scope 2 and selected Scope 3 categories in accordance with the Protocol.

Scope 1

Scope 1 comprises direct GHG emissions from sources owned or controlled by the Group, including the combustion of fuels such as diesel, petrol, liquefied petroleum gas ("LPG") and natural gas, as well as fugitive emissions from air-conditioning refrigerants.

In FYE2025, the Group recorded total Scope 1 emissions of approximately 1,158 tCO₂e, representing approximately 43% of total GHG emissions. Overall, Scope 1 emissions remained broadly stable year-on-year, as reductions in liquid fuel consumption — including diesel (-2.6%), LPG (-11.1%) and petrol (-28.5%) — were partially offset by higher natural gas usage arising from the Group's ongoing fuel transition initiatives. The Group continues to implement fuel optimisation measures and remains committed to phasing out LPG usage by 2026, while exploring lower-carbon energy alternatives to further reduce direct emissions over time.

Scope 2

Scope 2 emissions arise from the consumption of purchased electricity, which remains a significant energy source for the Group's operations.

For FYE2025, Scope 2 emissions were approximately 1,325 tCO₂e, contributing approximately 49% of the Group's total GHG emissions. On a year-on-year basis, Scope 2 emissions decreased by approximately 4.1%, in line with reduced electricity consumption during the financial year. The Group continues to prioritise energy efficiency improvements and is exploring renewable energy adoption and green electricity options to further reduce Scope 2 emissions.

Scope 3

Scope 3 includes other indirect emissions that occur across the value chain. In FYE2025, the Group continues to report on selected categories, namely Category 6: Business Travel and Category 7: Employee Commuting.

Total Scope 3 emissions for the year were approximately 235 tCO₂e, representing approximately 8% of total GHG emissions. As this is the second year of disclosure for these categories, a direct year-on-year comparison remains limited. However, the Group has observed that employee commuting constitutes the largest contributor within Scope 3, particularly from the use of personal vehicles and motorcycles.

Moving forward, the Group aims to enhance Scope 3 data coverage and identify opportunities to manage and reduce indirect emissions, including promoting sustainable commuting practices and supporting the adoption of electric or hybrid vehicles.

Overall Performance

The Group's total GHG emissions for FYE2025 amounted to approximately 2,718 tCO₂e. Scope 2 emissions accounted for the largest share at 49%, followed by Scope 1 at 43%, and Scope 3 at 8%.

Overall, the Group recorded a moderate reduction in emissions intensity, supported by lower electricity consumption and reduced reliance on certain liquid fuels, partially offset by increased natural gas usage as part of the Group's transition strategy.

The Group remains committed to progressively improving its emissions management practices, enhancing data accuracy and coverage, and identifying opportunities to reduce its overall carbon footprint in line with its sustainability objectives.

Management approach to Material Matters (Cont'd)

Environmental Performance (Cont'd)

Overall Performance (Cont'd)

Total Emissions by Scopes (tCO ₂ e)			
Scope	FYE2025	FYE2024	FYE2023
Scope 1	1158	1473	1478
Scope 2	1325	3233	3303
Scope 3**	235	384	Data not available
Total tCO ₂ e	2718	5090	4781

** Category 6 Business Travel and Category 7 Employee Commute.

Waste Management

During the financial year under review, the Group observed a strategic divergence in its environmental performance metrics. While energy and water consumption recorded a downward trend in alignment with moderated production volumes, Total Waste Generated increased by 55.9% (from 1,032.36 tonnes in FYE2024 to 1,609.19 tonnes in FYE2025). This non-linear correlation is primarily attributed to a comprehensive Strategic Asset Optimisation and Modernisation program, which involved the decommissioning of legacy infrastructure and site-wide retrofitting to enhance future operational reliability.

Crucially, despite the increase in volume, the Group significantly improved its circularity performance. Approximately 98.3% of the total waste generated in FYE2025 was successfully diverted from disposal through recycling and recovery initiatives, up from 98.6% in the previous year, maintaining a consistent high-recovery standard. This ensures that the surge in waste remains a non-recurring event linked to efficiency upgrades rather than a decline in operational control. The Group remains committed to managing all waste streams via licensed partners, ensuring that our modernisation efforts contribute to a leaner and more resource-efficient manufacturing footprint in the long term.

Total Waste Management (tonnes)			
Indicator	FYE2025	FYE2024	FYE2023
Total waste diverted from disposal (or recycled)	1582.47	1018.14	718.42
Total waste directed to disposal	26.72	14.22	Data not available
Total waste generated	1609.19	1032.36	718.42

Management approach to Material Matters (Cont'd)

Social Performance

Impact on Local Community

Eonmetall remains committed to supporting the well-being of the communities where we operate. We believe our corporate responsibility involves contributing to local development and addressing immediate communal needs. In the current financial year, the Group focused on the following initiatives:

- Enhancing Educational and Community Infrastructure**
 The Group supported the upgrade of a local school's Public Address (PA) system. As the school serves as a central hub for the area, this improvement provides a better communication tool for public assemblies and local events, benefiting the entire community beyond just the student body.
- Supporting Public Health and Blood Donation Drives**
 In collaboration with the Majlis Pengurusan Komuniti Kampung (MPKK), Eonmetall sponsored essential supplies for several community blood donation activities organised by the government. To further support these initiatives, the Group actively encouraged our own employees to participate as donors, helping to mobilise a larger turnout and contribute to the stability of regional medical reserves.

Through these contributions, Eonmetall continues to ensure that our business growth creates a positive and lasting impact on our neighbours.

Total Amount Invested in communities				
Indicator	Unit	FYE2025	FYE2024	FYE2023
Total amount invested in the community when the target beneficiaries are external to the listed issuer	RM	RM 1681.90	RM 2190	0
Total number of beneficiaries of the investment in communities	Persons	450	272	0

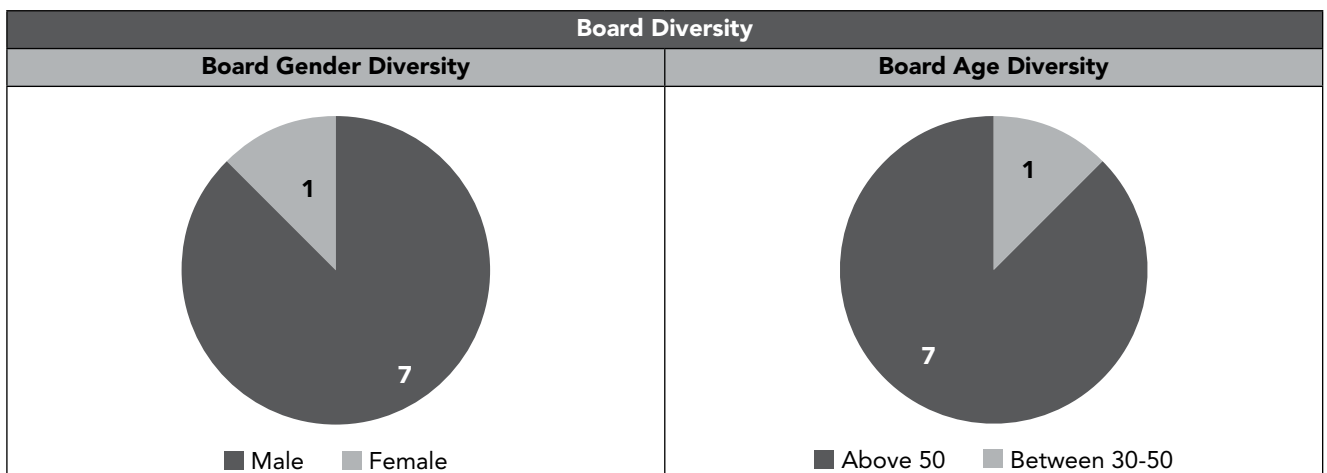
Employee Management

Diversity and Inclusion

The Group remains steadfast in its recognition that Diversity, Equity, and Inclusion ("DEI") are fundamental pillars for fostering innovation and creativity. We view an inclusive culture not merely as a compliance requirement, but as a core strategic asset ingrained in our corporate ethos.

By tapping into a broad pool of talent across various races, genders, ages, and nationalities, we enhance our competitive edge. This commitment is integrated into every phase of our human resource planning—from recruitment and talent development to career advancement—ensuring that individual goals and ambitions are aligned with the Group's long-term growth.

In FYE2025, the total headcount at the end of the reporting period was 348. The breakdown by gender and age is provided in the figures below.

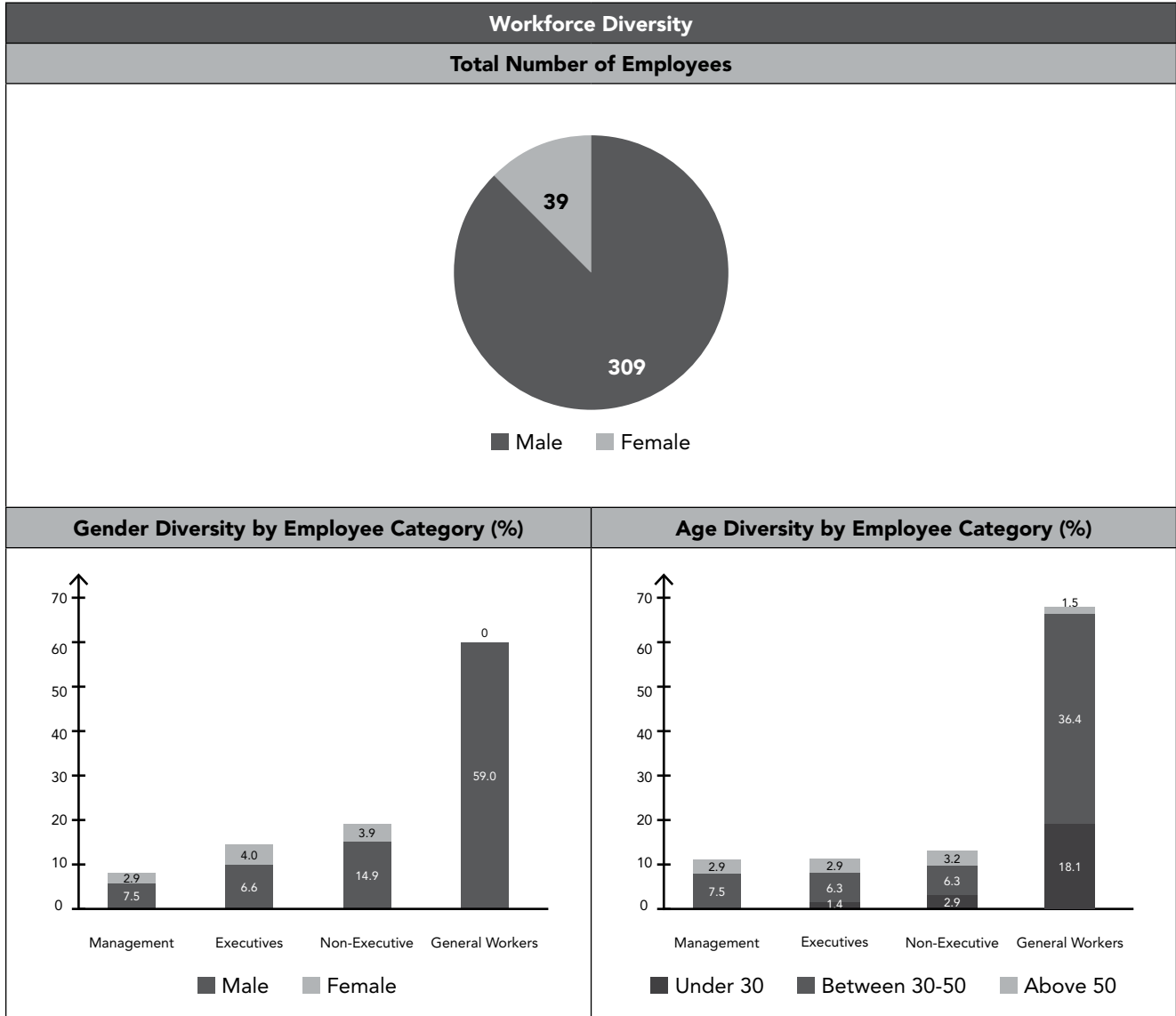


Management approach to Material Matters (Cont'd)

Social Performance (Cont'd)

Employee Management (Cont'd)

Diversity and Inclusion (Cont'd)



Employment Practices

Eonmetall views our employees as the primary architects of our long-term success and industrial expansion. We are committed to a holistic human capital strategy that balances rigorous recruitment with continuous professional development. By fostering a high-performance culture, we ensure our workforce remains professionally competitive, forward-thinking, and structurally prepared for the future of manufacturing.

Management approach to Material Matters (Cont'd)

Social Performance (Cont'd)

Employee Management (Cont'd)

Employment Practices (Cont'd)

The table below shows the total headcount by the end of FYE2025, including all local, expats and foreign employees.

% of Employees that were Contractors or Temporary Staff			
Employee Category	FYE2025	FYE2024	FYE2023
Permanent employees	100%	100%	100%
Temporary/Contract employees	0%	0%	0%
Total Employees	348	390	422

In FYE2025, the Group onboarded new employees, while 44 employees resigned from their positions. The rate of new hires and turnover in percentage is shown in the table below.

New Hire and Turnover Rate			
Indicator	FYE2025	FYE2024	FYE2023
New hire rate (%)	2.59%	12.8%	17%
Turnover Rate (%)	12.6%	19.4%	13.7%

The percentage shown for FYE2025 is based on the total number of voluntarily resignation: 5 from management, 7 executives, 6 non-executives or technical employees and 26 general workers, which totalled to 44 employees.

Total Number of Employee Turnover by Employee Category			
Employee Category	FYE2025	FYE2024	FYE2023
Management	5	1	2
Executive	7	7	9
Non-executive/Technical Staff	6	23	14
General Workers	26	45	33
Total	44	76	58

Talent Development

In FYE 2025, Eonmetall transitioned toward a Hybrid Training Model, prioritising specialised technical expertise over broad-based sessions. This strategic shift resulted in a 40% reduction in total recorded classroom hours compared to FYE 2024, reflecting a move toward higher-impact, localised development.

A key highlight was the Lean project, which utilised a high-density format: intensive half-day theoretical modules followed by immediate practical application on the shopfloor. This "Learning-by-Doing" approach allowed our Process Engineers to identify and eliminate operational redundancies in real-time. While foundational training remained classroom-based, the integration of practical shopfloor modules for core technical projects ensures our investment in human capital translates directly into measurable manufacturing excellence.

Management approach to Material Matters (Cont'd)

Social Performance (Cont'd)

Employee Management (Cont'd)

Talent Development (Cont'd)

Employee Training (excluding OHS Training) in FYE2025

1	April	Understanding on ISO 9001:2015 Awareness and Internal Auditor Training
2	May & June	Personal Data Protection (Amendment) Act 2024
3	May	Pencegahan Eksploitasi Pekerja : Ke Arah Sifar Buruh
4	May	Decoding of Malaysia Transfer Pricing Guidelines 2024 & Transfer Pricing Tax Audit Framework 2024
6	July	Are you prepared for Stamp Duty Self-Assessment System
7	July	Malaysia Business Reporting System (MBRS) 2.0
8	August	Sales & Service Tax (SST) Scope Update: From Exemption to Enforcement
9	August	Kursus Export Mastery, Shipping, Trade Compliance & Best Practices
10	August	Project Cost Management
11	September	Rise of Lean Way
12	September	Motion Study
13	September	Standardized Work Combination Table & Standardized Work Chart
14	October	Fundamental of Takt Time & Heyjunka
15	October	Necessary Manpower
16	October	Understanding of WIP Elements
17	November	BDO Tax Seminar on Budget 2026
18	November	Productive Human Organization
19	November	Waste Elimination using 5S
20	November	AI For Enterprise: For Manufacturing and Industry
21	November	Fundamental of Overall Equipment Effectiveness
22	December	Continuous Improvement with Line Balancing
23	December	Smooth Flow
24	December	Value Stream Mapping Workshop

Total Number of Training Hours by Employee Category (including OHS Training)

Indicator		FYE2025	FYE2024	FYE2023
Management	Total man-hours of training	423	930	336
Executive	Total man-hours of training	1127	1196	616
Non-executive/Technical Staff	Total man-hours of training	253	818	1008
General Workers	Total man-hours of training	132	280	256
Total man-hours of training		1935	3224	2216

Remuneration and Benefits

Eonmetall remains dedicated to providing fair and competitive compensation frameworks that exceed legally required standards, aimed at enhancing employee retention and overall morale. In FYE 2025, we continued to offer a comprehensive benefits package to all full-time employees, encompassing medical coverage, hospitalisation insurance, and relevant travel allowances. Our remuneration strategy is periodically reviewed to ensure alignment with tenure, merit, and market benchmarks, fostering a motivating environment that attracts high-tier talent.

Management approach to Material Matters (Cont'd)

Social Performance (Cont'd)

Employee Management (Cont'd)

Remuneration and Benefits (Cont'd)

Reflecting our commitment to ethical labour practices and social responsibility, the Group recorded zero substantiated complaints concerning human rights violations or labour rights infringements in FYE 2025, maintaining our unblemished track record from previous reporting cycles.

Occupational Health and Safety

At Eonmetall, health and safety remain a core moral imperative and a strategic investment in our operational resilience. We are dedicated to maintaining a secure environment, with a primary focus on preventing occupational injuries and illnesses for all employees and contractors.

The Group continues to adhere strictly to the Occupational Safety and Health Act 1994 and the Environmental Quality Act 1974. Our comprehensive Safety, Health, and Environmental (“SHE”) Policy remains the cornerstone of our management system, reinforced by regular internal communications and safety reminders. In FYE 2025, our established Safety Committee at the Group level played a pivotal role in overseeing risk mitigation and monitoring safety initiatives across all facilities to ensure continuous alignment with industrial safety standards.

The table below shows the total number of training hours and departments involved in OHS training in FYE2024.

Health and Safety Training (OHS) Conducted in FYE2025				
No.	Training Programme	Training month	Hours	Total No. of Attendees
1	Train The Trainer (TTT) in Forklift Operation	June	21	1
2	Introduction to First Aid & CPR/AED	June	8	30
3	OSH Coordinator	September	21	1
4	Hearing Conservation Program - HCP	September	4	30
5	Chemical Safety Management Training	September	4	30
6	OSH Coordinator	October	21	1
7	Electrical Safety	December	14	1

Total Number of Employees Trained on Occupational, Health and Safety (OHS)				
Indicator	Unit	FYE2025	FYE2024	FYE2023
Number of employees trained on health and safety standards	Number	94	95	97

In FYE 2025, the Group recorded four lost time injury (“LTI”) incidents, resulting in a Lost Time Incident Rate (“LTIR”) of 1.08, representing a reduction compared to the previous year.

As part of our safety protocol, a root cause investigation was conducted for each incident to identify and implement corrective actions. These measures included targeted health and safety refreshers and the sharing of lessons learned across all departments to mitigate future risks and uphold our commitment to a zero-accident workplace.

Group’s Performance on Occupational Health and Safety Incidents				
Indicator	Unit	FYE2025	FYE2024	FYE2023
Number of work-related fatalities	Number	0	0	0
Number of lost time injuries	Number	4	6	0
Lost Time Incident Rate (“LTIR”)	Rate	1.08	1.1	0

Management approach to Material Matters (Cont'd)

Social Performance (Cont'd)

Employee Management (Cont'd)

Product Quality

Product quality is a core principle ingrained in Eonmetall's culture. In FYE 2025, we further improved our operational quality by integrating the Lean methodology into our production workflows. This initiative has empowered our technical teams to proactively identify and eliminate process variances, resulting in higher precision and reduced defect rates.

To uphold our "Customer Satisfaction First" ethos, the Group continues to enhance its Quality Management System (QMS) across the entire value chain—from development to after-sales service. Our ability to consistently meet the stringent safety and quality standards of global markets remains a testament to our industrial excellence.

In FYE 2025, Eonmetall maintained and improved upon its international certifications:

- ISO 9001:2015 Quality Management System (QMS) on racking systems (Certified by Intertek).
- QAS International Certification on coils (raw material) compression testing (Certified by SIRIM QAS International)

Governance Performance

Anti-Bribery and Corruption

Eonmetall upholds the highest standards of integrity as the foundation of our corporate governance. In FYE 2025, we continued to enforce a strict zero-tolerance position toward bribery and corruption, strictly guided by our Anti-Bribery and Anti-Corruption Policy ("ABC Policy") and the Malaysian Anti-Corruption Commission ("MACC") Act 2009.

Central to our ethical framework is the Code of Conduct ("CoC"). To ensure 100% alignment with our corporate values, every new employee is required to undergo mandatory ABC training and a formal competency assessment upon joining the Group. Furthermore, all agents, consultants, and business partners are required to acknowledge and adhere to our Code of Conduct, ensuring that our high standards of fairness and accountability extend throughout our entire value chain.

As of 31 December 2025, the Group recorded zero substantiated incidents of corruption across all business operations. Our Whistle Blower Policy remains active and accessible, providing a confidential channel for stakeholders to report any unethical practices without fear of retaliation.

Confirmed Incidents of Corruption and Action Taken			
Indicator	FYE2025	FYE2024	FYE2023

Total number of confirmed incidents of corruption	0	0	0
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% of Operation Assessed for Corruption-related Risks			
Indicator	FYE2025	FYE2024	FYE2023

% of Operation Assessed for Corruption-related Risks	0	0	0
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% of Employees who Received Training on Anti-Corruption			
Employee Category	FYE2025	FYE2024	FYE2023

Management	1	68	0
Executive	4	57	0
Non-executive	2	40	0
General Workers	0	0	0

Management approach to Material Matters (Cont'd)

Governance Performance (Cont'd)

Supply Chain Management

Steel production requires a large volume of raw materials, impacting the local community, workforce, and ecosystem. We prioritise local sourcing to reduce our carbon footprint and support the domestic economy. Our procurement process evaluates vendors based on quality, pricing, and operational capacity.

Eonmetall continues to refine its sustainability assessment framework to screen suppliers via a scoring system. Once fully implemented, our major suppliers will be expected to adhere to defined standards in ethical conduct, safety compliance, and environmental responsibility.

The Group is pleased to report that in FYE2025, local procurement reached 71.4%, a significant increase from 59.5% in FYE2024 and 55.8% in FYE2023. This upward trend reflects our steadfast commitment to supporting local businesses and enhancing supply chain efficiency.

Procurement from Local suppliers			
Indicator	FYE2025	FYE2024	FYE2023
Proportion of spending on local suppliers (%)	71.4%	59.5%	55.8%

Data Privacy and Security

In an increasingly digitised landscape, Eonmetall remains vigilant against the evolving risks of cyber threats. We recognise our responsibility to safeguard corporate data and secure the personal information of our customers and clients to ensure operational continuity and prevent potential breaches.

The oversight of data privacy and security is central to our IT Policy and Procedure, with our IT Manager and Department Heads ensuring Group-wide adherence. Our security framework includes a robust firewall system and the deployment of advanced anti-malware and endpoint protection to safeguard our networks against external vulnerabilities.

Throughout FYE 2025, we continued to conduct regular employee training focused on phishing awareness and cyber-hygiene to strengthen our human firewall. For the reporting period, the Group recorded zero incidents of data breaches and no substantiated complaints regarding the loss of customer data or breaches of customer privacy.

Cybersecurity and Data Protection				
Indicator	Unit	FYE2025	FYE2024	FYE2023
Number of substantiated complaints concerning breaches of customer privacy or loss of customer data	Number	0	0	0

Statement of Assurance

To ensure the integrity of this Sustainability Statement, all sustainability data collected and reported has been internally reviewed by our internal quality assurance team.

SUSTAINABILITY STATEMENT

PRESCRIBED TABLE (CONT'D)

Date & Time: 2026-04-29_16:34:12
FYE 31/12/2025

Eonmetall Group Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Management	%	1	-	Internal
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Executive	%	4	-	Internal
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Non executive/Technical Staff	%	2	-	Internal
Bursa (Anti-corruption)	Bursa C1(b) Percentage of operations assessed for corruption-related risks	%	0	-	Internal
Bursa (Anti-corruption)	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	-	Internal
Bursa (Community/Society)	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1681.90	-	Internal
Bursa (Community/Society)	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	450	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Management Under 30	%	0	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Management Between 30-50	%	5.5	-	Internal

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Management Above 50	%	4.9	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Executive Under 30	%	1.4	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Executive Between 30-50	%	6.3	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Executive Above 50	%	2.9	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Non-executive/Technical Staff Under 30	%	2.9	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Non-executive/Technical Staff Between 30-50	%	6.3	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Non-executive/Technical Staff Above 50	%	3.2	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: General Workers Under 30	%	18.1	-	Internal

SUSTAINABILITY STATEMENT

PRESCRIBED TABLE (CONT'D)

Date & Time: 2026-04-29_16:34:12
FYE 31/12/2025

Eonmetall Group Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: General Workers Between 30-50	%	44.5	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: General Worker Above 50	%	4.0	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group, for each employee category: Management Male	%	75	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group, for each employee category: Management Female	%	2.9	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group, for each employee category: Executive Male	%	6.6	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group, for each employee category: Executive Female	%	4.0	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group, for each employee category: Non executive/Technical Staff Male	%	8.0	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group, for each employee category: Non executive/Technical Staff Female	%	4.3	-	Internal

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group, for each employee category: General Worker Male	%	66.7	-	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group, for each employee category: General Worker Female	%	0	-	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group: Male	%	87.5	-	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group: Female	%	12.5	-	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group: Under 30	%	0	-	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group: Between 30-50	%	12.5	-	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group: Above 50	%	87.5	-	Internal
Bursa (Energy management)	Total energy consumption (within the organisation)	Megawatt	854518	-	Internal
Bursa (Health and safety)	Bursa C5(a) Number of work-related fatalities	Number	0	-	Internal
Bursa (Health and safety)	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.08	-	Internal
Bursa (Health and safety)	Bursa C5(c) Number of employees trained on health and safety standards	Number	94	-	Internal
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category: Management	Hours	423	-	Internal

SUSTAINABILITY STATEMENT

PRESCRIBED TABLE (CONT'D)

Date & Time: 2026-04-29_16:34:12
FYE 31/12/2025

Eonmetall Group Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category: Executive	Hours	1127	-	Internal
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category: Non-executive/Technical Staff	Hours	253	-	Internal
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category: General Worker	Hours	132	-	Internal
Bursa (Labour practices and standards)	Bursa C6(b) Percentage of employees that are contractors or temporary staff	%	0	-	Internal
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category: Management	Number	5	-	Internal
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category: Executive	Number	7	-	Internal
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category: Non-executive/Technical Staff	Number	6	-	Internal
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category: General Worker	Number	26	-	Internal
Bursa (Labour practices and standards)	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	-	Internal
Bursa (Supply chain management)	Bursa C7(a) Proportion of spending on local suppliers	%	71.4	-	Internal

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Data privacy and security)	Bursa C8(e) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	Internal
Bursa (Water)	Bursa C9(e) Total volume of water used	Megalitres	31.8	-	Internal
Bursa (Waste management)	Bursa C10(a) Total waste generated	Metric Tonnes	160919	-	Internal
Bursa (Waste management)	Bursa C10(a)(i) Total waste diverted from disposal	Metric Tonnes	1582.47	-	Internal
Bursa (Waste management)	Bursa C10(a)(ii) Total waste directed to disposal	Metric Tonnes	26.72	-	Internal
Bursa (Emissions management)	Bursa C11(a) Scope 1 emissions	tCO2e	1158	-	Internal
Bursa (Emissions management)	Bursa C11(b) Scope 2 emissions	tCO2e	1325	-	Internal
Bursa (Emissions management)	Bursa C11(c) Scope 3 emissions (at least for the categories of business travel and employee commuting)	tCO2e	235	-	Internal

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**”) of Eonmetall Group Berhad (“**Company**” or “**Eonmetall**”) fully appreciates the importance of adopting and continuously maintaining high standards of corporate governance throughout Eonmetall and its subsidiaries (“**the Group**”) so that the affairs of the Group are conducted with integrity, transparency and professionalism with the objective of enhancing business success, safeguarding shareholders’ investment, enhancing shareholders value as well as the interests of other stakeholders. The main focus is to adopt the substance behind good corporate governance practices with the ultimate aim to ensure Board effectiveness and efficacy in enhancing shareholders’ value.

This Corporate Governance Overview Statement (“**CG Statement**”) provides the summary of the Company’s corporate governance practices during the financial year ended 31 December 2025 (“**FYE2025**”) with reference to the following three (3) principles set out in the Malaysian Code on Corporate Governance 2021 (“**MCCG**”):

- Principle A: Board leadership and effectiveness;
- Principle B: Effective audit and risk management; and
- Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders

The application for each Practice as set out in the MCCG is disclosed in the Corporate Governance Report (“**CG Report**”) which is available on the Company’s website: www.eonmetall.com as well as through an announcement on the website of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). This CG Statement is to be read together with CG Report, based on a prescribed format as outlined under paragraph 15.25(2) of Main Market Listing Requirements of Bursa Securities (“**MMLR**”).

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board of Directors

The current Board comprised of seven (7) members; three (3) Executive Directors, one (1) Non-Independent Non-Executive Directors and three (3) Independent Non-Executive Directors, as follows:

Position	Directors
Independent Non-Executive Chairman	Dato’ Mohammad Radhi Bin Abdul Razak
Managing Director & Chief Executive Officer	Datin Tan Pak Say
Executive Director & Chief Operating Director	Goh Hong Kent
Executive Director	Dato’ Goh Cheng Huat
Independent Non-Executive Directors	Chan Theng Sung Datuk Yogeessvaran A/L Kumaraguru
Non-Independent Non-Executive Directors	Goh Kee Seng

On 1 December 2025, Dato’ Mohammad Radhi Bin Abdul Razak was appointed as the Chairman of the Board.

The details of directors’ background, experiences and qualifications are set out under the Profile of Directors in this Annual Report.

All concerns regarding the Group can be conveyed to any one of the Directors and or will be deliberated by all Directors during the Board meeting. As such, the Board had not appointed a Senior Independent Non-Executive Director to whom concerns regarding the Group may be conveyed.

The concept of independence as adopted by the Board is consistent with definition of Independent Non-Executive Director (“**INED**”) outlined in paragraph 1.01 and Practice Note 13 of the MMLR. The key elements for fulfilling the criteria are the appointment of Directors who are not members of Management and who are free of any relationship which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company and the Group.

The Board scheduled to meet at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings with sufficient notice. During the FYE2025, the Board held four (4) meetings to deliberate and decide on various issues including the Group’s financial results, strategic decisions, and the direction of the Group.

The major deliberation, in terms of issues discussed and the conclusion arrived by the Board during the meetings, are recorded by the Company Secretary with the minutes signed by the Chairman of the meetings.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**1. Board of Directors (Cont'd)**

Detail of attendance of each Director at the Board and Board Committees (refer collectively to Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC")) meetings of Eonmetall held during the financial year under review is as follows:

Directors	Board	Audit Committee	Nominating Committee	Remuneration Committee
Dato' Mohammad Radhi Bin Abdul Razak	5/5	4/4	2/2	2/2
Dato' Goh Cheng Huat	5/5	-	-	-
Datin Tan Pak Say	5/5	-	-	-
Goh Hong Kent	4/5	-	-	-
Goh Kee Seng	5/5	-	-	-
Chan Theng Sung	5/5	4/4	2/2	2/2
Datuk Yogeessvaran A/L Kumaraguru	4/5	4/4	2/2	2/2
Tan Sri Dato' Mohd Desa Bin Pachi ⁽¹⁾	3/3	-	-	-
Yeoh Cheng Chye ⁽²⁾	5/5	-	-	-

Notes:

- (1) *Tan Sri Dato' Mohd Desa Bin Pachi has demised on 14 September 2025. His attendance at the Board meetings was counted until the date of demise.*
- (2) *Mr Yeoh Cheng Chye has resigned on 01 March 2026 from the Board. He attended all meetings of the Board held during FYE 2025.*

Board meetings are scheduled ahead to enable the Directors to plan and adjust their schedule to ensure good attendance and the expected degree of attention to the Board meeting agenda.

Management personnel and external consultants are also invited to attend the Board meetings as and when required in order to present and advise the members with information and clarification on certain meeting agenda to facilitate informed decision-making.

The Board is satisfied with the time commitment given by the Directors as demonstrated by their attendance to the meetings of the Board and Board Committees.

In addition, none of the Directors hold more than 5 directorships in public listed companies as required under paragraph 15.06 of the MMLR of Bursa Securities to enable the Directors to discharge their duties effectively by ensuring that their commitment, resources and time are more focused. The Board members must notify the Board or the Chairman before accepting any new Directorship in other public listed companies.

All Directors have complied with the provision of MMLR in relation to MAP Part II: Leading in Impact ("MAP Part II").

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

1. Board of Directors (Cont'd)

In compliance with Paragraph 15.08 of the MMLR, the Directors had attended the following seminar/webinar/conference/trainings in FYE2025:

Directors	Training, Conferences or Seminars
Dato' Mohammad Radhi Bin Abdul Razak	<ul style="list-style-type: none"> Internal briefing on Securities Commission Malaysia's Audit Oversight
Dato' Goh Cheng Huat	<ul style="list-style-type: none"> Recent Developments with Listing Requirements and Updates
Goh Hong Kent	<ul style="list-style-type: none"> HSBC Malaysia Commercial Banking 2025
Datin Tan Pak Say	<ul style="list-style-type: none"> BDO Tax Seminar on Budget 2026 Sustainable Deals: ESG Compliance in Mergers & Acquisitions CTOS SME BIZ 2025 Symposiums E-Invoice Strategy Recent Developments with Listing Requirements and Updates
Chan Theng Sung	<ul style="list-style-type: none"> Tax Budget By CTIM Seminar National Tax Convention 2025 MPERS new amendments
Datuk Yogeesvaran A/L Kumaraguru	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: LEADING FOR IMPACT (LIP)
Goh Kee Seng	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: LEADING FOR IMPACT (LIP)

Board Responsibilities

The Board has the overall responsibility to manage the business affairs of the Group and approving all strategies, providing leadership and direction as well as management supervision. In addition to its legal responsibilities, the Board ensures that management has in place appropriate processes for management and internal controls, risk assessment and monitoring performance against agreed benchmark for the Group as well as ensuring businesses are carried out in compliance with good governance practices and in a transparent and objective manner. Its overall objective is to enhance the value of its shareholders by achieving the strategic objectives of the Group.

As part of the Board's effort to ensure that its duties and responsibilities are effectively discharged, the Board delegates certain functions to Board Committees, the Managing Director & Chief Executive Officer ("**MD&CEO**") and the management. The Board has established Board Committees to perform certain of its functions and to provide recommendations and advice.

The Board has establish Audit Committee ("**AC**"), Nomination Committee ("**NC**") and Remuneration committee ("**RC**"), which comprise solely of Non-Executive Directors ("**NED**") with a majority being independent. Each of these Board Committees operates under clearly defined Terms of Reference ("**TOR**") as approved by the Board and are periodically reviewed for relevance and improvement. The Chairman of the respective Board Committees will report to the Board on the outcome of any discussions and make recommendations thereon to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The Board, at its meetings, regularly reviews and approves the strategies and business plans of the Company and the Group, identifies and manages principal risks affecting the Group including establishing and approving relevant policies, reviewing the adequacy and integrity of the Group's internal control systems, overseeing the performance of the Group's businesses, reviewing succession planning and talent management, reviewing of Group strategies and promoting sustainability, enforcing compliance with legal and statutory requirements within the Group, acquisition or divestment policy, approval of major capital expenditure, consideration of significant financial matters and review of the financial and operating performance of the Group.

The Board has established clear functions reserved for the Board and those delegated to management. The Board is responsible for the overall business framework within which the Group operates. This is formalised into a schedule of events that is reserved for the Board and these include determining overall group strategy and direction to approve acquisitions and divestments, business plan, budgets, capital expenditures, quarterly and annual financial results as well as monitoring financial and operational performance against targets. Management is responsible for the execution of activities to meet corporate plans as well as instituting various measures to ensure due compliance with various governing legislations.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**1. Board of Directors (Cont'd)****Board Responsibilities (Cont'd)**

The Board acknowledges its role in the stewardship of the Group's direction and operations, and ultimately the enhancement of long-term shareholders value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of the goals. The Board delegates the responsibility of implementing Group strategies, business plans, policies and decisions to the management, which is led by the MD&CEO.

Chairman of the Board

The Board is led by an Independent Non-Executive Chairman supported by an experienced Board, comprising members with wide ranging experience in relevant fields such as general management, public policy, accounting and finance, industry knowledge and information technology. The Chairman is responsible for leading the Board and ensures that all Directors receive relevant information on financial and non-financial matters to enable them to participate actively in Board decisions.

He provides leadership and governance on the Board and creates a conducive situation geared towards building and growing Directors' effectiveness and ensure that appropriate issues are discussed by the Board in a timely manner. As part of that role, Chairman ensures that no member dominates any discussion and appropriate discussions are taken place with relevant participation among Board members forthcoming.

Other roles of the Chairman include leading the Board in the oversight of management, ensuring adequacy and integrity of the governance process and issues, maintaining regular dialogues with MD&CEO over operational matters and seek opinion of fellow Board members over any matters that may give cause for major concerns.

Separation of Position of Chairman and MD&CEO

The Board has always made the distinction that the position of the Chairman and the MD&CEO do not reside with the same person. There is a clear and separate division of responsibility in the roles and duties of the Chairman and MD&CEO.

The Chairman is primarily responsible for the effective and efficient conduct and working of the Board. He leads the Board with focus on governance, compliance and acts as a facilitator during Board meetings.

The MD&CEO has overall responsibilities over the daily conduct of operating units, human resource management with respect to key positions in the Group's hierarchy, financial management and business affairs as well as organisational effectiveness and implementation of Board policies and decisions.

The MD&CEO also ensures that the Group's corporate identity, products and services are of high standard and reflective of market expectations, business practices and are in compliance with governmental regulations. During each of its scheduled meetings, the MD&CEO will brief the Board on the performance and activities of the Group and specific proposals for capital expenditure and acquisitions and disposals, if any.

Chairman of the board shall not be a member of the AC, NC or RC

Prior to 1 December 2025, the Chairman of the Board was not a member of Board Committees.

On 1 December 2025, Dato' Mohd Radhi Bin Abdul Razak was appointed as the Chairman of the Board. Due to the size of the Board, the Directors has decided to include the Chairman as the member of AC, NC and RC.

This represent a departure from practice note 1.4.

Qualified and Competent Company Secretaries

The Company Secretaries are capable of carrying out their duties to ensure the effective functioning of the Board. The Board is satisfied with the performance and support rendered as the Directors are able to seek advice and service of the Company Secretaries. The Company Secretaries, who are competent, qualified and experienced, advise the Board on any updates relating to any new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors and the potential impact and implications arising there from.

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

1. Board of Directors (Cont'd)

Qualified and Competent Company Secretaries (Cont'd)

The Company Secretaries, or her representatives, attend and ensure that all Board and its Committees meetings are properly convened. The decisions made and/or resolutions passed thereof are recorded in minutes of meetings and kept at the registered office of the Company together with its statutory registers. The Company Secretaries also facilitate the communication of key decisions and policies between the Board, Board Committees and Management. The Board is also regularly updated and kept informed of the latest developments in the legislation, regulatory and corporate governance framework affecting the Group and are advised on the proposed contents and timing of material announcements to be made to regulatory authorities.

Other roles of the Company Secretaries included coordinating with Management the preparation of Board papers, ensuring Board procedures and applicable rules are observed and maintaining records of the Board as well as provide timely dissemination of information relevant to the Directors' roles and functions and keeping them updated on evolving regulatory requirements.

Access to Information and Advice

The Board recognises that the decision-making process is highly dependent on the quality of information available. All the Directors have access to all information within the Group and may seek the advice of Management on matters under discussion or request further information on the Group's business activities. The Chairman, with the assistance of the Company Secretaries, ensures that all Directors have full and timely access to information with Board papers distributed in advance for meetings of the Board and Board Committees.

The Directors, whether as full Board or in their personal capacity, may upon approval from the Board, seek independent professional advice, where necessary and under appropriate circumstances, in furtherance of their duties and to enable them to discharge their duties, at the Group's expense.

All Board and Board Committees are provided with agenda and relevant board papers, reports including matters arising, financial, operational and regulatory compliance matter, at least seven (7) days prior to meetings to ensure that they have sufficient time to review and evaluate the matters to be deliberated and obtain further information, if needed, prior to meeting to expedite decision-making during meetings. Actions on all matters arising from any previous meeting are reported at the following meeting.

2. Demarcation of Responsibilities

Board Charter

The Board Charter provides structured guidance by clearly delineating the roles, duties and responsibilities of the Chairman, MD&CEO, Board, Board Committees and Management. The Board Charter also includes the requirements of Directors in carrying out their leadership and supervisory role; and in discharging their duties towards the Group as well as boardroom activities.

The Board Charter is subject to periodical review by the Board to ensure that it remains consistent with the Board's roles and responsibilities, changing needs of the Company as well as any development in the prevailing legislation and practices.

The Board Charter is available on the Company's website at www.eonmetall.com.

3. Good Business Conduct and Corporate Culture

Code of Conduct and Ethics

The Board is committed towards inculcating a corporate culture which engenders ethical conduct throughout the Group. The Board has formalised Code of Ethics and Code of Conduct setting out the standard of ethics and conduct expected from its Directors, management and employees to enhance the standards of corporate governance and corporate behaviour.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**3. Good Business Conduct and Corporate Culture (Cont'd)****Code of Conduct and Ethics (Cont'd)**

The Code of Conduct is based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism. Our Code of Ethics is based on the principles of sincerity, integrity, responsibility and corporate social responsibility. The codes cover a wide range of business practices and procedures; and sets out the basic principles to guide the Group's Directors, management and employees in performing their duties so as to improve work quality, productivity and self-discipline in order to provide effective, good and quality services.

The Board noted the importance of a code of ethics and conduct that emphasise the Group's commitment to ethical practices and compliance with the applicable laws and regulations which also governs the standards of ethics and good conduct expected from the Directors and employees of the Group. The Group has in place an Employee Handbook, which contains various human resource policies and serves as a guide for employees to ensure their actions and practices are in line with the guidelines under the Handbook.

The Company has also adopted the Anti-Bribery and Anti-Corruption Policy ("**ABAC Policy**") as in compliance with the Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The adoption of the ABAC Policy signalled commitment by the Board and the Group to conduct all businesses in an honest and ethical manner requiring all Directors and employees to act professionally, fairly and with integrity in all our business dealings and relationships.

The ABAC Policy sets out adequate procedures designed to prevent situations in which bribery and corrupt practices may take root.

Both Codes and ABAC policy are available on the Company's website at www.eonmetall.com.

Whistleblowing Policy

The Company has always advocated for openness and transparency in its commitment to the highest standard of integrity and accountability. All malpractices or wrongdoings reported by the whistle-blower are made to the Chairman of AC (for financial reporting, unethical or illegal conduct) or MD&CEO (for Employment-related concern) and shall be set forth in writing or verbally.

The Whistle Blower Policy is available on the Company's website at www.eonmetall.com.

Fit & Proper Policy

The Board adopted the Fit & Proper Policy to provide guidance to assess the fitness and propriety of Directors and Key Senior Management ("**KSM**") to ensure that person(s) to be appointed or re-elected as a director/KSM possesses the necessary character and integrity, experience and competence as well as the ability to discharge and give appropriate commitment and participation and contribution to the Board and the Company.

The Fit & Proper Policy is available on the Company's website at www.eonmetall.com.

4. Sustainable Practice**Material Sustainability Matters**

The Board recognises that sustainable development is an important and integral part of the Group's pursuit of its long-term business success. The Board is responsible for the development of the Group's sustainability strategies. The Risk Management Committee ("**RMC**") comprises mainly of the senior management have been entrusted to drive strategic management of material sustainability matters.

The Board appointed the Executive Director & Chief Operating Officer ("**ED&COO**") to drive strategic management of material sustainability matters.

Sustainability Strategies

The management has set sustainability targets and communicated with the key stakeholders. Implementation strategies are developed and measured continuously.

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

4. Sustainable Practice (Cont'd)

Sustainability Strategies (Cont'd)

The Board will meet and discuss key sustainability matters at least once a year.

Periodic Updates

The Boards are appraised, and they provide their views and opinions on any of the Group's sustainability issues during the Board meetings

Performance Evaluation

The Board recognises the importance of sustainability in all its business operation and had included sustainability as one of the criteria in the performance evaluations of all employees including its board members.

The Board Effectiveness Evaluation for FYE2025 included assessment on Boards' understanding on sustainability issues that are critical to the company's performance.

Please refer to the Sustainability Statement which outlined sustainability activities by the Group.

5. Directors of the Company

NC

The current NC comprises of three (3) members, all of whom are INEDs. The members of NC are as follows:

Name	Position
Datuk Yogeessvaran A/L Kumaraguru	Chairman
Dato' Mohammad Radhi Bin Abdul Razak	Member
Chan Theng Sung	Member

Datuk Yogeessvaran A/L Kumaraguru, an INED, is the current Chairman of the NC.

The NC met twice (2) during the financial year and all members of the NC attended the meeting to deliberate on the following matters:

- Reviewed the term of office and performance of the AC.
- Reviewed the current Board structure, size and composition with an aim to achieving a balance of views on the Board.
- Reviewed and assessed the contribution of each Director and the effectiveness of the Board and Board Committees.
- Discussed the character, experience, integrity and competence of the Directors, Chief Executive or Chief Financial Officer and to ensure they have the time to discharge their respective roles.
- Reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board.
- Reviewed the level of independence of INEDs.
- Reviewed and recommended re-election of Directors, who retire by rotation under the Company's Constitution, at the forthcoming Annual General Meeting ("AGM").
- Reviewed and recommended Dato' Mohammad Radhi Bin Abdul Razak to the Board for appointment as Chairman of the Board.

Review of Board Composition

NC reviewed the size and composition of the Board, and the skills and core competencies of its members, to ensure an appropriate balance and diversity of skills and experience. The Board, through the NC, have upon their annual assessment, concluded that the current Board comprises of a balanced mix of skills, knowledge and experience in the relevant areas to enable the Board to carry out its responsibilities in an effective and efficient manner.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**5. Directors of the Company (Cont'd)****Independent Directors**

The Board had not met the composition recommended under the Practice 5.2 of MCCG, whereby at least half (50%) of the Board members, the three (3) INEDs, with their breadth of professional background, have enabled the Board to exercise objective judgement on various issues through their sharing of impartial, objective and unbiased opinion and viewpoints.

The current Board composition was compliance with the provision of paragraph 15.02 of MMLR, which requires that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, are INEDs.

Tenure of Independent Directors

Upon completion of the nine (9) years, an INED may continue to serve on the Board subject to the Director's re-designation as Non-Independent Director or the Board shall justify and seek annual shareholders' approval at the Annual General Meeting ("AGM").

None of the INED served for a cumulative term of more than nine (9) years.

Policy on Tenure of Independent Directors

The Board did not adopt any policy which limits the tenure of its INED to nine (9) years without further extension.

Diversification of Board and Senior Management

The Board is supportive of diversity on the Board and in Senior Management team. The appointment of Board and Senior Management team are based on objective criteria, merit and takes into consideration for diversity in experience, skills set, age and cultural background.

The present Directors, with their diverse background and professional specialisation, collectively bring with them a wealth of experience and expertise in areas such as general management and operations, law, commercial, finance and accounting, corporate affairs, manufacturing as well as sales and marketing.

Sources to identify candidate for Directorship

The Board relies on a few sources to identify candidate for directorship, including recommendation from Directors.

Directors' Information

The profiles of Directors are published in the Annual Report. Information contained therein included age, gender, tenure of service, directorship in other companies, working experience and any conflict of interest as well as shareholding in Eonmetall.

To ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director, a brief profile of director concerned together with statement from the Board (on whether it support the appointment or reappointment) will be included in the agenda of meeting when such appointment or reappointment will be considered.

Female Board Representation

Whilst acknowledging the recommendation of the MCCG on gender diversity, the Board is of the collective opinion that there was no necessity to adopt a formal gender diversity policy as the Group is committed to provide fair and equal opportunities and nurturing diversity within the Group.

The current composition of one (1) female Director testifies to the Group's commitment on gender diversity.

Gender Diversity

The Board is supportive of gender diversity in the Board and in its senior management team. Within its rank of senior management, the Group has about 28% female representation.

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

6. Board Effectiveness

Effectiveness of the Board and individual Directors

The Board has adopted a Directors' Assessment Policy which sets out the criteria and procedures for the Board performance assessment. The NC conducts annual review of the effectiveness of the Board and Board Committees as well as performance of each individual Director. The assessment is administered via customised questionnaires, using a self and peer-rating model for continuous improvement.

The NC reviews annually the required mix of skills, experience and other qualities, including core competencies of the members in discharging their duties. The skills and experience of each Director is analysed, inter-alia, in the areas of business operations technical and governmental affairs and legislation. Furthermore, the NC reviews size and composition of the Board with consideration on the impact on the effective functioning of the Board.

The NC had also reviewed and assessed the independence of the Independent Directors based on the Directors' professionalism and integrity in the decision-making process, ability to form independence judgements, as well as objectivity and clarity in deliberations in addition to the specific criteria of independence as set out in the MMLR of Bursa Securities.

The results of all assessments and comments by Directors were summarised before being tabled for review and discussion at the NC meeting. Thereafter, the Chairman of NC would report on the results and deliberations to the Board.

Based on the outcome of evaluation for the financial year under review, the NC and the Board were satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively and the contribution and performance of each individual Director is satisfactory. The NC believes that the current Board composition is well balanced with the right mix of high-calibre individuals with the necessary skills, qualification, experience, knowledge, credibility, independence and core competencies.

The Company's Constitution provides that an election of Directors shall take place each year and, at the Annual General Meeting, one-third of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election. All the Directors shall retire from office once at least in three (3) years but shall be eligible for re-election. The Directors to retire in each year shall be those who have been longest in office since their appointment or re-appointment. A retiring Director is eligible for re-appointment. This provides an opportunity for shareholders to renew their mandates. The re-election of each Director is voted on separately.

The Director who is subject to re-election and/or re-appointment at next Annual General Meeting is assessed by the NC before recommendation is made to the Board and shareholders for re-election and/or re-appointment. Appropriate assessment and recommendation by the NC is based on the annual assessment conducted.

The Company Secretaries will ensure that all appointments are properly affected with the necessary legal and regulatory obligations duly met.

7. Level and Composition of Remuneration

RC

The present RC consists of three (3) IDs, all of whom are independent. The RC currently comprised of the following:

Name	Position
Datuk Yogevaran A/L Kumaraguru	Chairman
Chan Theng Sung	Member
Dato' Mohammad Radhi Bin Abdul Razak	Member

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Part I – Board Composition (Cont'd)****7. Level and Composition of Remuneration (Cont'd)****RC (Cont'd)**

The RC was previously chaired by Dato' Mohammad Radhi Bin Abdul Razak and supported by Datuk Yogeessvaran A/L Kumaraguru and Chan Theng Sung. On 1 December 2025, Dato' Mohammad Radhi Bin Abdul Razak was re-designated as a member of the RC and Datuk Yogeessvaran A/L Kumaraguru was re-designated as the Chairman of the RC.

The RC is empowered by the Board and its TOR to review proposed share option schemes, appraise performance of each individual Executive Director ("ED") in proposing salary increment as well as annual bonus, considering and reviewing fringe benefits issues and to evaluate different remuneration methods and philosophies as well conducting studies of current industry practice.

The TOR of the RC is available on the Company's website at www.eonmetall.com.

Remuneration policy

The objective of the Group's Directors' Remuneration Policy is to determine the level of remuneration package of EDs and CFO, attract, develop and retain high performing and motivated EDs and CFO, to provide remuneration that commensurate with the responsibilities of their position and encourage of value creation for the Company and its Stakeholders.

As for NEDs, the level of fee and other benefits is reflective of their experience, expertise, contribution to the Group, duty and level of responsibilities undertaken by them including the number of Board meetings attended. The determination of Directors' fees for the Non-EDs including that of Non-Executive Chairman of the Board shall be a matter for the Board as a whole.

The RC is responsible for, inter-alia, recommending to the Board the policy framework and remuneration structure for Directors as well as the remuneration packages of EDs and CFO.

In the case of the EDs and CFO, the components of the remuneration package are linked to scope of the duty and responsibilities, conditions and experiences required, ethical values, internal balances and strategic targets of the Group as well as the corporate and individual performance. The EDs played no part in deciding their own remuneration and the respective Board members shall abstain from all discussion pertaining to their remuneration.

During the FYE2025, the RC met twice, attended by all the members, to consider the remuneration package for the EDs and CFO as well as Directors' fees for the Non-EDs. All deliberations of the RC are properly documented in the minutes of RC meetings and recommendations are reported by the RC Chairman at Board meetings.

8. Remuneration of Directors and Senior Management**Details of Directors' Remuneration**

The remuneration payable in respect of Directors' fees and benefits payable for FYE2025 are categorised as follows:

Type of fees	(RM)
Executive Directors (per pax)	36,000
Non-Executive Directors (per pax)	36,000
Independent Non-Executive Director and Chairman of the AC	54,000

The fees and benefits payable to Directors are endorsed by the Board for approval by the shareholders at the AGM prior to payment.

The remuneration received/receivable by the Directors of the Company for FYE2025 is as disclosed in the CG Report.

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

Part I – Board Composition (Cont'd)

8. Remuneration of Directors and Senior Management (Cont'd)

Detailed Disclosure of Top Four (4) Senior Management's Remuneration

The Board acknowledged the need for transparency in the disclosure of remuneration as recommended under the MCCG. Nonetheless, the Board takes the view that there is no necessity for the Group to disclose the remuneration package of top five (5) Senior Management as such disclosure could be detrimental to its business interests given the highly competitive human capital environment in which the Group operates where intense headhunting for personnel with the right expertise, knowledge and relevant working experience is the norm. As such, disclosure of specific remuneration information could give rise to recruitment and talent retention issues going forward.

The Board will ensure that the remuneration of the Senior Management personnel commensurate with the level of responsibilities, with due consideration in attracting, retaining and motivating Senior Management to lead and run the Group successfully. Excessive remuneration pay-out is not made to the Senior Management personnel in any instance.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

9. Effective and Independent AC

AC

The current AC comprise 3 INEDs.

Chan Theng Sung, an INED, is the present Chairman of the AC. Details on the composition and other pertinent facts of the AC is outlined under the AC Report in this Annual Report.

Diversity in skills of the AC

The AC currently comprised of members with professional experience in finance and audit assurance, business, public policy and economic environment. All members are financially literate and are able to read, interpret and understand the financial statements. The diversity in skills set coupled with their financial literacy gave the AC the ability to effectively discharge their roles and responsibilities.

Appointment of Former Key Audit Partner

None of the members of the Board were former key audit partners. Hence, no former key audit partner is appointed to the AC. As such, there was no need to establish such policy presently. Such a policy would be established when the need arises in future.

The Board will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the AC was a key audit partner.

External Auditors

Under its TOR, the AC reviews the suitability, objectivity and independence of the external auditor of the Company on an annual basis. The review process covers the assessment of the independence of the external auditor, the evaluation of the external auditor's performance, competency, quality of work, audit fees and the adequacy of resources.

The AC has assessed the suitability and independence of the external auditors and is satisfied with the technical competency and independence of the external auditors. The AC meets with the external auditors at least twice (2) a year to discuss their audit plan and audit findings. The AC discusses the nature and scope of audit and reporting obligations with the external auditors before commencement of audit engagement. It is also the practice of the AC to respond to auditors' enquiries and recommendations, if any, to ensure compliance with the various approved accounting standards in the preparation of the Group's financial statements.

The AC is empowered by the Board to review all issues in relation to appointment and re-appointment, resignation or dismissal of external auditors. The AC undertakes an annual assessment of the suitability and independence of the external auditors and is satisfied with the technical competency and independence of the external auditors.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**9. Effective and Independent AC (Cont'd)****External Auditors (Cont'd)**

The AC has considered the non-audit services provided by the external auditors during FYE2025 and concluded that the provision of these services did not compromise the external auditors' independence and objectivity. The amount of fees paid for these services was not significant when compared to the total audit fees paid to the external auditors. The external auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence rules of the Malaysian Institute of Accountants.

The Board place great emphasis on the objectivity and independence of the auditors, namely BDO PLT, in providing relevant and transparent reports to the shareholders. To ensure full disclosure of matters, the auditors attend the AGM to attend any queries from shareholders.

Composition of the AC

The present AC comprises three (3) INEDs.

10. Effective Risk Management and Internal Control Framework**Establishment an effective Risk Management and Internal Control**

The Board has established a structured risk management process aimed at identifying, evaluating, controlling, monitoring and reporting principal risks faced by the Group on an on-going basis.

Features of Risk Management and Internal Control Framework

The Statement on Risk Management and Internal Control in this Annual Report provides an overview on the state of internal controls and risk management within the Group.

Continuous reviews are carried out by the Group's internal audit function and management to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. The findings of the internal audit function are reported to the AC regularly.

Establishment of a Risk Management Committee Comprises a Majority of Independent Director

The group has not complied with this Step-up Practice as the current RMC comprised of management personnel. The Board will assess the need for a RMC in the future.

11. Effective Governance, Risk Management and Internal Control**Effectiveness of the internal audit function**

The internal audit function of the Group is carried out by an outsourced and competent consulting firm, JWC Consulting Sdn. Bhd. ("JWC"), that assists the AC and the Board in managing the risks and establishment of the internal control system and processes within the Group by providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes. The internal auditors report directly to the AC.

The AC reviews and approves the Internal Audit Plan annually and ensures that the internal auditors are accorded with appropriate standing and authority to facilitate the discharge of its duties. Audits of the practices, procedures, expenditure and internal controls of identified business and support units and subsidiaries are undertaken on a regular basis.

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

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

11. Effective Governance, Risk Management and Internal Control (Cont'd)

Disclosure on the internal audit function

The internal auditors are required to declare their independence to the AC. The AC has also received assurance from the internal auditors that they have adopted internal audit standards and best practices based on the International Professional Practices Framework (IPPF), endorsed by the Institute of Internal Auditors Malaysia.

The external service provider is JWC and RM27,600 has been incurred for internal audit services for FYE2025.

12. Continuous Communication between the Company and Stakeholders

Communication with its stakeholders

The Group is committed to maintaining regular, transparent, coherent, timely and equitable dissemination of relevant and material information on the development of the Group to shareholders and stakeholders whilst balancing commercial confidentiality and regulatory considerations.

The Company's general meetings remain the principal forum for dialogue and communication with shareholders and investors. Shareholders are encouraged to attend the general meetings and given sufficient time and opportunity to participate in the proceedings, ask questions about the resolutions being proposed and the operations of the Group, and communicate their expectations and possible concerns.

In addition, the Board and Management welcome visits by investors, fund managers and analysts and conduct briefings to them when required, as the Board believes that this will give investors and interested parties on one hand, a better appreciation and understanding of the Group's performance and on the other, awareness of the expectations and concerns of investors and such interested parties. Besides, the Company also maintains an official website at www.eonmetall.com that provides an easy and convenient avenue for public to gain access to more information of the Group.

However, in any circumstances, while the Group endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. The Directors are cautious not to provide undisclosed material information about the Group and frequently stress the importance of timely and equal dissemination of information to all shareholders and stakeholders.

The Board is committed under its corporate governance obligation to have an effective channel of communication with shareholders and the investing public. It affirms that the primary channel to engage and communicate with its shareholders is during the general meetings.

The Group disseminates information in relation to its financial performance, operations and corporate developments through the annual reports, quarterly reports, circulars and various announcements. The Company's website at www.eonmetall.com has a tab marked as "Investor Relations" which contains vital information, including annual reports, quarterly reports and official announcements made to Bursa Securities, concerning the Group which is updated on a regular basis. All material announcements are reviewed and endorsed by the AC (as applicable) and the Board prior to release to the public through Bursa Securities. Shareholders and the public in general may also obtain announcements and financial results of the Company from Bursa Securities' website.

The MD&CEO and/or the CFO of the Group is designated spokesperson for all matters related to the Group.

Integrated Reporting

Integrated reporting is not applicable to the Group presently as the Group does not fall within the definition of "Large Companies".

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

13. Conduct of General Meetings

Notice for AGM

The Board encourages shareholders' participation and as such, the AGM is an important event as the Board is given the opportunity to have a dialogue with the shareholders following presentation of annual audited financial results and to address any questions that may arise.

The notice of 22nd AGM was sent to the shareholders at least twenty-eight (28) days prior to the meeting date and published in a major local newspaper. Items of special business included in the notice of 22nd AGM were accompanied by explanation of the proposed resolutions. All suggestions and comments put forth by shareholders will be noted by the Board for consideration.

All the resolutions set out in the Notice for the 22nd AGM were put to vote by poll with the outcome announced to Bursa Securities on the same day. The Board is satisfied with the current programme at AGM and there have been no major contentious issues noted with shareholders/investors.

Directors' attendance

All the Directors had attended the 22nd AGM held on 28 May 2025.

Leveraging on technology

The 22nd was convened in person in Penang. The Company encourages participation of shareholders through the issuance of proxies when the said shareholders are unable to attend and vote in person of general meetings.

The Company will explore the leveraging of technology, to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at general meetings of the Company.

Shareholders' engagement

All Directors and senior management, Company Secretaries and external auditors were present during 22nd AGM to engage with shareholders to address any areas of interest or concerned brought up by the shareholders.

Infrastructure for virtual general meetings

Given its importance as a venue for shareholders' engagement, the 22nd was convened in person.

Minutes of General Meeting

Minutes and/or recordings of the 22nd AGM proceedings are posted on the Company's website within 30 days from the AGM.

Statement on Compliance

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

The Corporate Governance Overview Statement is issued in accordance with a resolution of the Board of Directors dated 29 April 2026.

DIRECTORS' RESPONSIBILITY STATEMENT

FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by law to prepare annual financial statements for the Group and the Company which present a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year, and of the results and cash flows, and changes in equity of the Group and of the Company for the financial year.

In preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2025, the Directors ensured that:

- The financial statements complied with the Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards, the Companies Act 2016 ("the Act") and the Main Market Listing Requirements of Bursa Securities Malaysia Berhad ("MMLR")
- Appropriate accounting policies are used and consistently applied
- The going concern basis used in the preparation of the financial statements are appropriate
- Where judgements and estimates are made, they are reasonable and prudent

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company, enabling them to ensure that the financial statements comply with MFRSs, IFRS Accounting Standards, the Act and MMLR.

The Directors are responsible for taking such steps as are reasonably available to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

This statement was approved by the Board of Directors on 29 April 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement on Risk Management and Internal Control (“the Statement”) is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“MMLR”) and guided by the Statement on Risk Management and Internal Control (“SORMIC”) Guide 2025 issued by The Institute of Internal Auditors Malaysia (“IIAM”) (“Guidelines”) and the Malaysian Code on Corporate Governance.

BOARD RESPONSIBILITY

The Board of Directors (“the Board”) of Eonmetall Group Berhad (“Eonmetall” or “the Company”) is committed to maintain a sound system of risk management and internal control throughout the Company and its subsidiaries (“the Group”) to safeguard shareholders’ investments and the Group’s assets. The Board affirms its overall responsibility for the Group’s systems and for reviewing their adequacy, integrity, and effectiveness.

To ensure the framework remains robust and responsive to the evolving business environment:

- **Frequency of Review and Testing:** The Board conducts an annual review and periodic testing of the Group’s internal control and risk management framework to ensure its continued suitability and integration into business operations.
- **Evaluation of Key Risk Areas:** The Board evaluates risks across multiple domains, including finance, operations, regulatory compliance, reputation, cyber security, and sustainability.
- **Continuous Improvement:** The Board reviews insights and findings from these evaluations and ensures that necessary improvements or changes are embedded into the framework.

While these systems are designed to manage rather than eliminate the risk of failure to achieve corporate objectives, they provide reasonable, though not absolute, assurance against material misstatement or loss.



Risk Management Framework and Processes

The Group’s risk management framework is a structured process embedded across its culture, business processes, and strategic planning cycle. It is aligned with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and established corporate governance best practices. Key elements of the framework include:

- Risk appetite and tolerance set and approved by the Board and monitored through key risk indicators (KRIs) and regular reporting to the Board and its committees;
- Systematic identification of strategic, operational, financial, reporting, compliance, ESG and sustainability-related risks;
- Assessment of risks by impact and likelihood against approved risk appetite;
- Risk responses, including mitigation strategies, controls and treatment plans; and
- Continuous monitoring and review, accompanied by periodic reporting to Management, the Audit Committee (“AC”) and the Board.

Where appropriate, scenario analysis is used to test resilience for material financial, operational and sustainability-related risks, providing input into strategic and capital planning.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CONTROL STRUCTURE AND ENVIRONMENT

In furtherance to the Board's commitment to maintain sound systems of risk management and internal control, the Board continues to maintain and implement a strong structure and environment for the proper conduct of the Group's business operations as follows:

- The Audit Committee and the Board meet at least quarterly and has set a schedule of matters which is required to be brought to its attention for discussion, thus ensuring that it maintains full and effective supervision over appropriate controls. The Chief Financial Officer ("CFO") leads the presentation of board papers and provides explanation of pertinent issues. In addition, the Board is kept updated on the Group's activities and its operations on a regular basis.
- An organisation structure with well-defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority.
- A process of hierarchical reporting which provides for a documented and auditable trail of accountability.
- A set of documented internal policies and procedures for operational and human resource management, which is subject to regular review and improvement. A documented delegation of authority with clear lines of accountability and responsibility serves as a tool of reference in identifying the approving authority for various transactions including matters that require the Board's approval.
- Regular and relevant information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making.
- An Enterprise Resource Planning (ERP) system in place for effective control of information and to ease the management of business activities in relation to accounting, project and supply chain management.
- Adopted and Implemented Whistle Blower Policy and Anti-Bribery & Corruption Policy ("ABC Policy") within the Group. The Whistle Blower Policy outlines the mechanism and framework by which employees or any third parties can confidently raise concerns or complaints in a responsible manner without the fear of discriminatory treatment. The latter sets out procedures designed to prevent situations in which bribery and corrupt practices may take root. Copies of the said policies are published on the corporate official website at www.eonmetall.com. Trainings are rolled out as part of induction program for new recruits during the financial year under review as required under the ABC Policy.

RISK MANAGEMENT

The Group has clearly defined the roles and responsibilities for risk management through the Three Lines Model to ensure a clear demarcation of duties and enhanced oversight:

- First Line (Management): The Chief Executive Officer ("CEO"), CFO, Chief Operating Officer ("COO") and operational managers are responsible for owning and managing risks. They design and implement internal controls as part of daily operations.
- Second Line (Risk & Compliance): This layer provides the expertise, support, and challenge to the First Line. It monitors the implementation of effective risk management practices and ensures compliance with regulatory requirements.
- Third Line (Internal Audit): The internal audit function provides independent and objective assurance on the adequacy and effectiveness of the risk management and internal control systems established by the First and Second Lines.
- Board and RMC: Maintain ultimate accountability and oversight.

For FY2025, the Group identified five new financial and sales operational risks with significant business impact, subsequently implementing targeted mitigation strategies following a comprehensive likelihood and impact assessment.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT (CONT'D)

Risk aspects	Mitigation action
Credit concentrate risk	Credit limits are pre-set for all customers and reinforced by proactive, cross-functional collection efforts
Billing risk	Issuances are strictly controlled via documented justifications and formal assessments of returns and quality
Sales Operational risk	periodic aging reviews, taskforce-led resolution of old backlogs, and contractual clauses for customer-related delays
Strategic risk	active customer engagement, routine revenue monitoring, and regional sales diversification
Financial risk	employs hedging, currency matching, and multi-currency arrangements alongside proactive banking-led market assessments and staff training

In essence, risk management is conducted through an ongoing process between the Board, the Management and employees within the Group. The Group believes that the risk management framework and guidelines adopted and implemented have strengthened the risk ownership and risk management culture amongst management and the employees.

The Board is cognizant of the T.R.U.S.T. principles set out in the Guidelines on Adequate Procedures in accordance with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. In this regard, further to the adoption of the ABC Policy, the Board has incorporated corruption risk into the Group's risk register.

INTERNAL AUDIT FUNCTION

The Group outsources its internal audit function to an external professional firm which reports to the AC on matters pertaining to the adequacy and integrity of the Group's system of internal control. The engagement is led by Ms. Joyce Wong (Engagement Director, JWC Consulting Sdn Bhd), who holds relevant professional qualifications. She is a Corporate member of the Institute of Internal Auditors Malaysia, a Fellow member of CPA Australia and a member of the Malaysian Institute of Accountants, and is supported by a team of 3 personnel on field.

The principal responsibility of the internal auditor is to undertake regular and systematic reviews of the systems of internal controls to provide reasonable assurance that such systems continue to operate effectively and efficiently. The internal audit is carried out in line with the International Professional Practices Framework endorsed by the Institute of Internal Auditors Malaysia and the internal auditor conducts periodic reviews that include the processes for managing risk management and internal control system. Opportunities for improvements to the system of internal control are identified and presented to the AC via internal audit reports whilst the Management formulates relevant action plans to address issues noted on a periodic basis.

During the FY2025, the internal audit function carried out the following activities:

- Presented the annual internal audit plan to the AC;
- Carried out the following internal audit reviews:
 - Reviewed Payroll and Human Resources Management; and
 - Reviewed Inventories Management
- Performed follow up reviews on the implementation of recommendations of previous internal audits; and
- Presented the internal audit reports to the AC.

Two (2) Internal Audit Reports were issued and presented to the AC with the audit observations and recommended corrective actions. There were no significant deficiencies in controls detected.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Review of Adequacy and Effectiveness

During the FY2025, the Board, through the AC and with input from the Management, conducted:

1. Ongoing assessments:

- quarterly financial and operational reviews;
- review of risk management updates and emerging risk reports;
- internal audit findings and remediation progress; and
- explanations for significant variances and issues.

2. Annual assessment: A holistic year-end evaluation which considered:

- the overall effectiveness of internal controls;
- changes in the Group's risk profile;
- internal audit results and Management's remediation;
- compliance with laws and regulations; and
- sufficiency of assurances received.

The Board's annual assessment included a structured evaluation of these assurances. This challenge process involves rigorous questioning of Management and verification against independent findings.

Material issues identified were escalated and deliberated at AC and Board meetings, with actions monitored to completion.

Sustainability and Reporting Alignment

Sustainability-related risks and opportunities are embedded into the Group's risk assessment processes. Internal controls over sustainability-related information and disclosures are aligned to:

- COSO guidance on internal control over sustainability reporting; and
- Bursa Malaysia's Sustainability Reporting Framework.

Where material, scenario analysis is performed to support strategic planning, risk resilience, and climate-related disclosures.

Limitations

The Board acknowledges that the Group's system of risk management and internal control is designed to provide reasonable, not absolute, assurance against material misstatement, loss, or fraud. The system will continue to evolve in response to changing business conditions, regulatory developments and emerging risks.

Pursuant to the Bursa Malaysia Listing Requirements, the Statement on Risk Management and Internal Control covers the Company and its subsidiaries. As the Group does not have any material associate for the financial year under review, no associate is included within the scope of this Statement.

The Board's Conclusion

The Board has received formal assurance from the CEO and the CFO that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the framework adopted by the Group.

Based on the processes described above and the assurance received, the Board is of the view that the system of risk management and internal control is sound and sufficient to safeguard the Group's interest for the financial year ended 31 December 2025.

Review of this Statement by External Auditors

The external auditor has reviewed this Statement in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) and Audit Assurance Practice Guide 3 (AAPG 3). The auditors have reported to the Board that nothing has come to their attention to suggest that this Statement is not prepared, in all material respects, in accordance with the disclosures required by the Section 7 of SORMIC Guide 2025.

AAPG 3 does not require external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement is issued in accordance with a resolution of the Directors dated 29 April 2026.

Objectives

The primary function of the Audit Committee of Eonmetall Group Berhad ("**Eonmetall**" or "**the Company**") is to assist the Board of Directors in fulfilling the following oversight objectives of the Group activities:

- Assess the Group's processes in relation to its risks, governance and control environment;
- Oversee financial reporting;
- Evaluate the internal and external audit processes;
- Oversee the risk management framework of the Group;
- Review and recommend an appropriate risk management strategy so as to ensure that business risks are effectively addressed by the Group; and
- Reviewing the adequacy and completeness of the Group's risk management process and recommending improvements where required.

The Terms of Reference ("**TOR**") of the Audit Committee is published on the Company's website at www.eonmetall.com/investor-relations/.

Composition

The Audit Committee comprises three (3) members; all being Independent Non-Executive Director. The composition of the Audit Committee meets the requirements of paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**MMLR**").

The Chairman of the Audit Committee, Chan Theng Sung, is a Chartered Accountant of the Malaysian Institute of Accountants, a fellow member of the Chartered Tax Institute of Malaysia. No alternate Director is appointed as a member of the Audit Committee.

All members are financially literate and are able to understand matters under the purview of the Audit Committee.

Meetings

The members of the Audit Committee and their attendance at the four (4) meetings held during financial year ended 31 December 2025 ("**FYE2025**") is as tabulated:

Directors Designation	Attendance
Chan Theng Sung Chairman (Independent Non-Executive Director)	4/4
Dato' Mohammad Radhi Bin Abdul Razak Member (Independent Non-Executive Director)	4/4
Datuk Yogevaran A/L Kumaraguru Member (Independent Non-Executive Director)	4/4

The meetings were appropriately structured through the use of agendas and relevant board materials, which were distributed to Audit Committee with sufficient notification. The Company Secretary and/or her representatives were in attendance at all meetings. Executive Directors, Chief Financial Officer and representatives of the external and internal auditors were also invited to attend the meetings as and when the need arises.

The minutes of each meeting were reported and tabled for confirmation at its following meeting and subsequently presented to the Board for notation. The Audit Committee Chairman reports to the Board on the activities undertaken and the key recommendations for the Board's consideration and decisions.

The Audit Committee also arranged to meet and discuss with the external and internal auditors on any matters relating to the Group and its audit activities. During the financial year under review, the Audit Committee met twice (2) with the external auditor separately without the presence of executive Board members and management to discuss the audit findings and any other observations that they may have during the audit process.

Summary of Activities Undertaken during the Financial Year

The Audit Committee carried out its duties in accordance with its TOR during the financial year with the main activities undertaken were as follows:

Financial Reporting

- (a) Reviewed the unaudited quarterly financial statements and annual audited financial statements of the Group before recommending to the Board for approval, focusing on changes in or implementation of major accounting policies, significant and unusual events; and compliance with the provision of the Companies Act 2016 and accounting standards as approved by the Malaysian Accounting Standards Board before recommending the same to the Board for approval; and
- (b) Reviewed relevant issues which have or could have significant impact on the results of the Group such as receivables, inventory management, investment, divestments, bank borrowings and strategic operations of subsidiaries.

External Audit

- (a) Discussed with external auditors on their audit plan for FYE2025 outlining their scope of work, areas of audit emphasis, possible key audit matters, updates on financial reporting, audit timeline, deliverables and proposed audit fees;
- (b) Met twice with the external auditors without the presence of Executive Director and Management to discuss issues of concern by the auditors arising from their interim and final audits and any other observations that they may have during the audit process and, arising therefrom, instructing Management to take needful remedial actions;
- (c) Reviewed with the external auditors, the findings and results of the audit, significant audit/accounting issues, including the management's response and comments; and
- (d) Reviewed and evaluated the performance and effectiveness of the external auditors. The Audit Committee was satisfied with the external auditors' performance and made its recommendations to the Board on their re-appointment as auditors at the forthcoming annual general meeting.

Internal Audit and Risk Management

- (a) Reviewed the internal audit reports prepared by an independent professional consulting firm. The Audit Committee noted the audit recommendations made and Management's response, including the implementation progress and status as agreed by management; on actions to address findings highlighted in previous internal audit cycles;
- (b) Reviewed and approved the Internal Audit Plan to ensure the adequacy of the scope and comprehensive coverage of the activities of the Group;
- (c) Reviewed any major proposed transaction that would affect the risk management framework; and
- (d) Considered the proposal received for the assessment of current state of the Risk Management Framework adopted by the Group, identify the principal risks and update the existing risk register of the Group.

Conflict of Interest ("COI")

Reviewed and monitored potential COI and COI situations involving the Directors and Key Senior Management during every Audit Committee meeting and reported them to the Board accordingly, ensuring that the interested person(s) recused themselves and abstained from deliberating and voting on the transactions. Details of potential COI and COI related to certain Directors and Key Senior Management ("**KSM**") for FYE2025, along with the measures taken to address COIs, are disclosed below. These COI situations have been addressed in accordance with the established COI Policy.

Details of potential COI and COI situations:

No.	Nature of COI	Nature and Extent of Interest of Conflicted Board of Directors/ Key Senior Management	Measures Taken to Address COI
1	Potential COI in matters concerning land development or transactions within the area.	Dato' Goh Cheng Huat ("Dato' Goh") is an Executive Director of Eonmetall Group and Leader Steel Holdings Berhad together with its subsidiaries ("LSH Group"), which owns a parcel of land in Mukim Kapar, Daerah Klang, Negeri Selangor, and a Director of several privately held companies that the land owned by Eonmetall Land Sdn. Bhd., a subsidiary of Eonmetall.	Dato' Goh has disclosed his interests in EGB and his privately held companies. He will recuse himself and abstain from discussions and decisions involving land-related matters in Mukim Kapar, Daerah Klang, Negeri Selangor. Additionally, the Board will ensure that any such matters are reviewed independently by unaffected Directors and KSM, in line with the Company's governance policies on COI.

Conflict of Interest ("COI") (Cont'd)

No.	Nature of COI	Nature and Extent of Interest of Conflicted Board of Directors/ Key Senior Management	Measures Taken to Address COI
2	Potential COI due to dual engagement	Mr. Ooi, the Chief Financial Officer ("CFO") of Eonmetall Group, also serves as the named Company Secretary for 15 private companies owned by Eonmetall Group's executive leadership, namely Dato' Goh, Datin Tan Pak Say, the Managing Director & Chief Executive Officer, and Mr. Goh Hong Kent, the Executive Director & Chief Operating Director.	Mr. Ooi has made full disclosure of his external engagements to the Board. Mr. Ooi will make full disclosure of his external engagements in the event of any transactions between Eonmetall Group with these 15 private companies, when the need arises.
3	COI due to multiple engagements	Mr. Ooi is the CFO and Executive Director of Maybulk Berhad and CFO cum Business Controller of LSH Group. There are transactions between Eonmetall Group with LSH Group and Maybulk Berhad during the financial year.	Mr. Ooi has made full disclosure of his roles in Maybulk Berhad and LSH Group. Mr. Ooi will make full disclosure of his external engagements in the event of any transactions between Eonmetall Group with Maybulk Berhad and LSH Group, when the need arises.

Corporate Governance

- Reviewed the relevant regulatory changes and ensure compliance by the Group and the Company;
- Reviewed, periodically, any related party transactions and recurrent related party transactions ("**RRPT**") of a revenue or trading nature on scope, threshold, limit of shareholders' mandate and any conflict-of-interest situation that might arise from the aforesaid transactions as reported by Management and report to the Board accordingly;
- Reviewed the circular to the shareholders on RRPT of a revenue or trading nature;
- Reviewed non-audit fees paid/payable to the external auditors and its affiliated firms;
- Reviewed and approved/recommended, where applicable, the Audit Committee Report, Statement on Risk Management and Internal Control for Board's approval before inclusion into the Annual Report 2025; and
- Reviewed any conflict of interest ("COI") or potential COI involving Directors or Senior Management and recommended appropriate measures to be taken to resolve, eliminate or mitigate their conflicts for the Board's deliberation and approval.

Internal audit function

The Board acknowledges the need for an effective system of internal control and risk management covering all aspects of the Group's activities including the mapping and management of risks which the Group may exposed. The principal role of the internal audit function is to undertake independent and periodic reviews of the system of internal controls so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively.

The Group has appointed an independent professional consulting firm to carry out internal audit reviews on the Group. This is to assist the Audit Committee in discharging its duties and responsibilities.

It is the responsibility of the internal audit function to provide the Audit Committee with independent and objective reports on the state of internal controls of the key business units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

During the financial year under review, the internal audit auditors had conducted audit reviews on the Human Resource Management and Inventory Management of the Group based on the approved internal audit plan. Upon completion of their work, the internal auditors presented their findings and recommendations as well as the Management's responses and action plans to the Audit Committee for its review and deliberation. The internal auditors also conducted follow-up review to monitor the implementation of the management's action plans for reporting to the Audit Committee.

Additionally, the Group, with the help of internal auditors, has implemented the Enterprise Risk Management processes to identify, assess, monitor, report and mitigate risks impacting the Group's businesses, operations and supporting activities.

Further information on the internal audit functions and its activities are set out in the Statement on Risk Management and Internal Control in the Annual Report 2025.

This Audit Committee Report is issued in accordance with a resolution dated 29 April 2026.

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the MMLR of Bursa Securities, the following information is provided:

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

During the financial year ended 31 December 2025, the Company has completed its Private Placement exercise by raising RM19,097,898 gross proceeds from the listing of 91,405,947 new ordinary shares on the Main Market of Bursa Malaysia Securities Berhad. The Private Placement exercise was completed in six (6) tranches and the details of issuance and listing of new ordinary shares are as follows:

Tranche	Number of Ordinary Shares	Issue Price (RM)	Total Proceeds (RM)	Date of Issuance & Listing
1	1,131,230	0.221	250,002	25 June 2025
2	19,760,000	0.210	4,149,600	29 July 2025
3	19,760,000	0.227	4,485,520	20 August 2025
4	19,760,000	0.188	3,714,880	10 October 2025
5	10,000,000	0.211	2,110,000	29 October 2025
6	20,994,717	0.209	4,387,896	6 November 2025

The status of utilisation of proceeds is as follows:

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000
Repayment of bank borrowings	9,416	9,416
Working capital	9,416	9,416
Expenses in relation to the Proposed Private Placement	266	266
	<u>19,098</u>	<u>19,098</u>

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the external auditors or a firm or corporation affiliated with the external auditors by the Company and the Group for the financial year ended 31 December 2025 are as follows:

	Group (RM)	Company (RM)
Fees paid or payable:		
Audit fees	396,400	104,500
Non-audit fees ⁽¹⁾	84,070	12,300
Total	<u>480,470</u>	<u>116,800</u>

Note:

(1) Non-audit fees paid or payable to the listed issuer's auditors, or a firm or corporation affiliated to the auditors' firm.

3. MATERIAL CONTRACTS

There were no other material events subsequent to the end of the current quarter and financial year under review that have not been reflected in the interim financial report except for the private placement exercise as stated in Note 1.

On 19 March 2026, a wholly-owned subsidiary of the Company, Eonmetall Land Sdn. Bhd. entered into a conditional sale and purchase agreement with WG Malaysia VIII Sdn. Bhd. for the proposed disposal of a parcel of freehold land measuring approximately 2,876,579 square feet located in Mukim Kapar, Daerah Klang, Negeri Selangor for a total cash consideration of approximately RM273.28 million.

4. CONTRACT RELATING TO LOANS

There were no contracts relating to loans entered into by the Company involving interests of Directors and major shareholders during the financial year ended 31 December 2025.

5. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF REVENUE NATURE

Details of RRPT transacted during the financial year ended 31 December 2025 pursuant to the shareholders' mandate obtained by the Company at the Annual General Meeting held on 28 May 2025 are as tabulated. The information contained herein, save for the actual value transacted, is extracted from the Circular dated 29 April 2025.

Provider of goods and services	Recipient of goods and services	Nature of Transaction	Actual value transacted (RM'000)	Related Parties
Eonmetall Industries Sdn. Bhd. (" EMI ")	Genrizt Storage System (" Genrizt ")	Sales of steel products	113	Dato' Goh Cheng Huat (" Dato' Goh "), the Executive Director of Eonmetall, is also a director and a major shareholder of Eonmetall by virtue of his interest through Eonmetall Corporation Sdn. Bhd. (" ECSB "). Datin Tan Pak Say (" Datin Tan "), the Managing Director & Chief Executive Officer of Eonmetall. She is the spouse of Dato' Goh and the sister of Tan Phaik Hoon (" TPH "). She is also a major shareholder of Eonmetall by virtue of her indirect interest through ECSB and her spouse. She is a director of EMI. Goh Hong Kent (" GHK "), the Executive Director & Chief Operating Officer of Eonmetall, is also a director of EMI. He is a person connected to Dato' Goh and Datin Tan. Tan Kheng Hwa (" TKH ") is the spouse of TPH. Genrizt is a partnership owned by TKH and TPH.
EMI & Eonmetall Technology Sdn. Bhd. (" EMT ")	Eonlipids Sdn. Bhd. (" Eonlipids ") Eonlipids Nutrition Specialties Sdn. Bhd. (" ENS ")	⁽²⁾ Sales of steel products, sales and maintenance of machinery, and project works	-	Dato' Goh is a director of Eonlipids and ENS. Dato' Goh and Datin Tan are major shareholders of Eonlipids and ENS by virtue of their indirect interest through ECSB. ECSB is a major shareholder of Eonmetall. Datin Tan and GHK are directors of EMI and EMT. Goh Kee Seng is a director of Eonlipids and ENS. He is a person connected to Dato' Goh and Datin Tan. He is also a major shareholder of Eonlipids and ENS. Eonlipids and ENS are subsidiaries of ECSB.
EMI	⁽¹⁾ Leader Steel Sdn. Bhd. (" LSSB ") ⁽¹⁾ Leader Steel Service Centre Sdn. Bhd. (" LSSC ")	Sales and servicing of steel products	-	Dato' Goh, the Executive Director of Eonmetall, is also a director and a major shareholder of Eonmetall by virtue of his interest through ECSB. Dato' Goh is a director of Leader Steel Holdings Berhad (" LSH "), LSSB and LSSC. He is also a major shareholder of LSH by virtue of his interest and indirect interest through Bischart Sdn. Bhd. (" Bischart "), his spouse, Datin Tan and his children, GHK.
⁽¹⁾ LSSC	EMI Eonmetall Systems Sdn. Bhd. (" EMS ") Eonsteel Sdn. Bhd. (" ESL ")	Purchase and servicing of steel products	-	Datin Tan is the Managing Director & Chief Executive Officer of Eonmetall. She is a director of LSH, LSSB and LSSC. She is also a major shareholder of LSH by virtue of her interest and indirect interest through Bischart, and his spouse, Dato' Goh and her children, GHK. GHK is the Executive Director & Chief Operating Officer of Eonmetall. GHK is also a director of EMI, EMS, EMT, ESL, Bischart and LSSC. He is the son of Dato' Goh and Datin Tan. He also has an interest in LSH.
⁽¹⁾ LSSB	EMI EMS ESL	Purchase and servicing of steel products	-	ECSB is a major shareholder of Eonmetall.

ADDITIONAL COMPLIANCE INFORMATION

5. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF REVENUE NATURE (CONT'D)

Details of RRPT transacted during the financial year ended 31 December 2025 pursuant to the shareholders' mandate obtained by the Company at the Annual General Meeting held on 28 May 2025 are as tabulated. The information contained herein, save for the actual value transacted, is extracted from the Circular dated 30 April 2025. (Cont'd)

Provider of goods and services	Recipient of goods and services	Nature of Transaction	Actual value transacted (RM'000)	Related Parties
EMT	⁽¹⁾ LSSC	Sales and maintenance of machinery	-	
⁽¹⁾ LSSB ⁽¹⁾ LSSC	EMT	Purchase and maintenance of machinery	4	
EMT	⁽¹⁾ LSSC	Sales and maintenance of machinery	-	
EMS and ESL	⁽¹⁾ LSSB ⁽¹⁾ LSSC	Sales and servicing of steel products	- 5,445	
⁽¹⁾ LSSB	EMI EMT	⁽³⁾ Renting of single storey factory	- 893	
LSSC LSSB	EMT	Purchase and servicing of steel products	- -	
EMI EMS EMT	EMT Systems Sdn. Bhd.	Trading of steel products Sales and maintenance of machinery	32,600	Dato' Goh is the Executive Director and major shareholder of Eonmetall and Maybulk Berhad (" Maybulk "), the holding company of EMTS. He is also a major shareholder of ECSB. Datin Tan is the spouse of Dato' Goh. She is also a major shareholder of ECSB and Maybulk by virtue of her indirect interest through ECSB and Dato' Goh. GHK is the Executive Director & Chief Operating Officer of Eonmetall. He is also a director of EMI, EMS and EMT. He is the son of Dato' Goh and Datin Tan. Goh Kee Seng is a Non-Independent Non-Executive Director of Eonmetall. He is the brother of Dato' Goh and the brother-in-law of Datin Tan. Lim Junliang, Troy is a Non-Independent Non-Executive of Maybulk. He is the son-in-law to Dato' Goh.

Notes:

- 1 Subsidiaries of LSH
- 2 Projects delayed pending finalisation of negotiations on the project specification as well as terms and conditions of award.
- 3 A single storey factory building located at Lot 1596, Mukim 12, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Daerah Seberang Perai Selatan, Penang measuring approximately 74,400.15 square feet in area at a monthly rental RM74,400.15.

The Directors hereby submit 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 Company is principally engaged as an investment holding company. The subsidiaries are mainly involved in manufacturing and sales of metalwork, industrial process machinery and equipment, steel products, steel racking system and storage solutions, palm oil related products, provider of IT solutions including software development to related company, property and investment holding, operation of Palm Fibre Oil Extraction ('PFOE') plants, and production of bio-coal and technical services.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

RESULTS

	Group RM	Company RM
Loss for the financial year	(51,408,094)	(19,368,617)
Attributable to:		
Owners of the parent	(51,375,863)	(19,368,617)
Non-controlling interests	(32,231)	0
	<u>(51,408,094)</u>	<u>(19,368,617)</u>

DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

Material transfers to or from reserves or provisions during the financial year include the following:

	Group RM	Company RM
Share option granted under Employee Share Options Scheme ('ESOS')	4,995,632	4,995,632
Transfer to retained earnings upon lapse of ESOS	(1,068,808)	(1,068,808)
Transfer to retained earnings upon accelerated vesting of ESOS	(6,832,749)	(6,832,749)
Foreign currency translation	(492,332)	0
Realisation of revaluation reserve	<u>(1,068,167)</u>	<u>0</u>

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up ordinary shares of the Company increased from 307,783,092 to 399,189,039 by way of issuance of 91,405,947 new ordinary shares through private placement exercise by way of:

- (i) issuance of 1,131,230 new ordinary shares at an issue price of RM0.221 each for cash consideration of RM250,002;
- (ii) issuance of 19,760,000 new ordinary shares at an issue price of RM0.210 each for cash consideration of RM4,149,600;
- (iii) issuance of 19,760,000 new ordinary shares at an issue price of RM0.227 each for cash consideration of RM4,485,520;
- (iv) issuance of 19,760,000 new ordinary shares at an issue price of RM0.188 each for cash consideration of RM3,714,880;

ISSUE OF SHARES AND DEBENTURES (CONT'D)

During the financial year, the issued and paid-up ordinary shares of the Company increased from 307,783,092 to 399,189,039 by way of issuance of 91,405,947 new ordinary shares through private placement exercise by way of: (Cont'd)

- (v) issuance of 10,000,000 new ordinary shares at an issue price of RM0.211 each for cash consideration of RM2,110,000; and
- (vi) issuance of 20,994,717 new ordinary shares at an issue price of RM0.209 each for cash consideration of RM4,387,896.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There was no other issues of shares during the financial year.

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year apart from the issuance the replacement of options pursuant to the ESOS.

A total of 34,200,000 ESOS options ("2023 Options") under the ESOS Scheme were granted and accepted by eligible Directors and employees at an exercise price of RM0.4800 on 18 April 2023. The ESOS shall be in force for a period of five (5) years until 17 April 2028. During the financial year, all the unexercised 2023 Options totalling 26,890,000 units were cancelled upon the mutual agreement with the respective 2023 Options holders on 10 November 2025.

Concurrently, a total of 59,000,000 ESOS options ("2025 Options") were offered to eligible employees at an exercise price of RM0.2283 and total 56,350,000 were accepted by eligible employees. The 2025 Options shall be in force for a period of eleven (11) months until 7 October 2026.

The main features of 2025 Options are as follows:

- (a) Employees have been employed on a full time basis and is on the payroll of any company in the Group for a continuous period of at least 1 year and employment has been confirmed by any of the company in the Group on the Date of Offer.
- (b) The maximum number of new shares which may be made available under the ESOS, shall not in aggregate exceed 15% of the total number of issued shares (excluding treasury shares, if any) at any point in time over the duration of the ESOS.
- (c) The number of new shares to be issued and allotted to Eligible Persons who, either singly or collectively through persons connected with such eligible employees, hold 20% or more than the total number of issued shares of the Company (excluding treasury shares, if any) shall not exceed 10% of the total number of new shares to be issued under the ESOS.
- (d) Not more than 80% of the shares available under the ESOS should be allocated in aggregate, to senior management personnel of the Group.
- (e) The options granted may be exercised any time within the vesting period from the date of offer.
- (f) The option price of a new ordinary shares under the ESOS shall be the five (5) market days weighted average market price of the shares immediately preceding the date of offer with a discount of not more than 10% during the duration of the ESOS.
- (g) The option granted are not entitled for any dividend, voting rights, allotments or other distribution, which may be declared, made or paid to shareholders before the entitlement date.
- (h) The employees to who the options have been granted have no right to participate, by virtue of these options, in any ordinary share issue of any other company within the Group during the option period.

OPTIONS GRANTED OVER UNISSUED SHARES (CONT'D)

The main features of 2025 Options are as follows: (Cont'd)

- (i) The ESOS Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its discretion think fit. The approval of the shareholders of the Company in a general meeting shall not be required in respect of additions or amendments to, or modifications and/or deletions of these By-Laws.

The details of the options over ordinary shares of the Company are as follows:

Date of offer	[----- Number of options over ordinary shares -----]				Outstanding as at 31.12.2025	Exercisable as at 31.12.2025
	Outstanding as at 1.1.2025	Movement during the financial year				
		Granted	Lapsed*	Cancellation		
18 April 2023	31,440,000	0	(4,550,000)	(26,890,000)	0	0
10 November 2025	0	56,350,000	(1,000,000)	0	55,350,000	55,350,000

* Due to resignation, demise and retirement of eligible Directors and employees

Details of 2023 Options granted to Directors are disclosed in the section on Directors' interest in this report.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Eonmetall Group Berhad

Dato' Mohammad Radhi Bin Abdul Razak

Datin Tan Pak Say *

(Appointed on 3 January 2025)

Dato' Goh Cheng Huat *

Chan Theng Sung

Goh Hong Kent *

Datuk Yogeessvaran A/L Kumaraguru

Goh Kee Seng *

Tan Sri Dato' Mohd Desa Bin Pachi

(Demised on 14 September 2025)

Yeoh Cheng Chye *

(Resigned on 1 March 2026)

Dato' Wahab Bin Hamid

(Retired on 3 January 2025)

Tang Yin Kham

(Retired on 3 January 2025)

* These Directors of the Company are also the Directors of certain subsidiaries of the Company.

Subsidiaries of Eonmetall Group Berhad (excluding those who are listed above)

Yusri Suhud

Taufik Aries Budiono

Chia Kang Yao

(Alternate Director to Goh Hong Kent)

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 were as follows:

[----- Number of ordinary shares -----]				
	Balance as at 1.1.2025/date of appointment*	Bought	Sold	Balance as at 31.12.2025

Shares in the Company

Direct interests:

Dato' Goh Cheng Huat	41,128,918	0	0	41,128,918
Chan Theng Sung	180,000	0	0	180,000
Yeoh Cheng Chye	50,000	0	(50,000)	0

Indirect interests:

Dato' Goh Cheng Huat #	84,049,128	0	0	84,049,128
Datin' Tan Pak Say^	*125,178,046	0	0	125,178,046

Deemed interest through shares held by Eonmetall Corporation Sdn. Bhd. by virtue of Section 8(4) of the Companies Act 2016.

^ Deemed interest through shares held by spouse, Dato' Goh Cheng Huat by virtue of Section 8(4) and Section 59(11) (c) of the Companies Act 2016.

[----- Number of 2023 Options over ordinary shares -----]				
	Balance as at 1.1.2025	Granted	Cancellation	Balance as at 31.12.2025

Share options in the Company

Direct interests:

Yeoh Cheng Chye	1,250,000	0	(1,250,000)	0
Dato' Goh Cheng Huat	2,150,000	0	(2,150,000)	0
Goh Hong Kent	1,250,000	0	(1,250,000)	0
Goh Kee Seng	700,000	0	(700,000)	0
Chan Theng Sung	700,000	0	(700,000)	0
Dato' Mohammad Radhi Bin Abdul Razak	700,000	0	(700,000)	0

By virtue of their interest in the ordinary shares of the Company, Dato' Goh Cheng Huat and Datin' Tan Pak Say are deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the share options granted pursuant to ESOS as disclosed above.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 were as follows:

	Group RM	Company RM
Fees	338,500	338,500
Other emoluments	2,791,743	40,135
Share options granted under ESOS	406,529	406,529
	<u>3,536,772</u>	<u>785,164</u>

INDEMNITY AND INSURANCE FOR OFFICERS, DIRECTORS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers. The total amount of insurance premium paid for the Directors and officers of the Group and of the Company was RM14,590.

No indemnity was given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, 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 had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for the effects arising from:
 - (i) impairment losses on trade and other receivables of the Group of RM9,002,958; and
 - (ii) impairment losses on property, plant and equipment of the Group of RM15,948,183.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amount written off of bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen 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 financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 19 March 2026, a wholly-owned subsidiary of the Company, Eonmetall Land Sdn. Bhd. entered into a conditional sale and purchase agreement with WG Malaysia VIII Sdn. Bhd. for the proposed disposal of a parcel of freehold land measuring approximately 2,876,579 square feet located in Mukim Kapar, Daerah Klang, Negeri Selangor for a total cash consideration of approximately RM273.28 million.

As at the date of this report, the proposed disposal has not been completed, subject to the approval of the of the non-interested shareholders of the Company and other relevant authorities.

- (b) Ongoing geopolitical tensions in the Middle East since February 2026 have resulted in elevated energy prices, intermittent global supply chain disruptions, and heightened volatility in global currency markets. If prolonged, these factors may indirectly exert pressure on input costs and consumer sentiment.

As at the date of authorisation of the financial statements, the Middle East conflict is still evolving and remains unpredictable. Accordingly, the Group is unable to reliably estimate the financial effects from further development and will continue to monitor the situation and manage the operations to minimise any potential impact arising from the development.

SUBSIDIARIES

The details of the subsidiaries are as follows:

Name of Company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
Eonmetall Technology Sdn. Bhd.	Malaysia	100	100	Manufacture of metalwork and industrial process machinery and equipment
Eonmetall Industries Sdn. Bhd.	Malaysia	100	100	Manufacture and distribution of steel products, focusing on cold rolled coils, galvanised coils and flat steel products
Eonmetall Systems Sdn. Bhd.	Malaysia	100	100	Manufacture of steel products, focusing on steel storage systems
Eonsteel Sdn. Bhd.	Malaysia	100	100	Property holding, manufacture and trading of steel products
Eonchem Biomass Sdn. Bhd.	Malaysia	100	100	Manufacture of palm oil related products
Eontarr IT Solutions Sdn. Bhd.	Malaysia	100	100	Provider of IT solutions including software development, currently dormant
Eonmetall Integration Sdn. Bhd.	Malaysia	100	100	Design and trading of steel products focusing on furniture related products and office space management, currently dormant
Constructor Asia Sdn. Bhd.	Malaysia	100	100	Trading and distribution of steel racking system and storage solutions
Eonmetall Carotene Oil Sdn. Bhd.	Malaysia	100	100	Operation of Palm Fibre Oil Extraction ('PFOE') plants
Eonchem Technology Sdn. Bhd.	Malaysia	100	100	Manufacture of industrial process machinery and equipment, currently dormant
Eonmetall International Limited	Malaysia	100	100	Investment holding
Eonmetall Copper Sdn. Bhd.	Malaysia	100	100	Manufacturing and processing of copper, aluminium and other steel materials, currently dormant
Eonmetall Land Sdn. Bhd.	Malaysia	100	100	Manufacture and distribution of steel products, focusing on cold rolled coils, galvanised coils and flat steel products
White Rack Projects Sdn. Bhd.	Malaysia	100	100	Growing and wholesale of vegetables, wholesale of agriculture machinery, equipment and supplies, currently dormant
Subsidiary of Eonchem Biomass Sdn. Bhd.				
Eonmetall Bio-Coal Sdn. Bhd.	Malaysia	100	100	Production of bio-coal and technical services

DIRECTORS' REPORT

SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows: (Cont'd)

Name of Company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
Subsidiary of Eonmetall International Limited				
PT Eonmetall Investment	Indonesia	88	88	Palm oil plantation and related processing, currently dormant
Subsidiary of Constructor Asia Sdn. Bhd.				
Constructor SEA Sdn. Bhd.	Malaysia	100	100	Trading and distributing of steel racking systems

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 were as follows:

	Group RM	Company RM
Statutory audit	396,400	104,500
Other services	8,000	8,000
	<u>404,400</u>	<u>112,500</u>

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

Datin Tan Pak Say
Director

Goh Hong Kent
Director

Penang
29 April 2026

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 75 to 144 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions 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 the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Datin Tan Pak Say
Director

Goh Hong Kent
Director

Penang
29 April 2026

STATUTORY DECLARATION

I, **Ooi Teik Huat** (MIA21851), being the Officer primarily responsible for the financial management of Eonmetall Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 75 to 144 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 Georgetown in the
State of Penang this 29 April 2026

Ooi Teik Huat
Chief Financial Officer

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EONMETALL GROUP BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Eonmetall Group Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended and notes to the financial statements, including material accounting policy information, as set out on pages 75 to 144.

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

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). 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'), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

Key Audit Matters of the Group

Recoverability of trade receivables

As at 31 December 2025, the Group had trade receivables amounted to RM39,159,213 which were net of impairment losses of RM18,657,963. The details of trade receivables and their credit risks have been disclosed in Note 10 and Note 32(a) to the financial statements respectively.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables, appropriate forward-looking information, significant increase in credit risk and estimated cash flows recoverable in worst-case scenarios.

Audit response

Our audit procedures included the following:

- a. Assessed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- b. Assessed the correlation coefficient between the macroeconomic indicators used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group;
- c. Inquired of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses;
- d. Assessed the appropriateness of the indicators of significant increase in credit risk applied by the management and the resultant basis for classification of balances into respective stages; and

Audit response (Cont'd)

Our audit procedures included the following: (Cont'd)

- e. Evaluated the basis applied by management for determining cash flows recoverable in worst-case scenarios.

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

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.

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

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

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Penang
29 April 2026

Chew Min Yi
03898/07/2027 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	469,826,179	472,306,041	0	0
Right-of-use assets	6	1,919,077	1,918,124	0	0
Investments in subsidiaries	7	0	0	187,547,578	192,059,453
Investment in associate	8	0	0	0	0
Deferred tax assets	9	2,663,601	58,500	0	0
Trade and other receivables	10	2,433,958	6,048,339	0	0
		476,842,815	480,331,004	187,547,578	192,059,453
Current assets					
Inventories	11	164,877,148	171,227,665	0	0
Trade and other receivables	10	37,088,417	60,930,612	1,000	1,000
Contract assets	12	2,837,374	10,563,464	0	0
Current tax assets		2,762,871	818,809	0	0
Cash and bank balances	13	16,616,464	7,519,659	29,431	99,932
		224,182,274	251,060,209	30,431	100,932
TOTAL ASSETS		701,025,089	731,391,213	187,578,009	192,160,385
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	14	164,846,207	145,748,309	164,356,315	145,258,417
Treasury shares	14(d)	(1,761,139)	(1,761,139)	(1,761,139)	(1,761,139)
Reserves	15	340,345,860	387,218,423	(51,039,214)	(30,925,549)
		503,430,928	531,205,593	111,555,962	112,571,729
Non-controlling interests	7(f)	172,533	233,536	0	0
TOTAL EQUITY		503,603,461	531,439,129	111,555,962	112,571,729

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
LIABILITIES					
Non-current liabilities					
Other payables	16	0	0	75,327,361	78,858,590
Borrowings	17	8,762,411	17,024,663	0	0
Lease liabilities	6	573,605	977,509	0	0
Deferred tax liabilities	9	30,471,906	35,349,739	0	0
		39,807,922	53,351,911	75,327,361	78,858,590
Current liabilities					
Borrowings	17	127,279,793	119,236,179	141,491	212,237
Lease liabilities	6	1,443,817	995,555	0	0
Derivative liabilities	19	996	17,383	0	0
Trade and other payables	16	25,220,816	26,148,114	475,131	506,716
Contract liabilities	12	3,571,429	0	0	0
Current tax liabilities		96,855	202,942	78,064	11,113
		157,613,706	146,600,173	694,686	730,066
TOTAL LIABILITIES		197,421,628	199,952,084	76,022,047	79,588,656
TOTAL EQUITY AND LIABILITIES		701,025,089	731,391,213	187,578,009	192,160,385

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
Revenue	20	140,705,907	197,424,533	1,000,000	0
Cost of sales		(139,100,719)	(182,664,382)	0	0
Gross profit		1,605,188	14,760,151	1,000,000	0
Other income		2,391,120	31,752,717	3,762,345	12,318,456
Distribution expenses		(3,148,792)	(4,405,767)	0	0
Administrative expenses		(18,791,759)	(18,551,873)	(1,472,033)	(1,618,937)
Other expenses		(24,953,708)	(9,163,565)	(2,685,046)	(214,873)
Finance costs	21	(7,901,794)	(8,908,611)	(3,947,231)	(4,243,990)
Net impairment losses on financial assets		(5,580,224)	(4,346,398)	(15,922,806)	(1,279,928)
Share of results of associate, net of tax		0	0	0	0
(Loss)/Profit before tax	25	(59,278,045)	1,136,654	(19,264,771)	4,960,728
Taxation	26	7,869,951	1,956,023	(103,846)	(51,491)
(Loss)/Profit for the financial year, net of tax		(51,408,094)	3,092,677	(19,368,617)	4,909,237
Other comprehensive (loss)/income, net of tax:					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translations		(521,104)	(35,905)	0	0

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
Item that may be reclassified subsequently to profit or loss					
Gross revaluation gain of properties		0	228,839,239	0	0
Deferred tax relating to revalued properties		0	(28,209,630)	0	0
		0	200,629,609	0	0
Total comprehensive (loss)/income		(51,929,198)	203,686,381	(19,368,617)	4,909,237
(Loss)/Profit for the financial year attributable to:					
Owners of the parent		(51,375,863)	3,078,232	(19,368,617)	4,909,237
Non-controlling interests	7(f)	(32,231)	14,445	0	0
		(51,408,094)	3,092,677	(19,368,617)	4,909,237
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(51,868,195)	203,689,401	(19,368,617)	4,909,237
Non-controlling interests	7(f)	(61,003)	(3,020)	0	0
		(51,929,198)	203,686,381	(19,368,617)	4,909,237
(Loss)/Earnings per ordinary share attributable to owners of the parent (sen):					
Basic and diluted	27	(15.54)	1.08		

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

Group	Note	Share capital RM	Treasury shares RM	Revaluation reserve RM	Exchange translation reserve RM	Share options reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Balance as at 1 January 2025		145,748,309	(1,761,139)	246,060,197	(1,234,145)	6,268,012	136,124,359	531,205,593	233,536	531,439,129
Loss for the financial year		0	0	0	0	0	(51,375,863)	(51,375,863)	(32,231)	(51,408,094)
Foreign currency translations		0	0	0	(492,332)	0	0	(492,332)	(28,772)	(521,104)
Total comprehensive loss		0	0	0	(492,332)	0	(51,375,863)	(51,868,195)	(61,003)	(51,929,198)
Transactions with owners										
Issuance of ordinary shares pursuant to private placement	14	19,097,898	0	0	0	0	0	19,097,898	0	19,097,898
Share options grant under ESOS		0	0	0	0	4,995,632	0	4,995,632	0	4,995,632
Transfer to retained earnings upon accelerate vesting of ESOS		0	0	0	0	(6,832,749)	6,832,749	0	0	0
Transfer to retained earnings upon lapse of ESOS		0	0	0	0	(1,068,808)	1,068,808	0	0	0
Total transactions with owners		19,097,898	0	0	0	(2,905,925)	7,901,557	24,093,530	0	24,093,530
Realisation of revaluation reserve upon depreciation of revalued properties		0	0	(1,068,167)	0	0	1,068,167	0	0	0
		0	0	(1,068,167)	0	0	1,068,167	0	0	0
Balance as at 31 December 2025		164,846,207	(1,761,139)	244,992,030	(1,726,477)	3,362,087	93,718,220	503,430,928	172,533	503,603,461

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Note	Share capital RM	Treasury shares RM	Revaluation reserve RM	Exchange translation reserve RM	Share options reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Balance as at 1 January 2024		137,734,138	(1,761,139)	45,961,940	(1,215,705)	4,217,679	132,366,381	317,303,294	236,556	317,539,850
Profit for the financial year		0	0	0	0	0	3,078,232	3,078,232	14,445	3,092,677
Foreign currency translations		0	0	0	(18,440)	0	0	(18,440)	(17,465)	(35,905)
Gross revaluation gain of properties		0	0	228,839,239	0	0	0	228,839,239	0	228,839,239
Deferred tax relating to revalued properties		0	0	(28,209,630)	0	0	0	(28,209,630)	0	(28,209,630)
Total comprehensive income		0	0	200,629,609	(18,440)	0	3,078,232	203,689,401	(3,020)	203,686,381
Transactions with owners										
Issuance of ordinary shares pursuant to private placement	14	8,014,171	0	0	0	0	0	8,014,171	0	8,014,171
Share options grant under Employee Share Options Scheme ('ESOS')		0	0	0	0	2,198,727	0	2,198,727	0	2,198,727
Transfer to retained earnings upon lapse of ESOS		0	0	0	0	(148,394)	148,394	0	0	0
Total transactions with owners		8,014,171	0	0	0	2,050,333	148,394	10,212,898	0	10,212,898
Realisation of revaluation reserve upon depreciation of revalued properties		0	0	(531,352)	0	0	531,352	0	0	0
		0	0	(531,352)	0	0	531,352	0	0	0
Balance as at 31 December 2024		145,748,309	(1,761,139)	246,060,197	(1,234,145)	6,268,012	136,124,359	531,205,593	233,536	531,439,129

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Company	Note	Share capital RM	Treasury shares RM	Share options reserves RM	Accumulated losses RM	Total equity RM
Balance as at 1 January 2025		145,258,417	(1,761,139)	6,268,012	(37,193,561)	112,571,729
Loss for the financial year		0	0	0	(19,368,617)	(19,368,617)
Other comprehensive income, net of tax		0	0	0	0	0
Total comprehensive loss		0	0	0	(19,368,617)	(19,368,617)
Transactions with owners						
Issuance of ordinary shares pursuant to private placement	14	19,097,898	0	0	0	19,097,898
Share options grant under ESOS		0	0	4,995,632	0	4,995,632
Transfer to retained earnings upon accelerate vesting of ESOS		0	0	(6,832,749)	1,715,175	(5,117,574)
Transfer to retained earnings upon lapse of ESOS		0	0	(1,068,808)	445,702	(623,106)
Total transaction with owners		19,097,898	0	(2,905,925)	2,160,877	18,352,850
Balance as at 31 December 2025		164,356,315	(1,761,139)	3,362,087	(54,401,301)	111,555,962
Balance as at 1 January 2024		137,244,246	(1,761,139)	4,217,679	(42,102,798)	97,597,988
Loss for the financial year		0	0	0	4,909,237	4,909,237
Other comprehensive income, net of tax		0	0	0	0	0
Total comprehensive loss		0	0	0	4,909,237	4,909,237
Transactions with owners						
Issuance of ordinary shares pursuant to private placement	14	8,014,171	0	0	0	8,014,171
Share options grant under ESOS		0	0	2,198,727	0	2,198,727
Transfer to retained earnings upon lapse of ESOS		0	0	(148,394)	0	(148,394)
Total transaction with owners		8,014,171	0	2,050,333	0	10,064,504
Balance as at 31 December 2024		145,258,417	(1,761,139)	6,268,012	(37,193,561)	112,571,729

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before tax		(59,278,045)	1,136,654	(19,264,771)	4,960,728
Adjustments for:					
Depreciation of property, plant and equipment	5	10,064,408	11,850,394	0	0
Amortisation of right-of-use asset	6	1,657,163	1,977,295	0	0
Bad debt written off		0	42,758	0	0
Fair value gain on derivative financial instruments	19(e)	(16,387)	(137,538)	0	0
Fair value gain on financial guarantee contracts	18(e)	0	0	(70,746)	(112,822)
Gain on disposal of property, plant and equipment	25	(6,040)	(28,004,992)	0	0
Gain on lease modification	6(e)	(1,086)	(319,393)	0	0
Gain on lease termination	6(e)	0	(698)	0	0
Impairment losses on:					
- property, plant and equipment	5	15,948,183	2,048,061	0	0
- cost of investments in subsidiaries	7(b)	0	0	2,685,046	0
- equity loan and contributions	7(c)	0	0	467,184	214,873
- trade and other receivables		5,996,217	4,769,779	17,240,576	8,045,369
- contract assets	12(e)	1,182,377	0	0	0
Interest expense	21	7,901,794	8,908,611	3,947,231	4,243,990
Interest income	25	(346,204)	(438,654)	(3,691,490)	(4,982,634)
Inventories written down	11(c)	5,568,598	14,014	0	0
Inventories written off	25	1,150,722	0	0	0
Property, plant and equipment written off	25	3,940	6,244,997	0	0
Revaluation loss on property, plant and equipment	25	0	221,000	0	0
Operating (loss)/profit before changes in working capital carried forward		(10,174,360)	8,312,288	1,313,030	12,369,504

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)					
Operating (loss)/profit before changes in working capital brought forward		(10,174,360)	8,312,288	1,313,030	12,369,504
Reversal of impairment losses on:					
- trade and other receivables		(1,598,370)	(423,381)	(1,570,081)	(6,765,441)
- cost of investments in subsidiaries	7(b)	0	0	0	(7,223,000)
- equity loan and contributions	7(c)	0	0	(214,873)	0
Share options granted under ESOS	22	4,995,632	2,198,727	406,529	636,944
Unrealised foreign exchange gain	25	(298,107)	(68,512)	0	0
Operating (loss)/profit before changes in working capital		(7,075,205)	10,019,122	(65,395)	(981,993)
Decrease/(Increase) in trade and other receivables		2,986,852	(7,496,264)	(2,243)	0
Decrease in contract assets		6,543,713	1,071,063	0	0
Increase in contract liabilities		3,571,429	0	0	0
(Increase)/Decrease in inventories		(368,803)	7,073,950	0	0
(Decrease)/Increase in trade and other payables		(518,340)	(1,341,222)	(31,585)	60,651
Cash generated from/(used in) operations		5,139,646	9,326,649	(99,223)	(921,342)
Tax paid		(2,207,004)	(2,128,568)	(42,478)	(29,679)
Tax refunded		543,872	51,092	5,583	0
Net cash from/(used in) operating activities		3,476,514	7,249,173	(136,118)	(951,021)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	25	346,204	438,654	0	0
Proceeds from disposal of property, plant and equipment		14,010	30,419,905	0	0
Purchase of property, plant and equipment	5(d)	(3,658,040)	(7,661,183)	0	0
Increase in amounts owing by subsidiaries		0	0	(11,553,821)	11,806,929
Increase in amounts owing to subsidiaries		0	0	(7,478,460)	(18,973,245)
Net cash (used in)/from investing activities		(3,297,826)	23,197,376	(19,032,281)	(7,166,316)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net increase/(decrease) in short-term borrowings		8,478,420	(19,100,378)	0	0
Interest paid		(7,734,966)	(8,801,597)	0	0
Payments of lease liabilities	6	(1,779,500)	(1,685,495)	0	0
Proceeds from issuance of ordinary shares pursuant to private placement	14	19,097,898	8,014,171	19,097,898	8,014,171
Repayments of term loans		(7,927,196)	(15,483,836)	0	0
Net cash from/(used in) financing activities		10,134,656	(37,057,135)	19,097,898	8,014,171
Net increase/(decrease) in cash and cash equivalents		10,313,344	(6,610,586)	(70,501)	(103,166)
Effects of exchange rate changes on cash and cash equivalents		(446,677)	(35,905)	0	0
Cash and cash equivalents at beginning of financial year		(6,009,537)	636,954	99,932	203,098
Cash and cash equivalents at end of financial year	13(d)	3,857,130	(6,009,537)	29,431	99,932

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 6)		Borrowings excluding bank overdrafts (Note 17)	
	2025 RM	2024 RM	2025 RM	2024 RM
Balance as at 1 January	1,973,064	2,546,945	124,255,250	158,839,464
Cash flows	(1,779,500)	(1,685,495)	551,224	(34,584,214)
Non-cash flows:				
- additions	295,948	971,051	0	0
- lease re-assessment	1,388,430	0	0	0
- lease modification	(27,348)	59,352	0	0
- lease termination	0	(25,803)	0	0
- unwinding of interest	166,828	107,014	0	0
Balance as at 31 December	2,017,422	1,973,064	124,806,474	124,255,250

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

1. CORPORATE INFORMATION

Eonmetall Group Berhad ('the Company') is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Penang.

The principal places of business of the Company are located at Lot 1258 & 1259, MK 12, Jalan Seruling, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Penang and Lot 387, MK 12, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Penang.

The consolidated financial statements for the financial year ended 31 December 2025 comprise the financial statements of the Company and its subsidiaries and the interests of the Group in associate. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 29 April 2026.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged as an investment holding company. The subsidiaries are mainly involved in manufacturing and sales of metalwork, industrial process machinery and equipment, steel products, steel racking system and storage solutions, palm oil related products, provider of IT solutions including software development to related company, property and investment holding, operation of Palm Fibre Oil Extraction plants, and production of bio-coal and technical services. Further details of the subsidiaries are set out in Note 7 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 34.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with MFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in respective notes to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4. OPERATING SEGMENTS

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Managing Director (the chief operating decision maker) reviews internal management reports at least on a quarterly basis.

The accounting policies of operating segments are the same as those described in the respective notes to the financial statements.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude tax asset, assets used primarily for corporate purpose and items that cannot be reasonably allocated to individual segment.

Segment liabilities exclude tax liabilities.

	Machinery and equipment RM	Steel product and trading activity RM	Property, investment holding and others RM	Total RM
2025				
Revenue				
Total revenue	16,348,670	144,861,903	2,275,640	163,486,213
Inter-segment revenue	(1,563,903)	(18,987,003)	(2,229,400)	(22,780,306)
Revenue from external customers	14,784,767	125,874,900	46,240	140,705,907
Interest income	1,581	48,329	296,294	346,204
Finance costs	(881,257)	(6,994,157)	(26,380)	(7,901,794)
Net finance (expense)/income	(879,676)	(6,945,828)	269,914	(7,555,590)
Depreciation of property, plant and equipment	(1,080,955)	(6,597,132)	(2,386,321)	(10,064,408)
Amortisation of right-of-use assets	(892,500)	(698,697)	(65,966)	(1,657,163)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. OPERATING SEGMENTS (CONT'D)

	Machinery and equipment RM	Steel product and trading activity RM	Property, investment holding and others RM	Total RM
2025				
Segment results before tax	(14,020,580)	(33,052,242)	(36,537,634)	(83,610,456)
Taxation	3,135,016	4,455,032	279,903	7,869,951
Other non-cash items:				
Fair value gain on derivative financial instruments	0	16,387	0	16,387
Gain on disposal of property, plant and equipment	1,496	4,544	0	6,040
Gain on lease modification	0	1,086	0	1,086
Impairment losses on property, plant and equipment	0	(7,000,000)	(8,948,183)	(15,948,183)
Impairment losses on trade and other receivables	(2,072,488)	(1,678,568)	(2,245,161)	(5,996,217)
Impairment losses on contract assets	(1,182,377)	0	0	(1,182,377)
Inventories written down	(5,568,598)	0	0	(5,568,598)
Inventories written off	(1,150,722)	0	0	(1,150,722)
Property, plant and equipment written off	0	(3,940)	0	(3,940)
Reversal of impairment loss on trade and other receivables	232,618	1,346,482	19,270	1,598,370
Unrealised foreign exchange gain/(loss)	197,673	(418,308)	518,742	298,107
Share options granted under ESOS	(1,380,069)	(3,054,413)	(561,150)	(4,995,632)
Additions to non-current assets other than financial instruments and deferred tax assets	1,459,109	22,936,247	833,661	25,229,017
Segment assets	115,518,495	411,867,214	168,212,908	695,598,617
Segment liabilities	35,592,115	129,479,637	1,781,115	166,852,867

4. OPERATING SEGMENTS (CONT'D)

	2024				Total RM
	Machinery and equipment RM	Steel product and trading activity RM	Property, investment holding and others RM		
Revenue					
Total revenue	11,505,860	224,572,323	1,573,447		237,651,630
Inter-segment revenue	(1,760,585)	(36,917,912)	(1,548,600)		(40,227,097)
Revenue from external customers	9,745,275	187,654,411	24,847		197,424,533
Interest income	1,087	56,322	381,245		438,654
Finance costs	(1,121,238)	(7,734,337)	(53,036)		(8,908,611)
Net finance (expense)/income	(1,120,151)	(7,678,015)	328,209		(8,469,957)
Depreciation of property, plant and equipment	(854,133)	(8,022,361)	(2,973,900)		(11,850,394)
Amortisation of right-of-use assets	(1,337,737)	(573,591)	(65,967)		(1,977,295)
Segment results before tax	(6,707,373)	22,231,934	(9,834,608)		5,689,953
Taxation	4,036,909	(1,265,977)	(814,909)		1,956,023
Other non-cash items:					
Bad debt written off	0	(42,758)	0		(42,758)
Fair value gain on derivative financial instruments	0	137,538	0		137,538
Gain on disposal of property, plant and equipment	1,138	28,003,854	0		28,004,992
Gain on lease modification	318,527	866	0		319,393
Gain on lease termination	39	659	0		698
Impairment losses on property, plant and equipment	0	0	(2,048,061)		(2,048,061)
Impairment losses on trade and other receivables	(1,787,749)	(2,747,563)	(234,467)		(4,769,779)
Inventories written down	(14,014)	0	0		(14,014)
Property, plant and equipment written off	0	0	(6,244,997)		(6,244,997)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. OPERATING SEGMENTS (CONT'D)

2024	Machinery and equipment RM	Steel product and trading activity RM	Property, investment holding and others RM	Total RM
Other non-cash items: (Cont'd)				
Revaluation downwards on property, plant and equipment	0	(221,000)	0	(221,000)
Reversal of impairment loss on trade and other receivables	165,473	59,686	198,222	423,381
Unrealised foreign exchange gain/(loss)	36,127	248,871	(216,486)	68,512
Share options granted under ESOS	(471,419)	(995,501)	(731,807)	(2,198,727)
Additions to non-current assets other than financial instruments and deferred tax assets	1,031,544	7,146,607	454,083	8,632,234
Segment assets	129,382,695	420,054,503	181,076,706	730,513,904
Segment liabilities	34,362,769	128,496,773	1,539,861	164,399,403

4. OPERATING SEGMENTS (CONT'D)

The following summary describes the operations in each of the Group's reportable segments:

- (i) Segment 1 - includes manufacture and sale of metalwork machinery and other industrial process machinery and equipment
- (ii) Segment 2 - includes manufacture and sale as well as trading of steel product
- (iii) Segment 3 - property and investment holding and others

There are varying levels of integration between reportable segments, the machinery and equipment and steel product segments. This integration includes manufacture and sale of machinery and shared distribution services. Inter-segment pricing is determined on negotiated basis.

Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's Managing Director (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment.

	2025 RM	2024 RM
(Loss)/Profit for the financial year		
Total (loss)/profit for reportable segments	(83,610,456)	5,689,953
Adjustment for inter-segmental profits	24,332,411	(4,553,299)
(Loss)/Profit before tax	(59,278,045)	1,136,654
Taxation	7,869,951	1,956,023
(Loss)/Profit for the financial year	(51,408,094)	3,092,677
Assets		
Segment assets	695,598,617	730,513,904
Deferred tax assets	2,663,601	58,500
Current tax assets	2,762,871	818,809
Total assets	701,025,089	731,391,213
Liabilities		
Segment liabilities	166,852,867	164,399,403
Deferred tax liabilities	30,471,906	35,349,739
Current tax liabilities	96,855	202,942
Total liabilities	197,421,628	199,952,084

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4. OPERATING SEGMENTS (CONT'D)

Geographical information

Revenue and non-current assets information are based on the geographical location of customers and assets respectively. The amounts of non-current assets do not include investment in associate.

	Revenue		Non-current assets	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia	82,228,788	135,666,800	476,842,815	480,331,004
Singapore	14,094,078	8,751,784	0	0
Middle East	11,206,882	5,571,582	0	0
Europe	10,763,680	12,413,512	0	0
Indonesia	8,248,615	10,659,011	0	0
Philippines	4,835,939	5,418,833	0	0
Australia	3,773,521	8,280,803	0	0
Africa	1,476,549	626,022	0	0
Thailand	1,365,650	14,920	0	0
New Zealand	755,728	1,265,050	0	0
Sri Lanka	729,422	1,185,338	0	0
United States of America	673,976	6,736,299	0	0
People's Republic of China	28,745	349,385	0	0
Others	524,334	485,194	0	0
	140,705,907	197,424,533	476,842,815	480,331,004

Major customers

The following are major customers with revenue equal or more than ten percent (10%) of revenue of the Group:

	2025 RM	2024 RM	Segment
Customer A	32,600,257	39,662,831	Steel product and trading activity
Customer B	*	49,015,322	Steel product and trading activity
	32,600,257	88,678,153	

* Less than 10%

5. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.1.2025 RM	Additions RM	Disposals RM	Written off RM	Depreciation charge for the financial year RM	Impairment losses RM	Reclassifications RM	Balance as at 31.12.2025 RM
Carrying amount								
<u>At valuation</u>								
Freehold land	332,308,000	20,953,670	0	0	0	0	2,869,011	356,130,681
Buildings	81,257,202	0	0	0	(1,881,405)	0	0	79,375,797
<u>At cost</u>								
Buildings	0	834,535	0	0	(7,217)	0	0	827,318
Plant and machinery, moulds, tools and equipment	37,076,900	1,594,186	(4)	0	(7,795,051)	(7,000,000)	0	23,876,031
Furniture, fittings, office equipment and computer software	910,965	162,248	(7,963)	(3,940)	(150,198)	0	0	911,112
Motor vehicles	353,115	0	(3)	0	(227,758)	0	0	125,354
Electrical installation and renovation	66,917	0	0	0	(2,779)	0	0	64,138
Capital work-in-progress	20,332,942	0	0	0	0	(8,948,183)	(2,869,011)	8,515,748
	<u>472,306,041</u>	<u>23,544,639</u>	<u>(7,970)</u>	<u>(3,940)</u>	<u>(10,064,408)</u>	<u>(15,948,183)</u>	<u>0</u>	<u>469,826,179</u>

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5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	2025				
	Cost RM	Valuation RM	Accumulated depreciation RM	Accumulated impairment losses RM	Carrying amount RM
Group					
<u>At Valuation</u>					
Freehold land	0	356,130,681	0	0	356,130,681
Buildings	0	82,416,337	(3,040,540)	0	79,375,797
<u>At cost</u>					
Buildings	834,535	0	(7,217)	0	827,318
Plant and machinery, moulds, tools and equipment	117,540,717	0	(86,633,777)	(7,030,909)	23,876,031
Furniture, fittings, office equipment and computer software	4,832,292	0	(3,919,945)	(1,235)	911,112
Motor vehicles	3,223,804	0	(3,098,450)	0	125,354
Electrical installation and renovation	283,196	0	(219,058)	0	64,138
Capital work-in-progress	19,511,992	0	0	(10,996,244)	8,515,748
	<u>146,226,536</u>	<u>438,547,018</u>	<u>(96,918,987)</u>	<u>(18,028,388)</u>	<u>469,826,179</u>

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Balance as at 1.1.2024 RM	Additions RM	Disposals RM	Written off RM	Revaluation RM	Depreciation charge for the financial year RM	Impairment losses RM	Reclassifications RM	Balance as at 31.12.2024 RM
Carrying amount									
<u>At valuation</u>									
Freehold land	143,604,170	212,269	(2,414,904)	0	190,906,465	0	0	0	332,308,000
Buildings	40,948,959	22,968	0	0	37,711,774	(1,775,755)	0	4,349,256	81,257,202
<u>At cost</u>									
Buildings	4,037,141	323,545	0	0	0	(11,430)	0	(4,349,256)	0
Plant and machinery, moulds, tools and equipment	49,169,053	3,727,206	0	(6,244,997)	0	(9,574,362)	0	0	37,076,900
Furniture, fittings, office equipment and computer software	720,020	435,251	0	0	0	(244,306)	0	0	910,965
Motor vehicles	564,635	30,250	(9)	0	0	(241,761)	0	0	353,115
Electrical installation and renovation	69,697	0	0	0	0	(2,780)	0	0	66,917
Capital work-in-progress	19,471,309	2,909,694	0	0	0	0	(2,048,061)	0	20,332,942
	<u>258,584,984</u>	<u>7,661,183</u>	<u>(2,414,913)</u>	<u>(6,244,997)</u>	<u>228,618,239</u>	<u>(11,850,394)</u>	<u>(2,048,061)</u>	<u>0</u>	<u>472,306,041</u>

NOTES TO THE FINANCIAL STATEMENTS

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5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	2024				
	Cost RM	Valuation RM	Accumulated depreciation RM	Accumulated impairment losses RM	Carrying amount RM
Group					
Freehold land	0	332,308,000	0	0	332,308,000
Buildings	0	82,416,337	(1,159,135)	0	81,257,202
Plant and machinery, moulds, tools and equipment	115,988,201	0	(78,880,392)	(30,909)	37,076,900
Furniture, fittings, office equipment and computer software	5,289,654	0	(4,377,454)	(1,235)	910,965
Motor vehicles	3,416,645	0	(3,063,530)	0	353,115
Electrical installation and renovation	283,196	0	(216,279)	0	66,917
Capital work-in-progress	22,381,003	0	0	(2,048,061)	20,332,942
	<u>147,358,699</u>	<u>188,969,186</u>	<u>(87,696,790)</u>	<u>(2,080,205)</u>	<u>472,306,041</u>

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. After initial recognition, property, plant and equipment except for freehold land and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land and buildings are stated at valuation, which is the fair value at the date of revaluation less subsequent accumulated depreciation.

Freehold land and buildings are revalued at least every three (3) to five (5) years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of each reporting period. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve, net of deferred tax and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit would be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

- (b) Depreciation is calculated to write down the cost or valuation of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation periods and annual rates are as follows:

Buildings	30 - 38 years
Plant and machinery, moulds, tools and equipment	2% - 10%
Furniture, fittings, office equipment and computer software	10% - 20%
Motor vehicles	20%
Electrical installation and renovation	10%

- (c) Freehold land has unlimited useful life and is not depreciated. Capital work-in-progress represents machineries and building improvements in progress, which is stated at cost. Capital work-in-progress is not depreciated until such time when the asset is available for use.

- (d) During the financial year, the Group made the following cash payments to purchase of property, plant and equipment:

	2025 RM	Group 2024 RM
Purchase of property, plant and equipment	23,544,639	7,661,183
Prepayments utilised	(19,886,599)	0
	<u>3,658,040</u>	<u>7,661,183</u>

- (e) Freehold land and buildings were last revalued on 21 June 2024.

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts would have been:

	2025 RM	Group 2024 RM
Freehold land	121,750,832	97,928,151
Buildings	34,026,740	35,493,966
	<u>155,777,572</u>	<u>133,422,117</u>

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (f) The fair value of freehold land and buildings (at valuation) of the Group are categorised as Level 3 in the fair value hierarchy.
- (i) Level 3 fair value of freehold land and buildings (at valuation) was determined by an external and independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The fair value of freehold land and buildings was derived using comparison/cost method.

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. The land is valued by reference to transactions of similar lands in close proximity with adjustments made for differences in location, size and shape of the land, if any other relevant characteristics. Completed buildings are valued by reference to the current estimates on construction costs to erect equivalent buildings, taking into consideration of similar accommodation in term of building differences, improvements and amenities, title restriction, time element and other relevant characteristics. Appropriate adjustments are then made for the factors of obsolescence, optimisation and existing physical condition of the buildings. The significant unobservable inputs into this valuation method is price per square foot. The estimated fair value would increase if the yield adjustments based on management's assumptions were higher and vice versa.

- (ii) The fair value measurements of the freehold land and buildings (at valuation) are based on the highest and best use which does not differ from their actual use.
- (iii) The following table shows a reconciliation of balances of property, plant and equipment whose fair values have been classified in Level 3 of the fair value hierarchy:

Group	2025 RM	2024 RM
Balance as at 1 January	413,565,202	184,553,129
Addition	23,822,681	4,584,493
Depreciation	(1,881,405)	(1,775,755)
Disposal	0	(2,414,904)
Change in fair value recognised in other comprehensive income	0	228,839,239
Change in fair value recognised in profit or loss (unrealised)	0	(221,000)
Balance as at 31 December	<u>435,506,478</u>	<u>413,565,202</u>

- (g) Freehold land and certain properties of the Group with a carrying amount of RM334,032,436 (2024: RM310,716,858) have been charged to banks for credit facilities granted to the Group as disclosed in Note 17(b) (i) to the financial statements.
- (h) During the financial year, impairment loss on property, plant and equipment of RM15,948,183 was recognised to bring the carrying amount to their recoverable amount due to decline in or cessation of operation. The recoverable amounts were determined based on the higher of value-in-use and fair value less costs of disposal.

The key assumptions used in cash flow projections from the financial budgets and forecasts approved by management covering a period up to five (5) years are as follows:

- (i) the pre-tax discount rates of 11.25%, which are the weighted average cost of capital adjusted for specific risks relating to the subsidiaries;
- (ii) the growth rate used is determined based on the industry trend and past performances of the subsidiaries; and
- (iii) gross profit margin is projected based on historical profit margin achieved.

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

Carrying amount	Balance as at 1.1.2025 RM	Additions RM	Amortisation for the financial year RM	Lease re-assessment RM	Lease modification RM	Balance as at 31.12.2025 RM
Leasehold lands	527,731	0	(65,966)	0	0	461,765
Factory	288,407	0	(839,583)	1,388,430	0	837,254
Hostels	928,896	295,948	(686,706)	0	(26,262)	511,876
Motor vehicle	173,090	0	(64,908)	0	0	108,182
	1,918,124	295,948	(1,657,163)	1,388,430	(26,262)	1,919,077

Carrying amount	Balance as at 1.1.2024 RM	Additions RM	Amortisation for the financial year RM	Lease modification RM	Lease termination RM	Balance as at 31.12.2024 RM
Leasehold lands	593,698	0	(65,967)	0	0	527,731
Factory	996,828	865,218	(1,284,513)	(288,088)	(1,038)	288,407
Hostels	742,204	105,833	(561,907)	666,833	(24,067)	928,896
Motor vehicle	237,998	0	(64,908)	0	0	173,090
	2,570,728	971,051	(1,977,295)	378,745	(25,105)	1,918,124

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Lease liabilities

Carrying amount	Balance as at 1.1.2025 RM	Additions RM	Lease payments RM	Interest expense RM	Lease re-assessment RM	Lease modification RM	Balance as at 31.12.2025 RM
Leasehold lands	552,717	0	(84,000)	26,380	0	0	495,097
Factory	295,055	0	(892,802)	75,275	1,388,430	0	865,958
Hostels	939,875	295,948	(730,950)	58,191	0	(27,348)	535,716
Motor vehicle	185,417	0	(71,748)	6,982	0	0	120,651
	1,973,064	295,948	(1,779,500)	166,828	1,388,430	(27,348)	2,017,422

Carrying amount	Balance as at 1.1.2024 RM	Additions RM	Lease payments RM	Interest expense RM	Lease modification RM	Lease termination RM	Balance as at 31.12.2024 RM
Leasehold lands	607,527	0	(84,000)	29,190	0	0	552,717
Factory	942,819	865,218	(937,796)	32,506	(606,615)	(1,077)	295,055
Hostels	749,463	105,833	(591,951)	35,289	665,967	(24,726)	939,875
Motor vehicle	247,136	0	(71,748)	10,029	0	0	185,417
	2,546,945	971,051	(1,685,495)	107,014	59,352	(25,803)	1,973,064

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

	2025 RM	2024 RM
Represented by:		
Current liabilities	1,443,817	995,555
Non-current liabilities	573,605	977,509
	2,017,422	1,973,064
Lease liabilities owing to financial institutions	120,651	185,417
Lease liabilities owing to non-financial institutions	1,896,771	1,787,647
	2,017,422	1,973,064

- (a) The Group leases leasehold land, factory, hostels and motor vehicle in the location which it operates. The leases comprise only fixed payments over the lease terms.
- (b) Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases. After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.
- (c) Right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the lease term. The lease terms of right-of-use assets are as follows:

Leasehold lands	10 years
Factory	2 years
Hostels	1 - 3 years
Motor vehicle	5 years

- (d) The Group has certain lease of assets with lease term of twelve (12) months or less. The Group applies the 'short-term lease' exemptions for these leases.
- (e) The following are amounts recognised in profit or loss:

	Group	
	2025 RM	2024 RM
Amortisation of right-of-use assets (included in cost of sales, distribution expenses and administrative expenses)	1,657,163	1,977,295
Interest expense on lease liabilities (included in finance costs)	166,828	107,014
Gain on lease modifications (included in other income)	(1,086)	(319,393)
Gain on lease termination (included in other income)	0	(698)
Expense relating to short-term leases (included in cost of sales)	1,947	128,060
	1,824,852	1,892,278

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6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(f) The following are total cash outflows for leases as a lessee:

	Group	
	2025 RM	2024 RM
Included in net cash flows from operating activities:		
Payment relating to short-term leases	1,947	128,060
Included in net cash flows from financing activities:		
Payment of lease liabilities	<u>1,779,500</u>	<u>1,685,495</u>
Total cash outflows for leases	<u>1,781,447</u>	<u>1,813,555</u>

(g) There are no potential future rental payment that are not included in the lease term.

(h) Impairment testing on right-of-use assets is similar to that of property, plant and equipment as disclosed in Note 5(h) to the financial statements.

(i) Information on financial risks of lease liabilities is disclosed in Note 32 to the financial statements.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost		
- ordinary shares	64,768,951	64,768,951
- redeemable preference shares	141,880,000	96,880,000
Equity loan	515,831	45,938,773
Equity contributions in subsidiaries in respect of ESOS	3,362,087	4,513,663
Less: Impairment losses		
- cost of investments	(22,512,107)	(19,827,061)
- equity loan and contributions	<u>(467,184)</u>	<u>(214,873)</u>
	<u>187,547,578</u>	<u>192,059,453</u>

Included in equity loan is an amount of RM515,831 (2024: RM515,831) arising from financial guarantee contracts provided as credit enhancements to the secured loans of subsidiaries.

In the previous financial year, the Company reassessed the nature of amount owing by a subsidiary and determined that the outstanding balance of RM45,422,942 constitutes equity loan to a subsidiary. This equity loan was unsecured, interest-bearing and settlement was neither planned nor likely to occur in the foreseeable future, and were considered to be part of the net investment of the Company in providing the subsidiary with a long term source of additional capital.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

All components of non-controlling interests shall be initially measured at fair value on the acquisition date, unless another measurement basis is required by MFRS. The choice of the measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of the non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

- (b) Management reviews the cost of investments in subsidiaries for impairment when there is an indication of impairment. Recoverable amounts of the cost of investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or the value-in-use of the respective subsidiaries. Impairment losses are made when the carrying amount of the cost of investments in subsidiaries exceed its recoverable amount.

During the financial year, impairment loss of RM2,685,046 was recognised on cost of investment due to decline in or cessation in operation of the subsidiaries.

In the previous financial year, the Company recognised a reversal of impairment loss of RM7,223,000 in respect of cost of investment in a subsidiary as the recoverable amount determined based on fair value less costs of disposal ("FVLCD") exceeded its carrying amount. The net assets of the subsidiary is used as a proxy for the recoverable amount based on FVLCD, which is categorised as level 3 in the fair value hierarchy.

- (c) Impairment for equity loan and contributions to subsidiaries is recognised based on the general approach of MFRS 9 using the forward looking expected credit loss model as disclosed in Note 10(g) to the financial statements.

Movement in impairment losses of equity loan and contributions to subsidiaries are as follows:

	Company	
	2025 RM	2024 RM
At 1 January	214,873	0
Charge for the financial year	467,184	214,873
Reversal of impairment losses	(214,873)	0
At 31 December	467,184	214,873

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7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
Eonmetall Technology Sdn. Bhd.	Malaysia	100	100	Manufacture of metalwork and industrial process machinery and equipment
Eonmetall Industries Sdn. Bhd.	Malaysia	100	100	Manufacture and distribution of steel products, focusing on cold rolled coils, galvanised coils and flat steel products
Eonmetall Systems Sdn. Bhd.	Malaysia	100	100	Manufacture of steel products, focusing on steel storage systems
Eonsteel Sdn. Bhd.	Malaysia	100	100	Property holding, manufacture and trading of steel products
Eonchem Biomass Sdn. Bhd.	Malaysia	100	100	Manufacture of palm oil related products
Eontarr IT Solutions Sdn. Bhd.	Malaysia	100	100	Provider of Information Technology solutions including software development, currently dormant
Eonmetall Integration Sdn. Bhd.	Malaysia	100	100	Design and trading of steel products focusing on furniture related products and office space management, currently dormant
Constructor Asia Sdn. Bhd.	Malaysia	100	100	Trading and distribution of steel racking system and storage solutions
Eonmetall Carotene Oil Sdn. Bhd.	Malaysia	100	100	Operation of Palm Fibre Oil Extraction ('PFOE') plants
Eonchem Technology Sdn. Bhd.	Malaysia	100	100	Manufacture of industrial process machinery and equipment, currently dormant
Eonmetall International Limited	Malaysia	100	100	Investment holding
Eonmetall Copper Sdn Bhd	Malaysia	100	100	Manufacturing and processing of copper, aluminium and other steel materials, currently dormant
Eonmetall Land Sdn Bhd	Malaysia	100	100	Manufacture and distribution of steel products, focusing on cold rolled coils, galvanised coils and flat steel products
White Rack Projects Sdn. Bhd.	Malaysia	100	100	Growing and wholesale of vegetables, wholesale of agriculture machinery, equipment and supplies

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Details of the subsidiaries are as follows: (Cont'd)

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
Subsidiary of Eonchem Biomass Sdn. Bhd.				
Eonmetall Bio-Coal Sdn. Bhd.	Malaysia	100	100	Production of bio-coal and technical services
Subsidiary of Eonmetall International Limited				
PT Eonmetall Investment #	Indonesia	88	88	Palm oil plantation and related processing, currently dormant
Subsidiary of Constructor Asia Sdn. Bhd.				
Constructor SEA Sdn. Bhd.	Malaysia	100	100	Trading and distributing of steel racking systems

Subsidiary audited by a BDO member firm.

(e) During the financial year, the Company had subscribed for an additional 45,000 redeemable preference shares in Eonmetall Land Sdn. Bhd. for a total consideration of RM45,000,000 which was satisfied by way of capitalisation of equity loan.

(f) Subsidiary of the Group that has non-controlling interests ('NCI') is as follows:

2025	PT Eonmetall Investment RM
NCI percentage of ownership interest and voting interest (%)	12%
Carrying amount of NCI	<u>172,533</u>
Loss for the financial year attributable to NCI	<u>(32,231)</u>
Total comprehensive loss attributable to NCI	<u>(61,003)</u>
2024	
NCI percentage of ownership interest and voting interest (%)	12%
Carrying amount of NCI	<u>233,536</u>
Profit for the financial year attributable to NCI	<u>14,445</u>
Total comprehensive loss attributable to NCI	<u>(3,020)</u>

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7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (g) Summarised financial information before intra-group elimination of the subsidiary that have NCI as at the end of each reporting period are as follows:

	2025 RM	2024 RM
PT Eonmetall Investment		
Assets and liabilities		
Current assets	2,108,304	2,404,432
Current liabilities	(670,528)	(458,298)
Net assets	<u>1,437,776</u>	<u>1,946,134</u>
Results		
Revenue	0	0
(Loss)/Profit for the financial year	(268,592)	120,371
Total comprehensive loss	<u>(508,358)</u>	<u>(25,167)</u>
PT Eonmetall Investment		
Results		
Cash flows used in operating activities	0	0
Cash flows from investing activities	0	0
Cash flows used in financing activities	0	0
Net increase in cash and cash equivalents	<u>0</u>	<u>0</u>

8. INVESTMENT IN ASSOCIATE

(a) Investment in associate is measured at cost less impairment losses, if any, in the separate financial statements of the Company and accounted for using the equity method in the consolidated financial statements.

(b) Details of the associate is as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	

Associate of Eonmetall International Limited

Emeida Metal Sdn. Bhd. *	Malaysia	40	40	Dormant
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* Associate not audited by BDO PLT or BDO member firms.

(c) Summarised financial information of associate are not disclosed during the year as it is immaterial to the Group.

(d) The unrecognised share of losses of associate amounted to RM2,294 (2024: RM2,312) in the current financial year. As a result, the accumulated unrecognised share of losses of associate amounted to RM14,125 (2024: RM11,831). The Group has ceased recognising its share of losses since there is no further obligation in respect of those losses using the equity method of accounting.

9. DEFERRED TAX

(a) Deferred tax (assets) and liabilities are made up of the following:

	Group	
	2025 RM	2024 RM
Balance as at 1 January	35,291,239	10,775,189
Recognised in profit or loss (Note 26)	(7,482,934)	(3,693,580)
Recognised in other comprehensive income (Note 26(d))	0	28,209,630
Balance as at 31 December	<u>27,808,305</u>	<u>35,291,239</u>
Presented after appropriate offsetting:		
Deferred tax assets	(2,663,601)	(58,500)
Deferred tax liabilities	<u>30,471,906</u>	<u>35,349,739</u>
	<u>27,808,305</u>	<u>35,291,239</u>

9. DEFERRED TAX (CONT'D)

(b) Deferred tax (assets) and liabilities of the Group are attributable to the following:

	Assets		Liabilities		Net	
	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM
Property, plant and equipment	0	0	2,186,287	5,759,250	2,186,287	5,759,250
Revaluation of freehold land and buildings	0	0	34,223,631	34,552,393	34,223,631	34,552,393
Unutilised reinvestment and export allowances	0	(957,666)	0	0	0	(957,666)
Other deductible temporary differences	(8,601,613)	(4,062,738)	0	0	(8,601,613)	(4,062,738)
Tax (assets)/liabilities	(8,601,613)	(5,020,404)	36,409,918	40,311,643	27,808,305	35,291,239
Set off	5,938,012	4,961,904	(5,938,012)	(4,961,904)	0	0
Net tax (assets)/ liabilities	(2,663,601)	(58,500)	30,471,906	35,349,739	27,808,305	35,291,239

	Property, plant and equipment RM	Revaluation of freehold land and buildings RM	Unutilised reinvestment and export allowances RM	Other deductible temporary differences RM	Total RM
Balance as at 1 January 2025	5,759,250	34,552,393	(957,666)	(4,062,738)	35,291,239
Recognised in profit or loss (Note 26)	(3,572,963)	(328,762)	957,666	(4,538,875)	(7,482,934)
Balance as at 31 December 2025	2,186,287	34,223,631	0	(8,601,613)	27,808,305
Balance as at 1 January 2024	7,601,132	6,160,482	(2,919,361)	(67,064)	10,775,189
Recognised in profit or loss (Note 26)	(1,841,882)	182,281	1,961,695	(3,995,674)	(3,693,580)
Recognised in other comprehensive income	0	28,209,630	0	0	28,209,630
Balance as at 31 December 2024	5,759,250	34,552,393	(957,666)	(4,062,738)	35,291,239

9. DEFERRED TAX (CONT'D)

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the consolidated statement of financial position are as follows:

	2025 RM	Group 2024 RM
Unabsorbed capital allowances	(27,956,310)	(23,306,949)
Unabsorbed export allowances	(140,704)	0
Unabsorbed tax losses		
- expiring by 31 December 2028	(6,565,483)	(6,695,754)
- expiring by 31 December 2029	(2,061,675)	(2,061,675)
- expiring by 31 December 2030	(1,525,826)	(1,820,896)
- expiring by 31 December 2031	(1,540,542)	(1,545,528)
- expiring by 31 December 2032	(2,607,136)	(2,471,138)
- expiring by 31 December 2033	(3,698,549)	(3,509,065)
- expiring by 31 December 2034	(4,484,650)	(4,325,578)
- expiring by 31 December 2035	(11,252,973)	0
Unabsorbed reinvestment allowances		
- expiring by 31 December 2032	(9,654,757)	0
Other taxable temporary differences	12,395,592	4,808,434
	<u>(59,093,013)</u>	<u>(40,928,149)</u>

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the tax authority. Unabsorbed tax losses of the holding company and subsidiaries incorporated in Malaysia can be carried forward up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

Unabsorbed reinvestment allowances can be carried forward up to seven (7) consecutive years of assessment based on the commencement date of first claim which made before year of assessment 2019.

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10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current				
Trade receivable				
Third parties	2,302,379	3,510,098	0	0
Less: Impairment losses	(2,302,379)	(2,621,038)	0	0
	0	889,060	0	0
Other receivables				
Third party	3,730,532	5,488,870	0	0
Amounts owing by subsidiaries	0	0	69,768,960	54,100,708
	3,730,532	5,488,870	69,768,960	54,100,708
Less: Impairment losses				
- third party	(1,296,574)	(329,591)	0	0
- amounts owing by subsidiaries	0	0	(69,768,960)	(54,100,708)
	(1,296,574)	(329,591)	(69,768,960)	(54,100,708)
	2,433,958	5,159,279	0	0
Non-current trade and other receivables	2,433,958	6,048,339	0	0
Current				
Trade receivables				
Third parties	34,903,360	32,715,544	0	0
Amounts owing by related parties	1,953,474	2,144,261	0	0
	36,856,834	34,859,805	0	0
Less: Impairment losses				
- third parties	(16,310,292)	(14,870,601)	0	0
- amounts owing by related parties	(45,292)	(39,657)	0	0
	(16,355,584)	(14,910,258)	0	0
	20,501,250	19,949,547	0	0

10. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current				
Other receivables				
Other receivables	11,076,961	22,028,484	2,243	2,947,000
Amount owing by an associate	50,058	50,042	0	0
Deposits	2,506,277	2,428,114	1,000	1,000
	13,633,296	24,506,640	3,243	2,948,000
Less: Impairment losses				
- other receivables	(2,643,785)	(5,804,061)	(2,243)	(2,947,000)
- amount owing by an associate	(50,058)	(50,042)	0	0
- deposits	(798,384)	(140,305)	0	0
	(3,492,227)	(5,994,408)	(2,243)	(2,947,000)
	10,141,069	18,512,232	1,000	1,000
Current trade and other receivables (excluding prepayments)	30,642,319	38,461,779	1,000	1,000
Prepayments	6,446,098	22,468,833	0	0
	37,088,417	60,930,612	1,000	1,000
Total trade and other receivables	39,522,375	66,978,951	1,000	1,000

- (a) Trade and other receivables (excluding prepayments) are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 120 days (2024: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) Non-trade portion of amounts owing by subsidiaries are unsecured, not payable within the next twelve (12) months and bear interest at a rate of 4.60% (2024: 5.11%) per annum.
- (d) Non-trade portion of amount owing by an associate is unsecured, interest-free and payable within the next twelve (12) months.
- (e) Included in other receivables of the Group are advances to suppliers amounting to RM9,263,237 (2024: RM16,792,770) and remaining consideration receivable for disposal of a subsidiary amounting to RM3,984,667 (2024: RM6,749,292).

Included in prepayments of the Group are prepayment for construction in-progress amounting to RM1,000,000 (2024: RM19,886,599).

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10. TRADE AND OTHER RECEIVABLES (CONT'D)

(f) Currency exposure profile of trade and other receivables excluding prepayments are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	29,105,510	31,804,990	1,000	1,000
United States Dollar	3,706,764	12,354,269	0	0
Singapore Dollar	256,443	88,822	0	0
Euro Dollar	0	212,354	0	0
Others	7,560	49,683	0	0
	33,076,277	44,510,118	1,000	1,000

(g) Recognition and measurement of impairment loss

Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses ('ECL').

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset, while twelve (12)-month ECL are the portion of ECL that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating ECL is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group uses an allowance matrix to measure the ECL of trade receivables from monthly aging based on a common credit risk characteristic - industry.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information (exports of manufactured goods) and multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying amount of the asset would be written off against the associated impairment.

Impairment of trade receivables are separately assessed under individual assessment when it is probable that cash due will not be received in full.

Significant judgement is required in determining the probability of default by trade receivables, appropriate forward-looking information and estimates cash flows recoverable in worst-case scenarios.

Lifetime expected loss provision for trade receivables are as follows:

Group	Gross carrying amount RM	Impairment RM	Net carrying amount RM
2025			
Current	5,962,528	(3,462,941)	2,499,587
Past due:			
1 to 60 days	10,164,987	(762,356)	9,402,631
61 to 120 days	2,948,597	(345,980)	2,602,617
121 to 240 days	6,283,468	(734,508)	5,548,960
More than 241 days	13,799,633	(13,352,178)	447,455
Total	39,159,213	(18,657,963)	20,501,250

10. TRADE AND OTHER RECEIVABLES (CONT'D)

- (g) Recognition and measurement of impairment loss (Cont'd)

Lifetime expected loss provision for trade receivables are as follows: (Cont'd)

Group	Gross carrying amount RM	Impairment RM	Net carrying amount RM
2024			
Current	11,109,737	(3,489,570)	7,620,167
Past due:			
1 to 60 days	6,109,472	(1,582)	6,107,890
61 to 120 days	1,566,973	(6,013)	1,560,960
121 to 240 days	5,473,624	(67,043)	5,406,581
More than 241 days	14,110,097	(13,967,088)	143,009
Total	<u>38,369,903</u>	<u>(17,531,296)</u>	<u>20,838,607</u>

Trade receivables are not secured by any collateral or credit enhancement.

During the financial year, the Group did not renegotiate the terms of any trade receivables.

Impairment for other receivables and intercompany balances are recognised based on the general approach of MFRS 9. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

For balances in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12)-month ECL along with gross interest income are recognised. For balances in which credit risk has increased significantly, lifetime ECL along with the gross interest income are recognised. For those that are determined to be credit-impaired, lifetime ECL along with interest income on a net basis are recognised.

The Group and the Company defined significant increase in credit risk based on payment trends and operational performance of other receivables, subsidiaries and associate.

Credit-impaired refers to individually determined receivables who have defaulted on payments and are in significant financial difficulties as at the end of the reporting period.

The Group considers receivables to be in default when the receivables there is no reasonable expectation of recovery.

The probability of non-payment by other receivables and intercompany balances is adjusted by forward-looking information (exports of manufactured goods) and multiplied by the amount of the expected loss arising from default to determine the twelve (12)-month or lifetime ECL for other receivables.

Carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

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10. TRADE AND OTHER RECEIVABLES (CONT'D)

(h) Movements in the impairment allowance for trade receivables of the Group are as follows:

	Lifetime ECL RM	Credit impaired RM	Total RM
Group			
Balance as at 1 January 2025	2,415,722	15,115,574	17,531,296
Charge for the financial year	1,066,453	2,684,238	3,750,691
Reversal of impairment losses	(583,544)	(255,467)	(839,011)
Written off	0	(1,785,013)	(1,785,013)
Balance as at 31 December 2025	<u>2,898,631</u>	<u>15,759,332</u>	<u>18,657,963</u>
Balance as at 1 January 2024	1,028,330	14,044,687	15,073,017
Charge for the financial year	1,554,879	1,128,559	2,683,438
Reversal of impairment losses	(167,487)	(57,672)	(225,159)
Balance as at 31 December 2024	<u>2,415,722</u>	<u>15,115,574</u>	<u>17,531,296</u>

(i) Movements in the impairment allowance for other receivables based on the general approach are as follows:

	Lifetime ECL RM
Group	
Balance as at 1 January 2025	6,323,999
Charge for the financial year	2,245,526
Reversal of impairment losses	(759,359)
Written off	(2,947,000)
Exchange differences	(74,365)
Balance as at 31 December 2025	<u>4,788,801</u>
Balance as at 1 January 2024	4,469,568
Charge for the financial year	2,086,341
Reversal of impairment losses	(198,222)
Exchange differences	(33,688)
Balance as at 31 December 2024	<u>6,323,999</u>

10. TRADE AND OTHER RECEIVABLES (CONT'D)

- (i) Movements in the impairment allowance for other receivables based on the general approach are as follows: (Cont'd)

	Lifetime ECL RM
Company	
Balance as at 1 January 2025	57,047,708
Charge for the financial year	17,240,576
Reversal of impairment losses	(1,570,081)
Written off	(2,947,000)
Balance as at 31 December 2025	<u>69,771,203</u>
Balance as at 1 January 2024	55,767,780
Charge for the financial year	8,045,369
Reversal of impairment losses	<u>(6,765,441)</u>
Balance as at 31 December 2024	<u>57,047,708</u>

- (j) Information on financial risks of trade and other receivables is disclosed in Note 32 to the financial statements.

11. INVENTORIES

	Group	
	2025 RM	2024 RM
At cost		
Raw materials	78,521,475	64,997,783
Work-in-progress	53,611,684	80,260,996
Manufactured inventories	16,026,592	21,401,645
	<u>148,159,751</u>	<u>166,660,424</u>
At net realisable value		
Work-in-progress	16,717,397	4,567,241
Total	<u>164,877,148</u>	<u>171,227,665</u>

- (a) Inventories are stated at the lower of cost and net realisable value.
- (b) Cost is determined using the first-in, first-out formula. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and manufactured inventories included the cost of raw materials, direct labour, other direct cost and an appropriate portion of production overheads based on normal operating capacity of the production facilities.
- (c) During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM98,588,056 (2024: RM137,186,447). The Group has recognised write down of inventories to their net realisable value of RM5,568,598 (2024: RM14,014) and also wrote off inventories of RM1,150,722 (2024: RMNIL).

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12. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2025 RM	2024 RM
Aggregate costs incurred to-date	6,445,738	24,668,270
Add: Attributable profits	4,394,199	9,620,380
Less: Impairment loss	(1,777,563)	(595,186)
	9,062,374	33,693,464
Less: Progress billings	(9,796,429)	(23,130,000)
	(734,055)	10,563,464
Represented by:		
Advance payment from customer	(3,571,429)	0
Construction contracts	2,837,374	10,563,464
	(734,055)	10,563,464

(a) Construction contracts

Construction contracts represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

(b) Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised when performance obligations are satisfied.

Significant changes in contract assets and (contract liabilities) during the financial year are as follows:

	2025 RM	2024 RM
Group		
Transfer of contract assets recognised at beginning of the financial year to trade receivables	(9,475,000)	(3,701,000)

(c) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	2025 RM	2026 RM	Total RM
Group			
31 December 2025	0	24,910,063	24,910,063
31 December 2024	12,716,350	0	12,716,350

(d) Impairment for contract assets that do not contain a significant financing component is assessed based on the simplified approach using the lifetime expected credit losses as disclosed in Note 10(g) to the financial statements.

12. CONTRACT ASSETS/(LIABILITIES) (CONTD)

(e) Movements in the impairment allowance for contract assets based on the simplified approach are as follows:

	2025 RM	2024 RM
Group		
Balance as at 1 January	595,186	595,186
Charge for the financial year	<u>1,182,377</u>	<u>0</u>
Balance as at 31 December	<u>1,777,563</u>	<u>595,186</u>

13. CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	15,116,464	7,519,659	29,431	99,932
Deposit with a licensed bank	<u>1,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>16,616,464</u>	<u>7,519,659</u>	<u>29,431</u>	<u>99,932</u>

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Included in cash and bank balances are amounts of RM1,523,604 (2024: RM1,523,604) held in debt service reserve account which are charged to banks for credit facilities granted to the Group as disclosed in Note 17(b) (iii) to the financial statements.
- (c) Currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	13,369,415	6,908,931	29,431	99,932
United States Dollar	3,218,937	545,284	0	0
Others	<u>28,112</u>	<u>65,444</u>	<u>0</u>	<u>0</u>
	<u>16,616,464</u>	<u>7,519,659</u>	<u>29,431</u>	<u>99,932</u>

- (d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	15,116,464	7,519,659	29,431	99,932
Deposit with a licensed bank	<u>1,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>16,616,464</u>	<u>7,519,659</u>	<u>29,431</u>	<u>99,932</u>
Less: Bank overdrafts (Note 17)	(11,235,730)	(12,005,592)	0	0
Less: Bank balance held in debt service reserve account	<u>(1,523,604)</u>	<u>(1,523,604)</u>	<u>0</u>	<u>0</u>
	<u>3,857,130</u>	<u>(6,009,537)</u>	<u>29,431</u>	<u>99,932</u>

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13. CASH AND BANK BALANCES (Cont'd)

- (e) The maturity period of deposit with a licensed bank of the Group at the end of the reporting period was 33 days (2024: Nil).
- (f) No ECL were recognised arising from bank balances because the probability of default by these financial institutions were negligible.
- (g) Information on financial risks of cash and bank balances is disclosed in Note 32 to the financial statements.

14. SHARE CAPITAL

	2025		2024	
	Number of shares	RM	Number of shares	RM
Group				
Issued and fully paid with no par value:				
Balance as at 1 January	307,783,092	145,748,309	280,084,392	137,734,138
Issuance of ordinary shares pursuant to private placement	91,405,947	19,097,898	27,698,700	8,014,171
Balance as at 31 December	399,189,039	164,846,207	307,783,092	145,748,309
Company				
Issued and fully paid with no par value:				
Balance as at 1 January	307,783,092	145,258,417	280,084,392	137,244,246
Issuance of ordinary shares pursuant to private placement	91,405,947	19,097,898	27,698,700	8,014,171
Balance as at 31 December	399,189,039	164,356,315	307,783,092	145,258,417

- (a) During the financial year, the issued and paid-up ordinary shares of the Company increased from 307,783,092 to 399,189,039 by way of issuance of 91,405,947 new ordinary shares through private placement exercise by way of:
- issuance of 1,131,230 new ordinary shares at an issue price of RM0.221 each for cash consideration of RM250,002;
 - issuance of 19,760,000 new ordinary shares at an issue price of RM0.210 each for cash consideration of RM4,149,600;
 - issuance of 19,760,000 new ordinary shares at an issue price of RM0.227 each for cash consideration of RM4,485,520;
 - issuance of 19,760,000 new ordinary shares at an issue price of RM0.188 each for cash consideration of RM3,714,880;
 - issuance of 10,000,000 new ordinary shares at an issue price of RM0.211 each for cash consideration of RM2,110,000; and
 - issuance of 20,994,717 new ordinary shares at an issue price of RM0.209 each for cash consideration of RM4,387,896.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

14. SHARE CAPITAL (CONT'D)

- (b) In the previous financial year, the issued and paid-up ordinary shares of the Company was increased from 280,084,392 to 307,783,092 by way of issuance of 27,698,700 new ordinary shares pursuant to the private placement of 2,698,700 and 25,000,000 new ordinary shares at RM0.2915 and RM0.2891 per ordinary share respectively for total cash consideration of RM8,014,171.

Newly issued ordinary shares ranked pari passu in all respects with the existing ordinary shares of the Company.

- (c) Owners of the Company (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.
- (d) Treasury shares

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting held on 28 May 2025, renewed the approval for the Company to repurchase its own shares.

	Group and Company			
	2025		2024	
	Number of shares	RM	Number of shares	RM
Balance as at 1 January/ 31 December	<u>(3,096,600)</u>	<u>(1,761,139)</u>	<u>(3,096,600)</u>	<u>(1,761,139)</u>

- (i) When the Company repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

Where the treasury stock method is applied, the shares repurchased and held as treasury shares shall be measured and carried at the cost of repurchase on initial recognition and subsequently. It shall not be revalued for subsequent changes in the fair value or market price of the shares.

The carrying amount of the treasury shares shall be offset against equity in the statements of financial position.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sale consideration and the carrying amount is shown as a movement in equity.

- (ii) As at 31 December 2025, the number of ordinary shares net of treasury shares is 396,092,439 (2024: 304,686,492).
- (iii) None of the treasury shares held were resold or cancelled during the financial year. Treasury shares have no rights to voting, dividends or participation in other distribution.

15. RESERVES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable:				
Revaluation reserve	244,992,030	246,060,197	0	0
Exchange translation reserve	(1,726,477)	(1,234,145)	0	0
Share options reserve	3,362,087	6,268,012	3,362,087	6,268,012
Distributable:				
Retained earnings/(Accumulated losses)	93,718,220	136,124,359	(54,401,301)	(37,193,561)
	340,345,860	387,218,423	(51,039,214)	(30,925,549)

NOTES TO THE FINANCIAL STATEMENTS

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15. RESERVES (CONT'D)

(a) Revaluation reserve

Revaluation reserve represents the surplus on revaluation of freehold land and buildings.

(b) Exchange translation reserve

Exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment in foreign operations of the Group, whereby the monetary item is denominated in either the functional currency of the reporting entity or the foreign operations.

(c) Share options reserve

Share options reserve represents the effect of equity-settled share options granted to employees. This reserve comprises the cumulative value of services received from employees for the issue of share options. Whenever options are exercised, an amount from the share options reserve is transferred to share capital. Whenever the share options expire, an amount from the share options reserve is transferred to retained earnings.

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM

Non-current

Other payables

Amounts owing to subsidiaries	0	0	75,327,361	78,858,590
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	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM

Current

Trade payables

Third parties	10,543,399	10,358,315	0	0
Amounts owing to related parties	762,834	519,146	0	0
	11,306,233	10,877,461	0	0

Other payables

Other payables	8,200,085	11,457,076	81,571	70,766
Amounts owing to related parties	68,888	669,601	0	0
Deposit received	236,415	53,000	0	0
Accrued expenses	5,409,195	3,090,976	393,560	435,950
	13,914,583	15,270,653	475,131	506,716

Current trade and other payables	25,220,816	26,148,114	475,131	506,716
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Total trade and other payables	25,220,816	26,148,114	75,802,492	79,365,306
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16. TRADE AND OTHER PAYABLES (CONT'D)

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 60 days (2024: 30 to 60 days).
- (c) Non-trade amounts owing to subsidiaries are unsecured, not payable within the next twelve (12) months and bear interest at a rate of 4.60% (2024: 5.11%) per annum.
- (d) Non-trade amounts owing to related parties are unsecured, payable within the next twelve (12) months and interest-free.
- (e) Currency exposure profile of trade and other payables are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	18,678,927	18,974,519	75,802,492	79,365,306
United States Dollar	4,982,589	5,694,973	0	0
Chinese Yuan	1,365,079	211,845	0	0
Singapore Dollar	182,121	182,929	0	0
Euro Dollar	0	1,083,848	0	0
Other	12,000	0	0	0
	25,220,816	26,148,114	75,802,492	79,365,306

- (f) Included in trade and other payables of the Group are provision for material litigations as disclosed in Note 30(a) and (b) to the financial statements amounting to RM4,739,496 (2024:RMNil).
- (g) Information on financial risks of trade and other payables is disclosed in Note 32 to the financial statements.

17. BORROWINGS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Non-current</u>				
<i>Secured</i>				
Term loans	8,762,411	17,024,663	0	0
<u>Current</u>				
<i>Secured</i>				
Bank overdrafts	11,235,730	12,005,592	0	0
Bankers' acceptances	54,264,137	43,066,106	0	0
Revolving credits	14,780,000	23,455,000	0	0
Term loans	8,254,602	7,919,546	0	0
Trust receipts	38,745,324	32,789,935	0	0
<i>Unsecured</i>				
Financial guarantee contracts (Note 18)	0	0	141,491	212,237
	127,279,793	119,236,179	141,491	212,237

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17. BORROWINGS (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Total borrowings				
<i>Secured</i>				
Bank overdrafts (Note 13(d))	11,235,730	12,005,592	0	0
Bankers' acceptances	54,264,137	43,066,106	0	0
Revolving credits	14,780,000	23,455,000	0	0
Term loans	17,017,013	24,944,209	0	0
Trust receipts	38,745,324	32,789,935	0	0
<i>Unsecured</i>				
Financial guarantee contracts (Note 18)	0	0	141,491	212,237
	136,042,204	136,260,842	141,491	212,237

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) Borrowings of the Group are secured by the following:
- fixed charges over freehold land and buildings of the Group as disclosed in Note 5(g) to the financial statements;
 - corporate guarantees of RM324,808,000 (2024: RM311,008,000) by the Company and subsidiaries of the Company; and
 - debt service reserve account of RM1,523,604 (2024: RM1,523,604) as disclosed in Note 13(b) to the financial statements.
- (c) All borrowings are denominated in Ringgit Malaysia.
- (d) The carrying amounts of the current borrowings are reasonable approximation of the fair value due to insignificant impact of discounting.
- The carrying amounts of the non-current borrowings are reasonable approximation of the fair values as they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.
- Fair value of the term loans of the Group for presentation purposes are categorised as Level 3 in the fair value hierarchy.
- (e) Information on financial risks of borrowings is disclosed in Note 32 to the financial statements.

18. FINANCIAL GUARANTEE CONTRACTS

- (a) The Company provides financial guarantees to banks for credit facilities granted to certain subsidiaries. The Company designates financial guarantees contract as financial liabilities as defined in MFRS 9 *Financial Instruments*.
- (b) Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at higher of:
- the amount of the loss allowance; and
 - the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 *Revenue from Contracts with Customers*.

18. FINANCIAL GUARANTEE CONTRACTS (CONT'D)

- (c) The fair value of financial guarantee is determined based on the present value of the different in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.
- (d) Maturity profile of financial guarantee contracts of the Company at the end of each reporting period based on contractual undiscounted repayment obligation is repayable upon any default by the subsidiaries in respect of the guaranteed bank facilities.
- (e) The movements of the financial guarantee contracts are as follows:

	Company	
	2025 RM	2024 RM
Balance as at 1 January	212,237	325,059
Fair value changes on financial guarantee contracts	(70,746)	(112,822)
Balance as at 31 December	141,491	212,237

- (f) Information on financial risk of financial guarantees contract is disclosed in Note 32 to the financial statements.

19. DERIVATIVE LIABILITIES

Group	2025		2024	
	Contract amount RM	Liabilities RM	Contract amount RM	Liabilities RM
Forward currency contract	486,000	996	2,223,505	17,383

- (a) Derivative liabilities are classified as financial liabilities measured at fair value through profit or loss.
- (b) The Group uses forward currency derivatives to manage some of the foreign transaction exposure. These derivatives are not designated as cash flow or fair value hedges and are entered into for period consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.
- (c) Derivative liabilities of the Group are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (d) Fair value of a forward foreign currency contract is the amount that would be payable or receivable upon termination of the outstanding position arising and is determined by reference to the difference between contracted rate and the forward exchange rate as at the end of each reporting period applied to a contract of similar amount and maturity profile.
- (e) The fair value adjustments on derivative financial instruments are as follows:

	Group	
	2025 RM	2024 RM
Gain on derivative financial instruments	16,387	137,538

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20. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers				
Recognised at a point in time:				
Sale of goods	137,732,620	194,794,597	0	0
Recognised over time:				
Construction contracts revenue	2,931,287	2,629,936	0	0
<i>Other revenue:</i>				
Rental income	42,000	0	0	0
Dividend income	0	0	1,000,000	0
	140,705,907	197,424,533	1,000,000	0

(a) Revenue from contracts with customers is disaggregated in Note 4 to the financial statements by geographical area.

(b) Sale of goods

Revenue from the sale of goods is recognised at a point in time when the Group satisfies a performance obligation by transferring a promised goods to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and acceptance by customers.

There is no right of return and warranty provided to the customers on the sale of goods.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

(c) Construction contracts revenue

The Group recognised revenue from construction contracts over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date. Revenue is recognised over the period of the contract using the input method by reference to the cost incurred relative to the total expected cost for satisfaction of that performance obligation.

There is no significant financing component in the revenue arising from construction contracts as the contracts are on normal credit terms not exceeding twelve (12) months.

(d) Rental income

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

(e) Dividend income

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

21. FINANCE COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expense on:				
- amounts owing to subsidiaries	0	0	3,947,231	4,243,990
- bank overdrafts	649,583	664,701	0	0
- bankers' acceptances	2,691,546	3,492,447	0	0
- lease liabilities	166,828	107,014	0	0
- revolving credits	1,279,875	1,555,916	0	0
- term loans	1,307,351	1,972,498	0	0
- trust receipts	1,806,611	1,116,035	0	0
	7,901,794	8,908,611	3,947,231	4,243,990

22. EMPLOYEE BENEFITS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Wages, salaries, bonuses and incentives	20,004,234	20,643,665	43,635	52,365
Contributions to defined contribution plan	1,622,655	1,341,184	0	0
Social security contributions	267,501	251,197	0	0
Share options granted under ESOS	4,995,632	2,198,727	406,529	636,944
Other employee benefits	1,006,906	636,898	335,000	378,000
	27,896,928	25,071,672	785,164	1,067,309

23. DIRECTORS' REMUNERATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company				
Executive:				
Fees	111,500	108,000	111,500	108,000
Other emoluments	2,730,123	3,346,747	8,515	14,485
Share options granted under ESOS	190,787	315,084	190,787	315,084
	3,032,410	3,769,831	310,802	437,569
Non-executive:				
Fees	227,000	270,000	227,000	270,000
Other emoluments	61,620	70,880	31,620	37,880
Share options granted under ESOS	215,742	321,860	215,742	321,860
	504,362	662,740	474,362	629,740
Total Directors' remuneration	3,536,772	4,432,571	785,164	1,067,309

24. EMPLOYEE SHARE OPTIONS SCHEME ('ESOS')

A total of 34,200,000 ESOS options ("2023 Options") under the ESOS Scheme were granted and accepted by eligible Directors and employees at an exercise price of RM0.4800 on 18 April 2023. The ESOS shall be in force for a period of five (5) years until 17 April 2028. During the financial year, all the unexercised 2023 Options totalling 26,890,000 units were cancelled upon the mutual agreement with the respective 2023 Options holders on 10 November 2025.

Concurrently, a total of 59,000,000 ESOS options ("2025 Options") were offered to eligible employees at an exercise price of RM0.2283 and total 56,350,000 were accepted by eligible employees. The 2025 Options shall be in force for a period of eleven (11) months until 7 October 2026.

The main features of 2025 Options are as follows:

- Employees have been employed on a full time basis and is on the payroll of any company in the Group for a continuous period of at least 1 year and employment has been confirmed by any of the company in the Group on the Date of Offer.
- The maximum number of new shares which may be made available under the ESOS, shall not in aggregate exceed 15% of the total number of issued shares (excluding treasury shares, if any) at any point in time over the duration of the ESOS.
- The number of new shares to be issued and allotted to Eligible Persons who, either singly or collectively through persons connected with such eligible employees, hold 20% or more than the total number of issued shares of the Company (excluding treasury shares, if any) shall not exceed 10% of the total number of new shares to be issued under the ESOS.
- Not more than 80% of the shares available under the ESOS should be allocated in aggregate, to senior management personnel of the Group.

24. EMPLOYEE SHARE OPTIONS SCHEME ('ESOS') (CONT'D)

The main features of 2025 Options are as follows: (Cont'd)

- (e) The options granted may be exercised any time within the vesting period from the date of offer.
- (f) The option price of a new ordinary shares under the ESOS shall be the five (5) market days weighted average market price of the shares immediately preceding the date of offer with a discount of not more than 10% during the duration of the ESOS.
- (g) The option granted are not entitled for any dividend, voting rights, allotments or other distribution, which may be declared, made or paid to shareholders before the entitlement date.
- (h) The employees to who the options have been granted have no right to participate, by virtue of these options, in any ordinary share issue of any other company within the Group during the option period.
- (i) The ESOS Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its discretion think fit. The approval of the shareholders of the Company in a general meeting shall not be required in respect of additions or amendments to, or modifications and/or deletions of these By-Laws.

The details of the options over ordinary shares of the Company are as follows:

Date of offer	Exercise price	Exercise period
18 April 2023	0.4800	18.04.2023 - 17.04.2028
10 November 2025	<u>0.2283</u>	<u>10.11.2025 - 07.10.2026</u>

Exercisable ESOS as at the end of the reporting period is 55,350,000 (2024: 6,012,000) options.

The movements in the number of options over ordinary shares of the Company are as follows:

	2023 Options		2025 Options	
	Number of options RM	Weighted average exercise price RM	Number of options RM	Weighted average exercise price RM
As at 1 January 2024	32,900,000		0	
Lapsed*	(1,460,000)	0.4800	0	
As at 31 December 2024/ 1 January 2025 [^]	31,440,000		0	
Granted	0		56,350,000	0.2283
Lapsed*	(4,550,000)	0.4800	(1,000,000)	0.2283
Cancellation	<u>(26,890,000)</u>	0.4800	<u>0</u>	
As at 31 December 2025	<u>0</u>		<u>55,350,000</u>	

* Due to resignation, demise and retirement of eligible Directors and employees

[^] Exercisable by the grantee upon achieving the vesting conditions set by the ESOS Committee and are subject to the allotment of shares at 20% per year over vesting period of 5 years.

24. EMPLOYEE SHARE OPTIONS SCHEME ('ESOS') (CONT'D)

Fair value of share options granted

The fair value of share options granted during the financial year was estimated by using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted.

For share options granted as replacement of existing options during the financial year, the fair value of the original options has been retained for measurement purposes, as the fair value of the original options is higher than the fair value of the modified/replacement options.

The fair value of share options measured at grant date and the assumptions used are as follows:

	2025 Options	2023 Options
Fair value of share options (RM)	0.0607	0.2541
Weighted average share price (RM)	0.24	0.52
Weighted average exercise price (RM)	0.23	0.48
Expected volatility (%)	58.99	48.68
Expected life (years)	1	5
Risk free rate (%)	3.27	3.64
Expected dividend yield (%)	0	0

25. (LOSS)/PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, (loss)/profit before tax is arrived at:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
After charging:				
Auditors' remuneration:				
- statutory audit				
- current year	396,400	350,300	104,500	77,800
- (over)/underprovision in prior years	(11,800)	9,300	(2,800)	9,300
- assurance related services	8,000	8,000	8,000	8,000
Realised foreign exchange loss	807,467	0	0	0
Impairment losses on cost of investments in subsidiaries	0	0	2,685,046	0
Inventories written down	5,568,598	14,014	0	0
Inventories written off	1,150,722	0	0	0
Property, plant and equipment written off	3,940	6,244,997	0	0
Revaluation loss on property, plant and equipment	0	221,000	0	0
and crediting:				
Foreign exchange gain:				
- realised	0	27,736	0	0
- unrealised	298,107	68,512	0	0
Gain on disposal of property, plant and equipment	6,040	28,004,992	0	0
Interest income from:				
- banks	346,204	438,654	0	0
- amounts owing by subsidiaries	0	0	3,691,490	4,982,634
Rental income	725,095	386,549	0	0
Reversal of impairment losses on cost of investments in subsidiaries	0	0	0	7,223,000

(a) Interest income is recognised on an accrual basis, using the effective interest method.

(b) Rental income is recognised on a straight-line basis over the lease term of an ongoing lease.

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26. TAXATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense based on (loss)/profit for the financial year:				
Current year	223,564	1,624,491	80,764	51,491
(Over)/Underprovision in prior years	(610,581)	113,066	23,082	0
	(387,017)	1,737,557	103,846	51,491
Deferred tax (Note 9):				
Relating to origination and reversal of temporary differences	(6,392,349)	(691,549)	0	0
Crystallisation of deferred tax liabilities upon depreciation of revalued properties	(328,762)	(193,141)	0	0
Overprovision in prior years	(761,823)	(2,808,890)	0	0
	(7,482,934)	(3,693,580)	0	0
Total taxation	(7,869,951)	(1,956,023)	103,846	51,491

- (a) Malaysian income tax is calculated at the statutory tax rate of twenty-four per centum (24%) (2024: 24%) of the estimated taxable profits for the fiscal year.
- (b) Tax expense for other taxation authorities are calculated at the rates prevailing in the respective jurisdictions.
- (c) Numerical reconciliation between the tax expense and the product of accounting (loss)/profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before tax	(59,278,042)	1,136,654	(19,264,771)	4,960,728
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	(14,226,700)	272,800	(4,623,500)	1,190,600
Tax effects in respect of:				
Non-allowable expenses	4,291,809	7,217,565	5,236,520	2,245,194
Non-taxable income	(671,756)	(10,779,067)	(532,256)	(3,384,303)
Tax incentive	(250,500)	(557,542)	0	0
Deferred tax assets not recognised	4,359,600	4,586,045	0	0
	(6,497,547)	739,801	80,764	51,491
(Over)/Underprovision of current tax expense in prior years	(610,581)	113,066	23,082	0
Overprovision of deferred tax expense in prior years	(761,823)	(2,808,890)	0	0
	(7,869,951)	(1,956,023)	103,846	51,491

26. TAXATION (CONT'D)

(d) Tax on each component of other comprehensive income is as follows:

	Before tax RM	Group tax effect RM	After tax RM
2025			
Items that may not be reclassified subsequently to profit or loss			
Foreign currency translations	<u>(521,104)</u>	<u>0</u>	<u>(521,104)</u>
2024			
Items that may not be reclassified subsequently to profit or loss			
Foreign currency translations	<u>(35,905)</u>	<u>0</u>	<u>(35,905)</u>
Items that may not be reclassified subsequently to profit or loss			
Revaluation gain of properties	<u>228,839,239</u>	<u>(28,209,630)</u>	<u>200,629,609</u>

27. (LOSS)/EARNINGS PER ORDINARY SHARE

(a) Basic

Basic (loss)/earnings per ordinary share for the financial year is calculated by dividing the (loss)/profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial year.

	Group	
	2025	2024
(Loss)/Profit for the financial year attributable to owners of the parent (RM)	<u>(51,375,863)</u>	<u>3,078,232</u>
Weighted average number of ordinary shares in issue (unit)	304,686,492	277,746,663
Effects of private placement (unit)	<u>25,864,761</u>	<u>6,442,988</u>
Adjusted weighted average number of ordinary shares (unit)	330,551,253	<u>284,189,651</u>
Basic (loss)/earnings per ordinary share (sen):	<u>(15.54)</u>	<u>1.08</u>

(b) Diluted

Diluted (loss)/earnings per ordinary share equals the same as basic (loss)/earnings per ordinary share as the potential ordinary shares arising from ESOS are anti-dilutive as at the end of reporting period.

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28. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other parties.

The Company has controlling related parties relationship with its subsidiaries and associate.

Names of related parties	Relationship
Leader Steel Sdn. Bhd.	A company in which a Director of the Company has substantial financial interests.
Leader Steel Service Centre Sdn. Bhd.	A company in which a Director of the Company has substantial financial interests.
Genrizt Storage System	A Director of the Company is connected to this entity.
EMT Systems Sdn. Bhd.	A company in which a Director of the Company has substantial financial interests.

(b) Significant related parties transactions

In addition to the related parties information detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Related parties:				
Sale of goods	38,158,190	88,812,914	0	0
Purchase of goods	4,370	910,316	0	0
Rental payable	892,802	938,873	0	0
Subsidiaries:				
Dividend income	0	0	1,000,000	0
Interest income	0	0	3,691,490	4,982,634
Interest expense	0	0	3,947,231	4,243,990
Director:				
Rental payable	70,200	0	0	0

The above transactions were carried out in the ordinary course of business and have been established under negotiated and mutually agreed terms.

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, either directly or indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

28. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel (Cont'd)

Remuneration of Directors and other key management personnel of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors				
Fees	338,500	378,000	335,000	378,000
Other emoluments	2,791,743	3,417,627	43,635	52,365
Share options granted under ESOS	406,529	636,944	406,529	636,944
	3,536,772	4,432,571	785,164	1,067,309
Other Key Management Personnel				
Other emoluments	1,580,168	971,218	0	0
Share options granted under ESOS	239,266	102,995	0	0
	1,819,434	1,074,213	0	0
	5,356,206	5,506,784	785,164	1,067,309

29. CAPITAL COMMITMENTS

	Group	
	2025 RM	2024 RM
Capital expenditure in respect of purchase of property, plant and equipment:		
Contracted but not provided for	7,699,400	8,469,400

30. MATERIAL LITIGATIONS

(a) Eonmetall Systems Sdn. Bhd. ('EMS') vs United Motors And Heavy Equipment Co. (L.L.C.) ('UMHE')

On 8 May 2020, EMS, a wholly-owned subsidiary of the Company, filed a Statement of Claim against UMHE for claims arising from the supply of goods for a sum of USD304,287 together with interest of 5% per annum thereon from the date of filing until the full settlement of the sum.

Subsequently, both parties filed applications for summary judgment and to strike out the claim, respectively, which were dismissed by the Court on 23 March 2023.

On 26 March 2026, the hearing has been concluded. The Court dismissed EMS claim against UMHE and allowed UMHE's counterclaim, with costs of RM70,000.

The Directors, having obtained appropriate legal advice, have filed an appeal against the decision on 24 April 2026 and will continue to pursue the matter accordingly, notwithstanding that provision has been made in respect of the claim.

30. MATERIAL LITIGATIONS (CONT'D)

(b) Cosco Shipping Lines Co., Ltd. and Cosco Shipping Lines (Malaysia) Sdn. Bhd. ('COSCO') vs EMS

On 25 May 2021, COSCO filed a claim against EMS, a wholly-owned subsidiary of the Company, for an alleged to be due and owing to COSCO arising from demurrage charges dated 22 March 2021 amounting to RM1,194,026 and a contractual interest of the sum at a daily rate of 0.1%, fourteen (14) days from 22 March 2021 until the date of full and final payment.

EMS filed its defence and subsequently initiated third party proceedings against UMHE, which were later transferred to the High Court of Penang to be heard together with the proceedings with UMHE.

On 26 March 2026, the hearing has been concluded. The Court allowed COSCO claim against EMS in full for the charges with costs of RM130,000 payable by EMS to COSCO. Consequently, the Court dismissed EMS Third-Party claim against UMHE with costs of RM60,000.

The Directors, having obtained appropriate legal advice, have filed an appeal against the decision on 24 April 2026 and will continue to pursue the matter accordingly, notwithstanding that provision has been made in respect of the claim.

(c) Eonmetall Group Berhad ('EGB') vs Rizhao Xingyang International Trade Co., Ltd. ('Rizhao') and Eng Meng Kong ('EMK')

On 24 September 2021, EGB filed a claim against Rizhao and EMK arising from a Share Sale Agreement dated 18 March 2021 for the disposal of shares in Eonmetall China Sdn. Bhd., following the purchaser's failure to pay the balance consideration.

The matter was subsequently refiled as a writ action. On 26 March 2025, the Court granted judgment in default of defence in favour of EGB, including an order for the shares to be transferred back to EGB.

On 9 April 2026, the Court has set aside the Judgment In Default against the Rizhao and granted another 14 days to resubmit their Statement of Defence. Costs of RM2,000 shall be paid by Rizhao to EGB.

As the share transfer remains incomplete as at the reporting date, the financial statements for the current financial year do not reflect the effects of the transaction, as control over Eonmetall China Sdn. Bhd. has not yet been obtained by the Group.

(d) Xin Xin Engineering Sdn. Bhd. ('XXE') vs Eonmetall Technology Sdn. Bhd. ('EMT')

On 26 November 2021, XXE filed a claim against EMT, a wholly-owned subsidiary of the Company, for an alleged to be due and owing to XXE arising from a latex glove dipping line Purchase Agreement dated 30 June 2020 for a sum of RM2,676,911. EMT filed its defence on 18 February 2022.

On 13 April and 15 September 2022, the court has dismissed the summary judgement application filed by XXE. Following a full hearing, the High Court on 20 November 2025 allowed the plaintiff's claim and dismissed the defendant's counterclaim.

The EMT has filed a notice of appeal to the Court of Appeal against the said decision. Pending the outcome of the appeal, a conditional stay of execution was granted on 12 March 2026, and EMT has deposited the judgment sum, costs and interest amounting to RM3,375,906.

The Directors, having obtained appropriate legal advice, have filed an appeal against the decision and will continue to pursue the matter accordingly, notwithstanding that provision has been made in respect of the claim.

(e) Eonmetall Industries Sdn. Bhd. ('EMI') vs Power Portal Sdn. Bhd. ('Power Portal')

EMI, a wholly-owned subsidiary of the Company, had sued Power Portal for outstanding rental from Power Portal in relating to granting early possession of a property pending completion of the sale of the said property to the debtor.

The case is now fixed for trial on 19 August 2026 and 20 August 2026.

The Directors are of the opinion, after taking appropriate legal advice, that no contingent asset has been recognised as the outcome of the litigation is uncertain and not virtually certain to result in an inflow of economic benefits to the Group.

30. MATERIAL LITIGATIONS (CONT'D)

- (f) Eonsteel Sdn. Bhd. ('ESL') vs Power Portal Sdn. Bhd. ('Power Portal')

ESL, a wholly-owned subsidiary of the Company, had sought an order to evict Power Portal from the land rented by Power Portal on basis of breach of the tenancy agreement.

The case is still at the stage of ESL applications for summary judgment and Power Portal application for summary striking out of ESL claims. Both applications are now fixed for hearing on 29 May 2026.

The Directors are of the opinion, after taking appropriate legal advice, that no contingent asset has been recognised as the outcome of the litigation is uncertain and not virtually certain to result in an inflow of economic benefits to the Group.

31. CAPITAL MANAGEMENT

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising the return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged throughout the reporting period.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes throughout the reporting period.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The strategy of the Group is to maintain the balance between debt and equity and to ensure sufficient operating cash flows to repay its liabilities as and when they fall due. The Group includes within net debt, trade and other payables, external borrowings and lease liabilities, less cash and bank balances. Capital represents equity attributable to owners of the parent. The gearing ratios are as follows:

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Trade and other payables	16	25,220,816	26,148,114	75,802,492	79,365,306
Borrowings	17	136,042,204	136,260,842	0	0
Lease liabilities	6	2,017,422	1,973,064	0	0
		163,280,442	164,382,020	75,802,492	79,365,306
Less: Cash and bank balances	13	(16,616,464)	(7,519,659)	(29,431)	(99,932)
Net debt		146,663,978	156,862,361	75,773,061	79,265,374
Total capital		503,430,928	531,205,593	111,555,962	112,571,729
Net debt		146,663,978	156,862,361	75,773,061	79,265,374
Total capital plus net debt		650,094,906	688,067,954	187,329,023	191,837,103
Gearing ratio		23%	23%	40%	41%

Pursuant to the requirements of Practice Note No. 17/2005 of Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five per centum (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Group has complied with this requirement during the financial year ended 31 December 2025.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group is exposed mainly to credit risk, liquidity and cash flow risk, foreign currency risk, interest rate risk and commodity price risk. Information on the management of the related exposures is detailed below.

(a) Credit risk

Bank balances with licensed banks and receivables could give rise to credit risk, which requires the loss to be recognised if a counter party failed to perform as contracted. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Exposure to credit risk arises mainly from sales made on credit terms. The Group controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. The Group also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of the Group.

In respect of the bank balances placed with licensed banks, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Exposure to credit risk

At the end of the reporting period, the maximum exposures to credit risk of the Group and of the Company are represented by the carrying amounts of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country and industry sector profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of the reporting period are as follows:

	2025		2024	
	RM	% of total	RM	% of total
By countries				
Malaysia	16,118,836	79%	13,857,353	66%
Philippines	1,798,443	9%	1,750,921	9%
Middle East	1,386,737	7%	813,673	4%
United States of America	36,558	*	1,049,473	5%
Australia	10,231	*	996,277	5%
Others	1,150,445	6%	2,370,910	11%
	20,501,250	100%	20,838,607	100%

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

	2025		2024	
	RM	% of total	RM	% of total
By industry sectors				
Steel product and trading activity	15,502,276	76%	16,940,631	81%
Machinery and equipment	4,998,974	24%	3,897,976	19%
	20,501,250	100%	20,838,607	100%

* Amount less than 1%.

At the end of the reporting period, approximately:

- (i) 25% (2024: 26%) of the trade receivables of the Group were due from two (2) (2024: two (2)) major customers who are located in Malaysia.
- (ii) Approximate 100% (2024: 100%) of the receivables of the Company were amount due from subsidiaries.

The maximum exposure to credit risk in relation to financial guarantee contracts provided as credit enhancements to the secured loans of subsidiaries amounts to RM136,042,204 (2024: RM136,260,842) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

Recognition and measurement of impairment loss of financial guarantee contracts

The Company assumes that there is a significant increase in credit risk when the financial position of the subsidiary deteriorates significantly. The Company consider a financial guarantee to be credit impaired when:

- (a) the subsidiary is unlikely to repay its credit obligation to the bank in full; or
- (b) the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determine the probability of default of the guaranteed loans individually using internal information available. As at the end of the reporting period, the Company did not recognise any allowance for impairment loss.

(b) Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that the Group will encounter difficulty in meeting their financial obligations due to the shortage of funds. The Group's exposure to liquidity risk arises principally from its various payables, lease liabilities, derivative liabilities and borrowings.

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group also manage the liquidity risk by minimising the mismatch of financial assets and liabilities whilst maintaining sufficient cash and marketable securities, the availability of funding through standby credit facilities and the ability to close out market positions.

As at 31 December 2025, the current liabilities of the Company exceeded its current assets by RM664,255. The Directors are confident that the Company will obtain sufficient funds from the support of its subsidiaries to meet its obligations as and when they fall due. Historical results of the treasury management show that the Company has not defaulted on any obligations due or payable to creditors and has the ability to meet its obligations as and when they fall due.

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity and cash flow risk (Cont'd)

The table below summaries the maturity profile of the liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations:

	On demand or within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM	Total RM
Group				
2025				
Financial liabilities				
Trade and other payables	25,220,816	0	0	25,220,816
Lease liabilities	1,513,950	477,991	168,000	2,159,941
Derivative liabilities	996	0	0	996
Borrowings	128,114,738	9,150,558	0	137,265,296
Total undiscounted financial liabilities	154,850,500	9,628,549	168,000	164,647,049
2024				
Financial liabilities				
Trade and other payables	26,148,114	0	0	26,148,114
Lease liabilities	1,073,749	830,489	252,000	2,156,238
Derivative liabilities	17,383	0	0	17,383
Borrowings	120,580,466	20,204,214	0	140,784,680
Total undiscounted financial liabilities	147,819,712	21,034,703	252,000	169,106,415
Company				
2025				
Financial liabilities				
Trade and other payables	475,131	78,792,419	0	79,267,550
Financial guarantees	136,042,204	0	0	136,042,204
Total undiscounted financial liabilities	136,517,335	78,792,419	0	215,309,754
2024				
Financial liabilities				
Trade and other payables	506,716	82,888,266	0	83,394,982
Financial guarantees	136,260,842	0	0	136,260,842
Total undiscounted financial liabilities	136,767,558	82,888,266	0	219,655,824

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

Certain subsidiaries of the Group have assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies that give rise to foreign exchange exposures.

The Group is also exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of entities with the Group.

The unexpired forward currency contracts which have been entered into by the Group for its trade payables as at the end of each reporting period were as follows:

	Maturity	Contractual amount in Foreign Currency FC	Equivalent amount in Ringgit Malaysia RM
2025			
United States Dollar ('USD')	Within one (1) year	<u>120,000</u>	<u>486,000</u>
2024			
USD	Within one (1) year	497,700	2,181,802
Singapore Dollar ('SGD')	Within one (1) year	<u>12,700</u>	<u>41,703</u>

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the profit after tax of the Group to a reasonably possible change in the Ringgit Malaysia ('RM'), USD and Chinese Yuan ('CNY') exchange rates against the respective functional currencies of entities within the Group, with all other variables held constant:

(Loss)/Profit after tax		Group	
		2025 RM	2024 RM
USD/RM	- strengthen by 5% (2024: 5%)	73,800	273,037
	- weaken by 5% (2024: 5%)	<u>(73,800)</u>	<u>(273,037)</u>
RM/USD	- strengthen by 5% (2024: 5%)	(119,292)	(68,343)
	- weaken by 5% (2024: 5%)	<u>119,292</u>	<u>68,343</u>
CNY/RM	- strengthen by 5% (2024: 5%)	(51,851)	(8,016)
	- weaken by 5% (2024: 5%)	<u>51,851</u>	<u>8,016</u>

Sensitivity analysis of other foreign currencies are not disclosed as they are not material to the Group.

The effect to the equity of the Group and the Company are not presented as they are not affected by the changes in the exchange rates.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The exposures of the Group to interest rate risk arises primarily from lease liabilities and external borrowings while the exposures of the Company to interest rate risk arises primarily from amounts due from and due to subsidiaries. The Group and the Company borrow at both, floating and fixed rates of interest to generate the desired interest profile and to manage the exposures of the Group and of the Company to interest rate fluctuations.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of floating rate instruments of the Group and of the Company if interest rates at the end of each reporting period changed by ten (10) basis points with all other variables held constant:

	Group	
	2025 RM	2024 RM
(Loss)/Profit after tax		
Increase by 0.1% (2024: 0.1%)	103,392	103,558
Decrease by 0.1% (2024: 0.1%)	(103,392)	(103,558)

	Company	
	2025 RM	2024 RM
(Loss)/Profit after tax		
Increase by 0.1% (2024: 0.1%)	(4,224)	(18,816)
Decrease by 0.1% (2024: 0.1%)	4,224	18,816

The effect to the equity of the Group and the Company are not presented as they are not affected by the changes in the interest rates.

No sensitivity analysis for fixed rate instruments was prepared as the change in market interest rate at the end of the reporting period would not affect profit or loss.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Interest rate risk (Cont'd)

The following table sets out the carrying amounts, the weighted average effective interest rates ('WAEIR') or weighted average incremental borrowing rates ('WAIBR') as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

Group	Note	WAEIR/ WAIBR %	Within one (1) year RM	One (1) to two (2) years RM	Two (2) to three (3) years RM	Three (3) to four (4) years RM	Four (4) to five (5) years RM	Over five (5) years RM	Total RM
2025									
Fixed rate									
Deposit with a licensed bank	13	2.65	(1,500,000)	0	0	0	0	0	(1,500,000)
Lease liabilities	6	6.21	1,443,817	202,760	66,945	70,377	73,983	159,540	2,017,422
Floating rates									
Bank overdrafts	17	7.24	11,235,730	0	0	0	0	0	11,235,730
Bankers' acceptances	17	4.30	54,264,137	0	0	0	0	0	54,264,137
Revolving credits	17	6.19	14,780,000	0	0	0	0	0	14,780,000
Term loans	17	6.30	8,254,602	6,463,058	2,299,353	0	0	0	17,017,013
Trust receipts	17	4.56	38,745,324	0	0	0	0	0	38,745,324
2024									
Fixed rate									
Lease liabilities	6	6.08	995,555	490,145	116,516	66,945	70,377	233,526	1,973,064
Floating rates									
Bank overdrafts	17	7.48	12,005,592	0	0	0	0	0	12,005,592
Bankers' acceptances	17	4.92	43,066,106	0	0	0	0	0	43,066,106
Revolving credits	17	6.59	23,455,000	0	0	0	0	0	23,455,000
Term loans	17	6.29	7,919,546	8,252,523	6,462,421	2,309,719	0	0	24,944,209
Trust receipts	17	4.85	32,789,935	0	0	0	0	0	32,789,935

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Interest rate risk (Cont'd)

The following table sets out the carrying amounts, the weighted average effective interest rates ('WAEIR') or weighted average incremental borrowing rates ('WAIBR') as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk: (Cont'd)

Company	Note	WAEIR/ WAIBR %	Within one (1) year RM	One (1) to two (2) years RM	Two (2) to three (3) years RM	Three (3) to four (4) years RM	Four (4) to five (5) years RM	Over five (5) years RM	Total RM
2025									
Floating rates									
Amounts owing by subsidiaries	10	4.60	0	0	28,353,760	41,415,200	0	0	69,768,960
Amounts owing to subsidiaries	16	4.60	0	(75,327,361)	0	0	0	0	(75,327,361)
2024									
Floating rates									
Amounts owing by subsidiaries	10	5.11	0	0	14,597,521	39,503,187	0	0	54,100,708
Amounts owing to subsidiaries	16	5.11	0	(78,858,590)	0	0	0	0	(78,858,590)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) Commodity price risk

Commodity price risk is the risk that the fair value of future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The principal exposure of the Group to commodity price risk arises mainly from the changes in steel raw material prices. Raw material is classified as current assets and the Group manage the procurement of its raw material to optimise return on realisation of its inventories.

Sensitivity analysis on world composite steel prices

The following table demonstrates the sensitivity analysis of the profit after tax of the Group to a reasonably possible change in world composite steel prices, with all other variables held constant:

	Group	
	2025 RM	2024 RM
(Loss)/Profit after tax		
Increase by 5% (2024: 5%)	1,640,350	1,479,585
Decrease by 5% (2024: 5%)	(1,640,350)	(1,479,585)

33. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 19 March 2026, a wholly-owned subsidiary of the Company, Eonmetall Land Sdn. Bhd. entered into a conditional sale and purchase agreement with WG Malaysia VIII Sdn. Bhd. for the proposed disposal of a parcel of freehold land measuring approximately 2,876,579 square feet located in Mukim Kapar, Daerah Klang, Negeri Selangor for a total cash consideration of approximately RM273.28 million.

As at the date of this report, the proposed disposal has not been completed, subject to the approval of the non-interested shareholders of the Company and other relevant authorities.

- (b) Ongoing geopolitical tensions in the Middle East since February 2026 have resulted in elevated energy prices, intermittent global supply chain disruptions, and heightened volatility in global currency markets. If prolonged, these factors may indirectly exert pressure on input costs and consumer sentiment.

As at the date of authorisation of the financial statements, the Middle East conflict is still evolving and remains unpredictable. Accordingly, the Group is unable to reliably estimate the financial effects from further development and will continue to monitor the situation and manage the operations to minimise any potential impact arising from the development.

34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs**34.1 New MFRSs adopted during the financial year**

The Group and the Company adopted the following Amendments to Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective Date
<i>Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)</i>	1 January 2025

Adoption of the above Amendments to Standards did not have any material effect on the financial performance or position of the Group and of the Company.

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34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

34.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2026

Title	Effective Date
Amendments to MFRS 9 and MFRS 7 <i>Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards-Volume 11	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 19 <i>Subsidiaries without Public Accountabilities: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments to Standards, since the effects would only be observable for the future financial years.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements/ Paragraph 9.41(b) of the MAIN Market Listing Requirements/ Rule 9.25A of the ACE Market Listing Requirements/ Rule 6.13A of the LEAP 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)	2024 (RM)
Revenue		140,705,907	197,424,533
Other income		2,044,916	31,752,717
Interest income		346,204	438,654
Please Select			
Total		143,097,027	229,615,904
Total Assets		701,025,089	731,391,213

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Interest income		343,164	438,654
Rental income received from tenant involved in Shariah non-compliant activities		725,095	386,549
Total		1,068,259	825,203

(C) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash in hand		27,141	25,376
Cash at bank (exclude cash in hand)		423,472	1,045,582
Total		450,613	1,070,958
Conventional Account/Instruments			
Cash at bank (exclude cash in hand)		14,665,850	6,448,701
Deposits with licensed bank		1,500,000	-
Total		16,165,850	6,448,701

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

(C) Component of Financial Position (Cont'd)

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Bank overdrafts		926,130	1,352,374
Banker's acceptances		16,627,137	10,473,107
Term financing		2,857,143	2,857,143
Revolving credit and financing		6,030,000	10,705,000
Non-Current			
Term financing		714,285	3,571,428
Total		27,154,695	28,959,052

Conventional Borrowing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Bank overdrafts		10,309,601	10,653,218
Banker's acceptances		37,637,000	32,592,999
Term loans		5,397,459	5,062,403
Trust receipt		38,745,324	32,789,935
Revolving credit and loans		8,750,000	12,750,000
Non-Current			
Term loans		8,048,125	13,453,235
Total		108,887,509	107,301,790

LIST OF PROPERTIES OWNED BY THE GROUP

Location	Date of Revaluation / Acquisition	Tenure	Approximate Age of Building	Area (Square metres)	Description of property / Existing Use	Net book Value at 31 December 2025 RM'000
Eonmetall Technology Sdn Bhd						
Grant 64234, Lot 1696, Mukim 12, Jalan Seruling, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Penang.	21 June 2024 / 08 August 2000	Freehold	23 years	39,180	A factory building is erected on the adjoining parcels of the land	76,280
Grant 302, Lot 1697, Mukim 12, Jalan Seruling, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Penang.	21 June 2024 / 08 August 2000	Freehold	23 years	11,160		
Eonmetall Industries Sdn Bhd						
Lot No. T-2317, Mukim 13 No. 35, Lorong Cempaka 28 14110 Simpang Ampat Seberang Perai Selatan, Penang.	21 June 2024 / 01 April 2006	Freehold	18 years	116	Single storey terrace house / Residential premise for factory workers	316
Lot No. T-2318, Mukim 13 No. 37, Lorong Cempaka 28 14110 Simpang Ampat Seberang Perai Selatan, Penang.	21 June 2024 / 01 April 2006	Freehold	18 years	116	Single storey terrace house / Residential premise for factory workers	316
Eonsteel Sdn Bhd						
Lot No. 20109, Mukim 12, Seberang Perai Selatan, Penang.	21 June 2024 / 19 May 2009	Freehold	15 years	66,791	Single storey detached factory	101,617
Eonchem Biomass Sdn Bhd						
Lot No. 20123, Lot No. 20124, Mukim 12, Seberang Perai Selatan, Penang.	21 June 2024 / 19 November 2013	Freehold	11 years	30,680	Single storey detached factory and single storey warehouse	46,930
Eonmetall Land Sdn Bhd						
Lot No. PT85117, Mukim of Kapar, District of Klang, Selangor.	21 June 2024 / 22 May 2023	Freehold	-	267,243	Vacant Land	210,823

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

Total number of issued shares : 399,189,039 (inclusive 3,096,600 treasury shares)
 Class of share : Ordinary shares
 Voting rights : One vote for every ordinary share held

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1 - 99	58	2.74	2,361	0.00
100 - 1,000	411	19.43	158,360	0.04
1,001 - 10,000	918	43.40	5,201,846	1.30
10,001 - 100,000	583	27.57	20,187,123	5.06
100,001 - less than 5% of issued shares	140	6.62	231,824,303	58.07
15,389,154 - 5% and above of issued shares	5	0.24	141,815,046	35.53
TOTAL	2,115	100.00	399,189,039	100.00

Substantial Shareholders

The substantial shareholders of the Company based on the Register of Substantial Shareholders of the Company is as follows:

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares	%*	No. of Shares	%*
1.	Eonmetall Corporation Sdn. Bhd.	84,049,128	21.22	-	-
2.	Dato' Goh Cheng Huat	41,128,918	10.38	⁽ⁱ⁾ 84,049,128	21.22
3.	Dato' Sri Lee Hock Seng	25,000,000	6.31	-	-
4.	Datin Tan Pak Say	-	-	⁽ⁱⁱ⁾ 125,178,046	31.60

* Exclusive 3,096,600 treasury shares.

⁽ⁱ⁾ Deemed interested pursuant to Section 8(4) of the Companies Act 2016.

⁽ⁱⁱ⁾ Deemed interested pursuant to spouse's direct and indirect interest pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act 2016.

Directors' Shareholdings

The interest of the Directors based on the Register of Directors' Shareholdings of the Company is as follows:

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares	%*	No. of Shares	%*
1.	Datin Tan Pak Say	-	-	⁽ⁱ⁾ 125,178,046	31.60
2.	Dato' Goh Cheng Huat	41,128,918	10.38	⁽ⁱⁱ⁾ 84,049,128	21.22
3.	Goh Hong Kent	-	-	-	-
4.	Chan Theng Sung	180,000	0.05	-	-
5.	Datuk Yogeesvaran A/L Kumaraguru	-	-	-	-
6.	Dato' Mohammad Radhi Bin Abdul Razak	-	-	-	-
7.	Goh Kee Seng	-	-	-	-

* Exclusive 3,096,600 treasury shares.

⁽ⁱ⁾ Deemed interested pursuant to spouse's direct and indirect interest pursuant to Section 8(4) and Section 59(11)(c).

⁽ⁱⁱ⁾ Deemed interested via pursuant to Section 8 of the Companies Act 2016.

By virtue of their interest in the shares of the Company, Dato' Goh Cheng Huat and Datin Tan Pak Say are also deemed to have interest in the shares of all the subsidiaries to the extent the Company has an interest.

Thirty Largest Shareholders

	Name	No. of Shares	% of Issued Share Capital
1	EONMETALL CORPORATION SDN BHD	42,049,128	10.62
2	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GOH CHENG HUAT (SMART)	32,765,918	8.27
3	LEE HOCK SENG (DATO'SRI)	25,000,000	6.31
4	EONMETALL CORPORATION SDN BHD	21,000,000	5.30
5	EONMETALL CORPORATION SDN BHD	21,000,000	5.30
6	ABLE PERFECT SDN BHD	19,760,000	4.99
7	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD FOR SU PEK FUANG (5890-1502)	19,760,000	4.99
8	JANAKI @ MALLIKA A/P PALANIAPPAN	19,760,000	4.99
9	PULAU ANGKASA INDUSTRIES SDN. BHD.	16,635,343	4.20
10	GOH LI LI	14,668,571	3.70
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH TING HONG	14,615,000	3.69
12	CHUAH THEONG YEE	13,955,028	3.52
13	CHIN SONG MOOI	10,000,000	2.52
14	TAN ENG HOCK	9,882,100	2.49
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH CHENG HUAT	7,263,000	1.83
16	TEE TIAM LEE	6,894,717	1.74
17	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' NG AIK KEE (001)	4,700,000	1.19
18	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KIAM LAM (001)	4,700,000	1.19
19	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP SWEE HONG	4,700,000	1.19
20	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIONG HUI YEE (3000483)	2,752,600	0.69
21	TAN CHENG ENG	2,732,230	0.69
22	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR\ LEE KONG SIM (8036608)	2,698,700	0.68
23	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SOH CHOY PIAU (M&A)	2,582,400	0.65
24	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY AN NA (M04)	2,000,000	0.50
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)	2,000,000	0.50
26	LIM KIAN WAT	1,848,900	0.47
27	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN YEW HING (7000829)	1,842,000	0.47
28	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP HENG SANG (7005721)	1,750,000	0.44
29	WUAN SWEE MAY	1,700,000	0.43
30	HOR LEE CHEN	1,582,000	0.40

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting ("**23rd AGM**") of **EONMETALL GROUP BERHAD** ("**the Company**") will be held at Meeting Room, 2nd Floor, Lot 1258, Mk 12, Jalan Seruling, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Pulau Pinang, Malaysia on Wednesday, 24 June 2026 at 2.00 pm or at any adjournment thereof for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of Directors and Auditors thereon.
2. To re-elect the following Directors, each of whom retires in accordance with Clause 103 of the Company's Constitution and being eligible, offers themselves for re-election:
 - (a) Dato' Mohammad Radhi Bin Abdul Razak; Ordinary Resolution 1
 - (b) Dato' Goh Cheng Huat; and Ordinary Resolution 2
 - (c) Mr. Goh Hong Kent. Ordinary Resolution 3
3. To approve the payment of Directors' Fees to the Directors of an amount up to RM380,000 for the period from one day after this 23rd AGM until the conclusion of the next annual general meeting ("**AGM**") of the Company. Ordinary Resolution 4
4. To approve the payment of benefits to the Directors of an amount up to RM90,000 for the period from one day after this 23rd AGM until the conclusion of the next AGM of the Company. Ordinary Resolution 5
5. To re-appoint BDO PLT as auditors of the Company and to authorise the Directors to determine their remuneration. Ordinary Resolution 6

As Special Business

To consider and if thought fit, pass the following resolutions with or without modifications:

6. **WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE COMPANIES ACT 2016** Ordinary Resolution 7
"THAT pursuant to Section 85 of the Companies Act 2016 ("**the Act**") read together with Clause 65 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over (a) all new shares in the Company, (b) all options offered or to be offered pursuant to the Company's Employees Share Option Scheme and (c) any offers, agreements, rights, options or other convertible securities of whatever kind in respect of any new shares in the Company AND THAT such new shares when issued, shall rank pari passu equally to the existing issued shares of the Company."
7. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** Ordinary Resolution 8
"THAT contingent upon the passing of Ordinary Resolution 7 and subject always to the Act, the Company's Constitution, the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approvals of the relevant government or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to allot and issue shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons, as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the issued share capital (excluding treasury shares) of the Company for the time being.

AND THAT the Directors are also empowered to obtain the approval from the Bursa Securities for the listing and quotation for the additional shares to be issued and THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")** Ordinary Resolution 9

"THAT pursuant to the provisions of the MMLR of Bursa Securities, a general mandate of the shareholders be and is hereby granted for the Company and/or its subsidiaries to enter into recurrent related party transactions as set out in Section 2.4 of the Circular and Statement to Shareholders dated 30 April 2026, which are necessary for the Group's 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 of the Company; and that the approval shall continue to be in force until the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the meeting; or the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or revoked or varied by resolutions passed by the shareholders of the Company in a general meeting; whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Shareholders' Mandate."

9. To transact any other business of which due notice shall have been given.

By Order of the Board

Tai Yit Chan (MAICSA 7009143 | SSM PC No. 202008001023)

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

Company Secretaries
Penang, 30 April 2026

Notes:

Appointment of Proxy

1. A proxy may but need not be a member.
2. The instrument appointing a proxy must be deposited at the Company's Share Registrar at Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang, Malaysia, not less than forty-eight (48) hours before the time set for holding the 23rd AGM or at any adjournment thereof.
3. A member entitled to attend, participate, speak and vote is entitled to appoint not more than 2 proxies to attend, participate, speak and vote instead of him. Where a member appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. If the appointor is a corporation, the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 15 June 2026 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

Explanatory Notes

1. **Ordinary Resolutions 1, 2 and 3** deal with the re-election of Dato' Mohammad Radhi Bin Abdul Razak, Dato' Goh Cheng Huat and Mr. Goh Hong Kent. All of them are standing for re-election and being eligible, have offered themselves for re-election at this 23rd AGM.

The Board of Directors ("**Board**"), through the Nominating Committee ("**NC**"), had conducted assessments on Dato' Mohammad Radhi Bin Abdul Razak, Dato' Goh Cheng Huat and Mr. Goh Hong Kent. The assessments were based on the criteria set out in the Fit and Proper Policy which include commitment, contributions, knowledge, integrity and experience and their overall performance. The Board (with the exception of Dato's Mohammad Radhi Bin Abdul Razak, Dato' Goh Ceng Huat and Mr. Goh Hong Kent) and was satisfied that all of them met the performance criteria set out therein in the discharge of their duties and responsibilities.

Dato' Mohammad Radhi Bin Abdul Razak is an Independent Director ("**ID**") of the Company. He was appointed as Chairman of the Board on 1 December 2025. Dato' Mohammad Radhi is a member of NC, Remuneration Committee ("**RC**") and Audit Committee (collectively referred to as the Board Committees). He has fulfilled the requirements on independence as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**MMLR**") and has provided confirmation of independence. He has exercised due care and carried out his professional duties proficiently and effectively throughout his tenure of service.

Dato' Goh Cheng Huat is the Executive Director ("**ED**") of the Group. As the founder of the Group, he possesses extensive experience, expertise and knowledge in the processing of iron and steel products. He is responsible for overseeing the Machinery Division, including operational management, business development initiatives and exploring potential collaborations and strategic partnerships to expand the Group's related business.

Mr. Goh Hong Kent serves as the ED and Chief Operating Officer of the Group. He is the son of Dato' Goh Cheng Huat. He is primarily responsible for overseeing the overall steel business activities of Eonmetall Industries Sdn. Bhd. and Eonmetall Systems Sdn. Bhd.. In his capacity as Chief Operating Officer, he also supervises the Group's operational functions, including human resources management, and plays a key role in formulating and executing the Group's overall business direction and strategic initiatives.

All retiring Directors do not have any conflict of interest with the Company and its subsidiaries save as disclosed in the Annual Report 2025 and the Circular to the Shareholders. All retiring Directors had also abstained from deliberation and decision making on their re-election.

2. In respect of **Ordinary Resolutions 4 and 5**, the Directors' fees and benefits have been reviewed by the RC and the Board which considered the fees and benefits are in the best interest of the Company and in accordance with the remuneration framework. The fee also includes a contingency sum to cater to unforeseen circumstances such as the appointment of any additional Director and/or for the formation of additional Board Committees. The benefits payable comprises of meeting day allowances and is calculated based on the number of days scheduled for meetings of the Board and Board Committees. It also included contingency to account for additional unscheduled meeting days. In the event the proposed amounts are insufficient, approval will be sought at the next AGM for the shortfall.

3. **Ordinary Resolution 7: Waiver of the pre-emptive rights under Section 85 of the Companies Act 2016 ("Act")**

Pursuant to Section 85 of the Act read together with Clause 65 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities. In order for the Board to issue (a) all new shares in the Company, (b) all options offered or to be offered pursuant to the Company's Employees Share Option Scheme ("**ESOS Options**") and (c) any offers, agreements, rights, options or other convertible securities of whatever kind in respect of any new shares in the Company free of pre-emptive rights, such pre-emptive rights must be waived. The Ordinary Resolution, if passed, will exclude the shareholders' pre-emptive rights over all new shares in the Company, ESOS Options and any offers, agreements, rights, options or other convertible securities of whatever kind in the Company.

4. **Ordinary Resolution 8: Power to issue and allot shares pursuant to Sections 75 and 76 of the Act**

This Ordinary Resolution, is for the purpose of granting a renewed general mandate ("**General Mandate**") and if passed, will give authority to the Board to issue and allot ordinary shares at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

4. **Ordinary Resolution 8: Power to issue and allot shares pursuant to Sections 75 and 76 of the Act (Cont'd)**

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 28 May 2025 and which will lapse at the conclusion of the 23rd AGM. The renewal of this General Mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the General Mandate is obtained, the Company will make announcement in respect thereof.

5. **Ordinary Resolution 9: Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

This Ordinary Resolution, if approved, will allow the Group to enter into existing recurrent related party transactions of a revenue and trading nature under the Proposed Shareholders' Mandate with related parties. Please refer to the Circular to Shareholders dated 30 April 2026 for further information.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the MMLR)

As at the date of this notice, no individual is standing for election as a Director at the forthcoming 23rd AGM of the Company.

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No. of Shares held	CDS Account No.

I/We _____
(Full Name in Block Letters and NRIC No./Passport No./Company No.)

of _____ and _____
(Address) (Tel. No./Email Address)

being a member/members of Eonmetall Group Berhad (the "**Company**"), hereby appoint

Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of shareholding

* and/or (*delete if not applicable)

Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of shareholding

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Twenty-Third Annual General Meeting ("**23rd AGM**") of the Company, to be held at Meeting Room, 2nd Floor, Lot 1258, Mk 12, Jalan Seruling, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Pulau Pinang, Malaysia on Wednesday, 24 June 2026 at 2:00 pm or at any adjournment thereof.

Please indicate with an "x" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

ORDINARY RESOLUTION (" OR ")	OR1	OR2	OR3	OR4	OR5	OR6	OR7	OR8	OR9
FOR									
AGAINST									

Signed this _____ day of _____ 2026

.....
Signature of Shareholder(s)/ Common Seal

* Strike out whichever is not desired.

Notes:
Appointment of Proxy

1. A proxy may but need not be a member.
2. The instrument appointing a proxy must be deposited at the Company's Share Registrar at Suite 18.05, MWE Plaza, No. 8 Lebuhr Farquhar 10200 George Town, Penang, Malaysia, not less than forty-eight (48) hours before the time set for holding the 23rd AGM or at any adjournment thereof.
3. A member entitled to attend, participate, speak and vote is entitled to appoint not more than 2 proxies to attend, participate, speak and vote instead of him. Where a member appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. If the appointor is a corporation, the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 15 June 2026 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Personal Data Privacy

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 23rd AGM of the Company and any adjournment thereof.

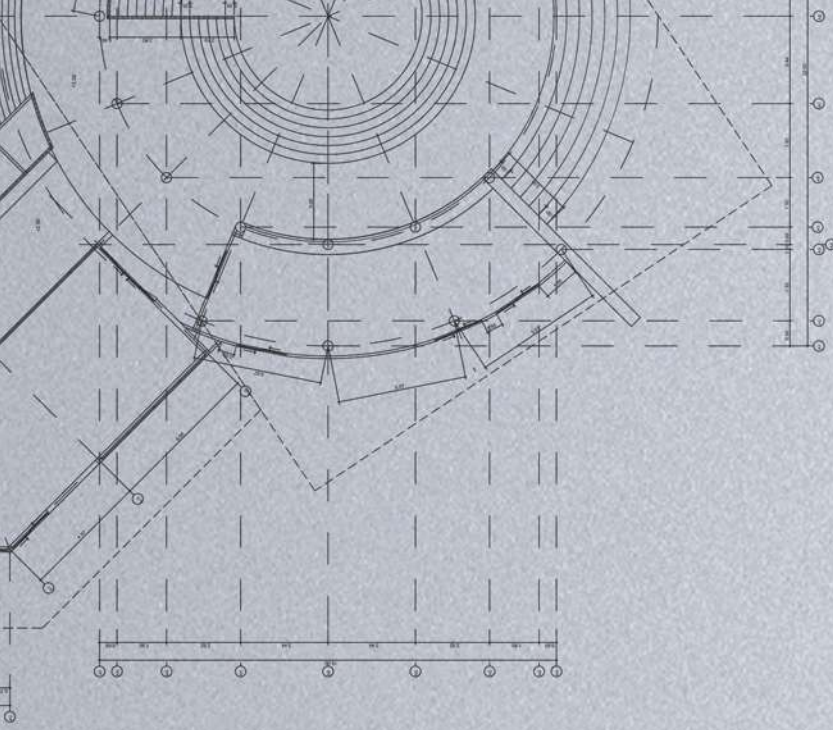


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**Affix
Stamp**

The Share Registrar
EONMETALL GROUP BERHAD
Registration No. 200301029197 (631617-D)
Suite 18.05, MWE Plaza, No. 8 Lebuhr Farquhar
10200 George Town, Penang, Malaysia

Then fold here



eonmetall

Eonmetall Group Berhad

Registration No. 200301029197 (631617-D)
(Incorporated in Malaysia)

Lot 1258 & 1259, Mk. 12, Jalan Seruling,
Kawasan Perusahaan Valdor,
14200 Sungai Bakap, Penang, Malaysia.
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Email: info@eonmetall.com

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