



**A-RANK BERHAD**

(200301031200 [633621-X])

# STEADY AMID ADVERSITY

ANNUAL REPORT 2025

# FACILITIES



## FURNACES

Eight (8) unit of melting furnaces, each with a capacity of 25 metric tonnes, are equipped with heat-regenerating burner systems and magnetic stirrers to enhance energy conservation and increase productivity. In addition, one (1) unit of hydraulically tilting holding furnace with a capacity of 30 metric tonnes provides improved control of melt temperature, further enhancing operational efficiency and overall productivity.



## CASTING FACILITIES

Four (4) units of fully automated vertical direct chilled hydraulic controlled casting systems.



## HOMOGENISE FURNACES

Five (5) units of 35 metric tonnes each and one (1) unit of 50 metric tonnes homogenise furnaces with four (4) units of air-cooling booths.



## IN-LINE DEGASSER

In-line degasser to remove dissolved hydrogen in molten aluminium which improves aluminium billets quality.



## WAGSTAFF AIRSLIP MOULD

Aluminium billet cast with Wagstaff "Airslip" billet casting mould system which has a shallow molten metal sump and a thin-shield, uniform-grained composition that is beneficial to the extrusion process.



## STEADY AMID ADVERSITY

At A-Rank Berhad, we believe that true strength is measured not in times of ease, but in moments of challenge.

In a year shaped by shifting market dynamics and economic uncertainty, A-Rank's ability to remain Steady Amid Adversity reflects the discipline, resolve and resilience that drives its purposeful progress towards creating a sustainable future.

By staying focused on operational excellence and strategic priorities, the Group continues to reinforce the foundations that sustain its long-term growth.



## VISION

**To be a renowned international sustainability player and a trustworthy partner in the aluminium billet industry.**

## MISSION

**We continually support our customers' success by working closely with them to enhance their products and processes.**

**We build our reputation by providing reliable quality billets, on-time deliveries and building lasting relationships with customers.**



**Reliable**



**Quality**



**Services**



**On-time Deliveries**



### VENUE

The Annual General Meeting of A-Rank Berhad will be held at Ujong Pandang Room, Staffield Country Resort, Batu 13, Jalan Seremban-Kuala Lumpur (Country Road), 71700 Mantin, Negeri Sembilan Darul Khusus.



### DATE

Tuesday, 9 December 2025



### TIME

10:00 a.m.



For more information, please visit our website:  
<https://www.arank.com.my>

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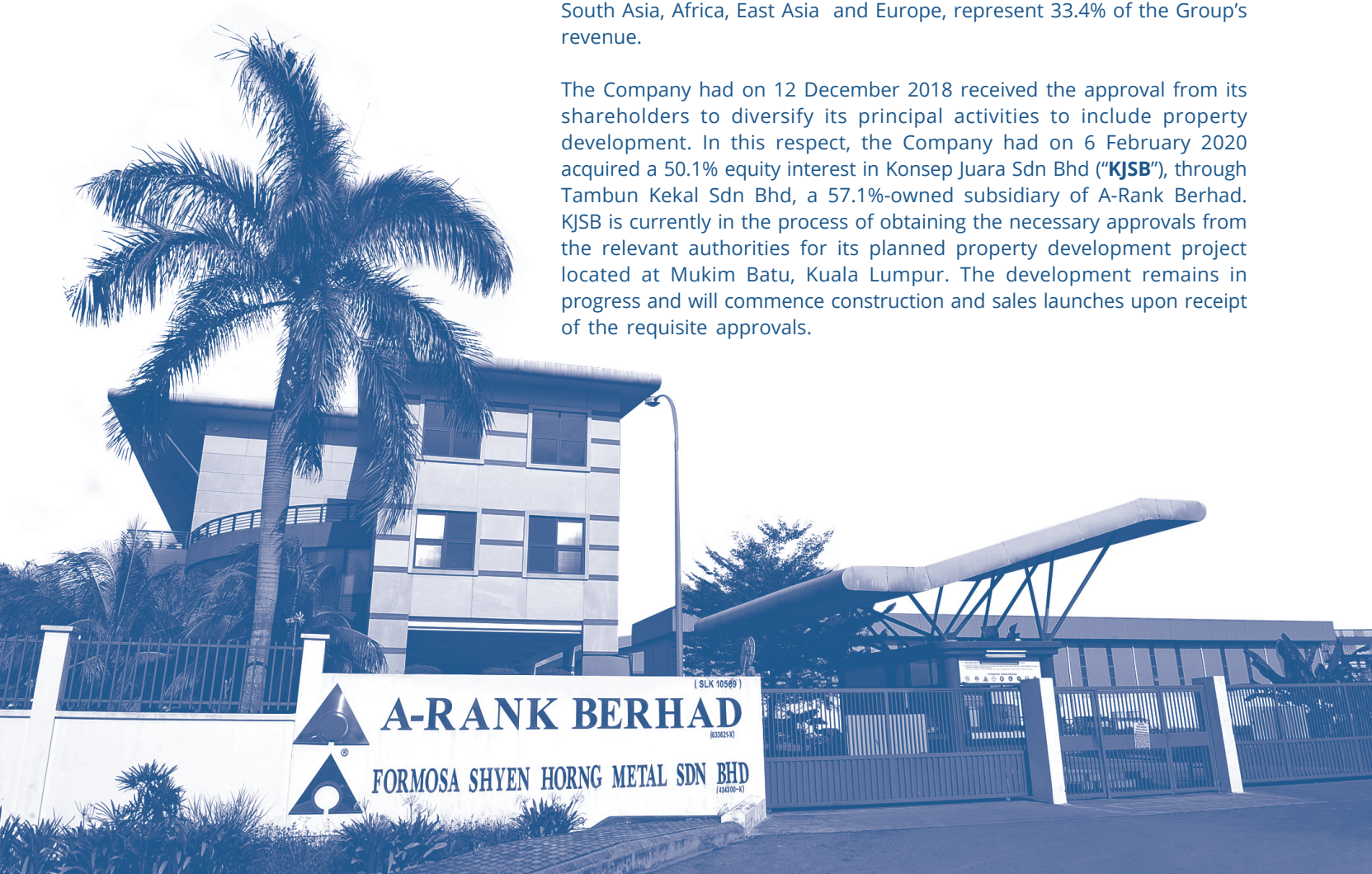
## CORPORATE PROFILE

A-Rank Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad and has been a public listed company since 11 May 2005. A-Rank Berhad through its wholly-owned subsidiary, Formosa Shyen Horng Metal Sdn Bhd ("Formosa"), is principally involved in the manufacturing and marketing of aluminium billets, which remains the core focus of the Group since its inception. The Group is the largest supplier of secondary aluminium extrusion billets and aluminium remelt plant in Malaysia. We are also one of Asia's leading suppliers of secondary aluminium extrusion billets.

Formosa commenced operations in 1998 with an initial annual installed capacity of 12,000 metric tonnes and has recorded steady growth since then. Formosa currently operates with an installed capacity of 132,000 metric tonnes per annum. Formosa's facilities are equipped with Wagstaff "Airslip" billet casting mould systems, melting furnaces with heat-regenerating burners and magnetic stirrers, a tilting holding furnace, and automated vertical direct-chill hydraulic-controlled casting systems from Australia. The plant setup also includes filtration units, in-line degassing machines, homogenising furnaces, cooling booths, and automated billet-sawing machines to support efficient and consistent operations. Billets are produced in diameters ranging from 3 inches to 12 inches, with custom cut lengths of up to 5.8 metres. To ensure consistent product quality, Formosa is equipped with various testing instruments, including ultrasonic fault detectors, light emission spectrometers, an Alscan hydrogen analyser, and a Keyence Microscope VHX-7000 (Advanced Model) with a ZST lens (20X -2,000X magnification), enabling detailed evaluation of quality achieved during the casting and homogenising processes. In line with its emphasis on quality management system, Formosa has achieved the ISO 9001:2015 certification.

The Group's turnover for the financial year ended 31 July 2025 was RM580.2 million. Presently, export sales to markets like Southeast Asia, South Asia, Africa, East Asia and Europe, represent 33.4% of the Group's revenue.

The Company had on 12 December 2018 received the approval from its shareholders to diversify its principal activities to include property development. In this respect, the Company had on 6 February 2020 acquired a 50.1% equity interest in Konsep Juara Sdn Bhd ("KJSB"), through Tambun Kekal Sdn Bhd, a 57.1%-owned subsidiary of A-Rank Berhad. KJSB is currently in the process of obtaining the necessary approvals from the relevant authorities for its planned property development project located at Mukim Batu, Kuala Lumpur. The development remains in progress and will commence construction and sales launches upon receipt of the requisite approvals.



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("AGM") of A-Rank Berhad (the "Company") will be held at Ujong Pandang Room, Staffield Country Resort, Batu 13, Jalan Seremban-Kuala Lumpur (Country Road), 71700 Mantin, Negeri Sembilan Darul Khusus on Tuesday, 9 December 2025 at 10:00 a.m., for the following purposes:**

## AGENDA

### AS ORDINARY BUSINESS

### ORDINARY RESOLUTION

- |  |   |
|--|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 July 2025 together with the Reports of the Directors and Auditors thereon.                                | <i>[Please see Note 2]</i>  |
| 2. To approve the payment of a first and final single tier dividend of 2.25 sen per ordinary share in respect of the financial year ended 31 July 2025.                                  | <b>(Resolution 1)</b>   |
| 3. To approve the payment of Directors' fees of RM470,000 for the financial year ended 31 July 2025.   | <b>(Resolution 2)</b><br><i>[Please see Note 3]</i>                     |
| 4. To approve the payment of Directors' benefits of up to RM54,000 for the period immediately after this AGM until the next AGM of the Company to be held in 2026.                       | <b>(Resolution 3)</b><br><i>[Please see Note 3]</i>                     |
| 5. To re-elect the following Directors who retire by rotation in accordance with Clause 76(3) of the Company's Constitution, and being eligible have offered themselves for re-election: | <i>[Please see Note 4]</i>  |
| (a) Tan Sri Datuk Leow Chong Howa<br>(b) Mr Tan Wan Lay<br>(c) Mr Gan Choon Sun  | <b>(Resolution 4)</b><br><b>(Resolution 5)</b><br><b>(Resolution 6)</b> |
| 6. To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.   | <b>(Resolution 7)</b><br><i>[Please see Note 5]</i>                     |

### AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions:

- |   |                            |
|---|----------------------------|
| 7. <b>Ordinary Resolution</b><br><b>Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016</b>  | <i>[Please see Note 6]</i> |
| <p>"THAT subject always to the Companies Act 2016 ("<b>Act</b>"), the Constitution of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>") and the approvals of the relevant governmental/regulatory authorities (if any), the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act to allot and issue shares in the Company, from time to time, at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued from Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting."</p> | <b>(Resolution 8)</b>      |

## NOTICE OF ANNUAL GENERAL MEETING

### 8. Ordinary Resolution

#### **Proposed Renewal of the Existing Shareholders' Mandate for the Company and/or its Subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature**

[Please see Note 7]

**(Resolution 9)**

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**Group**") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.2 of the Circular to Shareholders dated 10 November 2025, provided that such arrangements and/or transactions which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms and transaction prices 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 (hereinafter referred to as the "**Proposed RRPT Mandate**").

THAT the Proposed RRPT Mandate shall only continue to be in full force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
- (b) the expiration of the period within which the next AGM after the date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("**Act**") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed RRPT Mandate."

- 9. To transact any other business of which due notice shall have been given.

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the Annual General Meeting to be held on 9 December 2025, the first and final single tier dividend of 2.25 sen per ordinary share in respect of the financial year ended 31 July 2025 will be paid on 23 December 2025 to Depositors whose names appear in the Record of Depositors on 11 December 2025.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) shares transferred into the depositor's securities account before 4:30 p.m. on 11 December 2025 in respect of transfers; and
- (b) shares bought on the Bursa Malaysia Securities Berhad ("**Bursa Securities**") on a cum entitlement basis according to the Rules of Bursa Securities.

## BY ORDER OF THE BOARD

**TAN KOK SIONG** [SSM PC No. 202008001592 (LS0009932)]

**TAN FONG SHIAN @ LIM FONG SHIAN** [SSM PC No. 201908004045 (MAICSA 7023187)]

Company Secretaries

Kuala Lumpur

10 November 2025

## NOTICE OF ANNUAL GENERAL MEETING

### Notes:

#### 1. APPOINTMENT OF PROXY

- (a) For the purpose of determining who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 28 November 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend this AGM or appoint a proxy or proxies to attend, participate, speak and vote on his/her/its behalf.
- (b) A member who is entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (c) A member of the Company who is entitled to attend and vote at this AGM may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the AGM.
- (d) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (f) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (g) The original executed proxy form must be deposited at the registered office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposed to vote.
- (h) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (i) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- (j) Last date and time for lodging this proxy form is on **Sunday, 7 December 2025 at 10:00 a.m.**
- (k) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
  - (i) Identity card (NRIC) (Malaysian); or
  - (ii) Police report (for loss of NRIC) / Temporary NRIC (Malaysian); or
  - (iii) Passport (Foreigner).
- (l) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the registered office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:
  - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
  - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - (aa) at least two (2) authorised officers, of whom one shall be a director; or
    - (bb) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.



## NOTICE OF ANNUAL GENERAL MEETING

### EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESSES:

#### 2. RECEIPT OF REPORT AND AUDITED FINANCIAL STATEMENTS

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only. They do not require shareholders' approval and hence, will not be put forward for voting by shareholders of the Company.

#### 3. PAYMENT OF DIRECTORS' FEES AND BENEFITS

Pursuant to Section 230(1) of the Companies Act 2016, the fees and any benefits payable to the Directors shall be approved at a general meeting.

The proposed Resolution 2 is to facilitate the payment of Directors' fees to the Directors for the financial year ended 31 July 2025.

The proposed Resolution 3 is to facilitate the payment of Directors' benefits to the Directors. The Directors' benefits (being meeting allowances) are calculated based on the current composition of the Board of Directors ("**Board**") size and the number of scheduled Board meetings for the period immediately after this AGM up to the next AGM of the Company. Each member of the Board of the Company will be paid a meeting allowance of RM1,000 per Board meeting for their attendance.

In the event the proposed amount of Directors' fees and/or benefits are insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for the shortfall.

#### 4. RE-ELECTION OF DIRECTORS WHO RETIRE IN ACCORDANCE WITH CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY

Tan Sri Datuk Leow Chong Howa, Mr Tan Wan Lay and Mr Gan Choon Sun are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the AGM.

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance ("**MCCG**"), the profiles of the Directors who are standing for re-election are set out in the Directors' profile of the Annual Report 2025. The Board has through the Nomination Committee ("**NC**"), considered the assessment of the said Directors pursuant to the Fit and Proper Policy adopted by the Company and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on their character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors.

The justifications to support the Board's recommendation to re-elect the aforementioned Directors are as follows:

- (a) Tan Sri Datuk Leow Chong Howa, the Non-Independent Non-Executive Vice Chairman of the Company, has vast experience in the aluminium industry. He is able to provide valuable insights and input to steer the Company forward. He has exercised his due care and carried out his professional duties proficiently during his tenure as the Non-Independent Non-Executive Vice Chairman of the Company.
- (b) Mr Tan Wan Lay, the Managing Director of the Company, is primarily responsible for managing day-to-day operations which include driving profitability, managing company organisational structure, strategy and communicating with the Board. He assures the Board that the management team is carrying out their duties in line with the long-term strategies and targets set by the Board and ensures that Board's decisions are executed effectively. He has exercised due care and carried out his professional duties proficiently during his tenure as the Managing Director of the Company.
- (c) Mr Gan Choon Sun, the Executive Director of the Company, has vast experience in senior management specifically in overseeing the Group's business operations and providing valuable input to boost the Group's performance. He has exercised due care and carried out his professional duties proficiently during his tenure as an Executive Director as well as a member of the Employees' Share Option Scheme ("**ESOS**") Committee.

#### 5. RE-APPOINTMENT OF AUDITORS

The Board has through the Audit Committee ("**AC**"), considered the re-appointment of Messrs BDO PLT as Auditors of the Company. The factors considered by the AC in making the recommendation to the Board to table the re-appointment of Messrs BDO PLT at the forthcoming AGM, included an assessment of the Auditors' independence and objectivity, caliber and quality process/performance.

#### 6. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The proposed Resolution 8 is the renewal of the mandate obtained from the members at the last AGM. As at the date of this Notice, the Company did not allot and issue any shares pursuant to the mandate granted to the Directors at the previous AGM held on 3 December 2024 as there were no requirements for such fund-raising activities.

The proposed Resolution 8, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to further placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s) at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the total number of issued shares of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company or at the expiry of the period within which the next AGM is required to be held after the approval was given or revoked/varied by ordinary resolution of the Company at a general meeting, whichever is earlier.

#### 7. PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE FOR THE COMPANY AND/OR ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The proposed Resolution 9, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions made on an arm's length basis and on normal commercial terms which are not detrimental to the interest of the minority shareholders.

Please refer to the Circular to Shareholders dated 10 November 2025 for further information.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Independent  
Non-Executive Chairman  
**Cheah Tek Kuang**

Non-Independent  
Non-Executive Vice Chairman  
**Tan Sri Datuk Leow  
Chong Howa**

Managing Director  
**Tan Wan Lay\***

Executive Director  
**Gan Choon Sun\***  
**Leow Vinken\***

Non-Independent  
Non-Executive Director  
**Leow Vinzie**

Independent Non-Executive  
Director  
**Hong Cheong Liang**  
**Neoh Lay Keong**  
**Siti Ruzainah Binti Abd  
Halim**

• Members of Key Senior Management

## AUDIT COMMITTEE

Hong Cheong Liang (*Chairman*)  
Neoh Lay Keong  
Siti Ruzainah Binti Abd Halim

## NOMINATION COMMITTEE

Neoh Lay Keong (*Chairman*)  
Hong Cheong Liang  
Siti Ruzainah Binti Abd Halim

## REMUNERATION COMMITTEE

Neoh Lay Keong (*Chairman*)  
Tan Sri Datuk Leow Chong Howa  
Hong Cheong Liang

## ESOS COMMITTEE

Hong Cheong Liang (*Chairman*)  
Gan Choon Sun  
Leow Vinzie

## COMPANY SECRETARIES

Tan Kok Siong  
[SSM PC No. 202008001592  
(LS0009932)]

Tan Fong Shian @ Lim Fong Shian  
[SSM PC No. 201908004045 (MAICSA  
7023187)]

## AUDITORS

BDO PLT  
(Firm No. 201906000013  
(LLP0018825-LCA) & AF 0206)  
Chartered Accountants  
Level 8, BDO PLT @ Menara CenTARa  
360, Jalan Tuanku Abdul Rahman  
50100 Kuala Lumpur

## PRINCIPAL BANKERS

AmBank (M) Berhad  
Malayan Banking Berhad  
Public Bank Berhad  
Standard Chartered Bank Malaysia  
Berhad  
United Overseas Bank (Malaysia)  
Berhad

## CORPORATE ADVISOR

AmInvestment Bank Berhad  
22<sup>nd</sup> Floor, AmBank Group Building  
55 Jalan Raja Chulan  
50200 Kuala Lumpur

## SHARE REGISTRAR

Bina Management (M) Sdn Bhd  
Lot 10, The Highway Centre  
Jalan 51/205, 46050 Petaling Jaya  
Selangor Darul Ehsan  
Tel : +603-7784 3922  
Fax : +603-7784 1988  
Email : binawin@binamg168.com

## HEAD/MANAGEMENT OFFICE

Lot 2-33, Jalan Perindustrian Mahkota 7  
Taman Perindustrian Mahkota  
43700 Beranang  
Selangor Darul Ehsan  
Tel : +603-8724 4662/3/7  
Fax : +603-8724 4661/8723 2009

## REGISTERED OFFICE

Unit 30-01, Level 30, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel : +603-2783 9191  
Email : info@vistra.com

## WEBSITE ADDRESS

[www.arank.com.my](http://www.arank.com.my)

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad  
Stock Name : ARANK  
Stock Code : 7214

# PROFILE OF DIRECTORS / KEY SENIOR MANAGEMENT

## CHEAH TEK KUANG

### Independent Non-Executive Chairman

Aged 78, Male, a Malaysian, was appointed to the Board on 13 October 2022 and redesignated as Chairman on 17 January 2023. Mr Cheah graduated with Bachelor of Economics (Honours) from University of Malaya, Malaysia and is a Fellow Chartered Banker of the Asian Institute of Chartered Bankers. Mr Cheah started his career with Malaysian Industrial Development Authority (now known as Malaysian Investment Development Authority) in 1970 as an Economist. In 1978, he joined Arab Malaysian Merchant Bank Berhad (now known as AmInvestment Bank Berhad) in its Corporate Finance Department. He was later appointed as CEO and Group Managing Director of AmInvestment Bank Berhad in 2002. Following the restructuring of AmBank Group, he was appointed as the Group Managing Director of AMMB Holdings Berhad from 2005 until his retirement in March 2012.

He was also a former Director of Bursa Malaysia Securities Berhad from 2004 to 2012 and former member of the Appeals Committee of Bursa Malaysia Securities Berhad from 2014 to 2022, which looks into appeals by listed companies and market participants on violations of the Listing Requirements.

His directorships in other public listed companies are EWI Capital Berhad and UPA Corporation Berhad. Other public companies that he sits on are Berjaya Hartanah Berhad, U Mobile Holding Berhad and non-profit organisations namely Malaysian Institute of Art.

## TAN SRI DATUK LEOW CHONG HOWA

### Non-Independent Non-Executive Vice Chairman

Aged 67, Male, a Malaysian, was appointed to the Board on 21 April 2016 and redesignated as Vice Chairman on 17 January 2023. He is currently the Executive Chairman of LB Aluminium Berhad ("**LB Aluminium**"). He is a businessman and prior to assuming his current position in LB Aluminium, was the Managing Director of LB Aluminium since its incorporation.

Tan Sri Datuk Leow is a Council Member of the Federation of Malaysian Manufacturing ("**FMM**")'s Advisory Board. He is the Chairman of SJK(C) Kepong School 1 & 2, Vice President of Chong Hwa Independent High School Kuala Lumpur, and a Director for SJK(C) Chung Kwok. Tan Sri Datuk Leow is also the Board Adviser for SJK(C) Mun Yee and SJK(C) Wangsa Maju, and is currently also a member of the Building Development Committee of Tunku Abdul Rahman University of Management & Technology ("**TAR-UMT**"). Besides educational sector, Tan Sri Datuk Leow sits on the Council of Tung Shin Hospital Kuala Lumpur and is holding a leading role in the Tung Shin Hospital's New Building Development Committee Team. He also serves as committee member for Tung Shin Hospital's Chinese Medical Management Team as well as Western Medical Management Team.

Tan Sri Datuk Leow stands as the Permanent Honorary Group President of Persekutuan Persatuan-Persatuan Ann Koai Malaysia, and is a former Member of the FMM Council and a former Board of Trustee for Yayasan Lim Yee Hoh.

He is a member of the Remuneration Committee.

## TAN WAN LAY

### Managing Director / Key Senior Management

Aged 61, Male, a Malaysian, was appointed to the Board on 11 March 2005. Mr Tan has over 30 years of experience in the aluminium extrusion industry. He graduated with a Diploma in Civil Engineering in 1986 and joined LB Aluminium Berhad in the same year. He rose through the ranks to be Senior Production Manager in 1993 when he left to join Press Metal Berhad as Production Manager. He left Press Metal Berhad in 1997 to set up Formosa Shyen Horng Metal Sdn Bhd.

Mr Tan is responsible for the day-to-day management of the Group's operations and implementation of the Board's policies and decisions. He is responsible for communicating matters relating to the Group's business affairs and issues to the Board. His vast experience, business knowledge and skills contributed significantly towards the attainment of the Group's goals and objectives.

## PROFILE OF DIRECTORS / KEY SENIOR MANAGEMENT

### GAN CHOON SUN

#### Executive Director / Key Senior Management

Aged 59, Male, a Malaysian, was appointed to the Board on 17 September 2009 and is currently the Executive Director of Formosa Shyen Horng Metal Sdn Bhd ("**Formosa**"), a wholly owned subsidiary of the Company. He graduated from Middlesex University, London with a First-Class Honour Degree in Manufacturing Management in 1996. He also holds a Diploma in Civil Engineering from University Technology of Malaysia. Prior to joining Formosa in 2006, he held various senior positions ranging from Engineer to General Manager in various private companies in the metal industry. He has extensive experience in process engineering and has provided the Group with technical manufacturing expertise. Currently, he is instrumental in spearheading the overall operating activities of Formosa, as well as formulating business strategies for the Group.

Mr Gan is the honorary secretary of Federation of Malaysian Manufacturing Aluminium Manufacturers Group Malaysia.

He is a member of the ESOS Committee.

### LEOW VINZIE

#### Non-Independent Non-Executive Director

Aged 39, Female, a Malaysian, was appointed to the Board on 28 March 2018 and is currently serves as the General Manager of LB Aluminium (Singapore) Pte Ltd, a wholly-owned subsidiary of LB Aluminium Berhad. She graduated from Monash University, Australia in 2009 with Bachelors of Business in Management and Marketing. Following her graduation, she spent two (2) years at National Taiwan University, to deepen her proficiency in the Mandarin language. Prior to joining LB Aluminium (Singapore) Pte Ltd, she was with Zuellig Pharma Malaysia from 2012 to 2015, where she was involved in Business Development. She was subsequently promoted to a regional role based at the company's Singapore headquarters, overseeing portfolios in the Pharmaceutical, Over-the-Counter ("**OTC**") and Medical Devices sectors. From 2015 to 2017, she played a key role in expanding the business by securing new clients and leading contract renewal negotiations across the region.

She sits on the Board of LB Aluminium Berhad as Alternate Director to Tan Sri Datuk Leow Chong Howa.

She is a member of the ESOS Committee.

### LEOW VINKEN

#### Executive Director / Key Senior Management

Aged 38, Male, a Malaysian, was appointed to the Board on 21 May 2021 and is currently the General Manager of Formosa Shyen Horng Metal Sdn Bhd ("**Formosa**"), a wholly-owned subsidiary of A-Rank Berhad. He graduated with a Bachelor of Business Management from the Royal Melbourne Institute of Technology. He is instrumental in spearheading the overall operation of Formosa as well as formulating business strategies for the Group. Prior to joining Formosa, he was the Deputy General Manager at LB Aluminium Berhad and previously a Manager at Formosa.

Mr Leow is also a Director on the Board of Vistarena Development Sdn Bhd, a subsidiary of Radium Development Berhad.



## PROFILE OF DIRECTORS / KEY SENIOR MANAGEMENT

### HONG CHEONG LIANG

#### Independent Non-Executive Director

Aged 46, Male, a Malaysian, was appointed to the Board on 13 October 2022 and is currently the Director of Corporate Advisory, Talent League Sdn Bhd. Mr Hong is a member of Malaysian Institute of Accountants, Certified Practising Accountants of Australia and a chartered member of Institute of Internal Auditors Malaysia.

Mr Hong graduated from Universiti Tun Abdul Razak with a Bachelor of Management (Hons) in 2002 and University of South Australia, Australia with Masters of Business (Accounting) in 2004.

He started his professional career with Russell Bedford LC & Company after graduation. In 2008, he joined a boutique investment advisory firm as an Assistant Vice President where he garnered his corporate finance and management experiences. He is very well exposed to corporate advisory and corporate governance across a spectrum of industries and various types of companies. Furthermore, he was very involved in the internal audit review and risk management planning and assessment of numerous public listed companies on Bursa Malaysia Securities Berhad.

He sits on the Board of JAG Berhad, as an Independent Non-Executive Director.

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

### NEOH LAY KEONG

#### Independent Non-Executive Director

Aged 67, Male, a Malaysian, was appointed to the Board on 17 January 2023 and is currently the Independent Non-Executive Director of the Company. He holds a BEC Diploma in Business Studies, St. Johns College, England and a BA (Hons) in Economics from the University of Manchester, England. He was with RHB Bank Berhad from 1982 to 1990 and is a Dealers' Representative with TA Securities Berhad since 1990. In addition, he has 5 years of property development experience from 2014 to 2019.

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

### SITI RUZAINAH BINTI ABD HALIM

#### Independent Non-Executive Director

Aged 39, Female, a Malaysian, was appointed to the Board on 17 January 2023 and is currently the Independent Non-Executive Director of the Company and has been an Executive Director at Brightmark Sdn Bhd since 2015. She graduated with a Bachelor of Arts in International Business Management from the University of Nottingham in 2007, and subsequently completed a Master of Arts degree in Marketing Management from the University of Westminster in London in 2008. She also completed her Professional Diploma in Marketing accredited by the Chartered Institute of Marketing at the London Business School of Business & Finance in 2012.

After completing her studies, she gained experience in the private sector by venturing into the health product industry. She then worked in the landscaping industry where she was an Assistant General Manager at Brightmark Sdn Bhd, a landscaping & construction company whereby she was responsible for the overall operating activities at Brightmark Sdn Bhd, as well as serving as the liaison personnel between the company and its institutional clients.

She is a member of the Audit Committee and Nomination Committee.

## PROFILE OF DIRECTORS / KEY SENIOR MANAGEMENT

### FAM LIAN FATT

#### Administration and Purchasing Manager / Key Senior Management

Aged 58, Male, a Malaysian, joined Formosa Shyen Horng Metal Sdn Bhd on 1 October 1997 as the Administration and Purchasing Manager. He holds a post graduate Master Degree in Business Administration, majoring in Financial Management from Frederick Taylor International University, USA. Prior to joining the Company, he was with Larry Seow & Company, Public Accountants from 1988 to 1989; BDO Binder, Public Accountants from 1989 to 1991 and finally, LB Aluminium Berhad from 1991 to 1997. Currently, he is responsible for purchasing, human resources, payroll and other administrative matters.

### TAN TZE

#### Finance Manager / Key Senior Management

Aged 50, Male, a Malaysian, joined Formosa Shyen Horng Metal Sdn Bhd on 1 December 2003 as Finance Manager. He graduated with a Bachelor of Accountancy (Honours) from University Putra Malaysia and is a member of the Malaysian Institute of Accountants. He has over 20 years of experience in financial management, group reporting as well as secretarial and taxation. Prior to joining the Company, he was the Accountant of Bright Rims Manufacturing Sdn Bhd.

### OTHER INFORMATION

#### 1. Family Relationship

Ms Leow Vinzie and Mr Leow Vinken are the children of Tan Sri Datuk Leow Chong Howa, the Non-Independent Non-Executive Vice Chairman and major shareholder of A-Rank Berhad.

Save as disclosed herein, none of the Directors has any family relationship with any other Director and/or major shareholder and/or Key Senior Management of A-Rank Berhad.

#### 2. Conflict of Interest

None of the Directors and/or Key Senior Management has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries.

#### 3. Conviction for Offences

None of the Directors and/or Key Senior Management has been convicted of any offences (other than traffic offences) within the past five (5) years or has been imposed with any public sanctions or penalties by the relevant regulatory bodies during the financial year ended 31 July 2025.

#### 4. Directorship in public companies and listed issuers

Save for the disclosures as stated above, none of the Directors and/or Key Senior Management hold any directorship in other public companies and listed issuers.

#### 5. Attendance of Directors

Details of Board meeting attendance of each Director are disclosed in the Corporate Governance Overview Statement of the Annual Report.

# CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors of A-Rank Berhad, I am pleased to present the Annual Report and Audited Financial Statements of the Group and of the Company for the financial year ended 31 July 2025 ("FYE 2025").

## FINANCIAL PERFORMANCE

The financial year under review proved to be difficult and challenging, weighed down by weakening external demand, persistent inflationary pressures, and heightened geopolitical uncertainties. These external factors contributed to a slowdown in business volume and tighter margins, which adversely impacted the Group's overall performance.

For FYE 2025, the Group recorded a revenue of RM580.2 million, representing a decline of 18.7% compared to RM713.9 million in FYE 2024. The lower revenue was mainly due to reduced business volume amid challenging market conditions.

The Group's profit before tax stood at RM13.2 million, down from RM14.5 million last year, while profit after tax decreased to RM8.8 million compared to RM11.7 million in FYE 2024. Profit attributable to owners of the parent was RM11.9 million (FYE 2024: RM15.4 million).

The basic earnings per ordinary share for FYE 2025 was 6.67 sen, compared to 8.59 sen last year, based on the total number of issued shares of 178,754,597.

Despite the decline in profitability, the Group's financial position remained stable, with shareholders' funds increasing to RM191.3 million and net assets per share rising to RM1.07 as at 31 July 2025 (FYE 2024: RM1.03).

## CORPORATE DEVELOPMENTS

There were no major corporate proposals or significant changes in the composition of the Group during the financial year under review. The Group continues to focus on strengthening its core aluminium business while also progressing with its property development venture. The project remains in progress and is currently pending the necessary approvals from the relevant authorities before full development works can commence. This initiative forms part of the Group's long-term diversification strategy to create additional and sustainable revenue streams.

## DIVIDENDS

Although the Group does not have an explicit dividend policy, we remain committed to rewarding our loyal shareholders for their continued support. Dividend payouts are determined after considering earnings, capital expenditure requirements, business expansion plans, borrowing commitments, and other relevant factors.

The Board of Directors is pleased to recommend a first and final single tier dividend of 2.25 sen per ordinary share (FYE 2024: 2.50 sen) based on the issued share capital of 178,754,597 ordinary shares (2024: 178,754,597 ordinary shares) as at 24 October 2025 amounting to RM4.0 million (FYE 2024: RM4.5 million) in respect of FYE 2025, subject to the approval of shareholders at the forthcoming Annual General Meeting.

## APPRECIATION

On behalf of the Board, I wish to express our heartfelt appreciation to our shareholders for their unwavering trust and support. We also extend our gratitude to our customers, suppliers, business partners, bankers, and government authorities for their invaluable contributions to the Group's journey.

I would also like to record my sincere appreciation to my fellow Directors for their wisdom and guidance, and to our management and employees for their dedication, hard work, and resilience in navigating yet another challenging year.

With the foundation we have built and the strategies we are pursuing, I remain confident that A-Rank Berhad is well positioned to weather uncertainties and seize opportunities for sustainable growth in the years ahead.

**Mr Cheah Tek Kuang**

Independent Non-Executive Chairman



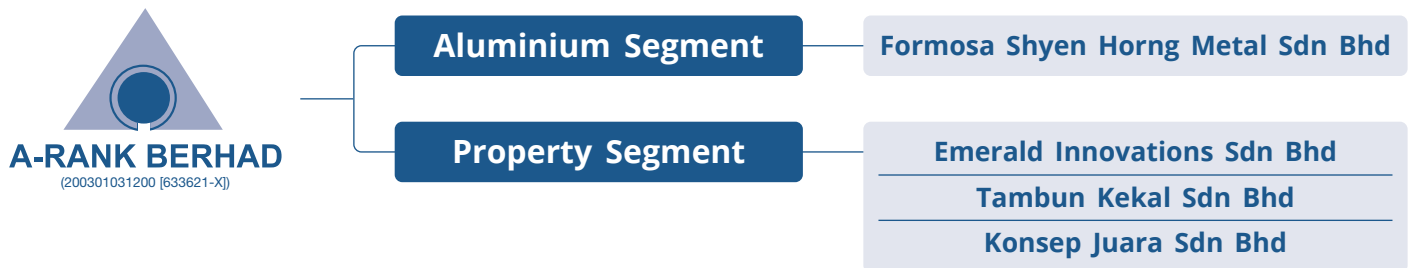
# MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (“MD&A”) provides shareholders, investors, and other stakeholders with an overview of the performance, financial condition, risk exposure and outlook of A-Rank Berhad and its subsidiaries (“the Group”) for the financial year ended 31 July 2025 (“FYE 2025”).

The MD&A is to complement the financial statements by providing additional material non-financial information not included in the financial statements, to facilitate better comprehension and a deeper understanding by the stakeholders.

## OVERVIEW OF THE GROUP’S BUSINESS AND OPERATIONS

The Group’s structure as at 31 July 2025 is as follows:



The Group has categorised its business operations into two (2) segments namely the Aluminium Segment and Property Segment.

### (a) Aluminium Segment

The Aluminium Segment represents the Group’s core business which includes manufacturing and marketing of aluminium billets and operates solely from its production facilities in Beranang, Selangor. The Company’s profile is detailed in page 2 of the Annual Report.

### (b) Property Segment

The Group had on 12 December 2018 obtained its shareholders’ approval for the proposed diversification of the principal activities of the Group to include property development.

In this respect, Tambun Kekal Sdn Bhd, a 57.1%-owned subsidiary of A-Rank, had on 6 February 2020 entered into a Shares Sale and Purchase Agreement to acquire 1,002,000 existing ordinary shares representing 50.1% equity interest in Konsep Juara Sdn Bhd (“KJSB”) for a cash consideration of RM1.0 million (“Share Acquisition”). The Share Acquisition was completed on 13 February 2020.

As at the date of this Annual Report, KJSB’s proposed property development project in Mukim Batu, Kuala Lumpur remains in progress and is currently pending approvals from the relevant authorities before construction and sales launches can commence. The diversification initiative is expected to provide the Group with an additional long-term growth avenue beyond its aluminium business.

## MANAGEMENT DISCUSSION AND ANALYSIS

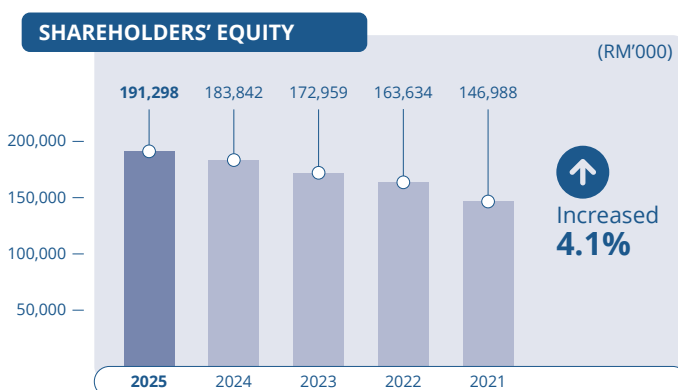
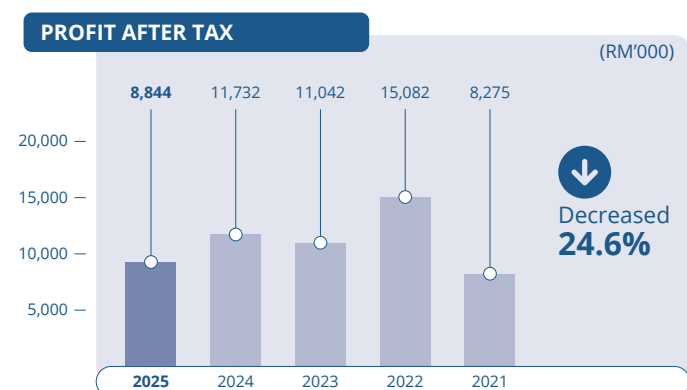
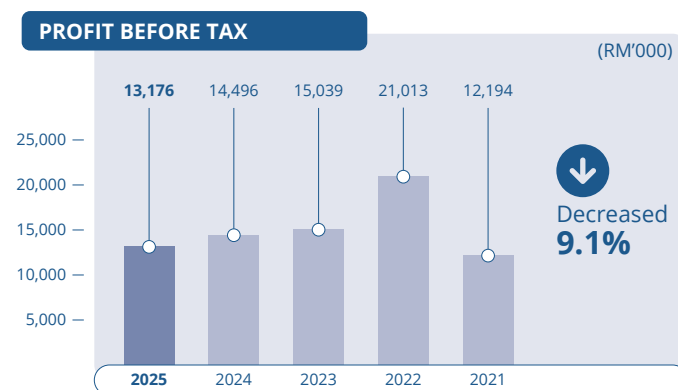
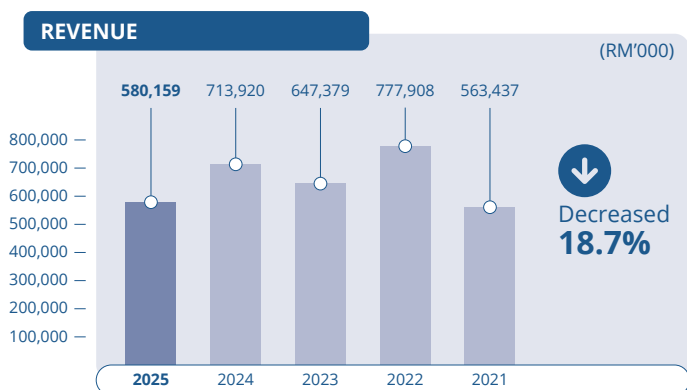
### FIVE (5) YEARS FINANCIAL HIGHLIGHTS

The following table presents the financial highlights of the Group for the past five (5) financial years:

		Financial year ended 31 July ("FYE")				
		2025	2024	2023	2022	2021
Revenue	RM'000	580,159	713,920	647,379	777,908	563,437
EBITDA	RM'000	26,309	27,689	26,078	30,798	20,829
Finance costs	RM'000	6,797	7,146	5,591	4,421	2,599
Profit before tax	RM'000	13,176	14,496	15,039	21,013	12,194
Profit after tax	RM'000	8,844	11,732	11,042	15,082	8,275
Profit after tax and minority interest	RM'000	11,925	15,352	13,965	18,665	10,303
Total assets	RM'000	342,357	339,622	350,197	323,317	284,947
Total liabilities	RM'000	165,669	167,310	185,148	164,670	139,363
Borrowings	RM'000	77,817	88,850	119,065	101,504	99,186
Shareholders' equity	RM'000	191,298	183,842	172,959	163,634	146,988
Gearing ratio	%	28.89	31.86	45.67	39.38	46.27
Basic earnings per ordinary share	sen	6.67	8.59	7.83	10.67	6.01
Diluted earnings per ordinary share	sen	6.47	8.32	7.58	10.64	5.98
Net assets per share	sen	107.02	102.85	96.76	91.95	84.62
Proposed dividend	RM'000	4,022*	4,469*	4,469	4,894	3,975

**Denote:**

\* Proposed dividend based on the total number of issued shares of 178,754,597 ordinary shares as at 24 October 2025 subject to the approval of shareholders at the forthcoming Annual General Meeting.



## MANAGEMENT DISCUSSION AND ANALYSIS

## REVIEW OF THE GROUP'S FINANCIAL RESULTS AND FINANCIAL CONDITIONS

	FYE 2025			FYE 2024		
	Aluminium RM'000	Property RM'000	Group RM'000	Aluminium RM'000	Property RM'000	Group RM'000
Revenue	580,159	–	580,159	713,920	–	713,920
Profit/(Loss) before tax	16,708	(3,532)	13,176	18,951	(4,455)	14,496
Profit/(Loss) after tax	12,376	(3,532)	8,844	16,187	(4,455)	11,732
Total assets	254,242	88,115	342,357	252,119	87,503	339,622
Total liabilities	90,792	74,877	165,669	91,864	75,446	167,310

The financial year ended 31 July 2025 ("FYE 2025") was marked by persistent global uncertainties, inflationary pressures, and softer demand conditions in both domestic and export markets. Against this backdrop, the Group delivered a resilient performance and remained profitable while sustaining a solid financial position to support long-term growth initiatives.

## (a) Revenue

For FYE 2025, the Group recorded revenue of RM580.2 million, representing a decline of 18.7% from RM713.9 million in FYE 2024. The contraction was primarily attributable to the Aluminium Segment, where both domestic and export sales volumes were impacted by weaker demand and more cautious customer procurement patterns.

Malaysia continued to be the Group's largest market, contributing RM386.6 million or 66.6% of total revenue compared to RM494.8 million in the previous year. Export sales to South East Asia, South Asia and other regions collectively amounted to RM193.5 million or 33.4% of total revenue, against RM219.1 million in FYE 2024. The most significant decline was observed in the Malaysian market, which contracted by 21.9%, while exports fell by 11.7% as regional demand softened.

A breakdown of revenue by geographical location of customers is presented below:

	FYE 2025 RM'000	FYE 2024 RM'000	Change	
			RM'000	%
South East Asia other than Malaysia	90,886	110,709	(19,823)	(17.9%)
South Asia	95,828	106,032	(10,204)	(9.6%)
Others	6,819	2,340	4,479	191.4%
Export market	193,533	219,081	(25,548)	(11.7%)
Local market – Malaysia	386,626	494,839	(108,213)	(21.9%)
<b>Total revenue</b>	<b>580,159</b>	<b>713,920</b>	<b>(133,761)</b>	<b>(18.7%)</b>

During the financial year, the Aluminium Segment remained the sole revenue contributor to the Group, while the Property Segment did not generate any revenue as its projects remained at the planning and approval stage.



## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW OF THE GROUP'S FINANCIAL RESULTS AND FINANCIAL CONDITIONS (CONTINUED)

#### (b) Profit before tax

The Group's profit before tax stood at RM13.2 million compared to RM14.5 million in the preceding financial year, reflecting the weaker operating environment.

Profit attributable to owners of the parent amounted to RM11.9 million against RM15.4 million recorded in the previous financial year, in line with lower business volume and higher tax provisions during the year.

##### Aluminium Segment

The Aluminium Segment reported profit before tax of RM16.7 million, a decline of RM2.3 million or 11.8% as compared to RM19.0 million in preceding financial year. The lower contribution was primarily due to reduced sales volumes arising from softer market demand. Nevertheless, the segment demonstrated resilience as ongoing efficiency initiatives, cost optimisation measures, and disciplined financial management helped to sustain profitability despite subdued market sentiment and rising operating costs, particularly from energy and input prices.

##### Property Segment

Meanwhile, the Property Segment reported a narrower loss before tax of RM3.5 million compared to RM4.5 million in the preceding financial year. The improvement was mainly attributable to rental income earned from the leasing of vacant land for the operation of a sports centre as well as lower interest expenses following the ongoing repayment of term loans. This positive development reflects the segment's ability to generate interim income and manage financing costs effectively, even as its projects remain at the planning and approval stage.

#### (c) Profit after tax

The Group reported a profit after tax of RM8.8 million for FYE 2025, a decrease of RM2.9 million or 24.6% compared to RM11.7 million in the previous financial year. The decline was mainly attributable to lower revenue arising from weaker sales volumes, reduced operating margins as a result of higher input and energy costs, and higher tax provisions recognised during the year. Despite these challenges, the Group remained profitable, underpinned by the resilience of the Aluminium Segment and reduced loss in the Property Segment. This outcome reflects the Group's ability to manage costs effectively, maintain operational efficiency, and preserve its financial stability in the face of continued market headwinds.

#### (d) Earnings per ordinary share

Basic and diluted earnings per ordinary share for FYE 2025 declined to 6.67 sen and 6.47 sen respectively, compared to 8.59 sen and 8.32 sen in the preceding financial year. The decrease was in line with the lower profit after tax recorded during the year. Notwithstanding the decline in profitability, the Group continued to deliver positive earnings, underlining its resilience and ability to withstand industry headwinds while maintaining shareholder value.

#### (e) Financial position

##### (i) Total Assets

The Group's financial position remained stable with total assets of RM342.4 million as at 31 July 2025 compared to RM339.6 million in the previous year. The modest increase in assets was mainly attributable to higher inventory of RM11.8 million and an increase in trade and other receivables of RM2.3 million, partially offset by a reduction in cash and cash balances of RM7.7 million. In addition, capital investment in property, plant and equipment as well as expenditure incurred for land development further supported overall asset growth.

The Group's cash position, including deposits with licensed banks as well as cash and bank balances, stood at RM22.6 million for FYE 2025 compared to RM30.3 million in the preceding financial year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW OF THE GROUP'S FINANCIAL RESULTS AND FINANCIAL CONDITIONS (CONTINUED)

#### (e) Financial position (Continued)

##### (i) Total Assets (Continued)

###### Aluminium Segment

Within the Aluminium Segment, total assets amounted to RM254.2 million (FYE 2024: RM252.1 million). The increase was mainly attributable to inventories, which rose to RM86.2 million from RM74.4 million previously. The higher inventory balance reflected both strategic stocking of raw materials to ensure supply continuity amidst volatile aluminium prices and global supply chain uncertainties, as well as slower sales turnover resulting from weaker business volume during the financial year. Consequently, finished goods inventory levels were comparatively higher at the financial year end. Trade and other receivables also increased from RM62.3 million to RM64.6 million, consistent with the timing of customer collections. Despite the softer market environment, the Aluminium Segment continued to anchor Group performance with steady asset growth, supported by disciplined operations, prudent working capital management, and ongoing investment in production capacity and efficiency.

###### Property Segment

The Property Segment maintained total assets of RM88.1 million (FYE 2024: RM87.5 million), reflecting expenditures incurred for land development and project preparation activities. Although no revenue has yet been recognised, assets in this segment continued to grow modestly as the Group progressed with regulatory submissions and preliminary works for its proposed development project in Mukim Batu, Kuala Lumpur. The capitalisation of such expenditures reflects the Group's long-term commitment to diversify its business portfolio, and the project is expected to contribute positively to the Group's earnings profile once approvals are obtained and development activities commence.

##### (ii) Total Liabilities

Total liabilities stood at RM165.7 million as at 31 July 2025, slightly lower than RM167.3 million recorded in FYE 2024. The reduction was mainly due to a decrease in borrowings, which fell from RM88.9 million to RM77.8 million during the year. This repayment underscores the Group's commitment to prudent financial management and has further strengthened its balance sheet. The Group continues to maintain a healthy gearing position and sufficient liquidity to support ongoing operational requirements as well as forthcoming development projects.

Shareholders' funds improved to RM191.3 million from RM183.8 million in the preceding year, resulting in a higher net assets per share of RM1.07 compared to RM1.03 in the last year, reflecting improved equity strength.

###### Aluminium Segment

Within the Aluminium Segment, total liabilities amounted to RM90.8 million compared to RM91.9 million in FYE 2024. The modest decline was mainly attributable to the repayment of borrowings, which reduced overall borrowing exposure by RM0.5 million. Lease liabilities also decreased significantly from RM2.5 million to RM0.9 million, following the expiry and settlement of certain lease arrangements during the financial year. In addition, deferred tax liabilities remained at RM4.7 million, with no significant movements during the year, largely due to the reversal of temporary differences arising from capital allowances and other timing adjustments.

On the other hand, trade and other payables increased slightly from RM42.4 million to RM44.2 million, primarily reflecting the year-end cut-off position where certain purchases of raw materials and consumables were still outstanding at the balance sheet date. This increase is consistent with normal fluctuations in procurement cycles and does not represent a structural change in the Group's liability profile.

Overall, the Aluminium Segment continued to maintain a healthy liability position with manageable financing levels, underpinned by stable operating cash flows from its core manufacturing activities. This financial resilience enabled the segment to absorb rising input and energy costs during the year while supporting its ongoing operations effectively.

## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW OF THE GROUP'S FINANCIAL RESULTS AND FINANCIAL CONDITIONS (CONTINUED)

#### (e) Financial position (Continued)

##### (ii) Total Liabilities (Continued)

###### Property Segment

In the Property Segment, total liabilities stood at RM74.9 million compared to RM75.4 million in FYE 2024. The overall balance remained stable, reflecting the segment's position as it continues to be in the pre-development stage.

During the year, advances received from related parties increased by RM9.4 million to RM36.8 million (FYE 2024: RM27.4 million). This increase was mainly attributable to the ongoing settlement of a term loan, where the outstanding balance was reduced from RM48.0 million to RM37.4 million, representing a repayment of RM10.6 million. In essence, the reduction in external bank borrowings was partly substituted with financing support from related parties.

The liability structure of the Property Segment therefore reflects a prudent blend of internal group support and external financing. This balanced approach provides financial flexibility to fund regulatory submissions, interest obligations, and preparatory works for the proposed development project in Mukim Batu. Once approvals are secured and active construction commences, the segment is expected to gradually realign its financing structure to match project cash flows.

##### (iii) Gearing ratio

The Group's gearing ratio improved to 28.9% as at 31 July 2025, compared to 31.9% in the preceding financial year, reflecting a stronger capital structure and the net settlement of borrowings during the year.

The Group's capital management strategy continues to prioritise maintaining a healthy gearing level while maximising shareholder value. A sustainable gearing position not only enhances financial resilience but also places the Group in a stronger position to capture new business opportunities and withstand economic uncertainties.

Cash flow management remained a key focus throughout the year. Net cash generated from operating activities amounted to RM16.6 million compared to RM50.7 million in FYE 2024, with the decline primarily due to lower operating profits and higher working capital requirements, particularly from increases in inventories and receivables. Net cash used in financing activities was RM21.9 million, arising mainly from the repayment of borrowings and lease liabilities, dividend payments, and interest expenses. As at the close of the financial year, the Group's cash and cash equivalents stood at RM21.8 million, providing a reasonable liquidity buffer to support operational requirements and ongoing investment commitments.



## MANAGEMENT DISCUSSION AND ANALYSIS

### CAPITAL EXPENDITURE

During the year, the Group incurred RM2.9 million in capital expenditure, primarily for plant and machinery upgrades to enhance production efficiency. As at 31 July 2025, capital commitments approved amounted to RM16.2 million, of which RM12.7 million has been contracted. These commitments relate mainly to investments in property, plant and equipment and will be financed through internally generated funds.

Looking ahead, the Group has planned significant capital expenditure for the financial year ending 31 July 2026 ("FYE 2026") to support both capacity expansion and operational upgrades. The estimated total capital expenditure amounts to RM16.2 million, comprising:

Asset Group	Main Usage	Amount RM'000
Building	Construction of new factory	9,021
Plant and machinery	Installation of new production and upgrading of existing facilities to improve efficiency and capacity	6,947
Others		200
<b>Total capital expenditure for FYE 2026</b>		<b>16,168</b>

The capital expenditure requirement will be financed through internally generated funds, supplemented where necessary by existing banking facilities. These investments reflect the Group's long-term strategy to strengthen its aluminium manufacturing operations, improve productivity, and position itself for future growth.

### ANTICIPATED BUSINESS RISKS

The Group continues to be subject to a range of risks and uncertainties that may affect its operations and performance. Among the more significant risks that could have a material impact on the Group's business, financial position, and results of operations are set out below.

#### (a) Market competition

Aluminium is a critical raw material in modern industries, with applications spanning transportation, construction, consumer goods, packaging, electrical engineering, and renewable energy. Its lightweight nature, excellent conductivity, corrosion resistance, durability, and recyclability ensure its continued relevance in global markets. Demand for aluminium is expected to rise further in the coming years as industries worldwide pursue decarbonisation strategies and work towards the net zero carbon emissions target by 2050. The Group, through its manufacturing and marketing of aluminium billets catering to aluminium extruders, is positioned within this growing market.

Despite this positive demand outlook, the Group faces competition from local manufacturers as well as importers of aluminium billets. In Malaysia, no tariffs are imposed on imported billets, which intensifies competition from foreign suppliers and may exert pressure on selling prices and margins. Locally, the Group competes based on product quality, pricing, and delivery reliability.

The Group believes it maintains a competitive edge through its ability to offer flexibility in deliveries tailored to customer schedules, combined with its proven capability to produce high-quality aluminium billets. These strengths support the operational efficiency and cost structure of its customers, thereby reinforcing long-term business relationships. Furthermore, the Group's ongoing investments in upgrading its production facilities and enhancing process efficiency are expected to strengthen its competitive position, enabling it to better manage cost pressures and respond swiftly to market demand.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ANTICIPATED BUSINESS RISKS (CONTINUED)

#### (b) Volatility in raw material prices

The Group's primary raw material is aluminium ingots, which are commodities traded on the London Metal Exchange ("LME"). Prices are highly sensitive to global demand and supply dynamics, and disruptions in supply could result in sharp price increases. Such volatility may have a direct impact on the Group's production costs and margins if not managed effectively.

To mitigate this risk, the Group places emphasis on maintaining long-term relationships with reputable suppliers to ensure consistent and reliable deliveries at competitive rates. In addition, the Group's sales are typically structured on a back-to-back pricing arrangement, where customer orders are priced in tandem with supplier costs. This mechanism allows the Group to pass through fluctuations in raw material costs to customers, thereby reducing its exposure to price volatility and preserving margin stability.

#### (c) Volatility in currency exchange rates

As the Group's purchases of aluminium materials — including ingots, scrap, and master alloys — as well as certain production consumables are largely imported and denominated in USD, the Group is exposed to foreign exchange risk arising from movements in the USD/MYR exchange rate. However, this exposure is naturally hedged by the Group's export sales, which are also denominated in USD. This creates a natural balance between USD inflows and outflows, thereby reducing the Group's net currency risk position.

In addition, for local customers, the Group leverages back-to-back pricing arrangements to reflect changes in USD exchange rates in its selling prices. This mechanism provides an effective pass-through of currency fluctuations, ensuring that volatility in foreign exchange movements has minimal impact on the Group's overall financial performance.

#### (d) Political and economic instability

The Group operates predominantly in Malaysia, with approximately 66.6% of total revenue for the current financial year derived from domestic sales. Consequently, the performance of the Group is closely linked to the stability of the local political climate as well as the resilience of the Malaysian economy.

While the country remains politically stable under the MADANI government, the Malaysian economy is expected to experience slower growth in the second half of 2025, weighed down by weaker external demand. Global trade disruptions driven by erratic trade policies in the United States, continue to contribute to volatility in commodity markets, logistics costs, and overall investor sentiment. These external factors may indirectly affect domestic demand for aluminium products and property development.

The Group recognises that political and economic uncertainty can affect business confidence, consumer spending, and investment flows. Accordingly, Management remains vigilant and will continue to closely monitor both local and international developments. Proactive measures, including strengthening relationships with key customers, maintaining operational flexibility, and pursuing market diversification, will help detect, prevent, and mitigate any downside risks that may impact the Group's business operations.

#### (e) Execution risk for property development projects

The Group's property development business is undertaken through its investments in non-wholly owned subsidiaries. As with all property development activities, there is an inherent risk of delays in project execution due to factors such as prolonged approval processes, contractor performance, labour and material shortages, cost escalations, or unforeseen site conditions. Any significant delay in project completion may result in liquidated ascertained damages payable to house buyers, which could adversely affect the Group's profitability, cash flows, and overall financial position.

To mitigate these risks, the Group works closely with its joint venture partners and contractors to ensure that development activities are properly managed and monitored throughout each stage of the project lifecycle. Emphasis is placed on robust project planning, timely regulatory compliance, close supervision of contractors, and stringent quality assurance standards. The Group's business partners have a long-standing and proven track record in the Malaysian property development industry, which provides confidence in their capability to deliver projects on schedule and in accordance with the expected quality standards.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CLIMATE ACTION AND TRANSITION PLAN

A-Rank recognises that addressing climate change is both a pressing global need and a strategic business opportunity. As part of our ongoing commitment to sustainable growth, the Group is implementing a Sustainability Policy to strengthen our resilience and align with Malaysia's low-carbon aspirations, as well as evolving global standards such as the EU's Carbon Border Adjustment Mechanism.

The Sustainability Policy focuses on progressively reducing the Group's carbon footprint through a combination of operational efficiency measures, technology upgrades, and renewable energy adoption. Key initiatives include energy audits to identify high-impact efficiency opportunities, investments in cleaner production equipment, and the integration of solar power into selected facilities. These actions are complemented by efforts to reduce process-related emissions, improve waste heat recovery, and enhance resource efficiency across the aluminium production cycle.

To support these initiatives, the Group is actively exploring green financing instruments, sustainability-linked loans, and government incentives to fund its transition efforts. A-Rank also continues to assess climate-related risks and opportunities as part of our enterprise risk management framework, ensuring that investment decisions are guided by long-term sustainability considerations.

### OUTLOOK

The global economic outlook for the remainder of 2025 and into 2026 remains mixed. On the positive side, moderating inflation, easing monetary policy in advanced economies, and a gradual recovery in global trade are expected to provide some support to growth. Global technology upcycles, green infrastructure investments, and resilient labour markets in certain advanced economies are also likely to underpin demand. However, the external environment continues to face significant downside risks. These include escalating geopolitical conflicts, prolonged trade disputes, continued weakness in China's property market, and volatility in commodity prices, all of which may weigh on global confidence and investment flows.

In Malaysia, Bank Negara Malaysia projects the domestic economy to expand by between 4.0% and 4.8% in 2025, supported mainly by firm investment activities, resilient household spending, and stronger export recovery. Growth will be underpinned by the implementation of multi-year private and public sector projects, catalytic initiatives under national master plans, and higher realisation of approved investments. Private consumption will remain supported by sustained income growth and targeted policy assistance, while the expected spillover from the global technology upcycles and stronger tourist arrivals will provide further impetus to the external sector. Nevertheless, domestic growth prospects remain subject to risks arising from weaker external demand, further escalation of geopolitical tensions, and lower-than-expected commodity production.

#### Aluminium Segment

Against this backdrop, the Board remains cautiously optimistic about the Group's prospects for FYE 2026. The Aluminium Segment will continue to be the main contributor to the Group's performance. While the operating environment is expected to remain challenging due to cost pressures and intense market competition, gradual improvement in regional demand and continued emphasis on cost management, operational efficiency, and productivity enhancement are expected to support earnings resilience.

#### Property Segment

For the Property Segment, the proposed development project in Mukim Batu, Kuala Lumpur, remains in progress and is currently pending approvals from the relevant authorities before construction and sales launches can commence. The Group is working closely with its business partners and relevant authorities to secure the necessary approvals and remains committed to ensuring that sustainability and green building considerations are embedded in the project design. The segment is expected to provide long-term growth and diversification once approvals are obtained and development activities commence.

Barring unforeseen circumstances, the Board expects the Group to remain profitable in the coming financial year. The Group remains committed to delivering sustainable returns to shareholders while pursuing long-term growth opportunities through disciplined investment, operational resilience, and continuous improvements in both its core aluminium business and its upcoming property development activities.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of A-Rank Berhad (the “Board”) is committed to ensuring that the standards of corporate governance pursuant to the Malaysian Code on Corporate Governance (“MCCG”) are practised throughout the Company and its subsidiaries (the “Group”), to achieve its objectives, to protect and enhance shareholders’ value, safeguard the Group’s assets and improve the performance of the Group. Hence, the Board will continue to evaluate the Group’s corporate governance procedures, in so far as they are relevant to the Group, bearing in mind the nature of the Group’s business and the size of its business operations.

The Corporate Governance Overview Statement is to be read together with the Corporate Governance Report (“CG Report”) which is available on the Company’s website at [www.arank.com.my](http://www.arank.com.my) as well as Bursa’s website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

The Board is pleased to present this statement and explain how the Group has applied the three (3) principles set out in the 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.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. BOARD RESPONSIBILITIES

#### Roles and Duties of the Board

The roles and responsibilities of the Board have been clearly enumerated in the Board Charter. The Board provides effective leadership and manages overall control of the Group’s affairs through the discharge of the following principal duties and responsibilities:

- review and approve strategies, business plans and significant policies and monitor management’s performance in implementing them;
- oversee and evaluate the conduct and performance of the Group;
- review the adequacy and integrity of the Group’s internal control systems and management information systems which include appropriately sound framework/systems of reporting and to ensure regulatory compliance with the applicable laws, regulations, rules, directives and guidelines;
- review the risk management guidelines, procedures and standards to ensure they provide effective governance of the Group’s risk-taking activities;
- delegates certain responsibilities to the various Board Committees with clearly defined Terms of Reference to assist the Board in discharging its responsibilities;
- overseeing the development and implementation of a Corporate Disclosure Policy for the Company;
- appointment of board committees;
- succession planning for the Board and Senior Management, including the implementation of appropriate systems for recruiting, training, determining the appropriate compensation benefits and where necessary replacing any member of the Board and Senior Management;
- promoting a culture of integrity throughout the Group’s businesses, including setting the Group’s Anti-Bribery stance and managing corruption risk to avoid self-serving practices and conflicts of interest of the Group;
- establish procedure to avoid self-serving practices and conflicts of interest including dealings of any form with related entities;
- oversight over the Group’s sustainability matters, including but not limited to the overall sustainability strategy and targets, materiality assessment and climate related risks and opportunities;
- approve the sustainability targets, committed towards achieving the highest sustainability practices in driving the business to be a good steward of the Environmental, Social, and Governance (“ESG”) matters; and
- ensures sustainability is integrated in all activities of the Group and its business segments and instils a strong sustainability culture across the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### I. BOARD RESPONSIBILITIES (CONTINUED)

##### **Separation in the roles of Chairman and Managing Director**

The roles of the Chairman and Managing Director of the Company are distinct and separate with individual responsibilities. Each of them has clearly defined duties and authority thus ensuring a balance of power and greater capacity for independent decision making.

The Chairman of the Board is primarily responsible for ensuring the Board's effectiveness and conduct. He ensures that all relevant issues and quality information to facilitate decision making and effective running of the Group's business are included in the meeting agenda.

The Managing Director is responsible for the day-to-day management of the Group's operations and implementation of the Board's policies and decisions. He is responsible for communicating matters relating to the Group's business affairs and issues to the Board. His vast experience, business knowledge and skills contributed significantly towards the attainment of the Group's goals and objectives.

Where a potential conflict of interest may arise, it is a mandatory practice for the Director concerned to declare his interest and abstain from the decision-making process.

##### **Management's Roles and Responsibilities**

The responsibility for the operation and administration of the Group is delegated by the Board to the Executive Directors and the Management within levels of authority specified by the Board from time to time.

The Executive Directors are primarily responsible for:

- primarily accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Group;
- establishing and reviewing the risk management framework and internal control system across the Group;
- ensuring that the financial management practice is performed at the highest level of integrity and transparency and that the business and affairs of the Group are carried out in an ethical manner and in compliance with the relevant laws and regulations;
- providing effective leadership to the Group and ensuring high management competency and that an effective management succession plan is in place to sustain the continuity of the Group's operations;
- is the conduit between the Board and Management in ensuring the success of the Group's governance and management functions; and
- implements the policies, strategies and decisions adopted by the Board.

The Executive Directors may delegate aspects of their authority and power but remains accountable to the Board for the Group's performance and are required to report regularly to the Board on the conduct and performance of the Group's business units.

##### **Clear functions of the Board and Management**

The Board is collectively the primary decision-making body for all material matters affecting the Group. It also provides leadership, guidance and sets a strategic direction.

The Board has a formal schedule of matters reserved to them for decision to ensure that the direction and control of the Group is firmly in their hands. This acts as a safeguard against misjudgements and possible ultra-vires activities.

The Independent Non-Executive Directors are committed in upholding business integrity and exercising their independent judgement while the Executive Directors are responsible for making and implementing operational and corporate decisions as well as day-to-day management of the business and operations of the Group. There is a clear division of responsibilities between the executive and non-executive functions to ensure the effectiveness of the decision-making process of the Board.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### I. BOARD RESPONSIBILITIES (CONTINUED)

##### Qualified and competent Company Secretary

The Board is supported by two (2) outsourced qualified, competent and experienced Company Secretaries who facilitate overall compliance with the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") as well as inform and keep the Board updated of the latest enhancements in corporate governance, changes in the regulatory framework, new statutory requirements and best practices. The Company Secretaries are licensed by the Companies Commission of Malaysia and registered with the Malaysian Institute of Chartered Secretaries and Administrators ("**MAICSA**") and they are also qualified under the Companies Act 2016.

The Company Secretaries organise and attend all Board and Board Committees meetings and ensure meetings procedures are properly convened, follow up on matters arising and ensure accurate and proper records of the proceedings and resolutions passed are maintained accordingly at the registered office of the Company.

The Company Secretaries are also responsible to maintain the documentation of the Board such as meeting papers and minutes of the Board and its committees to be produced for inspection if required and to ensure a balanced flow of information is disseminated to the Directors for decisions to be made on an informed basis for the effective discharge of the Board's responsibilities.

All Board members have unrestricted access to the advice and services of the Company Secretaries.

The Board was satisfied with the performance and support rendered by the Company Secretaries in assisting the Board in the discharge of their duties.

##### Information and support for Directors

At each Board meeting, the Managing Director or Executive Directors will brief the Board on the Group's activities, operations and other performance. All meetings will be preceded by an agenda issued by the Company Secretary.

To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated in advance of each new year. The calendar provides Directors with scheduled dates for meetings of the Board and Board Committees, as well as the closed periods for dealings in securities by Directors based on the targeted dates of announcements of the Group's quarterly results.

All Directors are provided with Board papers at least five (5) business days before Board meetings to enable them to review and consider the agenda items to be discussed and decided during meetings.

The Board papers contain relevant information and justifications for each proposal for which Board's approval is sought. Where necessary, the Management and external advisers are invited to attend these meetings to provide additional insights and professional views on specific items on the agenda.

The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting and deliberation. Minutes of the Board and Board Committee meetings are circulated to Directors for their review prior to confirmation at the following Board and Board Committee meetings. The Directors may request for further clarification or raise comments on the minutes prior to confirmation of the minutes. Minutes of Board Committee meetings will also be tabled for Board's attention after confirmation by the respective Board Committees.

In exercising their duties, the Board has completed and unrestricted access to all information of the Group, the advice and services of the Company Secretary and independent professional advice in the furtherance of their duties, at the Company's expense.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### I. BOARD RESPONSIBILITIES (CONTINUED)

##### Board Charter

The Board Charter provides guidance for Directors on the responsibilities of the Board, its committees and requirements of Directors and is subject to periodical review to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance.

The Board regularly review the strategic direction of the Group and the progress of the Group's operations, taking into account changes in the business and political environment and risk factors such as the level of competition.

To enhance accountability, the Board has established a formal schedule of matters specifically reserved for the Board for its deliberation and decision to ensure the direction and control of the Group's business are firmly in its hands.

The updated Board Charter which was reviewed and approved by the Board on 24 June 2025, has been uploaded to the Company's website at [www.arank.com.my](http://www.arank.com.my).

##### Code of Conduct and Ethics

The Board has put in place a Code of Conduct and Ethics for the Directors and employees. This Code includes managing conflicts of interest, preventing the abuse of power, corruption, insider trading, money laundering, sexual harassment and others, set the tone at the top, uphold the law, avoid conflicts of interest and report results accurately. The Code of Conduct and Ethics has been uploaded at the Company's website at [www.arank.com.my](http://www.arank.com.my).

##### Whistleblowing Policy

The Board adopted a Whistleblowing Policy since 15 June 2017 and the updated Whistleblowing policy was reviewed and approved by the Board on 24 June 2025, has been uploaded at the Company's website at [www.arank.com.my](http://www.arank.com.my) for all employees, vendors, customers, contractors, consultants and stakeholders to raise concerns, without fear of reprisal and to safeguard their confidentiality, about possible improprieties on matters pertaining to financial reporting, compliance, malpractices and unethical business conduct within the Group. Any employee or stakeholder who is aware that any improper conduct has been, is being, or is likely to be committed, is encouraged to report directly to Executive Director or Managing Director. In the case where the matter involves the Director or the matter is serious and requires the attention of a higher level of authority, the employee can report the matter directly to the Audit Committee Chairman. During the financial year, no report had been received pertaining to any misconduct by employees, management, the public or stakeholders.

##### Anti-Bribery and Corruption Policy

In compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), the Company has adopted a Group Anti-Bribery and Corruption Management System comprising policies and procedures as well as a compliance, monitoring and reporting framework.

Any form of bribery and corruption is not acceptable in the Group. The Group believes that bribery and corruption harm fair competition, healthy growth of the markets and sustainability of successful business. The Group always require all staff to act honestly, with integrity and conduct lawful and responsible business practices.

The updated Anti-Bribery and Corruption Policy which was reviewed and approved by the Board on 25 June 2024, has been uploaded to the Company's website at [www.arank.com.my](http://www.arank.com.my).

To strengthen awareness and reinforce ethical conduct, the Company has actively organised annual training and awareness programmes on anti-bribery and corruption for its Directors, Management, and employees. This yearly training programme ensures that all personnel remain well-informed of the Group's zero-tolerance stance and their obligations under the Group Anti-Bribery and Corruption Management System.

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publicly reported case on breaches of the code of conduct

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publicly reported case on bribery and corruption

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### I. BOARD RESPONSIBILITIES (CONTINUED)

##### Governance of Sustainability

The Board is responsible for the governance of the sustainability risks and opportunities. It provides guidance and oversight to ensure that the Group's sustainability strategies support long-term business success.

The Group's Sustainability Policy, which serves as the overarching framework for addressing Environmental, Social and Governance ("ESG") matters, was last reviewed and approved by the Board on 25 June 2024. The Sustainability Management Committee ("SMC") was established to implement, monitor, and report on the Group's sustainability initiatives and progress towards its targets. The SMC is led by the Managing Director, and its members comprise Executive Directors and Key Senior Management.

The Board continues to stay abreast with the sustainability issues relevant to the Group and to ensure it communicates the Group's sustainability strategies, priorities, targets, and performance against the targets to all the stakeholders via the Sustainability Statement included in this Annual Report.

#### II. BOARD COMPOSITION

##### Presence of Independent Directors on the Board of Directors

The Board of the Company currently comprises nine (9) Directors which are made up of four (4) Independent Directors and five (5) Non-Independent Directors (Including the Managing Director and Executive Directors). The Board members, with their diverse backgrounds, bring with them a wide range of competencies, disciplines and experiences to provide stewardship to the Group. The current Board composition present a diverse mix of qualifications and experiences covering business, operations, manufacturing, accounting and engineering.

The composition of the Board complies with the MMLR of Bursa Securities that at least one-third ( $\frac{1}{3}$ ) of the Board consists of Independent Directors. However, the Board composition is not aligned with the best practises of MCCG, which stipulates that at least half of the Board comprises Independent Directors.

Currently, the Chairman of the Board is an Independent Non-Executive Director.

There is a balance of power and authority in the Board as the Managing Director is responsible for the normal operations and business activities of the Group whilst the Independent Non-Executive Chairman and the Independent Non-Executive Directors ensure that the Board practices good governance in discharging their duties in compliance with the MCCG.

The Board believes that there are adequate procedures to ensure that Board decisions are balance and effective. Decisions made are fully discussed and examined taking into account the long-term interest of the Group, shareholders, employees, customers and the many communities in which the Group conducts its business. In the event of any potential conflict of interest situation, it is a mandatory practice for the Director concerned to declare his interest and abstain from the deliberations and voting. In addition, the Directors are also governed by a Code of Conduct and Ethics relating to, amongst others, conflicts of interest, protection of company assets and compliance with the law.

##### Time Commitment

All Directors have committed sufficient time to carry out their duties during the tenure of their appointment. Each Director is expected to commit time as and when required to effectively discharge the relevant duties and responsibilities, besides attending meetings of the Board and Board Committees.

To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated in advance of each new year. The calendar provides Directors with scheduled dates for meetings of the Board and Board Committees, as well as the closed periods for dealings in securities by Directors based on the targeted dates of announcements of the Group's quarterly results.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### II. BOARD COMPOSITION (CONTINUED)

##### Board Meetings

The Board meets on a scheduled basis, at least once every three (3) months. Additional meetings may be convened to resolve any major and/or ad-hoc matters requiring immediate attention. The Management staff or external advisors will be invited to attend Board meetings to provide the Board with detailed explanations and clarifications.

During the financial year ended 31 July 2025, the Company held four (4) Board of Directors meetings and details of the Directors' attendances are as follows:

Name of Directors	Number of Meetings Attended	Percentage
Cheah Tek Kuang – Chairman	4/4	100%
Tan Sri Datuk Leow Chong Howa – Vice Chairman	4/4	100%
Tan Wan Lay	4/4	100%
Gan Choon Sun	4/4	100%
Leow Vinzie	4/4	100%
Leow Vinken	4/4	100%
Hong Cheong Liang	4/4	100%
Neoh Lay Keong	4/4	100%
Siti Ruzainah Binti Abd Halim	4/4	100%

All Directors have complied with the requirements of Bursa Securities in relation to attendance at Board meetings, in particular Paragraph 15.05 (3)(c) of the MMLR of Bursa Securities which states that the office of a Director will become vacant if the Director is absent for more than 50% of the total Board meetings held during a financial year.

The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities. This is demonstrated by amongst others, the satisfactory attendance and time spent at the Board and Board Committee meetings by the Directors during the financial year.

##### Number of directorships in other listed companies

All Directors of the Company have confirmed that they do not hold more than five (5) directorships in listed issuers pursuant to Paragraph 15.06 of the MMLR of Bursa Securities.

All Directors are required to declare to the Board and/or the Company Secretary in writing prior to accepting any new directorship. As at the date of this Annual Report, the Company did not receive any notification from Directors for new directorship.

##### Independence

The Board has a collective responsibility for the management of the Company. The Independent Non-Executive Directors are committed to uphold business integrity and bringing independent judgement and scrutiny to decisions taken by the Board and providing objective challenges to the Management.

Independent Non-Executive Directors do not participate in the day-to-day management of the Group and do not engage in any business dealing or other relationship with the Group. This is to ensure that they are capable of exercising judgment objectively whilst acting in the best interest of the Group, its stakeholders and shareholders, including minority shareholders.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### II. BOARD COMPOSITION (CONTINUED)

##### Independence (Continued)

The Board is of the view that tenure should not form part of the independence assessment criteria, as it believes that the ability of a Director to serve effectively is dependent upon his caliber, qualifications, experiences and personal qualities, in particular, integrity and objectivity.

##### (a) Tenure of Independent Directors

The tenure for an Independent Director should not exceed a cumulative term of nine (9) years since his appointment as an Independent Director as recommended by the MCCG.

However, the Independent Director may continue to serve on the Board beyond the nine (9) years' tenure provided the Independent Director is re-designated as a Non-Independent Director. If the Board intends to retain an Independent Director beyond the nine (9) years' tenure, it must justify and seek shareholders' approval annually through a two-tier voting process.

##### (b) Policy of Independent Director's tenure

The Company does not have a policy which limits the tenure of its Independent Directors to nine (9) years as required under Step Up Practice 5.4 of MCCG. The Board has set out policies and procedures to ensure effectiveness of the Independent Directors on the Board, including new appointment.

In ensuring that independent judgments are not compromised, the Board will carry out an assessment of independence of the Independent Directors annually and taking into account of the individual Director's ability to exercise his/her independent judgment at all times and contribution to the effective functioning of the Board.

Based on the assessment conducted for the financial year ended 31 July 2025, the Board was satisfied with the level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Group.

##### (c) Shareholders' approval to retain Independent Directors after serving nine (9) years

The tenure of an Independent Director, as stated in the Board Charter, shall not exceed a cumulative term of nine (9) years. If the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek shareholders' approval through a two-tier voting process.

As at the date of this Annual Report, none of the Independent Directors have exceeded a cumulative term of nine (9) years since their appointment.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### III. NOMINATION COMMITTEE

The Board established the Nomination Committee ("**NC**") on 30 September 2013 which is responsible for identifying, evaluating and recommending to the Board, suitable candidates to fill Board's vacancies at the Company as well as subsidiaries. Nominations may come from a wide variety of sources.

As at the date of this Annual Report, the NC of the Company comprises three (3) Independent Non-Executive Directors and is chaired by Mr Neoh Lay Keong.

During the financial year ended 31 July 2025, one (1) NC meeting was held and the details of attendance of each member at the NC meetings are as follows:

Name of NC Members	Designation	Number of Meeting attended
<b>Chairman</b> Neoh Lay Keong	Independent Non-Executive Director	1/1
<b>Members</b> Hong Cheong Liang	Independent Non-Executive Director	1/1
Siti Ruzainah Binti Abd Halim	Independent Non-Executive Director	1/1

The NC's Terms of Reference and the Fit and Proper Policy that guide the NC on the appointment and re-election of Directors can be viewed at the Company's website. The Board had reviewed and approved the updated NC's Terms of Reference and Fit and Proper Policy on 24 June 2025.

#### Summary of Activities

For the financial year ended 31 July 2025 and up to the date of this report, the activities of the NC include the following:

- reviewed the size, composition, diversity, mix of skills, experience and core competencies of the Board;
- conducted the evaluation on the effectiveness of the Board, Board Committees, and independence of the Independent Directors;
- reviewed the term of office and performance of the AC and each of its members;
- reviewed the performances of each individual Director and the Finance Manager;
- reviewed and recommended to the Board for the re-election of Directors who will retire pursuant to the Company's Constitution at the forthcoming Annual General Meeting ("**AGM**") of the Company; and
- reviewed the training programs attended by the Directors as well as the training needs required to aid the Directors in the discharge of their duties as Directors and to keep abreast with industry developments and trends.

#### Develop, maintain and review criteria for recruitment process and annual assessment of Directors

##### (a) Appointment of the Board

The NC is responsible to recommend candidates to the Board to fill vacancy arising from resignation, retirement or other reasons or if there is a need to appoint additional Directors with the required skill or profession to the Board in order to close the competency gap in the Board identified by the NC. The potential candidate may be proposed by the existing Directors, Senior Management, shareholders or third-party referrals. Upon receipt of the proposal, the NC is responsible to conduct an assessment and evaluation on the proposed candidate.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### III. NOMINATION COMMITTEE (CONTINUED)

##### Develop, maintain and review criteria for recruitment process and annual assessment of Directors (Continued)

###### (a) Appointment of the Board (Continued)

Before any recommendation is made to the Board, the NC will evaluate a candidate by considering the following factors:

- age, ethnicity, gender, skill and expertise, working experience, industry knowledge, educational qualification, integrity, competence and characteristics;
- willingness and ability to discharge effectively the duties as a director, including the number of directorship in other public listed companies currently held by the candidate;
- able to devote sufficient time and energy to the performance of his/her duties as a director; and
- for the recommendation to appoint an Independent Director, whether he/she meets the criteria of Independent Director as specified by Practice Note 13 of the MMLR of Bursa Securities and whether he/she can act independently of management.

The Company Secretaries are tasked to ensure all appointments are properly made and all necessary information is obtained from the Directors, for the Company's records and for the purposes of meeting statutory obligations as well as obligations arising from the MMLR of Bursa Securities.

###### (b) Re-election of Directors

- (i) Reviewed and recommended to the Board for the re-election of directors who will retire at the forthcoming AGM of the Company:

In accordance with Clause 76(3) of the Company's Constitution, at the AGM in every subsequent year, one-third ( $\frac{1}{3}$ ) of the Directors for the time being, or, if their member is not three (3) or a multiple of three (3), then the number nearest to one-third ( $\frac{1}{3}$ ), shall retire from office at the conclusion of the AGM in every year provided always that all Directors shall retire from office at least in each three (3) years, but shall be eligible for re-election.

For the forthcoming AGM, the following Directors will retire by rotation, and being eligible had offered themselves for re-election:

- Tan Sri Datuk Leow Chong Howa;
- Mr Tan Wan Lay; and
- Mr Gan Choon Sun.

The resolution for the re-election of each Director will be voted separately.

The profile of the above Directors and their respective attendance in Board meetings are presented in this Annual Report. Meanwhile, the Board's recommendation statement for the re-election of the above Directors is included in the Notice of AGM dated 10 November 2025.

In determining whether to recommend a Director for re-election, the aforesaid Directors' time commitment such as attendance at meetings, participation, contribution to the activities of the Board, character, integrity and experience had been considered by the NC.

The NC had on 23 September 2025 at its NC meeting conducted the relevant assessment pursuant to the Directors' Fit and Proper Policy, was satisfied that the abovementioned Directors have met the requirements set out above and recommended to the Board for their re-election at the forthcoming AGM.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### III. NOMINATION COMMITTEE (CONTINUED)

##### Develop, maintain and review criteria for recruitment process and annual assessment of Directors (Continued)

##### (c) Evaluation for Board, Board Committees and individual Directors

The Board, through the NC, performed a formal and objective annual evaluation to determine the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director. Such evaluation also includes the evaluation of Independent Directors on their independences and that all assessments and evaluations by the NC would be properly documented.

The evaluation is performed based on the feedback from the respective Directors to the following questionnaire and evaluation forms distributed annually:

- Audit Committee Evaluation Questionnaire;
- Audit Committee Members' Self and Peer Evaluation Form;
- Board Skills Matrix Form;
- Board and Board Committees Evaluation Form;
- Directors' Evaluation Form; and
- Independent Directors' Self-Assessment Checklist.

The summary of evaluation in respect of the financial year ended 31 July 2025 was tabled to the NC on 23 September 2025 and recommended to the Board for review and notation. The Board was satisfied with the results of the annual assessment and that the current size and composition comprising individuals of high caliber, credibility and with the necessary skills and qualifications to enable the Board to discharge its duties and responsibilities effectively.

##### (d) Directors' Training

The NC reviewed the training programmes attended by the Directors as well as the training needs required to aid the Directors in the discharge of their duties as Directors and to keep abreast with industry developments and trends.

The NC has assessed the training needs of each Director on an annual basis by determining areas that would strengthen their contribution to the Board. From the assessment conducted for the financial year ended 31 July 2025, the NC was satisfied that the Directors have attended adequate trainings to enable them to discharge their duties.

All Directors have attended and successfully completed the Mandatory Accreditation Programme ("MAP") Part I and Part II prescribed by the MMLR of Bursa Securities.

The Directors will continue to undergo relevant training programmes to further enhance their skills and knowledge in the latest statutory and regulatory developments as well as to keep abreast with developments in the business environment to enable them to discharge their responsibilities more effectively.

The Company Secretaries regularly update the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and briefed the Board quarterly on these updates, where applicable, at Board meetings. The External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements during the financial year under review.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### III. NOMINATION COMMITTEE (CONTINUED)

##### Develop, maintain and review criteria for recruitment process and annual assessment of Directors (Continued)

##### (d) Directors' Training (Continued)

For the financial year ended 31 July 2025, the courses attended by the Directors include:

Name of Directors	Course / Seminar Attended
Cheah Tek Kuang	<ul style="list-style-type: none"> <li>Board Ethics: Growing Concerns from New Technology, Stakeholder Interests &amp; Conflict of Interest organised by Institute of Corporate Directors Malaysia</li> <li>Introduction to E-Invoicing organised by Cays Group PLT</li> <li>Emerging Strategic Risks and Mitigation Strategies for 2025 organised by Malaysian Institute of Accountants</li> <li>Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level Programme organised by Bursa Malaysia</li> </ul>
Tan Sri Datuk Leow Chong Howa	<ul style="list-style-type: none"> <li>Corporate Liability Awareness &amp; Personal Data Protection Act organised by Gading Institute Sdn Bhd</li> </ul>
Tan Wan Lay	<ul style="list-style-type: none"> <li>Neurolinguistic Programming (NLP) in Sales organised by UVision Training Centre Sdn Bhd</li> <li>Corporate Liability Awareness &amp; Personal Data Protection Act organised by Gading Institute Sdn Bhd</li> </ul>
Gan Choon Sun	<ul style="list-style-type: none"> <li>Neurolinguistic Programming (NLP) in Sales organised by UVision Training Centre Sdn Bhd</li> <li>Corporate Liability Awareness &amp; Personal Data Protection Act organised by Gading Institute Sdn Bhd</li> </ul>
Leow Vinzie	<ul style="list-style-type: none"> <li>Singapore Employment Law Essentials organised by Quad Dynamics Consultants Sdn Bhd</li> <li>Corporate Risk Assessment Training organised by YHY Consultancy Sdn Bhd</li> <li>Corporate Liability Awareness &amp; Personal Data Protection Act organised by Gading Institute Sdn Bhd</li> </ul>
Leow Vinken	<ul style="list-style-type: none"> <li>Neurolinguistic Programming (NLP) in Sales organised by UVision Training Centre Sdn Bhd</li> <li>Corporate Liability Awareness &amp; Personal Data Protection Act organised by Gading Institute Sdn Bhd</li> </ul>
Hong Cheong Liang	<ul style="list-style-type: none"> <li>Tax Talk: 2024 Indirect Tax Developments &amp; Challenges (KL) organised by CPA Australia</li> <li>Board Ethics: Growing Concerns from New Technology, Stakeholder Interests &amp; Conflict of Interest organised by Bursa Malaysia</li> <li>Bursa Malaysia Workshop on IFRS Sustainability Disclosure Standards organised by United Nations Sustainability Stock Exchanges Initiatives</li> <li>Webinar on Enhancing Compliance: Understanding Sanctions Risks and AML/CFT Regulations in Malaysia organised by Ingenique Solutions Pte Ltd</li> <li>Strategic Data and Frameworks in Board Governance organised by Institute of Corporate Directors Malaysia</li> <li>Embracing E-Invoice Compliance in Simple and Easy Steps organised by PKF Malaysia</li> <li>Transforming Challenges into Opportunities: The Strategic Advisor's Role organised by Institute of Internal Auditors Malaysia</li> </ul>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### III. NOMINATION COMMITTEE (CONTINUED)

##### Develop, maintain and review criteria for recruitment process and annual assessment of Directors (Continued)

##### (d) Directors' Training (Continued)

For the financial year ended 31 July 2025, the courses attended by the Directors include: (Continued)

Name of Directors	Course / Seminar Attended
Hong Cheong Liang (Continued)	<ul style="list-style-type: none"> <li>• Are You Ready? Unlocking COSO &amp; GIAS 2024 for Audit Success organised by Institute of Internal Auditors Malaysia</li> <li>• MIA International Accountants Conference 2025 organised by Malaysian Institute of Accountants</li> </ul>
Neoh Lay Keong	<ul style="list-style-type: none"> <li>• Corporate Liability Awareness &amp; Personal Data Protection Act organised by Gading Institute Sdn Bhd</li> </ul>
Siti Ruzainah Binti Abd Halim	<ul style="list-style-type: none"> <li>• Corporate Liability Awareness &amp; Personal Data Protection Act organised by Gading Institute Sdn Bhd</li> </ul>

##### Diversity on Board and Senior Management

The Board has formalised a Boardroom and Senior Management Diversity Policy on 26 September 2018 and acknowledged the importance of diversity in terms of skills, experience, age, gender, cultural background and ethnicity. Having a range of diversity dimensions brings different perspectives to the Boardroom and to various levels of Management within the Group.

The Board also acknowledges the need to promote gender diversity in line with the MCCG and the Government's target for women to fill 30% or more of the decision-making positions in corporate of Malaysia. While the Company does not have a specific target for female Directors on the Board, suitably qualified female candidates who can contribute to the diversity of the Board, will be considered for appointment in the event that vacancies for Directors arise or when a decision is made to increase the size of the Board.

Currently, the Board composition includes two (2) female Directors, Ms Leow Vinzie and Puan Siti Ruzainah Binti Abd Halim, who are the Non-Independent Non-Executive Director and Independent Non-Executive Director respectively.

##### Succession Planning

The Board acknowledges that succession planning is important for the Company's stability and sustainability. The NC is entrusted to assess and recommend suitable candidates to be appointed as the Director of the Company to fill in any vacant seat in the Boardroom.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### IV. REMUNERATION COMMITTEE

The Board established a Remuneration Committee (“RC”) with appropriate Terms of Reference on 30 September 2013. The Board had reviewed and approved the updated Terms of Reference on 24 June 2025.

As at the date of this Annual Report, RC comprises three (3) Non-Executive Directors of whom; two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Vice Chairman. The RC is chaired by Mr Neoh Lay Keong, who is an Independent Non-Executive Director.

The details of attendance of each member at the RC meeting held during the financial year are as follows:

Name of RC Members	Designation	Number of Meeting attended
<b>Chairman</b>		
Neoh Lay Keong	Independent Non-Executive Director	1/1
<b>Members</b>		
Tan Sri Datuk Leow Chong Howa	Non-Independent Non-Executive Vice Chairman	1/1
Hong Cheong Liang	Independent Non-Executive Director	1/1

The details of Terms of Reference of the RC are available on the Company’s website.

#### Remuneration policy and procedures for Directors and Key Senior Management

The Board via the RC, implements the policies and procedures on the recommendation and review of the remunerations for Board members and Senior Management.

The Board believes that competitive remunerations enable the Company to attract, retain and motivate the Directors and Key Senior Management. The remuneration packages are aligned to corporate objectives and take into consideration the complexity of the Company’s business operations with reference to an individual’s responsibilities and achievements. Additionally, the Board also ensure that remunerations and incentives for Independent Directors are not in conflict with their obligations to bring objectivity, professionalism and independence of opinions on matters discussed at Board meetings.

The RC is responsible for recommending the remuneration framework for Directors as well as the remuneration packages of Executive Directors to the Board. None of the Executive Directors participate in any way in determining their individual remuneration.

The Managing Director and Executive Directors are responsible to determine the remuneration package of the Key Senior Management, with reference made to remuneration packages of similar positions in comparable companies within the industry.

The remuneration packages of the Executive Directors and Key Senior Managements are structured in a way to link rewards to the performance of the Company as well as individual performance designed to ensure alignment between remuneration, Company performance, and individual contributions, with particular emphasis on linking rewards to both financial results and sustainability performance targets.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### IV. REMUNERATION COMMITTEE (CONTINUED)

##### Disclosure of remuneration – Directors

The remuneration package for Directors comprises the following elements:

- Fees and Meeting Allowance

The fees payable to each of the Directors are determined by the Board. All Directors are paid meeting allowances as determined by the Board as reimbursement for expenses incurred for attending the Board meetings. The fees and meeting allowance payable to the Directors will be recommended by the Board for shareholders' approval at the forthcoming AGM scheduled to be held on 9 December 2025.

- Basic Salaries and Bonuses

The basic salaries and bonuses for the Executive Directors are recommended by the RC to the Board for approval. Bonus is a performance-based payment linked to corporate performance as well as individual performance.

- Benefits-in-kind

Customary benefits such as share options, motor vehicle and mobile phone allowance are made available to the Directors in accordance with the policies of the Group.

The details of the remuneration of Directors of the Group and of the Company for the financial year ended 31 July 2025 are disclosed on a named basis in the CG Report.

##### Disclosure of remuneration – Key Senior Management

The details of Key Senior Management's remuneration components including salary, bonus, benefits-in-kind and other emoluments are disclosed on a named basis in the CG Report in bands of RM50,000 as required under Practice 8.2 of MCCG for the financial year ended 31 July 2025.

However, the Board had decided not to fully disclose the detailed remuneration of two (2) members of Key Senior Management on a named basis as required under Step Up Practice 8.3 of MCCG.

The Board will ensure that the remuneration of Key Senior Management commensurate with the performance of the Group and also taking into account the skills, experience and level of responsibilities of Key Senior Management, with due consideration to attract, retain and motivate Key Senior Management to lead and run the Group successfully.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. AUDIT COMMITTEE

The Board has established the Audit Committee (“AC”) on 17 March 2005 and comprises three (3) Independent Non-Executive Directors to assist the Board in discharging its duties. The Board has in line with the MMLR of Bursa Securities reviewed the Terms of Reference (“TOR”) and performance of the AC and each of its members and is satisfied that the AC has carried out its duties in accordance with its TOR.

The summary of duties and responsibilities is outlined in the AC’s updated TOR, which were approved by the Board on 24 June 2025. The updated TOR of the AC are available on the Company’s website at [www.arank.com.my](http://www.arank.com.my).

Please refer to the Audit Committee Report on the summary of work done by the AC.

##### Financial literacy of AC members

The members of the AC including the AC Chairman have relevant accounting knowledge or, as related financial management expertise and experience to discharge the AC’s duties and responsibilities. All members of the AC are able to understand, analyse and, when necessary, challenge the matters and issues under the purview of the AC, including the financial reporting process.

In addition, all members of the AC are encouraged to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

#### II. EXTERNAL AUDITORS

Practice 9.3 of MCCG requires the AC to have policies and procedures to assess the suitability, objectivity and independence of the External Auditors, Messrs. BDO PLT. Based on the latest assessment carried out by the AC on 23 September 2025, the AC was satisfied with the suitability and independence of the External Auditors and took the following into consideration before making recommendation to the Board for the re-appointment of Messrs. BDO PLT as External Auditors, which is subject to the approval of shareholders at the forthcoming AGM:

- (a) the adequacy of the experience, audit quality and resources of the External Auditors;
- (b) the nature and extent of audit and non-audit services rendered, inclusive of appropriateness of level of fees; and
- (c) the level of independence of the External Auditors.

The External Auditors had declared their independence as specified in the By-Laws issued by Malaysian Institute of Accountants (On Professional Ethics, Conduct and Practice) and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* in respect of the financial year ended 31 July 2025 during the audit completion presented to the AC on 23 September 2025.

Private sessions between the AC members and the External Auditors are held without the presence of the Executive Directors and Management of the Group. This encourages a greater exchange of independence and open dialogue between both parties.

#### III. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal control in the Company and the Group. These controls provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board has established the Risk Management Committee (“RMC”) on 30 September 2013, headed by the Managing Director and assisted by the Executive Directors and the respective Head of Department to oversee the Group’s risk management framework and policies. The Group does not adopt Step Up Practice 10.3 of MCCG; whereby the RMC should comprise of a majority of Independent Directors. The Board opines that the composition of the RMC is adequate, as the majority of the RMC members actively participate in day-to-day business operations. Thus, they would be able to identify potential risks and react promptly to address any risk that arises.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

#### III. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)

The RMC is responsible for overseeing the Group's risk management framework, approving appropriate risk management practices and procedures to ensure effectiveness of risk identification, management and monitoring to safeguard the interest, and meet the expectations of its shareholders, employees, customers, other stakeholders and the many communities in which the Group conducts its business. This involves:

- enhancing strategic competitiveness and operational efficiency that increases long term shareholders' value;
- periodic and update of Key Risk Register;
- minimising unexpected impact to earnings and returns to shareholders;
- safeguarding valuable assets and resources;
- balancing expectations of various stakeholders; and
- meeting existing regulatory requirements on risk management.

The RMC submits the reports to the AC on its findings on a half yearly basis and the AC will report to the Board accordingly.

In addition, the RMC is also assisted by the Outsourced Internal Auditors in the implementation of risk management i.e. coordinating and reporting (risk management function) and reviewing of risks status (internal audit function). The Outsourced Internal Auditors reviews will also identify any new potential risk that could affect the financial position, operational processes and goodwill of the Company.

The Statement of Risk Management and Internal Control in this Annual Report 2025 provides an overview of the state of risk management and internal controls within the Group.

#### IV. INTERNAL AUDIT FUNCTION

The internal audit function is outsourced to Messrs. ASAP Advisory PLT, a professional service firm (the "**Outsourced Internal Auditors**"). The Outsourced Internal Auditors is headed by its managing partner, Mr Ong Tian Soon ("**Mr Ong**"), who is a Member of Institute of Internal Auditors Malaysia. Mr Ong is also a member of Malaysian Institute of Accountants, fellow member of Chartered Institute of Management Accountants, Member of Chartered Global Management Account, Certified ISO 37001 Implementer – Anti-Bribery Management Systems and Certified Lead Risk Manager in ISO 31000 – Risk Management. Mr Ong has more than eighteen (18) years of internal audit and risk management experience.

During the financial year ended 31 July 2025, the Outsourced Internal Auditors has assigned three (3) staff to provide internal audit services. The Outsourced Internal Auditors performed its work in accordance with a recognised framework such as the International Professional Practices Framework ("**IPPF**") issued by the Institute of Internal Auditors. The internal audit function has been mandated to continually assess and monitor the Group's system of internal control. The internal audit function adopts a risk-based approach and prepares its audit strategy and plans based on the risk profiles of individual business unit of the Group. Premised on the performance assessment by the AC and feedback from the Management Team, the AC is satisfied that the internal auditors are free from any relationships or conflicts of interest with those involved which could impair their objectivity and independence and is capable of carrying out internal audit reviews.

None of the persons involved have any family relationship with the Directors or Company which could result in the conflict of interest and/or impairment of the objectivity and independence during the internal audit review.

The responsibilities of the Outsourced Internal Auditors include conducting audits, submitting findings and the provision of independent report to the AC on the Group's systems of internal controls. Being an independent function, the audit work is conducted with impartiality, proficiency and due professional care. The audits are carried out to ensure instituted controls are appropriate, effectively applied and within acceptable risk exposures and consistent with the Group's risk management policy. The Outsourced Internal Auditors reports directly to the AC and audit findings and recommendations are communicated to the Board.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

#### IV. INTERNAL AUDIT FUNCTION (CONTINUED)

In performing its duties, the Outsourced Internal Auditors have free and unfettered access to information and to meet with any of the department heads or persons-in-charge. The identified audit findings and recommendations are followed up by the Outsourced Internal Auditors and the status is reported to the AC.

During the financial year under review, the Outsourced Internal Auditors carried out periodic internal audit reviews in accordance with the approved internal audit plan to monitor compliance with the Group's procedures and to review the adequacy and effectiveness of the Group's system of risk management and internal control. The results of these reviews have been presented to the AC at their scheduled meetings. Follow up reviews were also conducted to ensure that the recommendations for improvement have been implemented by Management on a timely basis.

As at the date of this Annual Report, the AC has performed an annual assessment of the performance of the Outsourced Internal Auditors and was satisfied with the adequacy of the scope, function, competency and resources of the Outsourced Internal Auditors and was of the view that they have the necessary authority to carry out their work during the financial year under review.

The total costs incurred for the internal audit function in respect of the financial year ended 31 July 2025 was RM26,000.

Details of the Group's internal control system and risk framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH SHAREHOLDERS

#### I. COMMUNICATION WITH STAKEHOLDERS

##### Communication with stakeholders

The Board recognises the importance of maintaining an effective communication channel between the Board, shareholders and other stakeholders for timely dissemination of information. To facilitate this process, the Board has formalised a Corporate Disclosure Policy with regards to the handling and disclosing of material information to the public.

Besides the direct communication and interaction with shareholders at the Company's general meetings, shareholders and other stakeholders are informed of all material matters affecting the Company through announcements made to Bursa Securities as well as the Company's website including quarterly financial results, Annual Reports, Circulars and other information.

The Board encourages shareholders participation at the AGM as it serves as the principal forum for dialogue and interaction with all shareholders whereby the shareholders are encouraged to participate in the question-and-answer session. The Chairman of the meeting or the Managing Director/Executive Directors will facilitate the discussion with the shareholders and provide further information in response to shareholders' queries.

Shareholders or potential investors can also send their feedback or inquiries to the Company via the website or may contact the Administration and Purchasing Manager, Mr Fam Lian Fatt to address any concern that a shareholder may have and he can be contacted via telephone, facsimile or electronic mail as follows:

Tel No : +603-8724 4662/3/7  
Fax No : +603-8723 2009  
Email : fam@arank.com.my



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH SHAREHOLDERS (CONTINUED)

#### I. COMMUNICATION WITH STAKEHOLDERS (CONTINUED)

##### Corporate Disclosure Policy

The Company has established a Corporate Disclosure Policy ("**Policy**") that applies to the conduct of all Directors and employees of the Group with regard to handling and disclosure of material information.

The objectives of the Policy are as follows:

- (a) to ensure informative, timely, factual and accurate disclosure of material information pertaining to the Group's performance and operations to the public;
- (b) to ensure that all persons to whom this Policy applies understand their obligations to preserve the confidentiality of material information;
- (c) to ensure compliance with all applicable legal and regulatory requirements on disclosure of material information; and
- (d) to maintain good relations with the investing public to inspire trust and confidence.

The Policy does not apply to communication made in the ordinary course of business not involving material information.

The Board is generally responsible for the proper dissemination of information whilst the actual implementation can be delegated to designated persons. Designated persons appointed as the authorised spokesperson or the appointed investment bank or adviser will prepare the announcement and ensure compliance with the MMLR of Bursa Securities and the accuracy of the contents in the announcement.

All announcements will be reviewed and approved by the Board, the Chairman or Managing Director or Executive Directors or any designated person (where applicable) before they are released to the public via Bursa Securities.

Once the announcement has been released to Bursa Securities, it will be made available and accessible on the Company's website.

##### Integrated reporting

Practice 12.2 of MCCG encourages Large Companies to adopt integrated reporting, based on a globally recognised framework; so that concise communication about a company's strategy, performance, governance and prospects could lead to value creation, while promoting the integrated relationships between various operating/functional units. Currently, integrated reporting is not applicable to the Group as the Company does not fall within the definition of "**Large Company**".

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH SHAREHOLDERS (CONTINUED)

#### II. CONDUCT OF GENERAL MEETINGS

##### Notice of General Meeting

The AGM and Extraordinary General Meeting (“**EGM**”) serves as the principal platforms for direct interaction and constructive dialogue among shareholders, Board and Management. The AGM or EGM provides an opportunity for the shareholders to seek/clarify any issues and to have a better understanding of the Group’s performance and other matters of concern. Shareholders are encouraged to actively participate in the question and answer (“**Q&A**”) session. The Board, Management and/or the External Auditors are available to respond to shareholders’ enquiries and provide appropriate clarifications at the AGM or EGM.

The Notice and meeting documents of AGM held on 3 December 2024 was made available to the shareholders at least twenty-eight (28) days before the general meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. Each item of special business included in the Notice of the AGM will be accompanied by a full explanation of the effects of the proposed resolution. The Company also published the Notice of the AGM on a national newspaper. The Notice included an explanatory statement for the proposed resolutions to facilitate a better understanding and evaluation of issues by the shareholders.

The results of all the resolutions set out in the Notice of the AGM or EGM will be announced on the same day of the meeting to Bursa Securities and published on the Company’s website.

The Company’s forthcoming AGM is scheduled to be held on 9 December 2025 and will be conducted on a physical basis, providing shareholders the opportunity to attend the meeting in person and engage directly with the Board and Management.

##### Attendance of directors at General Meeting

The Company maintains an open and transparent channel of communication with its stakeholders, institutional investors and shareholders, so as to provide a clear and complete picture of the Group’s performance. The Company believes that constructive and effective relationship is an important factor in promoting and enhancing value for our shareholders.

All the Directors including the Chairman of the Board Committees participated in the AGM held on 3 December 2024 to engage with shareholders, corporate representatives and proxies. Shareholders were invited to send questions in advance of the meeting pertaining to the Company’s accounts and proposed resolutions, or via the real time submission of typed texts during the live streaming of the AGM.

The Chairman also provides sufficient time for the Q&A sessions during the AGM. Suggestions and comments by shareholders, to be noted by Management for consideration, were also provided. The Management, External Auditors and Company Secretary were in attendance to respond to the shareholders’ queries, where applicable or necessary.

The minutes of the meeting was uploaded to the Company’s website within 30 business days from the date of the meeting.

##### Poll voting

Practice 13.3 of MCGG encourages the Company to leverage on information technology for electronic voting and remote shareholders’ participation at the general meetings, especially for those listed companies with a large number of shareholders. The Company has leveraged technology to facilitate remote shareholders’ participation and electronic voting in conducting a poll on the resolutions in general meetings.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH SHAREHOLDERS (CONTINUED)

#### II. CONDUCT OF GENERAL MEETINGS (CONTINUED)

##### Poll voting (Continued)

The last AGM was conducted on a fully virtual basis on 3 December 2024 through an online meeting platform by using the Remote Participation and Voting Facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIH Online website at <https://tiah.online> or <https://tiah.com.my>, with the appointment of a poll administrator and a scrutineer for the poll voting process. In accordance with the MMLR of Bursa Securities, the Board put all resolutions to vote by way of poll at the AGM and announced the polling results to Bursa Securities on the same day.

#### STATEMENT ON DIRECTORS' RESPONSIBILITY

Pursuant to Section 251(2) of the Companies Act 2016 (the "**Act**"), the Directors are required to draw up the financial statements for each financial year that gives a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period and of their results and cash flow for the financial year then ended. In addition, the Directors have the general responsibility for taking such steps as they are reasonably open to them to safeguard the assets of the Group and prevent fraud and other irregularities.

In preparing the financial statements for the financial year ended 31 July 2025, the Directors have:

- (a) adopted the appropriate accounting policies, which are consistently applied;
- (b) made reasonable and prudent judgments and estimates; and
- (c) ensure that the applicable approved Malaysia Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Act are complied with.

The Statement of Directors pursuant to the Act is set out in the Annual Report 2025.

# ADDITIONAL COMPLIANCE INFORMATION

## AUDIT FEES AND NON-AUDIT FEES

The amount of non-audit fees paid or payable to firms or corporations affiliated to the External Auditors for the financial year ended 31 July 2025 amounted to RM60,500 for the Group and RM39,300 for the Company respectively (2024: RM53,621 for the Group and RM17,052 for the Company). The amounts of audit fees paid or payable to the External Auditors of the Company and the Group have been disclosed under Note 23 to the Audited Financial Statements of this Annual Report.

The non-audit services rendered during the financial year were in respect of the review of the Statement on Risk Management and Internal Control, Limited Assurance on Sustainability Indicators, tax compliances, tax advisory and transfer pricing reporting.

In considering the nature and scope of the non-audit fees, the Audit Committee was satisfied that they were not likely to create any conflict of interest nor impair the independence and objectivity of the External Auditors.

## MATERIAL CONTRACTS

No material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company and/or its subsidiaries which involved the interests of Directors and/or Major Shareholders and/or Persons Connected with them, either still subsisting at the end of the financial year ended 31 July 2025 or, if not then subsisting, entered into since the end of the previous financial year.

## UTILISATION OF PROCEEDS

There were no proceeds raised by the Company from any corporate proposal during the financial year ended 31 July 2025.

## RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The details of the related party transactions during the financial year ended 31 July 2025 are set out in Note 31 to the financial statements in which the transactions were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties and not be detrimental to the minority shareholders of the Company.

Further information on the proposed renewal of the existing shareholders' mandate for the recurrent related party transactions of a revenue or trading nature to be tabled at the forthcoming Annual General Meeting are set out in the Circular to Shareholders dated 10 November 2025.

## EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The shareholders of the Company had via an Extraordinary General Meeting held on 21 August 2018 approved an ESOS of up to 10% of the total issued shares of the Company for the eligible Directors and employees of the Group. The ESOS is for a duration of five (5) years commencing from the date of implementation on 27 August 2018 to 26 August 2023, unless extended further.

On 27 June 2023, the Company had announced that the Board has approved the extension of the Company's ESOS which expiring on 26 August 2023, for a further duration of five (5) years until 25 August 2028 in accordance with the terms of the ESOS By-Laws.

## ADDITIONAL COMPLIANCE INFORMATION

### EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONTINUED)

The total number of options granted, exercised, cancelled, lapsed and outstanding under the ESOS as at 31 July 2025 are set out in the table below:

Description	Directors	Senior Management	Other eligible employees	Total
Options granted	6,900,000	2,580,000	4,229,000	13,709,000
Adjustment for Bonus Issue*	1,480,000	650,400	906,000	3,036,400
Options exercised	(5,300,000)	(2,219,000)	(2,825,200)	(10,344,200)
Options retracted#	(400,000)	–	(326,000)	(726,000)
Options exercisable outstanding	2,680,000	1,011,400	1,983,800	5,675,200

\* Adjustment made pursuant to the bonus issue of new ordinary shares in the Company following the bonus issue exercise undertaken by the Company on the basis of two (2) bonus shares for every five (5) existing ordinary shares held by the shareholders of the Company on 18 January 2019.

# Due to resignation.

In accordance with the Company's ESOS By-Laws, not more than 70% of the Company's ordinary shares available under the Scheme shall be allocated, in aggregate, to Directors and Senior Management of the Group. Since the implementation of the ESOS up to the end of the financial year ended 31 July 2025, the Company has granted 69.15% of options to the Directors and Senior Management.

As at financial year ended 31 July 2025, ESOS allocations to the Directors are as follows:

Name of Directors	Number of options granted	Number of options exercised	Number of options unexercised
<b>Executive Directors</b>			
• Tan Wan Lay	3,440,000	(2,240,000)	1,200,000
• Gan Choon Sun	2,740,000	(1,740,000)	1,000,000
• Leow Vinken	–	–	–
<b>Non-Executive Directors</b>			
• Tan Sri Datuk Leow Chong Howa	380,000	–	380,000
• Leow Vinzie	300,000	(200,000)	100,000
• Cheah Tek Kuang	–	–	–
• Hong Cheong Liang	–	–	–
• Neoh Lay Keong	–	–	–
• Siti Ruzainah Binti Abd Halim	–	–	–

During the financial year and subsequent to the financial year ended 31 July 2025 and up to the date of this Annual Report, the Company did not allot and issue any new ordinary shares pursuant to the ESOS.

As at the date of this Annual Report, the unexercised options pursuant to A-Rank's ESOS granted and accepted by eligible Directors and employees are 5,675,200 options.

Other than as disclosed above, there were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities for the financial year to-date and up to the date of this report.

# SUSTAINABILITY STATEMENT

**A-Rank Berhad (“A-Rank”) and its subsidiaries (the “Group”) remain committed to building a sustainable organisation that balances business and operational excellence with environmental stewardship and social responsibility.**

**Following the comprehensive review and enhancement of our policies and governance structure in the previous year, the Group has continued to uphold and implement these frameworks to guide our sustainability journey. In this connection, we remain aligned with national and international sustainability standards and stay attuned to evolving global trends to ensure our practices are relevant, responsible, and resilient.**

**Our sustainability agenda is firmly rooted in our Vision: “To be a renowned international sustainability player and a trustworthy partner in the aluminium billet industry.”**

## ABOUT THIS STATEMENT

This Sustainability Statement aims to provide a transparent account of our efforts and performance across key sustainability areas that are material to both our business and stakeholders.

### Scope and Boundary:

This report focuses on A-Rank’s aluminium segment, which is wholly-owned by the Group and under our direct operational control. Where applicable, historical data from previous years is included to highlight trends, facilitate comparison, and evaluate our progress over time.

The Group’s property segment remains in progress and is currently pending approvals from the relevant authorities before construction and sales launches can commence. As such, it did not have a material sustainability impact during the year under review.

### Reporting Frameworks and Standards:

- Bursa Malaysia Securities Berhad’s Sustainability Reporting Guide (3<sup>rd</sup> Edition)
- Malaysian Code on Corporate Governance 2021 (“MCCG”)
- National Sustainability Reporting Framework (“NSRF”)
- International Financial Reporting Standards (“IFRS”)
- International Sustainability Standards Board (“ISSB”)
- Sustainability Accounting Standards Board (“SASB”)
  - Iron and Steel Producers – Extractives & Minerals Processing Sector (“EM-IS”)

The metrics for EM-IS are summarised at the end of this statement. We also referred to the United Nations Sustainable Development Goals (“SDGs”), Global Reporting Initiative (“GRI”) standards, and the FTSE4Good ESG indicators in preparing this statement.

### Reporting Period:

The information and performance indicators presented in this report cover the reporting period from 1 August 2024 to 31 July 2025 (“FYE 2025”).



Provision of Educational Supports to Employees’ Children

### Reporting Cycle:

We publish our Sustainability Statement annually, in line with our annual reporting cycle.

### Assurance Statement:

To enhance the credibility of the Group’s sustainability disclosure, selected scopes and indicators were subjected to independent limited assurance by BDO PLT.

- Total Energy Consumption (Gigajoules)
- Number of Work-Related Fatalities (Number)
- Lost Time Incident Rate (Rate)
- Greenhouse Gas (“GHG”) Scope 1 Emissions (tCO<sub>2</sub>e)
- GHG Scope 2 Emissions (tCO<sub>2</sub>e)
- Scope 1 and Scope 2 GHG Emissions Intensity of Aluminium Billets Production (tCO<sub>2</sub>e/ton)

Please refer to pages 87 to 91 for the Independent Limited Assurance Statement which include details on the subject matter, scope, and assurance conclusion.

### Feedback and Comments

We welcome your feedback and suggestions. Please direct any comments or inquiries to [fam@arank.com.my](mailto:fam@arank.com.my).



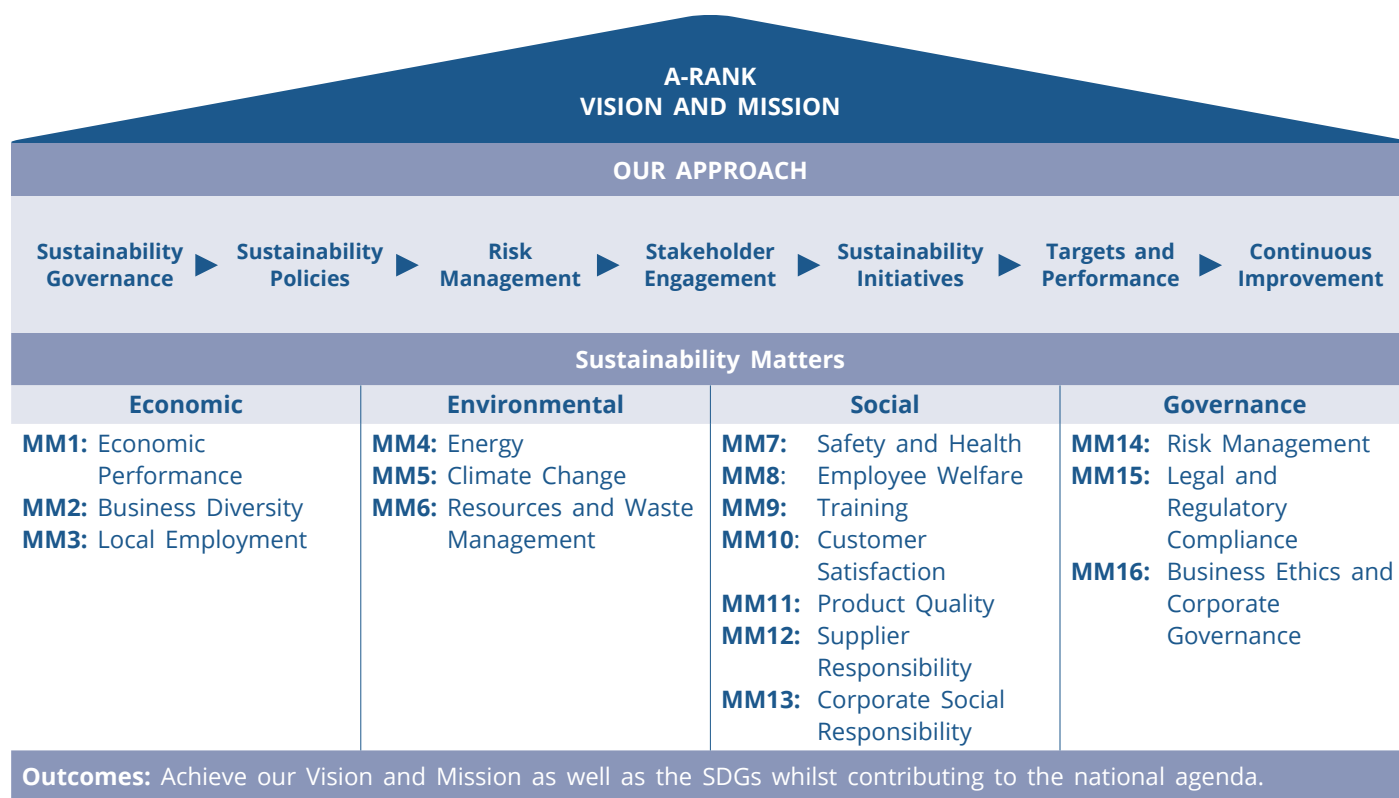
## SUSTAINABILITY STATEMENT

### OUR APPROACH TO SUSTAINABILITY

A-Rank's sustainability approach is rooted in integrating responsible and sustainable practices across our business operations to create long-term value for all stakeholders. We actively harness business opportunities while mitigating risks, with a clear commitment to supporting the national development agenda and contributing to the SDGs. Our sustainability strategy is reinforced by a strong governance framework that promotes accountability, transparency, and stakeholder engagement. Through this balanced approach, we aim achieving sustainable development without sacrificing quality, stability or ethical values.

### SUSTAINABILITY FRAMEWORK

The Group has developed a Sustainability Framework that guides our efforts in addressing material sustainability issues across the business. This framework shapes how we conduct our operations responsibly, from product development and customer service to employee support and community engagement. It clearly defines our sustainability vision and mission, while aligning our initiatives with the SDGs. Our sustainability commitments are also in line with the Thirteenth Malaysia Plan (RMK-13, 2026–2030), which builds upon RMK-12 and supports the Ekonomi MADANI principles for a sustainable, prosperous and inclusive nation. This structured approach supports the Group's commitment to advancing societal progress, fostering a culture of mutual respect and building a sustainable future.



### A-Rank's Sustainability Targets



## SUSTAINABILITY STATEMENT

### SUSTAINABILITY GOVERNANCE

A-Rank has established a robust sustainability governance structure designed to ensure clear accountability, oversight, and continuous review in managing material sustainability matters. This structure defines roles, responsibilities, reporting lines, and governing bodies, creating a clear line of accountability across the Group.

Anchored at the highest levels of the organisation, the Board of Directors plays a pivotal role in driving sustainability integration by providing strategic leadership, resources, and systems needed to effectively manage these issues. By adhering to these governance principles and responding proactively to evolving sustainability challenges, we continuously improve our ability to deliver sustainable products and create long-term value.



Roles	Responsibilities
<b>Board of Directors ("Board")</b>	<ul style="list-style-type: none"> <li>Oversees the Group's sustainability compliance, including the overall strategy and targets, materiality assessments, and climate-related risks and opportunities.</li> <li>Promotes accountability for sustainability commitments by embedding sustainability considerations into all business activities and cultivating a strong sustainability culture across the Group.</li> <li>Designates a dedicated committee to strategically manage the Group's material sustainability matters and ensure effective implementation.</li> </ul>
<b>Board Committees</b>	<ul style="list-style-type: none"> <li><b>Audit Committee:</b> Reviews and recommends the SMC's Terms of Reference, and endorses the Sustainability Statement and sustainability targets in line with the Group's Sustainability Policy for Board approval.</li> <li><b>Nomination Committee:</b> Conducts an annual performance evaluation of the SMC to ensure its effectiveness.</li> <li><b>Remuneration Committee:</b> Assesses the SMC's performance against established sustainability targets, which may be linked to the remuneration packages of relevant personnel.</li> </ul> <p>Additionally, all Board Committees provide regular updates to the Board on the Group's sustainability status.</p>
<b>Sustainability Management Committee ("SMC")</b>	<ul style="list-style-type: none"> <li>The SMC is chaired by the MD, who is supported by the EDs and Key Senior Management.</li> <li>The SO serves as the central coordinator for sustainability matters across all departments and functions, working closely with the EDs and Key Senior Management, and reporting directly to the MD.</li> </ul> <p>The SMC reports to the Board Committees on the Group's sustainability matters, ensuring oversight and alignment with the Group's strategic sustainability goals.</p>

## SUSTAINABILITY STATEMENT

### SUSTAINABILITY POLICIES

The Group's Sustainability Policy supplements our existing internal policies, several of which are listed below. These policies serve as essential frameworks that guide how we address key sustainability issues across our operations.

The Sustainability Policy is being continuously reviewed and refined to provide clearer direction, strengthen governance, and ensure alignment with evolving best practices. By clearly defining our objectives and standards, they help ensure regulatory compliance while promoting a culture of accountability, transparency, and continuous improvement.

<b>Sustainability Policy</b>	<b>Fit and Proper Policy</b>
<b>Anti-Bribery and Corruption Policy</b>	<b>Whistleblowing Policy</b>
<b>Code of Conduct and Ethics</b>	<b>Other Governance Policies</b>

For more detailed information about our policies, please visit our website at [www.arank.com.my](http://www.arank.com.my).

### STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a cornerstone of A-Rank's sustainability strategy. Through continuous engagement throughout the year, we are able to identify, understand, and respond to the evolving concerns and expectations of our stakeholders. We have established a range of communication and collaboration platforms tailored to the needs of each stakeholder group. This approach not only strengthens our relationships but also provides valuable insights that help us mitigate risks, make informed decisions, and align our actions with societal expectations.

The following table outlines our key stakeholder groups, their primary concerns, and A-Rank's actions and responses in addressing these concerns.

Stakeholder: Shareholders and Investors	
<b>Key Concerns</b> <ul style="list-style-type: none"> <li>• Transparent communication and timely disclosure</li> <li>• Financial performance and profitability</li> <li>• Long-term business growth and resilience</li> <li>• Compliance with laws and regulations</li> <li>• Opportunities for engagement with Management</li> </ul>	<b>Communication Channels and Responses</b> <ul style="list-style-type: none"> <li>• Encourage shareholder participation through Annual General Meetings, providing a platform to engage directly with Management</li> <li>• Ensure timely disclosure of material information via the Company's website and immediate announcements to Bursa Malaysia Securities Berhad</li> <li>• Focus on continuous innovation and operational improvements to maintain profit margins</li> <li>• Proactively identify and pursue new business opportunities to support sustainable growth</li> <li>• Implement strategies to enhance financial and business resilience</li> <li>• Regularly enact and update policies to reflect evolving legal, regulatory, and market expectations</li> </ul>

## SUSTAINABILITY STATEMENT

### STAKEHOLDER ENGAGEMENT (CONTINUED)

The following table outlines our key stakeholder groups, their primary concerns, and A-Rank's actions and responses in addressing these concerns. (continued)

Stakeholder: Employees	
<b>Key Concerns</b> <ul style="list-style-type: none"> <li>• Workplace safety and health</li> <li>• Job security and fair treatment</li> <li>• Equal opportunities and career development</li> <li>• Compliance with labour laws</li> <li>• Diversity and inclusivity</li> </ul>	<b>Communication Channels and Responses</b> <ul style="list-style-type: none"> <li>• Established a Safety and Health Committee to oversee workplace safety measures and compliance</li> <li>• Provide 24-hour security surveillance and appropriate personal protective equipment ("PPE") to ensure a safe working environment</li> <li>• Conduct regular training and awareness programmes focused on occupational safety and health</li> <li>• Ensure full compliance with the Employment Act 1955 and all other relevant Malaysian labour laws</li> <li>• Promote equal opportunity practices in recruitment, compensation, and career advancement</li> <li>• Foster a diverse and inclusive workplace culture that values and respects all employees</li> </ul>
Stakeholder: Suppliers	
<b>Key Concerns</b> <ul style="list-style-type: none"> <li>• Ethical and transparent procurement practices</li> <li>• Compliance with governance and anti-corruption standards</li> <li>• Ongoing business relationships and communication</li> <li>• Fair and responsible supplier evaluation</li> </ul>	<b>Communication Channels and Responses</b> <ul style="list-style-type: none"> <li>• Conduct regular sustainability assessments and audits at supplier premises to ensure compliance with sustainability standards</li> <li>• Maintain open and transparent communication channels with suppliers to build long-term, collaborative relationships</li> <li>• Establish and enforce policies that promote good corporate governance and strictly prohibit bribery and corruption</li> <li>• Encourage ethical procurement through fair vetting processes and clear expectations regarding supplier conduct and performance</li> <li>• Uphold strong corporate governance through policies such as the Code of Conduct and Ethics, as well as the Anti-Bribery and Corruption ("ABC") Policy, reinforcing a culture of integrity and accountability</li> </ul>
Stakeholder: Government and Authorities	
<b>Key Concerns</b> <ul style="list-style-type: none"> <li>• Regulatory compliance and adherence to laws</li> <li>• Timely submission of accurate reports and licenses</li> <li>• Effective governance and anti-corruption measures</li> <li>• Ongoing training and awareness of compliance requirements</li> </ul>	<b>Communication Channels and Responses</b> <ul style="list-style-type: none"> <li>• Ensure all relevant licenses and permits are maintained and kept up-to-date</li> <li>• Provide compliance training to employees and relevant stakeholders to foster awareness and adherence</li> <li>• Monitor operations closely to ensure full compliance with applicable laws and regulations</li> <li>• Uphold strong corporate governance through policies such as the Code of Conduct and Ethics, as well as the ABC Policy, reinforcing a culture of integrity and accountability</li> </ul>

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT (CONTINUED)

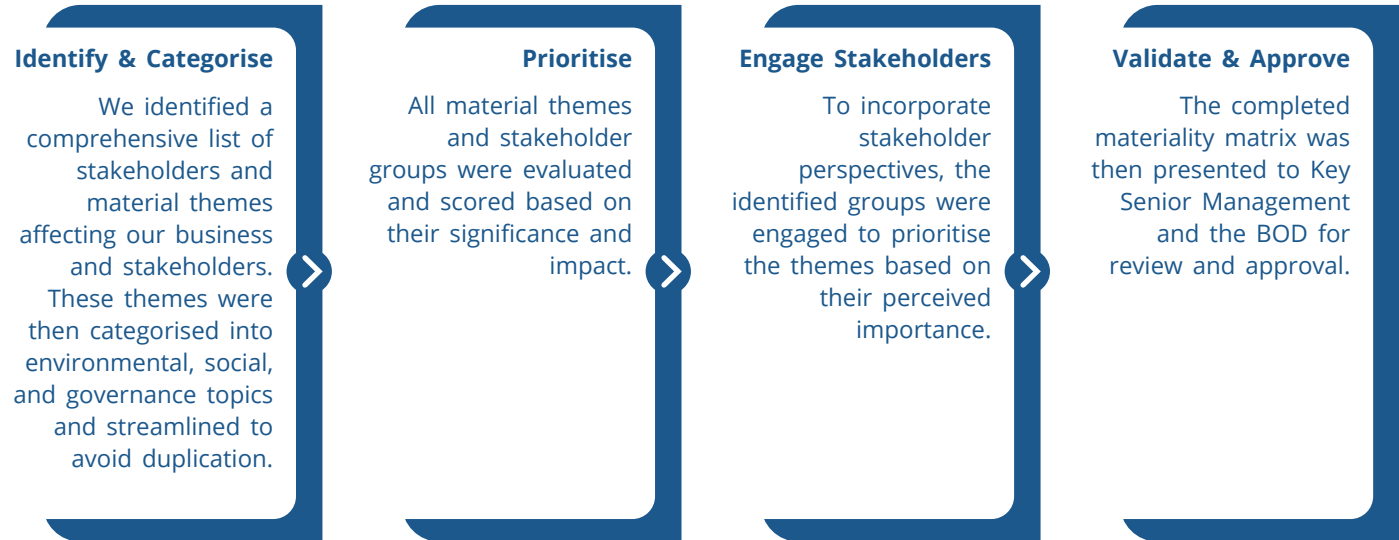
The following table outlines our key stakeholder groups, their primary concerns, and A-Rank’s actions and responses in addressing these concerns. (continued)

Stakeholder: Customers	
<b>Key Concerns</b> <ul style="list-style-type: none"><li>• Product and service quality</li><li>• After-sales service and on-time delivery</li><li>• Data privacy and cybersecurity</li><li>• Customer satisfaction and feedback</li><li>• Innovation and competitive advantage</li><li>• Alignment with sustainability expectations</li></ul>	<b>Communication Channels and Responses</b> <ul style="list-style-type: none"><li>• Maintain ISO 9001:2015 certification to ensure consistent quality management standards</li><li>• Conduct annual customer satisfaction surveys to gather feedback and drive improvements</li><li>• Continuously innovate to stay competitive and meet evolving market needs</li><li>• Implement robust cybersecurity systems to protect against cyber threats and safeguard customer data privacy</li><li>• Comply with customers’ sustainability requirements, aligning our operations with their sustainability expectations</li></ul>
Stakeholder: Community	
<b>Key Concerns</b> <ul style="list-style-type: none"><li>• Support for education and social welfare</li><li>• Environmental protection and community health</li><li>• Collaboration on sustainability initiatives</li></ul>	<b>Communication Channels and Responses</b> <ul style="list-style-type: none"><li>• Provide donations and support to schools, charitable foundations, and civil society organisations to contribute to social development</li><li>• Commit to protecting the environment and safeguarding the health and safety of the communities in which we operate</li><li>• Collaborate actively with local communities to promote and implement sustainable practices that benefit both society and the environment</li></ul>

MATERIALITY

In FYE 2025, we conducted a materiality review, reaffirming the continued relevance of all sustainability matters identified in our FYE 2024 assessment. This confirmation reflects the sustained alignment of these issues with our business operations and strategic priorities.

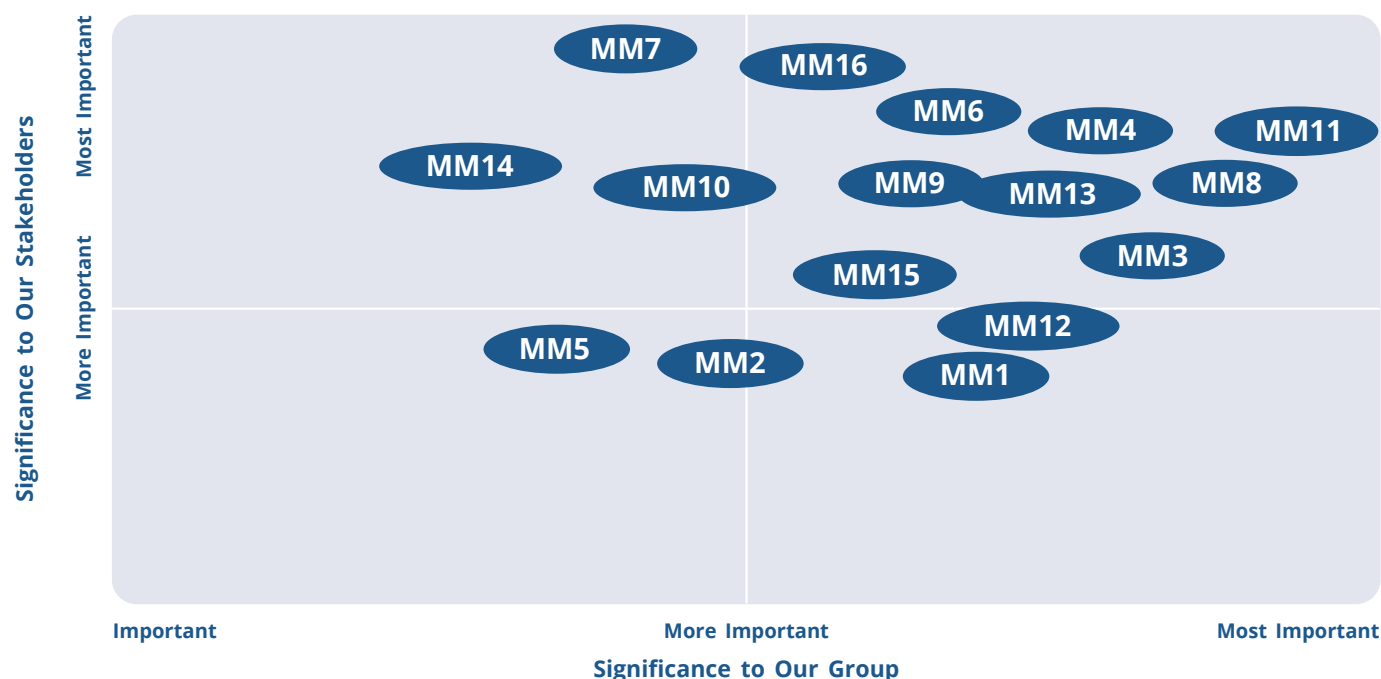
The Group’s materiality assessment process was conducted in a deliberate sequence, consisting of the following phases to align our sustainability focus with stakeholder expectations:



## SUSTAINABILITY STATEMENT

### MATERIALITY (CONTINUED)

#### Materiality Matrix



### MATERIAL MATTERS

#### Economic

MM1: Economic Performance  
MM2: Business Diversity  
MM3: Local Employment

#### Environmental

MM4: Energy  
MM5: Climate Change  
MM6: Resources and Waste Management

#### Social

MM7: Safety and Health  
MM8: Employee Welfare  
MM9: Training  
MM10: Customer Satisfaction  
MM11: Product Quality  
MM12: Supplier Responsibility  
MM13: Corporate Social Responsibility

#### Governance

MM14: Risk Management  
MM15: Legal and Regulatory Compliance  
MM16: Business Ethics and Corporate Governance

The materiality matrix visually represents the significance of sixteen (16) sustainability topics, referred to as Material Matters ("MM"), to both A-Rank and our stakeholders. The horizontal axis reflects the significance to the Group, while the vertical axis indicates the importance to stakeholders. Each material matter is positioned on the matrix based on its assessed relevance and impact, allowing the Group to prioritise sustainability efforts in a structured and balanced way.

Key matters such as Energy (MM4), Product Quality (MM11), Employee Welfare (MM8), Resources and Waste Management (MM6), and Corporate Social Responsibility (MM13) appear in the upper-right quadrant, signifying their high importance to both the Group and stakeholders. Other issues like Safety and Health (MM7) and Customer Satisfaction (MM10) are particularly important to stakeholders, while topics such as Economic Performance (MM1) and Local Employment (MM3) are more strategically important to the Group. Although Climate Change (MM5) and Business Diversity (MM2) rank lower in current priority, A-Rank remains committed to allocating resources and taking proactive steps to address them, recognising their growing relevance in the broader sustainability context. This matrix informs our sustainability strategy and reporting focus, ensuring alignment with stakeholder expectations while supporting business objectives.



## SUSTAINABILITY STATEMENT

### SUSTAINABILITY RISKS AND OPPORTUNITIES

Effective management of material sustainability matters starts with a clear understanding of the potential risks and opportunities that may affect our business. To this end, A-Rank is actively integrating sustainability risks into the overall risk management framework, enabling a more holistic and forward-looking approach to risk oversight.

The Risk Management Committee (“**RMC**”) plays a central role in overseeing the Group’s risk governance, including reviewing the adequacy of policies and frameworks to address both financial and non-financial sustainability-related risks and opportunities (“**SROs**”). This includes identifying, assessing, and mitigating sustainability-linked risks across our operations, while also recognising opportunities that can drive innovation, resilience, and long-term value creation. Through the embedment of sustainability into our risk oversight processes, the RMC can ensure that our strategic decisions are aligned not only with current business priorities, but also with the Group’s long-term sustainability goals.

The table below outlines the financial and non-financial SROs that could reasonably be expected to affect the Group’s long-term prospects, resilience, and success:

Sustainability Topic: Economic	
<b>Risks</b> <p>Economic volatility, fluctuating commodity prices, and evolving market dynamics pose potential challenges to A-Rank’s operational and financial performance. In addition, rising energy costs, supply chain disruptions, and global inflationary pressures may increase production costs and impact margins. The growing demand for sustainable and responsibly sourced materials also requires continuous investment in technology, process improvement, and workforce development to maintain competitiveness.</p> <p>Failure to adapt to these shifting market dynamics and regulatory developments could lead to cost inefficiencies, reduced profitability, and reputational risk. The Group recognises that effective cost management, operational agility, and innovation are key to mitigating these economic risks while sustaining long-term business resilience.</p>	<b>Opportunities</b> <p>A-Rank’s financial discipline, operational efficiency, and focus on sustainable innovation provide a solid foundation for future growth. By investing in advanced manufacturing technologies and process optimisation, the Group continues to improve productivity and cost efficiency, enabling it to remain competitive in a challenging market environment.</p> <p>The Group also views sustainability as a driver of economic value. By adopting circular economy practices, strengthening supply chain resilience, and exploring renewable energy solutions such as solar power, A-Rank positions itself to reduce long-term operating costs and enhance energy security.</p> <p>Additionally, ongoing employee upskilling and automation initiatives contribute to higher efficiency, improved quality, and the ability to capture new market opportunities driven by the global transition toward low-carbon, sustainable products.</p>
Sustainability Topic: Environmental	
<b>Risks</b> <p>Increasing pressure to strengthen environmental contributions is expected to intensify the business operating landscape, particularly as new regulatory requirements continue to emerge. In parallel, the resources required (or discretionary increases in operating expenditures) to mitigate and adapt to climate-related risks may rise over time. This includes escalating costs associated with raw materials, technological upgrades, and sustainability-driven innovations.</p>	<b>Opportunities</b> <p>A-Rank has established a set of sustainability standards and frameworks aligned with the expectations of key stakeholders and mapped to core business value drivers. These standards guide efforts to identify and close gaps in our sustainability performance.</p> <p>As part of our continuous improvement approach, the Group actively upgrades its facilities to enhance overall operational efficiency, with a particular focus on optimising the production process. This includes adopting advanced technologies to improve production flexibility, increasing machine reliability, upskilling our workforce, and managing resources more effectively.</p> <p>In parallel, the Group is exploring renewable energy solutions to reduce production costs and minimise the environmental impact associated with fossil fuel use. Our transition to solar energy reflects a strategic move to lower carbon emissions and strengthen our long-term commitment to clean, sustainable energy sources.</p>

## SUSTAINABILITY STATEMENT

### SUSTAINABILITY RISKS AND OPPORTUNITIES (CONTINUED)

The table below outlines the financial and non-financial SROs that could reasonably be expected to affect the Group's long-term prospects, resilience, and success: (continued)

Sustainability Topic: Social	
<b>Risks</b> Non-compliance with safety and health procedures can lead to a hazardous work environment, putting employees at risk of accidents, injuries, and even fire-related incidents. Such oversight not only endangers worker well-being, but may also disrupt operations and damage the Group's reputation.  Additionally, poor operational management can result in delivery delays, substandard product quality, and unsatisfactory customer service. These issues can significantly impact customer trust, reduce market competitiveness, and lead to financial losses for the Group.	<b>Opportunities</b> The Group strictly adheres to established policies, procedures, quality controls, and industry best practices to ensure that all systems and equipment operate effectively throughout business process execution. Closed-circuit television (" <b>CCTV</b> ") systems are employed to monitor production activities in real time, enhancing oversight and operational efficiency.  Continuous improvement efforts are applied to operational processes and related systems, ensuring consistency and reliability. This disciplined approach enables the Group to maintain high standards and foster strong, long-term relationships with our customers.
Sustainability Topic: Governance	
<b>Risks</b> Breaches or non-compliance with applicable laws, mandatory requirements, contracts, agreements, regulatory obligations, or internal policies can lead to significant management challenges, including legal penalties, financial fines, and reputational damage to the Group.	<b>Opportunities</b> The Group is founded on the core principles of ethics, trust, and integrity. Every employee shares the responsibility of upholding this reputation by consistently demonstrating honesty and accountability in their actions.  Each department plays a role in reinforcing this culture by ensuring proper communication of risk management practices, policies, and controls to all employees.  To maintain high standards of compliance, independent audits and reviews are conducted periodically. These assessments ensure adherence to ISO standards, the MCCG, and the Main Market Listing Requirements (" <b>MLLR</b> ").

## SUSTAINABILITY STATEMENT

## PERFORMANCE SCORECARD

We continue to advance our sustainability journey by refining the targets related to our material matters. In setting these targets, we consider industry benchmarks, stakeholder feedback, and past performance to ensure our goals remain meaningful and achievable. We will continue to establish clear and measurable objectives across all key sustainability areas going forward.

The following targets were set by the SMC in FYE 2024 and, after a thorough review, they continue to be relevant for FYE 2025:

FYE 2025 PERFORMANCE SCORECARD			
Material Matters	Targets	Performance	Strategic Plans
<b>Climate Change</b>	<b>Target: FYE 2030</b> 15% reduction in GHG emissions product intensity ratio (Scopes 1 and 2) per kg of aluminium billet produced. (Baseline: FYE 2024)  <b>Target: FYE 2050</b> Achieve carbon neutrality	FYE 2025: 0.52 kg CO <sub>2</sub> e per kg of aluminium billet produced.  FYE 2024 (Baseline): 0.46 kg CO <sub>2</sub> e per kg of aluminium billet produced.	<ul style="list-style-type: none"> <li>Conduct GHG emission calculation training.</li> <li>Improve process efficiencies and operational performance.</li> </ul>
<b>Energy</b>	<b>Target: Ongoing</b> Generate 12% of the electricity consumed annually from renewable energy sources (solar panels). (Baseline: FYE 2024)	FYE 2025: 6,258 GJ (13.2% of total electricity consumption)  FYE 2024 (Baseline): 6,442 GJ (12.0% of total electricity consumption)	<ul style="list-style-type: none"> <li>Reduce energy consumption and promote responsible usage among employees.</li> </ul>
<b>Resource Management</b>	<b>Target: FYE 2030</b> Increase the proportion of post-consumer aluminium scrap used as raw material to 15%.  <b>Target: FYE 2050</b> Increase the proportion of post-consumer aluminium scrap used as raw material to 20%. (Baseline: FYE 2024)	FYE 2025: 7.41%  FYE 2024 (Baseline): 10.96%	<ul style="list-style-type: none"> <li>Reduce reliance on virgin materials by adopting alternatives and promoting environmentally responsible practices aligned with the principles of reduce, reuse, and recycle ("3Rs").</li> <li>Foster a culture of resource efficiency and waste reduction among employees by encouraging 3R practices across all operations.</li> <li>Continuously monitor environmental performance and ensure compliance with all applicable environmental laws and regulations.</li> </ul>
	<b>Target: FYE 2030</b> Reduce the use of virgin aluminium material by 5%.	FYE 2025: 51.4%  FYE 2024 (Baseline): 52.7%	
	<b>Target: FYE 2050</b> Reduce the use of virgin aluminium material by 10%. (Baseline: FYE 2024)		

## SUSTAINABILITY STATEMENT

### PERFORMANCE SCORECARD (CONTINUED)

The following targets were set by the SMC in FYE 2024 and, after thorough review, continue to be relevant for FYE 2025: (continued)

FYE 2025 PERFORMANCE SCORECARD			
Material Matters	Targets	Performance	Strategic Plans
Safety and Health	<b>Target: Ongoing</b> Maintain zero workplace fatalities.	FYE 2025: Zero cases  FYE 2024: Zero cases	<ul style="list-style-type: none"> <li>Enhance the safety management framework to ensure a proactive approach to workplace safety.</li> <li>Strengthen two-way communication between Management and employees on safety matters.</li> <li>Improve and expand safety and health training programmes across all levels of the organisation.</li> <li>Ensure consistent implementation of safety and health protocols across all operations.</li> <li>Maintain accurate and accessible work-related injury records.</li> </ul>
	<b>Target: FYE 2030</b> Reduce the Lost Time Incident Rate ("LTIR") by 0.2 to achieve a target rate of 1.28. (Baseline: FYE 2024)	FYE 2025: 0.93  FYE 2024 (Baseline): 1.48	
Employee Welfare	<b>Target: Ongoing</b> Achieve zero complaints related to discrimination, harassment, violence, forced labour, and child labour in the workplace.	FYE 2025: Zero complaints  FYE 2024: Zero complaints	<ul style="list-style-type: none"> <li>Practise zero tolerance for labour rights violations.</li> <li>Continuously upskill our workforce.</li> <li>Foster high employee morale.</li> <li>Promote safe and healthy communities.</li> <li>Enhance human rights integration through updated policies.</li> </ul>
Business Ethics and Corporate Governance	<b>Target: Ongoing</b> Zero cases of bribery and corruption.	FYE 2025: Zero cases  FYE 2024: Zero cases	<ul style="list-style-type: none"> <li>Maintain the highest standards of corporate governance and ethical business conduct.</li> <li>Uphold zero tolerance for fraud, bribery, and corruption.</li> </ul>
Customer Satisfaction	<b>Target: Ongoing</b> Maintain a satisfaction score of above 80% in our annual customer satisfaction surveys.	FYE 2025: 89.8%  FYE 2024: 87.6%	<ul style="list-style-type: none"> <li>Continuously collect and analyse customer feedback to identify areas for improvement and enhance the customer experience.</li> <li>Implement targeted improvements based on survey insights, ensuring customer concerns are addressed promptly.</li> <li>Foster strong relationships with customers by offering exceptional service and product support.</li> <li>Regularly review and refine internal processes to ensure quality standards are consistently met.</li> </ul>

SUSTAINABILITY STATEMENT

MANAGEMENT APPROACH FOR MATERIAL MATTERS

Effectively managing material sustainability matters reflects our conviction that lasting success depends on our ability to adapt, evolve, and align our objectives with the wider goals of social and environmental well-being.

By aligning our actions with stakeholder expectations as well as national and international agendas, we strengthen the Group’s long-term resilience and relevance. This proactive approach enables us to create sustainable value for both our business and stakeholders, while positioning us to make a meaningful contribution to the achievement of the SDGs. The following discussion details our management approach to material matters, offering a clearer view of how we address key sustainability issues across each area.

ECONOMIC

A-Rank remains committed to driving sustainable economic growth by strengthening its financial performance, diversifying its business portfolio, and creating long-term value for stakeholders. As a key player in the aluminium value chain, our business places us in a prominent position to support essential industries such as construction, transportation, and manufacturing.

The Group’s focus on operational efficiency, technological innovation, and responsible cost management ensures continued resilience amid evolving market dynamics. By expanding our product range and exploring new business opportunities, A-Rank reduces dependency on single revenue streams while enhancing competitiveness. At the same time, the Group prioritises local employment and talent development, contributing to community well-being and economic empowerment. Through these initiatives, we support national development priorities and advance global sustainability aims in line with SDGs 8, 9, 10, and 12.

Economic Material Matters	SDGs
MM1: Economic Performance MM2: Business Diversity MM3: Local Employment	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</div><div>10 REDUCED INEQUALITIES</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>

MM1: Economic Performance

Strong economic performance is a cornerstone of sustainable development and plays a pivotal role in driving positive change. At A-Rank, we recognise that economic growth is not only a measure of our business success, but also a vital resource for advancing environmental protection, improving living standards, alleviating poverty, and enhancing the well-being of our stakeholders. Fostering economic growth that balances environmental responsibility and social equity enables us to contribute meaningfully to SDG 8, which promotes sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

As the largest supplier of secondary aluminium extrusion billets and a leading aluminium remelt plant in Malaysia, A-Rank is a key player in the aluminium industry. We are also one of Asia’s foremost suppliers of secondary aluminium extrusion billets. Our operations extend beyond Malaysia, with exports reaching regions including Southeast Asia, South Asia, Africa, East Asia and Europe.

## SUSTAINABILITY STATEMENT

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

#### ECONOMIC (CONTINUED)

##### MM1: Economic Performance (continued)

Our commitment to business development and operational excellence creates direct financial and economic benefits for our stakeholders, including employees, customers, and suppliers. Moreover, we actively contribute to the economic growth of the countries in which we operate, support national development goals while enhancing the value we provide to our communities.

Economic Performance (RM'000)			
	FYE 2025	FYE 2024	FYE 2023
Economic value generated	580,159	713,920	647,379
Economic value distributed	567,446	697,898	633,653
Economic value retained	12,713	16,021	13,727
Tax paid	3,529	2,841	4,090
Dividend	4,469	4,469	4,912
Employee wages	15,443	17,072	13,294

##### Indirect Economic Performance

Our supply chain is a critical driver of our indirect economic performance, playing a central role in fostering sustainable development within the regions where we operate. Giving priority to local products and services not only supports the growth of local businesses, but also creates jobs and stimulates economic activity within the communities we serve.

This approach helps retain economic value within our local economies, ensuring that the benefits of our operations are shared more widely and supporting the development of a resilient, diverse business ecosystem. By investing in local suppliers, we enhance the overall economic landscape, promote innovation, and strengthen the fabric of the communities that contribute to our success. Our commitment to local sourcing also reduces the environmental footprint of our supply chain, as it reduces the need for long-distance transportation and supports more sustainable practices.

In addition to the direct economic benefits, our local sourcing strategy also strengthens relationships with suppliers, creating a more robust and responsive supply chain. This not only helps mitigate risks associated with global supply chain disruptions, but also empowers our partners to grow alongside us, benefiting from shared success.

Proportion of Spending on Local Suppliers (RM'000)			
Period	Total Amount of Spending on All Suppliers	Total Amount Spent on Local Suppliers	Proportion of Spending on Local Suppliers
FYE 2025	554,986	119,062	21.45%
FYE 2024	664,012	121,675	18.32%
FYE 2023	641,520	163,726	25.52%

##### MM2: Business Diversity

Business diversification is a fundamental strategy for enhancing long-term growth and stability. By expanding into different markets and product sectors, we mitigate the risks tied to any single market, thereby increasing our resilience and ensuring sustainable development.



SUSTAINABILITY STATEMENT

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

ECONOMIC (CONTINUED)

MM2: Business Diversity (continued)

A-Rank has traditionally focused on the manufacture and marketing of aluminium billets in Malaysia. Over the years, the Group has steadily expanded our market reach, first into South East Asia and later to South Asia, Africa, Europe, East Asia and the Middle East. This geographical expansion has allowed us to tap into new revenue streams and reduce our reliance on any single regional market.

The Group’s property segment is still in progress and is currently pending approvals from the relevant authorities before construction and sales launches can commence. As a result, it did not contribute materially to the Group’s sustainability performance during the year under review.

MM3: Local Employment

While foreign labour remains an important part of sustaining our operations, we are firmly committed to giving priority to local employment wherever feasible and to creating meaningful opportunities for Malaysians within our workforce.

Although attracting and retaining local talent can be challenging, particularly in physically demanding roles, we have continued to explore new ways of encouraging greater participation from Malaysian workers. This includes expanding recruitment initiatives, strengthening collaborations with training institutions, and creating greater awareness of the long-term career prospects available within our industry.

To complement these efforts, we also offer post-retirement employment opportunities for healthy and able employees who wish to remain in the workforce. These contractual roles provide a valuable bridge into retirement by allowing experienced workers to continue contributing to the business while maintaining an active lifestyle. In doing so, we not only benefit from their expertise and institutional knowledge, but also support Malaysia’s national agenda of addressing the challenges of an ageing population through extended workforce participation.

ENVIRONMENTAL

Our operations are firmly grounded in the pursuit of energy transition. By embracing renewable energy and advancing electrification, we steadily decrease our reliance on fossil fuels and reduce emissions. This approach not only supports the fight against global warming, but also promotes sustainable products, thereby aligning our efforts with SDGs 12 and 13.

Environmental Material Matters	SDGs
MM4: Energy MM5: Climate Change MM6: Resources and Waste Management	 

**Our Environmental Commitments**

- Continuously improving our environmental performance by preventing pollution, reducing waste through aluminium recycling and recovery, and using energy, water, and raw materials more efficiently across our operations to reduce our environmental footprint.
- Complying with all applicable environmental laws, regulations, and requirements.
- Providing tolling services and supporting customers in the use of recycled aluminium, thereby reducing reliance on virgin raw materials.
- Utilising natural gas as a cleaner energy source to reduce process-related emissions.
- Implementing, maintaining, and monitoring air pollution control systems, as well as managing waste generated in production processes responsibly.
- Educating and raising employee awareness on the importance and value of protecting the environment.
- Communicating our environmental commitments and objectives to employees, stakeholders, and the public.

## SUSTAINABILITY STATEMENT

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

#### ENVIRONMENTAL (CONTINUED)

##### Product Carbon Footprint

In FYE 2025, we continued to build on the foundation laid in FYE 2024 by further refining our product carbon footprint (“PCF”) assessment process. Following last year’s comprehensive PCF evaluation, including the Life Cycle Assessment (“LCA”) and the product and organisational carbon footprint analysis, we have focused on implementing practical steps to reduce our environmental impact. Our efforts are centred on optimising processes to further lower greenhouse gas emissions across product life cycles, from raw material extraction to end-of-life stages.

In line with the results of the LCA, we have integrated eco-design principles more effectively into our product development cycle. This year, we focused on identifying additional opportunities to reduce emissions in areas highlighted by the assessment, such as manufacturing and distribution. We also continued to invest in training, with our teams gaining deeper insights into applying the LCA results to future product improvements. These initiatives are part of our ongoing commitment to sustainability, helping us refine our green practices and explore further opportunities for eco-labelling as we work to build a more sustainable future.

In FYE 2025, our investment in solar power resulted in the generation of 6,258 GJ of energy, leading to a reduction of 2,569.4 tCO<sub>2</sub>e in carbon emissions within the year. This generated amount accounted for 13.2% of the Group’s total electricity consumption for the year, exceeding our ongoing target of 12%. Additionally, our commitment to the circular economy was reinforced through the installation of a scrap segregator machine, which enabled us to recover 5,199 metric tonnes of post-consumer scrap, further advancing our sustainability efforts during the financial year.

##### MM4: Energy

Energy consumption remains a significant challenge for all aluminium producers, with the sector’s energy-intensive nature making it vulnerable to risks such as fluctuating energy prices, dependence on fossil fuels, and the potential for stricter energy regulations. In addressing these challenges, we have undertaken a range of initiatives focused on reducing our reliance on fossil fuels and enhancing energy efficiency throughout our operations.

##### Energy Management and Energy Efficiency

To enhance the Group’s energy use, we have in place a dedicated electricity management team that is focused on optimising our energy consumption. The installation of real-time detection devices in our homogeneous furnaces has enabled A-Rank to monitor energy usage more accurately, enabling better furnace management and optimising power consumption.

The majority of our energy consumption is concentrated in the melting and homogenising processes. To address this, we have invested in advanced technologies targeting these energy-intensive operations. Our high-capacity melting furnaces feature heat-regenerating burners that recycle waste heat, reducing our overall energy needs. Additionally, our hydraulically tilting holding furnace ensures precise control of melt temperature, improving energy efficiency, product quality, and operational productivity concomitantly.

##### Renewable Energy

In FYE 2025, we continued our commitment to renewable energy by optimising the performance of our solar photovoltaic system. The 1.4 MWp of rooftop solar panels installed in May 2023 under the New Energy Metering (“NEM”) scheme has continued to contribute to our renewable energy goals, providing a sustainable source of power for our operations. To date, the system has cumulatively generated 4,122 MWh of energy, resulting in a reduction of 3,152 tonnes of CO<sub>2</sub> emissions.

## SUSTAINABILITY STATEMENT

## MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

## ENVIRONMENTAL (CONTINUED)

## Renewable Energy (continued)

Aside from the energy inputs listed in the table below, we do not utilise other sources like coal in our operations.

Total Energy Consumption, SASB: EM-IS-130a.1, EM-IS-130a.2, FTSE ECC15								
Period	Total Non-Renewable Energy			Total Renewable Energy	Total Energy Consumption (GJ)	Percentage of Renewable Energy Input	Percentage of Natural Gas	Total Energy Input (Megawatts) <sup>2</sup>
	Electricity (GJ)	Fuel (Petrol and Diesel) (GJ)	Natural Gas (GJ)	Solar (GJ)				
FYE 2025	41,078	8,447	499,556	6,258	555,339	1.13%	90.0%	154,261
FYE 2024	45,014	8,510	526,496	6,442	586,461	1.10%	89.8%	162,906
FYE 2023	43,963	7,406	489,322	2,137 <sup>1</sup>	542,828	0.39%	90.1%	150,786

## Notes:

<sup>1</sup> May to July 2023

<sup>2</sup> Rate of conversion is 1 GJ = 0.277778 MW

## MM5: Climate Change

FYE 2025 has marked significant progress for the Group in advancing our sustainability goals. Building on the success of FYE 2024, we have continued to strengthen our efforts in managing GHG emissions. In the past year, our team remained committed to further enhancing our understanding of GHG emissions and their environmental impact. We have continued to utilise the GHG calculation tool to accurately track and report our emissions, ensuring more precise and transparent disclosure of our GHG emissions.

Additionally, we have expanded our efforts to identify key sources of emissions across our operations, taking proactive measures to reduce our carbon footprint in alignment with Malaysia's Global Nationally Determined Contributions ("NDC") to combat climate change. Our ongoing investments in sustainability tools and training for key personnel are driving us closer to our established targets, reinforcing our commitment to reduce our environmental impact and contributing to global climate action.

Our climate change strategy is two-pronged: firstly, we aim to reduce our reliance on fossil fuels, directly lowering our CO<sub>2</sub> emissions. Secondly, we are strengthening our resilience to climate risks. To support this strategy, we have established a dedicated governance structure for climate change, with our SMC overseeing the evaluation of financial impacts, risks, and opportunities. The Group plans to disclose organisational scenarios that assess increased physical climate-related risks and various climate-related probabilities, ensuring both our contribution to climate action and the long-term resilience of our operations.

## SUSTAINABILITY STATEMENT

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

#### ENVIRONMENTAL (CONTINUED)

GHG Emissions (tCO <sub>2</sub> e), SASB: EM-IS-110a.1, FTSE ECC14				
Period	Scope 1	Scope 2	Scope 3	Total
FYE 2025	28,321.94	8,831.69	97.69	37,251.32
FYE 2024	29,447.30	9,478.05	92.99	39,018.34
FYE 2023	27,973.61	9,256.66	Not available	37,230.27

#### Notes:

Scope 1: Direct GHG emissions from facilities owned and controlled by the Group, including fuel use  
 Scope 2: Indirect GHG emissions from purchased electricity or electricity from the grid  
 Scope 3: GHG emissions resulting from employee commuting and business travel activities

#### Emission Factors:

Scope 1: IPCC 2006 and DEFRA Condensed Set 2023  
 Scope 2: SIRIM Electricity Emission Factors  
 Scope 3: DEFRA Condensed Set 2023

A-Rank's Scope 1 emissions primarily originate from the combustion of natural gas used in its melting and casting processes, which are central to its production operations. Additional emissions stem from the fuel consumed by material handling equipment such as forklifts and transport vehicles within the facility.

To address these direct emissions, we have implemented and planned several key initiatives aimed at improving energy efficiency and operational performance:

- **Energy Efficiency Upgrades:** The Group is modernising its furnaces with models that offer higher thermal efficiency, reducing the amount of natural gas required for melting operations. Existing motors are being upgraded to inverter-type systems that allow for variable speed control and improved energy use. Enhanced insulation and automatic temperature control systems are also being installed to optimise combustion efficiency and reduce heat losses during production.
- **Process Optimisation:** By improving casting accuracy and increasing scrap recovery rates, A-Rank aims to minimise the need for re-melting cycles. This optimisation directly lowers fuel consumption per tonne of output, resulting in both cost and emission reductions.
- **Preventive Maintenance:** A structured preventive maintenance programme ensures regular inspection and servicing of furnaces, combustion systems, and transport vehicles. This proactive approach helps detect and address issues such as fuel leaks, incomplete combustion, and unnecessary idling, thereby improving fuel efficiency and lowering emissions.
- **Employee Awareness and Training:** A-Rank also recognises the importance of cultivating an energy-conscious workforce. Targeted training sessions are conducted to promote energy-saving practices in daily operations, ensuring that employees actively contribute to emission reduction efforts.

#### Risk Management

The Group's Risk Register includes a dedicated focus on climate change, outlining potential risks and opportunities that could affect A-Rank's operations and strategic direction. Changes in policies, market trends, and technological advancements have the potential to impact revenue streams and influence both operating and capital expenditure decisions. These factors could drive key actions, such as acquiring or divesting assets, investing in new technologies, or making strategic moves regarding land and facilities, depending on how the Group responds to identified climate-related challenges.

At the time of this writing, the European Union ("EU") is preparing to fully implement the Carbon Border Adjustment Mechanism ("CBAM"), the world's first large-scale border tax which will impose costs on carbon-intensive goods such as aluminium. Under the terms of this policy, importers bringing these goods into the EU are required to purchase CBAM certificates to cover their associated emissions, with the cost of these certificates expected to align with the EU Emissions Trading System market price.

## SUSTAINABILITY STATEMENT

## MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

## ENVIRONMENTAL (CONTINUED)

## Risk Management (Continued)

As part of the metals sector – one of the “hard-to-abate” industries – A-Rank recognises its exposure to energy-intensive production processes and the growing regulatory and market pressures to decarbonise. In response, the Group continues to invest in initiatives that drive operational efficiency, enhance productivity, and strengthen long-term competitiveness. These investments include upgrading our existing machinery and equipment, adopting advanced process technologies, and optimising resource utilisation to minimise waste and energy consumption. These measures are critical not only for environmental stewardship, but also for maintaining our long-term competitiveness in light of evolving global trade policies.

Climate Change Risks	Potential Financial Impacts
<p>Our Transition Risks are listed below:</p> <p><b>Policy and Legal Risks</b> refer to potential legal and liability challenges arising from changes in regulatory frameworks and environmental laws.</p> <p><b>Technology Risk</b> involves the costs associated with transitioning to lower-emission and energy-efficient technologies, which may require significant investment.</p> <p><b>Market Risk</b> pertains to shifts in client preferences towards eco-friendly products, which could impact demand and revenue.</p> <p><b>Reputational Risk</b> arises from increased stakeholder concern and potential damage to A-Rank's reputation if it fails to take meaningful action on climate change.</p> <p><b>Physical Risks</b> are divided into Acute and Chronic Risks:</p> <ul style="list-style-type: none"> <li>Acute Risks include extreme weather events such as flooding, droughts, and other sudden climate-related disruptions.</li> <li>Chronic Risks involve longer-term changes in climate patterns, such as altered precipitation levels, shifting weather patterns, and rising temperatures, which may affect operations over time.</li> </ul>	<p>The first half of A-Rank's transition risks is linked to the interrelated impacts of policy and legal changes. Malaysia has set its Nationally Determined Contribution target to reduce GHG emissions and combat climate change. To meet this target, the government is implementing new policies and strategies across various sectors, requiring businesses to adapt to new regulations, invest in cleaner technologies, and retrain their workforce.</p> <p>As a trading nation and an oil-producing country, navigating these transition risks requires a strategic and coordinated response. Policy, regulatory, technological, and market shifts are expected to significantly impact Malaysia's economy, where an estimated 20–30% of national output relies on sectors such as oil and gas, power generation, metals, and mining, all of which are exposed to transition risks. These developments will drive investments in innovative technologies, processes, and systems aimed at reducing embodied carbon and enhancing overall environmental performance.</p> <p>Certainly, climate change represents one of the world's most significant business challenges, with consumers increasingly demanding transparency in sustainability practices and more eco-friendly products and services. If the Group fails to become climate-ready, we risk falling behind competitors and losing out on the growing market of climate-conscious customers.</p> <p>The second half of our Transition Risks is related to Physical Risk, which includes increased operational costs due to extreme weather events, supply delays, and infrastructure damage. The rising frequency of natural disasters, such as floods, storms, and droughts, can disrupt operations, damage assets, and incur significant financial losses. These events present business interruption risks that could affect the Group's ability to maintain operations and serve customers, highlighting the need for resilient infrastructure and risk mitigation strategies.</p>

## SUSTAINABILITY STATEMENT

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

#### ENVIRONMENTAL (CONTINUED)

##### Risk Management (Continued)

Climate Change Opportunities	Potential Financial Impacts
<p>Adopting efficient solutions can significantly reduce energy consumption and resource wastage, while helping eliminate inefficiencies across operations. Renewable energy sources offer a diverse range of opportunities to power operations sustainably and reduce reliance on traditional energy supplies. Additionally, embracing eco-friendly products and lowering operational emissions can open access to new markets. Achieving green product certification will further enhance the Group's visibility, attract a broader client base, and reinforce our commitment to sustainability.</p> <p>With growing demand for sustainable building practices, eco-friendly engineering solutions, and greener industrial products, the Group is focusing on incorporating lower-emission technologies and capitalising on government funding initiatives. These include green financing mechanisms, sustainability-linked loans, and other environmentally focused investment instruments that are becoming increasingly accessible. Leveraging such financial solutions will enable the Group to fund sustainability initiatives more effectively, accelerate the adoption of cleaner technologies, and strengthen long-term financial resilience while aligning business.</p>	<p>The introduction of new technology often disrupts existing systems and can have significant impacts, such as the failure of newly adopted technologies, leading to loss of investment, challenges in sourcing or developing low-carbon solutions, and the need to overhaul existing workflows, which may cause operational disruptions.</p> <p>A key initiative in our transition towards sustainability is the shift to solar energy. This transition will reduce A-Rank's reliance on fossil fuels, while simultaneously reinforcing our commitment to renewable energy sources. Furthermore, government incentives for renewable energy can help offset the initial costs of solar installations and payments to public utility companies.</p> <p>In addition to this, we have made concerted efforts to improve efficiency both internally and externally, working closely with customers and suppliers who share our commitment to tackling climate change. This collaborative approach ensures that our sustainability goals are aligned across our value chain.</p>

#### MM6: Resources and Waste Management

A-Rank is committed to responsible resource stewardship, focusing on maximising the benefits of aluminium scrap recycling while minimising waste and ensuring sustainable management of all resources. Our commitment to sustainability is reflected in a series of ongoing initiatives designed to optimise resource use, improve efficiency, and reduce environmental impact. These initiatives include:

- **Investing in advanced technologies:** We have implemented state-of-the-art magnetic stirrers in our melting process to enhance melting speed and stabilise heat distribution. This not only improves the efficiency of the melting process, but also optimises the recovery of aluminium, reducing material loss and energy consumption.
- **Utilising clean and dry aluminium scrap:** By ensuring that only clean and dry aluminium scrap is charged into our melting furnaces, we reduce the risk of contamination and improve the quality and efficiency of the melting process. This approach supports our goal of maximising recycling rates and minimising the need for virgin materials.
- **Improving casting productivity:** Through continuous process improvements, we have been able to reduce rejection rates in casting, enhancing overall productivity. Lower rejection rates translate into less waste and better resource utilisation, helping us maintain high standards of product quality and sustainability.
- **Recycling waste materials:** We have introduced a programme to recycle work gloves, further reducing our reliance on single-use materials. By recycling items that would otherwise contribute to waste, we are actively reducing our environmental footprint and supporting the circular economy within our operations.



## SUSTAINABILITY STATEMENT

## MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

## ENVIRONMENTAL (CONTINUED)

## Resources Management

*Optimising Natural Resource Use*

Effective resource management is vital to optimise the use of natural resources in a sustainable way, ensuring that we not only meet current needs, but also preserve resources for future generations. Aluminium, due to its outstanding recyclability, is a key material in promoting sustainable solutions across industries. By fully leveraging this property and incorporating technological innovations, A-Rank is helping communities reduce resource consumption and minimise environmental impact.

*Sustainable Sourcing and Recycling of Aluminium*

Our resource management strategy involves sourcing both pre- and post-consumer aluminium scrap from a range of suppliers, including the open market, clients, and business partners. Scrap is carefully collected, sorted, and remelted to be integrated into our manufacturing processes. By using these recycled materials, we reduce the need for virgin aluminium and limit waste generation, fostering a more sustainable production cycle.

*Dross Recovery and Closed-Loop Processing*

In addition, we have implemented robust internal processes for dross recovery. Aluminium dross, a by-product of the melting process, is first processed internally using a stirring technique to extract aluminium-rich particles for remelting. The remaining dross is then sent to licensed external contractors for further processing. This closed-loop approach ensures aluminium recovery is maximised and waste is kept to a minimum.

*Performance and Impact*

In FYE 2025, we successfully recycled 34,082 metric tonnes of pre- and post-consumer aluminium, transforming it into high-quality aluminium billets. This achievement reflects our continued progress in advancing resource efficiency, reducing environmental impact, and contributing meaningfully to the circular economy.

## Circular Economy

The Group's commitment to resource management is inherent in the principles of a circular economy. By reducing our reliance on virgin materials, rethinking product designs to maximise resource efficiency, and recovering waste as valuable resources, we are taking proactive steps towards a more sustainable future. Our focus is on minimising virgin material usage and enhancing the value of materials at every stage of the production and consumption cycle.

**Recycling of Post-Consumer Aluminium:** A significant portion of our raw materials continues to be derived from post-consumer aluminium, obtained through partnerships with licensed recycling companies. Recovered aluminium scrap is carefully processed and remelted into high-quality billets that meet stringent product specifications, thereby closing the material loop within the aluminium value chain. In FYE 2025, recycled materials represented 48.59% of our total raw material consumption, equivalent to 34,082 metric tonnes. Of this total, 7.41%, or 5,199 metric tonnes, originated from post-consumer aluminium scrap. This reflects our continued commitment to advancing circular-economy principles and reducing our dependency on primary aluminium sources. The decrease from FYE 2024's 10.96% was primarily due to a reduction in overall production volume during the year, which affected the sourcing and utilisation of post-consumer scrap.

Looking ahead, we have set a long-term target to increase post-consumer aluminium scrap utilisation to 15% by FYE 2030. Key initiatives to achieve this include:

- Expanding partnerships with domestic and regional recycling facilities.
- Investing in improved sorting and segregation systems to increase the recovery of post-consumer materials.
- Conducting technical studies on melt-loss optimisation to maximise recovery yield from recycled inputs.

## SUSTAINABILITY STATEMENT

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

#### ENVIRONMENTAL (CONTINUED)

##### Resources Management (continued)

Through these ongoing initiatives, the Group aims to reinforce its role in promoting a resource-efficient, low-carbon circular economy across the aluminium industry.

**Recycling General Waste Items:** In conjunction with World Environment Day, the Group organised a Recycling Day on 31 May 2025. The event saw the participation of over 50 employees, who collectively donated 810 kg of recyclable waste, including paper and cardboard, glass bottles, plastic containers, metal cans, and old clothes. All collected items were sent to a licensed recycling collector for proper processing. As part of the same initiative, the Group also launched a "Switch Off" campaign, turning off office lights from 9:00 a.m. to 1:00 p.m. to further promote energy conservation and reduce our environmental footprint.



**Technological Investments:** To optimise the use of recycled post-consumer aluminium, A-Rank made strategic investments in advanced technology, including a segregator machine and a dedicated sorting facility. Often, recycled aluminium contains impurities that increase the production of aluminium dross, a by-product that can be harmful. By using the segregator machine, we effectively reduce impurities, making it easier to incorporate more post-consumer scrap into our production. Our cumulative investment in these technologies totals approximately RM10.3 million, demonstrating our commitment to innovation and sustainability.

Total Weight or Volume of Materials that are Used to Produce and Package Products and Services (Metric Ton)			
Type of Materials	FYE 2025	FYE 2024	FYE 2023
Raw materials	70,139	83,163	76,625
Associated process materials	–	–	–
Semi-manufactured goods or parts	–	–	–
Packaging	723	779	770
<b>Total Weight</b>	<b>70,862</b>	<b>83,942</b>	<b>77,395</b>

Total Input Materials (Metric Ton)			
Type of Materials	FYE 2025	FYE 2024	FYE 2023
Recycled materials used	34,082	39,292	33,167
Non-recycled materials used	36,056	43,871	43,458
<b>Total Input Materials</b>	<b>70,138</b>	<b>83,163</b>	<b>76,625</b>
% of recycled materials used	48.60%	47.30%	43.30%
% of non-recycled materials used	51.40%	52.70%	56.70%

## SUSTAINABILITY STATEMENT

## MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

## ENVIRONMENTAL (CONTINUED)

## Waste Management

*Responsible Waste Handling and Disposal*

At A-Rank, we prioritise responsible waste management by implementing rigorous procedures to monitor, segregate, and safely dispose of scheduled waste, including aluminium dross, contaminated gloves, and other industrial by-products. These materials are carefully handled and processed through licensed contractors who specialise in recycling, recovery, or appropriate landfill disposal, ensuring compliance with regulatory standards and minimising environmental impact.

As the Group's production processes do not involve the use of chemicals or substances classified as hazardous under applicable environmental regulations, no hazardous waste is generated. All waste from operations is managed in accordance with local waste management requirements, reflecting our commitment to environmental responsibility, regulatory compliance, and operational sustainability.

*Recycling and Circular Economy Practices*

As part of our commitment to a circular economy, A-Rank has taken proactive steps to recycle gloves contaminated with oil and grease, which would otherwise be unsuitable for direct landfill disposal. Instead of discarding these items, we collaborate with a specialised recycling company that cleans and reprocesses the gloves. Once cleaned, the gloves are returned to our operations, extending their lifecycle and reducing waste.

*Contractor Engagement and Resource Recovery*

Our waste management policy mandates the selection of contractors who add value to our sustainability efforts, ensuring that all waste materials are processed in a way that maximises resource recovery. We work closely with licensed waste collectors to process materials such as used oil, solvents, and aluminium dross. These materials are refined and repurposed into new products, contributing to the reduction of waste and the promotion of a more sustainable circular economy.

Total Waste Generated (Metric Tonnes), SASB: EM-IS-150a.1; FTSE EPR24, EPR25 and EPR26				
Period	Recycled (Diverted from Disposal)	Non-recycled (Diverted from Disposal)	Total Waste Generated	Percentage of Waste Recycled vs. Generated
FYE 2025	3,108	112	3,220	96.52%
FYE 2024	3,283	227	3,510	93.53%
FYE 2023	3,083	108	3,191	96.62%

## Water Recycle and Reuse

Water plays a crucial role in our operations, primarily used in the cooling system during the aluminium billet casting process. To optimise water usage and minimise environmental impact, A-Rank has implemented a closed-loop cooling system that collects heated water in a holding tank, allows it to cool naturally, and recirculates it for reuse in subsequent cycles. While the exact volume of recycled water is difficult to quantify, this process significantly reduces freshwater intake and discharge. By reusing water within this system, we not only conserve this vital resource, but also prevent the contamination of nearby water sources.

In addition to our cooling water system, we are exploring further opportunities for water recycling and reuse across other areas of our operations.

## SUSTAINABILITY STATEMENT

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

#### ENVIRONMENTAL (CONTINUED)

##### Waste Management (continued)

Total Volume of Water Used (m <sup>3</sup> ), SASB: EM-IS-140a.1, FTSE EPR10				
Period	Groundwater	Municipal Potable Water	Total Volume of Water Used	Water Discharge Data or Effluents FTSE EPR10
FYE 2025	179,472	38,112	217,584	0
FYE 2024	94,935	11,625	106,560	0
FYE 2023	87,746	5,749	93,495	0

FYE 2025 Environmental Training		
Training Topics	Total Hours	Number of Attendees
Optimising Scheduled Waste Management with Lifecycle Approach	28 hours	2

The Group plans to progressively extend more such sustainability-related training to all employees to enhance awareness and embed sustainability practices across the organisation.

#### Biodiversity

A-Rank's principal operations focus on the manufacturing and marketing of aluminium billets. While our activities do not directly contribute to biodiversity loss – as we are not involved in the exploration or extraction of metals and minerals – we recognise the importance of responsible environmental stewardship. Our operations are not situated near protected areas or biodiversity hotspots; however, we remain mindful of the broader environmental impact of our activities.

As part of our ongoing commitment to sustainability, we actively work to reduce our impact on the environment by optimising resource consumption. This includes striving to minimise the use of virgin materials through continuous improvements in material efficiency, as well as maximising recycling and recovery during the aluminium production process. By focusing on these areas, we aim to contribute to the conservation of resources, reduce waste, and promote a circular economy, aligning our business practices with global sustainability goals.

#### Environmental Compliance

A-Rank is dedicated to maintaining compliance with all applicable environmental laws and regulations. We operate in strict accordance with the relevant legal frameworks, ensuring that our activities are conducted responsibly and in an environmentally sound manner.

Our commitment to environmental compliance is reinforced by a thorough understanding of and adherence to key regulations, including:

- **Environmental Quality Act 1974:** This foundational legislation governs the control of pollution and the protection of the environment in Malaysia.
- **Environmental Quality (Clean Air) Regulations 2014:** These regulations set standards for air quality and emissions, ensuring that our operations do not contribute to air pollution.
- **Environmental Quality (Scheduled Wastes) Regulations 2005:** These regulations address the management and disposal of scheduled wastes, such as hazardous materials generated during the production process.

We continually monitor and review our operations to ensure full compliance with these regulations and other relevant environmental standards. In addition to adhering to legal requirements, we proactively adopt best practices in environmental management to minimise our ecological footprint and contribute positively to the communities in which we operate.







## SUSTAINABILITY STATEMENT

## MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

## SOCIAL

At A-Rank, our social sustainability efforts are centred around seven (7) key, interconnected issues that have a direct impact on both our Group and our stakeholders. Our commitment to social sustainability is reflected in our investment in targeted initiatives that aim to address these issues while creating shared value for both our business and the wider community.

Furthermore, we understand that addressing social challenges requires collaboration. As such, we work closely with a diverse range of stakeholders from employees, customers, suppliers to members of the local communities to co-create solutions that foster mutual growth and resilience. These partnerships not only enable us to enhance our social responsibility efforts, but also contribute to building more sustainable and thriving communities.

Social Material Matters	SDGs
<b>MM7:</b> Safety and Health <b>MM8:</b> Employee Welfare <b>MM9:</b> Training <b>MM10:</b> Customer Satisfaction <b>MM11:</b> Product Quality <b>MM12:</b> Supplier Responsibility <b>MM13:</b> Corporate Social Responsibility	     

## MM7: Safety and Health

## Our Safety and Health Commitments

- Complying with all relevant laws, regulations, and industry standards, including the Occupational Safety and Health Act 1994 and its Amendment 2022, while striving towards a zero-accident workplace.
- Promoting a strong safety culture by providing training, guidance, and supervision to ensure all employees act responsibly and remain aware of health and safety practices.
- Systematically identifying hazards and assessing, eliminating, or controlling risks to prevent injury, ill health, property damage, and environmental harm.
- Investigating and learning from incidents, near misses, and occupational illnesses to prevent recurrence and enhance resilience.
- Providing appropriate welfare facilities and safe systems of work to support the well-being of all employees.
- Consulting and engaging employees at every level to achieve safety and health objectives through cooperation, communication, and teamwork.
- Continuously improving our safety and health management systems and performance by identifying and reducing workplace risks, enhancing safe work practices, and embedding a culture of prevention and care across all operations.

At A-Rank, the safety, health, and well-being of our employees – especially those working in high-risk environments – are our top priority. This commitment is deeply embedded in our operations and is formalised through a comprehensive Sustainability Policy, which focuses on key areas to safeguard our workforce and ensure a safe, responsible, and supportive workplace.

## SUSTAINABILITY STATEMENT

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

#### SOCIAL (CONTINUED)

- **Ensuring a Safe and Healthy Workplace:** We prioritise the safety of our employees by providing the necessary safety equipment like ear plugs, helmets, safety shoes, eye goggles, mask and gloves, ensuring that all workspaces are regularly evaluated for potential hazards. Our focus is on maintaining a work environment where employees feel secure and supported. The facilities are under 24-hour security camera surveillance, and all employees are required to observe safe work practices as well as identify and report any potential unsafe conditions and operations to the Safety and Health Committee to ensure timely response and control.
- **Conducting Regular Safety and Health Risk Assessments:** To stay ahead of potential risks, we conduct thorough assessments across all operations. These evaluations help us identify and address safety concerns proactively, ensuring that our processes are continually improved to meet the highest safety standards.
- **Fostering a Safety Culture Across Stakeholders:** Through ongoing training programmes and effective communication, we instill safety and health values in our employees, contractors, and other stakeholders. We aim to cultivate a strong safety mindset, ensuring that safety practices are understood and followed at every level.
- **Minimising Risks to Employees and Local Communities:** We take steps to not only protect our workforce, but also minimise any potential health and safety risks to the surrounding communities. Our commitment to safety extends beyond our premises, ensuring that we operate in a manner that is considerate of the local environment and public welfare.
- **Setting and Tracking Safety Goals:** We establish clear, measurable safety and health targets and closely monitor our progress. Regular tracking of our safety performance allows us to identify areas for improvement and take corrective action where necessary, ensuring ongoing improvements in our safety protocols.

#### Strengthening Safety Systems and Procedures

The Management remains committed to strengthening workplace safety, compliance, and risk management through a series of proactive measures. A standardised PPE inventory template has been introduced to systematically record all items received, issued, and remaining in stock. This structured approach enhances traceability and accountability in PPE management, ensuring that employees are consistently equipped with the appropriate safety gear. The improved record-keeping system also enables more accurate monitoring of usage patterns and inventory levels, thereby supporting continuous improvement in safety practices and resource optimisation.

In parallel, the Group's Emergency Response Procedure is undergoing a comprehensive revision to broaden its scope and strengthen emergency preparedness. The updated procedure will incorporate a clear reference to the emergency contact list maintained at the guard house, ensuring that critical information is easily accessible and that response teams can act swiftly and effectively in the event of an incident. This enhancement aims to improve coordination during emergencies, minimise potential response delays, and safeguard the well-being of employees, contractors, and visitors across all operational sites.

#### Enhancing Inspection and Risk Assessment Practices

To reinforce inspection practices, the Management is developing and implementing a comprehensive standardised safety inspection checklist. This will be integrated into the formal inspection process, supported by training and periodic reviews, to ensure inspections remain consistent, thorough, and aligned with evolving regulatory requirements.

Looking ahead, a Chemical Health Risk Assessment will be conducted to evaluate potential health risks associated with exposure to hazardous chemicals. This will include reviewing the Register of Chemicals Hazardous to Health and ensuring that Safety Data Sheets remain up to date.



## SUSTAINABILITY STATEMENT

## MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

## SOCIAL (CONTINUED)

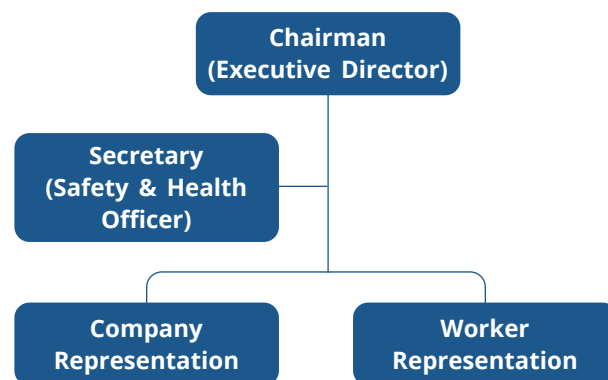
## Compliance, Documentation, and Safeguards

Further strengthening procedural compliance, the Management has introduced a standardised acknowledgment process for safety equipment distribution and ensure that all safety inspections and communications are formally documented in the Monthly Safety Reports.

Together, these initiatives reflect the Management's commitment to maintaining high standards of occupational health and safety, regulatory compliance, and risk management, while fostering a safe and resilient workplace environment.

## Safety and Health Committee

At A-Rank, the safety and health of our people remain a top priority. To uphold this, we have formed a dedicated Safety and Health Committee in compliance with the Occupational Safety and Health Regulations 1996. Chaired by our Executive Director and comprising both Management and employee representatives, the committee fosters inclusive participation across all levels of the organisation. This collaborative platform enables us to formulate safety and health rules, review their effectiveness, and analyse trends in occupational disease, risks and hazards specific to our business and operations.



## Safety and Health Risk Management

We take a systematic approach to managing safety and health risks through our risk register, which captures potential hazards, assesses their likelihood and impact, and outlines mitigation measures along with clear accountability. Our risk control efforts include targeted initiatives such as Chemical Health Risk Assessments (conducted every five years), audiometric testing (conducted yearly or when there are major changes to our facilities), fire safety measures, and structured training programmes. These initiatives are tailored to specific roles and operational areas to ensure employees are adequately equipped to manage job-related risks. Our Health and Safety Manual serves as a comprehensive guide, outlining procedures and responsibilities to maintain a safe and resilient workplace.

## Safety and Health Compliance

In FYE 2025, we upheld full compliance with all applicable safety and health legislation, reflecting our strong commitment to maintaining a safe and responsible environment for our employees. Our operations are governed by several key legal frameworks that set out the standards for workplace safety, employee protection, and machinery operation. These include:

- **Occupational Safety and Health Act 1994 (OSHA 1994)** – which outlines general duties of employers and employees in ensuring a safe workplace;
- **Occupational Safety and Health (Safety and Health Committee) Regulations 1996** – which mandate the formation and function of safety and health committees to actively manage workplace risks; and
- **Factories and Machinery (Safety, Health and Welfare) Regulations 1970** – which govern the safety of industrial equipment and ensure that machinery is maintained and operated safely.

## SUSTAINABILITY STATEMENT

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

#### SOCIAL (CONTINUED)

To ensure continuous compliance, we regularly review and update our internal policies, conduct audits, and provide training to all relevant personnel. These efforts are part of our broader safety management system, which aims not only to comply with legal requirements, but also to cultivate a proactive safety culture across the organisation. We remain committed to staying abreast of evolving regulations and best practices in occupational safety and health.

Number of Employees Trained on Safety and Health Standards, FTSE SHS13		
Period	Total Number of Employees	Total Number of Employees Trained on Safety and Health Standards
FYE 2025	207	42
FYE 2024	206	109
FYE 2023	204	0

Lost Time Incident Rate and Work-Related Fatalities, FTSE SHS38						
Period	Total Number of Hours Worked in the Reporting Period	Number of Lost Time Incidents in the Reporting Period	Lost Time Incident Rate ("LTIR") <sup>1</sup> FTSE SHS15	Number of Work-Related Fatalities, SASB EM-IS-320a.1	Total Recordable Incident Rate SASB EM-IS-320a.1	Near-Miss Frequency Rate SASB EM-IS-320a.1
FYE 2025	645,629	3	0.93	0	0	0
FYE 2024	675,293	5	1.48	0	0	0
FYE 2023	571,947	6	2.10	0	0	0

#### Notes:

- The LTIR is calculated by expressing the number of lost time incidents during the reporting period as a rate per total hours worked by all employees within the same period:  

$$LTIR = A/B \times 200,000^2$$

A: Number of lost time incidents in the reporting period  
B: Total number of hours worked in the reporting period
- The value of 200,000 represents a standardised value of the total number of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks ( $100 \times 40 \times 50 = 200,000$ ).

The Group recorded an LTIR of 0.93 in FYE 2025, an improvement from 1.48 in FYE 2024 and 2.10 in FYE 2023. While this downward trend reflects the effectiveness of the Group's safety initiatives, we remain vigilant and committed to further strengthening our health and safety practices, as we recognise that even a single incident is one too many. All reported incidents are thoroughly investigated, with findings disclosed transparently and corrective and preventive actions implemented to address root causes. This ensures continuous learning, risk reduction, and our ongoing commitment to a safer workplace.

FYE 2025 Safety and Health Training		
Training Topics	Total Hours	Number of Attendees
Safe Gas Handling and VIE Operational Training at Argon Gas Station	30	12
Maintenance Work Safety	210	30
<b>Total</b>	<b>240</b>	<b>42</b>

## SUSTAINABILITY STATEMENT

## MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

## SOCIAL (CONTINUED)

## MM8: Employee Welfare

A-Rank's employees are the driving force behind our continued growth and success. More than a business imperative, we believe that creating a workplace where people feel safe, supported, and valued is also a moral one. A positive work environment contributes to higher engagement, increased productivity, and a stronger sense of purpose across our organisation.

The Group's approach to employee well-being goes beyond meeting basic obligations. We aim to foster a culture where our people can thrive both professionally and personally, supported by fair policies, growth opportunities, and meaningful recognition.

## Fair Compensation and Holistic Benefits

A-Rank fully complies with all statutory obligations under Malaysian labour law, including the Employment Act 1955 and its related legislation. Compliance, however, is only the foundation of our commitment. We go further by ensuring that our employees are supported not only in their professional roles, but also in their financial security, health, and overall well-being. Our comprehensive benefits package is designed to recognise both individual contributions and collective achievements, reinforcing the value we place on our workforce as the driving force of the Group's success.

Our employee benefits include:

- **Medical and hospitalisation insurance** to safeguard employees and their families in times of need.
- **Contributions to the Employees Provident Fund (EPF) and the Social Security Organisation (SOCSO)**, in line with national requirements to ensure retirement security and workplace protection.
- **Comprehensive leave entitlements**, including annual leave, sick leave, marriage leave, and compassionate leave, to support work-life balance and personal responsibilities.
- **Personal accident insurance coverage**, offering additional financial protection against unforeseen incidents.
- **Monthly performance-based incentives**, rewarding employees for achieving production and sales targets.
- **Annual bonuses and performance incentives**, aligned with both individual contributions and overall organisational achievements.
- **Uniform**, fostering a sense of teamwork and pride among employees.

We also ensure that wages and benefits are not only consistent with legal requirements but fairly reflect the skills, dedication, and contributions of our employees. Remuneration decisions are made through structured, merit-based performance evaluations that prioritise equity, transparency, and accountability. This approach helps create a workplace where every employee has the opportunity to thrive, advance, and share in the long-term success of the organisation.

## Commitment to Employee Well-being

We recognise that employee well-being extends beyond statutory requirements. Our benefits framework is designed to:

- Encourage long-term financial resilience through retirement and insurance contributions.
- Promote physical and mental health by ensuring access to healthcare coverage.
- Reinforce employee motivation and engagement through incentive schemes that fairly reward performance.
- Support work-life integration with flexible leave entitlements that respect employees' personal and family commitments.

All benefits and policies are clearly outlined in our Human Resources Operating Procedures and Guidelines, which also detail employee responsibilities, company obligations, and disciplinary protocols to ensure consistency and accountability. We will continue to review and enhance our benefits package to ensure it remains competitive, relevant, and aligned with the evolving needs of our workforce.

## SUSTAINABILITY STATEMENT

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

#### SOCIAL (CONTINUED)

##### Long-Term Commitment and Employee Recognition

We take pride in recognising the contributions of our people. Our Long Service Awards programme honours employees who have shown long-term dedication and loyalty to A-Rank. At our annual dinner in January 2025, five (5) employees were recognised for ten (10) years of service and one (1) employee received the award for twenty (20) years of service — a testament to our strong employee retention culture.

In addition, the Group continues to invest in the well-being of our employees and their families. As part of our commitment to education and social responsibility, A-Rank extended support to 65 children of employees through the Educational Support Programme in February 2025, providing essential school-related items such as uniforms, shoes, and bags. This initiative is part of our efforts to ease the financial burden on families, promote access to quality education, and foster a supportive workplace community.

##### Strengthening Bonds Through Engagement

A strong and cohesive team is built on trust, shared values, and mutual respect. To foster this environment, A-Rank regularly organises team engagement initiatives such as annual dinners and milestone celebrations, cultural events such as Jamuan Hari Raya, and team-building activities to promote cross-functional collaboration.

These initiatives strengthen relationships across departments and contribute to a more inclusive, communicative, and engaged workforce.

##### Upholding Human Rights Across Our Operations

Our commitment to respecting and promoting human rights is enshrined in our Sustainability Policy, which is guided by both national legislation and international frameworks. This includes the Employment Act 1955, the United Nations Guiding Principles on Business and Human Rights, the ILO Core Conventions, and the Universal Declaration of Human Rights.

We apply this policy across our entire value chain — including employees, Management, suppliers, and partners — and uphold zero tolerance for forced labour, harassment, discrimination, and all other forms of labour rights violations. The Group also maintains a strict prohibition on child labour and is committed to respecting and promoting children's rights throughout our operations and community programmes.

In line with the Children's Rights and Business Principles, the Group remains committed to initiatives that promote the well-being and holistic development of children. In FYE 2025, A-Rank extended support to the children of our employees by providing schoolbags, uniforms, and shoes, ensuring they are well-prepared and motivated to pursue their education.

To reinforce our commitment, we have identified key areas of promotion and prohibition that guide our actions and expectations.

#### **We Promote:**

- Equal work and equal pay, ensuring fairness and inclusivity across all roles.
- Employee well-being, with a focus on health, safety, and overall quality of life.
- Unbiased recruitment and promotion practices, free from discrimination or favouritism.

#### **We Prohibit:**

- Forced labour, modern slavery, and human trafficking.
- Child labour in any form.
- The purchase and use of conflict minerals.
- Sexual harassment and all forms of workplace harassment.
- Excessive working hours that compromise employee health, safety, and dignity.
- Discriminatory practices based on race, gender, age, nationality, religious or political beliefs, disability, ethnicity, marital status, family situation, cultural background, social origins, caste, disability, pregnancy and maternity.

## SUSTAINABILITY STATEMENT

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

#### SOCIAL (CONTINUED)

By embedding these commitments into our policies, operations, and supplier engagement, we strive to create a safe, fair, and respectful working environment that safeguards human rights and fosters sustainable growth across our business ecosystem.

#### Fostering a Safe, Fair, and Respectful Workplace

We recognise that a safe and respectful workplace is fundamental to protecting human rights and enabling our people to thrive. Our commitment goes beyond compliance with statutory requirements, embedding dignity, equality, and fairness into every aspect of our operations.

In alignment with the Anti-Sexual Harassment Act 2021, we have established a robust governance framework to prevent and address workplace misconduct. Our Employee Handbook clearly defines unacceptable behaviours, disciplinary consequences, and reporting procedures. Multiple reporting channels are available to employees, ensuring accessibility and confidentiality, with explicit safeguards against retaliation for individuals who raise concerns. Managers receive dedicated training on how to handle reports or instances of harassment or bullying appropriately, sensitively, and in line with A-Rank's policies and legal requirements. This ensures that all cases are addressed promptly, fairly, and with due regard for the well-being of employees.

#### Ethical Recruitment and Labour Practices

In line with SDG 10: Reduced Inequalities, A-Rank is committed to creating a fair and inclusive workplace where every individual has equitable access to essential services and social protection. We continuously enhance our recruitment and workforce management practices to eliminate risks of forced labour, modern slavery, and human trafficking, ensuring that all employment arrangements respect the dignity and rights of every worker.

The Group respects and upholds the right of all employees to freedom of association. We comply fully with all applicable local laws on freedom of association and support employees in exercising their right to join or not to join organisations of their choice without fear of discrimination, retaliation, or harassment. We also recognise and respect the right of employees to engage in collective bargaining. A-Rank complies with all relevant laws governing collective bargaining and are committed to constructive engagement with employee representatives and unions to ensure fair dialogue and mutually beneficial outcomes.

All employment arrangements — particularly those involving foreign workers — are anchored in ethical recruitment principles and carried out in strict compliance with Malaysian immigration and labour laws. To safeguard fairness and transparency, we ensure that:

- **Employment terms are clearly communicated** in a language understood by the worker, ensuring transparency and informed consent.
- **No recruitment fees** are charged to workers at any stage of the hiring process, eliminating risks of debt bondage.
- **Timely and fair wages** are paid in strict compliance with the National Wages Consultative Council Act 2022 (Act 732) and the Guidelines on the Implementation of the Minimum Wages. We are also committed to aligning our compensation practices with living wage benchmarks, supporting the well-being of our employees and their families.
- **Accommodation and welfare standards** meet or exceed the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 (Act 446). Inspections of migrant housing are integrated into our regular safety, health, and compliance audits to uphold consistent living standards.

## SUSTAINABILITY STATEMENT

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

#### SOCIAL (CONTINUED)

##### Accountability and Grievance Mechanisms

At A-Rank, we believe accountability and transparency are essential to maintaining trust with our employees and stakeholders. To reinforce accountability, we maintain structured oversight through internal audits, management reviews, and external assessments where appropriate.

Our grievance mechanisms — including the Whistleblowing Policy — are designed to provide all employees, including migrant workers, with safe, accessible, and confidential avenues to raise concerns. We actively encourage employees to report suspected misconduct, unethical practices, or breaches of our Code of Conduct and Ethics without fear of retaliation.

All reports are investigated promptly and impartially by designated personnel, addressed with corrective actions, where required, to prevent recurrence, and communicated transparently to the relevant parties to build confidence in the system.

Regular awareness programmes and training sessions are conducted to ensure employees are familiar with their rights and the available grievance channels. This commitment ensures that integrity, fairness, and respect remain the foundation of our workplace culture.

##### Diversity, Equity, and Inclusion

We recognise that a diverse workforce drives innovation, resilience, and sustainable growth. A-Rank is committed to empowering employees of all backgrounds, regardless of age, gender, ethnicity, religion, education, or national origin.

Our Code of Conduct and Ethics reinforces a zero-tolerance approach to sexual harassment, discrimination, and bias. Any violation is subject to firm disciplinary action, including possible termination of employment and, where appropriate, legal proceedings.

##### Human Rights Performance and Outcomes

We are proud to report that during the year under review, no substantiated cases of sexual harassment, discrimination, forced labour, child labour, or other human rights violations were recorded across our operations.

##### Workforce Profile

As at FYE 2025, our workforce comprised 92.76% male employees and 7.24% female employees. This gender distribution is normal in our industry, reflecting the physically demanding nature of our business that traditionally attracts higher male participation. Nevertheless, we are committed to creating more inclusive opportunities for women in technical, professional, and leadership roles.



## SUSTAINABILITY STATEMENT

## MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

## SOCIAL (CONTINUED)

Percentage of Employees by Gender, Age and Employee Category							
Employee Category	Gender			Age			
	Male	Female	Total	<30 years	30-50 years	>50 years	Total
FYE 2025							
Management	5.80%	0.48%	6.28%	0.97%	3.38%	1.93%	6.28%
Executive	3.38%	3.38%	6.76%	–	5.31%	1.45%	6.76%
Non-Executive/Technical Staff	18.84%	3.38%	22.22%	4.83%	12.56%	4.83%	22.22%
General Workers	64.74%	–	64.74%	33.82%	27.05%	3.87%	64.74%
Total	92.76%	7.24%	100.00%	39.62%	48.30%	12.08%	100.00%
FYE 2024							
Management	5.82%	0.49%	6.31%	1.46%	2.91%	1.94%	6.31%
Executive	3.40%	3.40%	6.80%	–	5.34%	1.46%	6.80%
Non-Executive/Technical Staff	18.93%	2.91%	21.84%	4.37%	14.07%	3.40%	21.84%
General Workers	65.05%	–	65.05%	30.58%	31.07%	3.40%	65.05%
Total	93.20%	6.80%	100.00%	36.41%	53.39%	10.20%	100.00%
FYE 2023							
Management	5.39%	0.49%	5.88%	0.98%	2.94%	1.96%	5.88%
Executive	3.43%	3.43%	6.86%	0.49%	5.39%	0.98%	6.86%
Non-Executive/Technical Staff	21.08%	2.94%	24.02%	4.41%	15.69%	3.92%	24.02%
General Workers	63.24%	–	63.24%	32.85%	27.94%	2.45%	63.24%
Total	93.14%	6.86%	100.00%	38.73%	51.96%	9.31%	100.00%

Percentage of Directors by Gender, Age and Category					
Period	Non-Executive Directors		Executive Directors		Total
	Male	Female	Male	Female	
FYE 2025					
<30 Years	–	–	–	–	–
30-50 Years	11.11%	22.22%	11.11%	–	44.44%
>50 Years	33.34%	–	22.22%	–	55.56%
Total	44.45%	22.22%	33.33%	–	100.00%
FYE 2024					
<30 Years	–	–	–	–	–
30-50 Years	11.11%	22.22%	11.11%	–	44.44%
>50 Years	33.34%	–	22.22%	–	55.56%
Total	44.45%	22.22%	33.33%	–	100.00%
FYE 2023					
<30 Years	–	–	–	–	–
30-50 Years	11.11%	22.22%	11.11%	–	44.44%
>50 Years	33.34%	–	22.22%	–	55.56%
Total	44.45%	22.22%	33.33%	–	100.00%

## SUSTAINABILITY STATEMENT

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

#### SOCIAL (CONTINUED)

Type of Employment			
	FYE 2025	FYE 2024	FYE 2023
Contractual	–	–	–
Permanent	100.00%	100.00%	100.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Number of Employee Turnover			
	FYE 2025	FYE 2024	FYE 2023
Management	–	–	–
Executive	–	–	–
Non-Executive	1	4	–
General Workers	19	15	16
<b>Total</b>	<b>20</b>	<b>19</b>	<b>16</b>

#### MM9: Training

The Group views training and development as a basis for building a competitive, resilient, and future-ready workforce. Our year-round programmes are designed not only to equip employees with the technical skills required for their roles, but also to provide broader learning experiences that enhance professional growth, personal development, and adaptability to industry change.

Training at A-Rank focuses on both immediate job performance and long-term career advancement. Employees are provided with opportunities to strengthen their existing competencies, while also being introduced to emerging industry trends, technological advancements, and best practices that prepare them for the evolving demands of the sector. Beyond technical knowledge, we place emphasis on nurturing high-potential employees through structured retention and succession programmes that prepare them for future leadership roles within the organisation.

Many of these training initiatives are supported by the Human Resource Development Fund (“HRDF”), a government-led effort to enhance workforce capabilities and promote sustainable business growth in Malaysia. Through this support, our employees are able to access impactful training opportunities that both enhance their professional development and contribute to the long-term success and competitiveness of our organisation.

Total Hours of Training by Employee Category					
Period	Management (including Executive Directors)	Executives	Non-Executive/ Technical Staff	General Workers	Total
FYE 2025	205	174	331	411	<b>1,121</b>
FYE 2024	381	170	343	1,100	<b>1,994</b>
FYE 2023	166	104	147	437	<b>854</b>

## SUSTAINABILITY STATEMENT

## MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

## SOCIAL (CONTINUED)

FYE 2025 – Employee Training Summary		
Types of Training	Number of Hours	Number of Employees
Safety and Health	240	42
Environment	28	2
Operations (finance, technical, risk management, IT and others)	699	69
Anti-Bribery and Corruption	154	22
<b>Total</b>	<b>1,121</b>	<b>135</b>

## MM10: Customer Satisfaction

Customer satisfaction is central to our Vision and Mission. The Group recognises that long-term business success depends on our ability to deliver products and services that consistently meet or exceed customer expectations.

Our approach is anchored in four key pillars: reliability, product quality, service excellence, and timely delivery. To ensure that we remain responsive to evolving customer needs, we conduct annual customer satisfaction surveys covering areas such as product performance, service responsiveness, and delivery efficiency. The insights gained from these surveys guide continuous improvements across our operations.

Over the past three years, we have consistently exceeded our benchmark of 80% satisfaction, reflecting the trust our customers place in us and the effectiveness of our quality management systems. These results affirm our commitment to building strong, long-term relationships with our customers based on accountability, transparency, and value creation.

Overall Customer Satisfaction Survey Results	FYE 2025	FYE 2024	FYE 2023
	89.8%	87.6%	87.1%

## MM11: Product Quality

A-Rank's products are integral to diverse industries, including building and construction, infrastructure, engineering, and industrial applications. As our products serve as critical inputs, customers depend on us not only for consistency, but also for reliability. We therefore place strong emphasis on collaborating closely with our customers, understanding their specific requirements, and tailoring our solutions to support their long-term success.

## Commitment to Reliability and Quality

Delivering reliable, high-quality products is at the heart of our business philosophy and central to maintaining long-term customer trust. Our ISO 9001:2015 certification reflects this unwavering commitment, serving as evidence that our quality management system is designed, implemented, and continuously maintained in accordance with internationally recognised standards. Beyond just compliance, this ISO certification enhances our reputation, reassures customers of our reliability, and strengthens our ability to compete in and access wider global markets.

To ensure that our quality assurance processes remain both effective and relevant, we have established a proactive system of internal audits and evaluations. A dedicated quality team conducts regular reviews to monitor compliance, assess operational performance, and identify opportunities for refinement. Findings are then translated into targeted action plans, ensuring that improvements are embedded across our production processes, customer service, and supply chain management. This cycle of evaluation and enhancement helps to safeguard consistency and drive innovation.



## SUSTAINABILITY STATEMENT

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

#### SOCIAL (CONTINUED)

##### Service and Customer Engagement

We believe that quality goes beyond products — it also encompasses service excellence and the overall customer experience. To capture meaningful customer insights, we have established a structured feedback system that records requests, technical queries, and complaints in a systematic manner. Every piece of feedback is reviewed with care, and the findings are translated into targeted action plans aimed at strengthening responsiveness, improving problem resolution, and enhancing service delivery.

In addition to annual customer satisfaction surveys, which provide a comprehensive measure of performance, our Sales and Marketing team maintains ongoing engagement with customers throughout the year. This continuous dialogue ensures that issues are resolved quickly, opportunities for improvement are identified early, and collaborative solutions can be developed.

##### Timely Delivery

For our customers, timely delivery is just as critical as product quality, as it directly impacts their ability to meet project timelines and business commitments. Meeting delivery schedules requires precise coordination across the value chain — from raw material sourcing and production planning to inventory management and logistics execution. To achieve this, we have implemented a robust monitoring framework that tracks expected timelines and delivery milestones within the targeted timeframe.

Clear objectives, departmental responsibilities, and performance indicators are defined at every stage, ensuring that accountability is embedded throughout the process. Regular reviews of delivery performance allow us to identify potential bottlenecks early and implement corrective measures swiftly, minimising disruption for customers. This approach serves a dual function of enhancing our reputation for dependability and fostering long-term trust with our customers, positioning A-Rank as a reliable partner in their supply chain.

##### Safeguarding Data and Privacy

As we strengthen customer relationships, we also take responsibility for safeguarding their information and ensuring that data is handled with the utmost care. A-Rank adheres strictly to the Malaysian Personal Data Protection Act 2010 and complies with all nondisclosure agreements to uphold confidentiality across all business dealings. Our governance framework incorporates controls and monitoring mechanisms designed to prevent data breaches, unauthorised access, or misuse of sensitive information.

Number of Substantiated Cybersecurity Complaints		To reinforce these safeguards, we conduct periodic reviews of our data protection protocols, provide employees with training on cybersecurity awareness, and invest in systems that enhance digital resilience.
FYE 2025	0	
FYE 2024	0	
FYE 2023	0	

We are proud to report that in recent years, we have experienced zero cybersecurity incidents, underscoring our commitment to building trust not only through reliable, high-quality products, but also through secure and ethical business practices that protect the interests of our stakeholders. We are currently assessing the feasibility of implementing an automated daily backup schedule to ensure consistent, reliable protection for all our human resource-related data.

## SUSTAINABILITY STATEMENT

## MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

## SOCIAL (CONTINUED)

## MM12: Supplier Responsibility

A-Rank recognises that responsible supply chain management is critical to delivering long-term value for both our business and our stakeholders. We collaborate closely with our suppliers to enhance supply chain sustainability and foster enduring partnerships built on trust, transparency, and mutual growth.

Supporting this is our supply chain framework established on specific guidelines tailored to the products and services we procure. These guidelines cover areas such as environmental stewardship, labour rights, workplace safety, and ethical business conduct. All suppliers are required to formally acknowledge and adhere to these policies, reinforcing our zero-tolerance stance on forced labour, child labour, corruption, and other forms of misconduct.

Beyond compliance, we engage suppliers in continuous dialogue and collaboration to strengthen sustainability practices. This includes knowledge sharing to reduce risks, improve resilience, and create shared value across the supply chain.

While the Group does not currently conduct formal audits of its suppliers, many of our key partners are large, well-established organisations that operate under robust sustainability frameworks and industry-leading practices. Nonetheless, the Group remains attentive to developments in sustainable procurement and is progressively enhancing its due diligence processes to strengthen oversight and alignment with emerging best practices.

**Supply Chain Framework**

- Operating in full alignment with our procurement standards and processes;
- Ensuring that all raw materials and components are responsibly sourced and traceable;
- Prohibiting any form of forced labour, child labour, or exploitative practices; and
- Complying with all applicable laws and regulations, including those related to labour, health and safety, and the environment.

For further details of our policies, please visit [www.arank.com.my](http://www.arank.com.my).

## MM13: Corporate Social Responsibility

In support of SDG 17: Partnerships for the Goals, A-Rank is dedicated to cultivating strong and enduring collaborations with government agencies, private sector partners, and civil society organisations to accelerate progress toward sustainable development. We recognise that sustainable business growth is inseparable from social well-being, and therefore, we view our corporate responsibility not simply as charitable giving, but as a duty to actively contribute to the advancement of society.

The Group's community investments are guided by a set of principles that align with our business strategy and core competencies. By focusing our resources on these areas, we aim to create shared value, supporting community well-being while reinforcing the capabilities, sustainability, and reputation of our business.

Community and Society		
Period	Total Amount Invested in the Community Where the Target Beneficiaries are External to the Listed Issuer (RM), FTSE SHR17	Total Number of Beneficiaries of the Investment in Communities
FYE 2025	10,000	72
FYE 2024	21,000	69
FYE 2023	20,000	68

## SUSTAINABILITY STATEMENT

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

#### SOCIAL (CONTINUED)

FYE 2025 – Charitable Donations	
Beneficiary	Amount (RM)
Cash donation to Persatuan Insan Istimewa Cheras Selangor	5,000
Cash donation to Pertubuhan Kebajikan Amal Charis Mantin	5,000
<b>Total</b>	<b>10,000</b>

#### GOVERNANCE

The Group's Board of Directors and Key Senior Management are entrusted with the responsibility of safeguarding the interests of stakeholders while ensuring that our operations remain respectful of the environment. With the Board setting the tone at the top and driving a top-down approach, governance forms the backbone of our sustainability agenda.

By adhering to the principles of sound governance, we strengthen trust among investors, regulators, employees, suppliers, customers, and the communities in which we operate. This approach is closely aligned with the objectives of SDG 16: Peace, Justice, and Strong Institutions, as we commit to fostering integrity, fairness, and responsible business practices in every aspect of our operations.

Material Matters	SDGs
MM14: Risk Management MM15: Legal and Regulatory Compliance MM16: Business Ethics and Corporate Governance	

#### MM14: Risk Management

A-Rank's risk management framework is designed to safeguard the Group against uncertainties while enabling sustainable long-term growth. Our approach covers a broad spectrum of risks, including financial, operational, and sustainability-related factors. Among these are legal and regulatory compliance, environmental stewardship, and climate-related risks, all of which are vital to ensuring the resilience, stability, and continuity of our business operations.

#### Health, Safety, and Operational Risk Management

The Group conducts regular health and safety risk assessments for all existing operations and projects. These assessments identify potential hazards, evaluate associated risks, and implement control measures to protect employees, contractors, and stakeholders. Findings are reviewed periodically to ensure continuous improvement and compliance with health and safety standards.

The Group also involves employees in health and safety improvements through regular meetings between management and worker representatives to share feedback, identify risks, and agree on measures for continuous improvement.

#### Risk Oversight and Monitoring

Ongoing risk assessments conducted by the RMC, with guidance and oversight from the Board, help ensure resilience and preparedness in a fast-changing business landscape. Supported by structured monitoring and reporting, these assessments enable the early detection of emerging risks and facilitate effective, proactive responses.



## SUSTAINABILITY STATEMENT

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

#### GOVERNANCE (CONTINUED)

##### Continuous Improvement and Sustainability Integration

Looking ahead, the Group is committed to enhancing its risk management framework by incorporating a wider range of sustainability material matters into its risk register. By doing so, we will be better positioned to anticipate and respond to the most pressing threats while capitalising on opportunities that align with our long-term sustainability strategy.

*For further details on our risk management approach, please refer to Sustainability Governance under the Our Approach to Sustainability section of this statement.*

##### MM 15: Legal and Regulatory Compliance

Operating in a dynamic and increasingly complex regulatory landscape, it is important for the Group to take a proactive approach to identifying, interpreting, and implementing the laws and requirements that govern our industry. By doing so, we provide our stakeholders with assurance that our operations are managed responsibly and in line with the highest standards of integrity.

We embed compliance into every level of the organisation, from our policies and procedures to day-to-day operations to ensure that risks are minimised. We also recognise that transparency in compliance practices builds confidence in our business conduct, strengthening our reputation as a trusted partner of our stakeholders and enhancing long-term profitability.

During the year under review, A-Rank maintained a strong track record of compliance, with no fines, penalties, or official notices issued by authorities for breaches of legal or regulatory requirements. This achievement reflects the strength of our governance systems and the vigilance of our employees in adhering to established protocols.

##### MM16: Business Ethics and Corporate Governance

A-Rank believes that ethical business conduct is not merely a set of written rules, but a shared responsibility that begins with our people. Every director, employee, and business partner plays a vital role in upholding the values of honesty, accountability, and respect that define who we are as an organisation.

To support this, our Code of Conduct and Ethics, ABC Policy, and other governance frameworks serve as practical, everyday guides to help our workforce make sound decisions and act with integrity in all situations.

##### Code of Conduct and Ethics

The Group periodically reviews compliance with its Code of Conduct and Ethics to identify and address any instances of non-compliance. In addition, the effectiveness of the Code is regularly evaluated to ensure it remains relevant, robust, and aligned with evolving regulations, industry best practices, and stakeholder expectations.

##### Zero Tolerance for Corruption

The Group takes great pride in the professionalism of its employees, who consistently uphold our zero-tolerance approach to bribery and corruption. By rejecting undue gifts, favours, or benefits, they demonstrate a collective commitment to transparency that safeguards both the organisation and their own personal credibility.

Thanks to this culture of integrity, the Group has successfully maintained a clean record of zero reported cases of bribery and corruption - an achievement that reflects the strength of our people as much as the robustness of our systems.

## SUSTAINABILITY STATEMENT

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

#### GOVERNANCE (CONTINUED)

##### Governance Enhancement and Awareness

Looking ahead, the Group is committed to advancing its governance practices to remain in step with regulatory developments, global standards, and stakeholder expectations. This includes investing in awareness programmes, training sessions, and open dialogue to ensure that every employee feels equipped and empowered to act ethically and responsibly.

To reinforce this, all employees receive mandatory training on A-Rank's ABC Policy, which covers the elements and types of corruption, including bribery, facilitation payments, conflicts of interest, and improper gifts or hospitality. The training also addresses the Group's anti-corruption framework comprehensively, including policies, reporting mechanisms, employee responsibilities, and disciplinary measures, to ensure full awareness and compliance with our zero-tolerance stance against corruption.

In addition, the Group expects its supply chain partners to share this responsibility by complying with all relevant laws, rules, and regulations. Selected parts of our operations are subject to periodic corruption risk assessments, enabling the Group to identify potential vulnerabilities early, enhance internal controls, and uphold the highest standards of integrity across the organisation.

It is also the Group's policy not to make any form of contribution to political parties, candidates, or related organisations, whether in cash or in kind. This ensures the Group's continued political neutrality, integrity, and independence in all business dealings.

##### Accountability

The Group maintains a clean track record with no confirmed incidents of corruption and, accordingly, no actions required or taken. The Group also confirms that no political contributions were made, no staff were disciplined or dismissed due to non-compliance with the ABC Policy, no fines, penalties, or settlements were incurred in relation to corruption, and no provisions for fines or settlements relating to sustainability issues were recorded in the audited accounts.

**0**  
confirmed  
incidents of  
corruption

#### Percentage of Employees who have Received Training on Anti-Corruption by Employee Category

Period	Employee Category	Total Number of Employees	Number of Employees who Received Training	Percentage of Employees who Received Training
FYE 2025	Management (including Executive Directors)	13	10	76.92%
	Executive	14	8	57.14%
	Non-Executive/Technical Staff/Supervisor	46	4	8.70%
	General Workers	134	–	–
	<b>Total</b>	<b>207</b>	<b>22</b>	<b>10.63%</b>
FYE 2024	Management (including Executive Directors)	13	8	61.54%
	Executive	14	5	35.71%
	Non-Executive/Technical Staff/Supervisor	45	2	4.44%
	General Workers	134	13	9.70%
	<b>Total</b>	<b>206</b>	<b>28</b>	<b>13.59%</b>
FYE 2023	Management (including Executive Directors)	12	7	58.33%
	Executive	14	5	35.71%
	Non-Executive/Technical Staff/Supervisor	49	3	6.12%
	General Workers	129	11	8.53%
	<b>Total</b>	<b>204</b>	<b>26</b>	<b>12.75%</b>

## SUSTAINABILITY STATEMENT

## MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONTINUED)

## GOVERNANCE (CONTINUED)

For business operations assessed to be at “high risk” the Group has established robust procedures to prevent and address corruption. These procedures cover key risks such as bribery, facilitation payments, and third-party dealings, and are supported by enhanced due diligence, approval controls, monitoring, audits, and accessible whistleblowing channels.

Percentage of Operations Assessed for Corruption-Related Risks			
Period	Total Number of Operations	Total Number of Operations Assessed for Corruption Risks	Percentage of Operations Assessed for Corruption Risks
FYE 2025	7	5	71.43%
FYE 2024	7	4	57.14%
FYE 2023	7	5	71.43%

Confirmed Incidents of Corruption and Action Taken		
Period	Confirmed Incidents of Corruption	Number of Action(s) Taken
FYE 2025	0	0
FYE 2024	0	0
FYE 2023	0	0

## SUSTAINABILITY STATEMENT

### BURSA LINK PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023	2024	2025
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	58.33	61.54	76.92
Executive	Percentage	35.71	35.71	57.14
Non-executive/Technical Staff	Percentage	6.12	4.44	8.70
General Workers	Percentage	8.53	9.70	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	71.43	57.14	71.43
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
<b>Bursa (Community/Society)</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	20,000.00	21,000.00	10,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	68	69	72
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	0.98	1.46	0.97
Management Between 30-50	Percentage	2.94	2.91	3.38
Management Above 50	Percentage	1.96	1.94	1.93
Executive Under 30	Percentage	0.49	0.00	0.00
Executive Between 30-50	Percentage	5.39	5.34	5.31
Executive Above 50	Percentage	0.98	1.46	1.45
Non-executive/Technical Staff Under 30	Percentage	4.41	4.37	4.83
Non-executive/Technical Staff Between 30-50	Percentage	15.69	14.07	12.56
Non-executive/Technical Staff Above 50	Percentage	3.92	3.40	4.83
General Workers Under 30	Percentage	32.85	30.58	33.82
General Workers Between 30-50	Percentage	27.94	31.07	27.05
General Workers Above 50	Percentage	2.45	3.40	3.87
Gender Group by Employee Category				
Management Male	Percentage	5.39	5.82	5.80
Management Female	Percentage	0.49	0.49	0.48
Executive Male	Percentage	3.43	3.40	3.38
Executive Female	Percentage	3.43	3.40	3.38
Non-executive/Technical	Percentage	21.08	18.93	18.84

## SUSTAINABILITY STATEMENT

## BURSA LINK PERFORMANCE DATA TABLE (CONTINUED)

Indicator	Measurement Unit	2023	2024	2025
<b>Bursa (Diversity)</b>				
Staff Male				
Non-executive/Technical Staff Female	Percentage	2.94	2.91	3.38
General Workers Male	Percentage	63.24	65.05	64.74
General Workers Female	Percentage	0.00	0.00	0.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	77.78	77.78	77.78
Female	Percentage	22.22	22.22	22.22
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	44.44	44.44	44.44
Above 50	Percentage	55.56	55.56	55.56
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	150,786.00	162,906.00	154,261.00
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	2.10	1.48	0.93
Bursa C5(c) Number of employees trained on health and safety standards	Number	0	109	42
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	166	381	205
Executive	Hours	104	170	174
Non-executive/Technical Staff	Hours	147	343	331
General Workers	Hours	437	1,100	411
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	0	0	0
Executive	Number	0	0	0
Non-executive/Technical Staff	Number	0	4	1
General Workers	Number	16	15	19
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	25.52	18.32	21.45
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0

## SUSTAINABILITY STATEMENT

## BURSA LINK PERFORMANCE DATA TABLE (CONTINUED)

Indicator	Measurement Unit	2023	2024	2025
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	93.495000	106.560000	217.584000
<b>Bursa (Waste management)</b>				
Bursa C10(a) Total waste generated	Metric tonnes	3,191.00	3,510.00	3,220.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	3,083.00	3,283.00	3,108.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	108.00	227.00	112.00
<b>Bursa (Emissions management)</b>				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	27,973.61	29,447.30	28,321.94
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	9,256.66	9,478.05	8,831.69
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	92.99	97.69
Scope 1 and Scope 2 GHG Emissions Intensity in tCO2e/ton	Metric tonnes	-	0.46 *	0.52



## SUSTAINABILITY STATEMENT

## INDEPENDENT LIMITED ASSURANCE STATEMENT



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#### INDEPENDENT LIMITED ASSURANCE STATEMENT TO THE BOARD OF DIRECTORS A-RANK BERHAD

##### *Limited Assurance Conclusion*

We have conducted a limited assurance engagement on the selected sustainability information (the "Subject Matters") listed below for the year ended 31 July 2025 as published in the Sustainability Statement 2025 (the "Statement") of A-Rank Berhad (the "Company" or "A-RANK").

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matters are not prepared, in all material respects, in accordance with the Reporting Criteria.

##### *Scope of Work*

BDO PLT ("BDO" or "we"), was engaged by the Company to provide limited assurance engagement as defined by the International Standard on Assurance Engagements ("ISAE") 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information on the Subject Matters for the year ended 31 July 2025 as published in the Statement.

##### *Subject Matters*

The Subject Matters on which we provided limited assurance, consist of:

Subject Matters	Unit	Value 2025
Total Energy Consumption	Gigajoules	555,339
Number of Work-Related Fatalities	Number	0
Lost Time Incident Rate	Rate	0.93
GHG Scope 1 Emissions	tCO <sub>2</sub> e	28,322
GHG Scope 2 Emissions	tCO <sub>2</sub> e	8,832
Scope 1 and Scope 2 GHG Emissions Intensity	tCO <sub>2</sub> e/ton	0.52

The GHG emissions subject to limited assurance cover the following legal entity and assets owned/leased by the entity, which is wholly-owned by A-RANK and under A-RANK's direct operational control:

Boundary - FYE 2025
Aluminium Segment: Formosa Shyen Horng Metal Sdn Bhd

## SUSTAINABILITY STATEMENT

### INDEPENDENT LIMITED ASSURANCE STATEMENT (CONTINUED)



#### *Subject Matters (continued)*

The scope of our work was limited to the Subject Matters presented in the Statement and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matters; nor did it include information reported outside of the Statement, comparisons against historical data, or management's forward-looking statements.

#### *Reporting Criteria*

In preparing the Subject Matters mentioned above, the Company applied the following criteria:

- Listing Requirements of Bursa Malaysia Securities Berhad [paragraph 9.45(2) and paragraph (29), Part A of Appendix 9C of the Main Market Listing Requirements (supplemented by Practice Note 9)];
- Sustainability Reporting Guide 3<sup>rd</sup> Edition issued by Bursa Malaysia Securities Berhad; and
- A-RANK's relevant policies and procedures.

#### *Inherent Limitation*

Inherent limitations of assurance engagements include the use of judgement and selective testing of data, which means that it is possible that fraud, error or non-compliance may occur and not be detected in the course of performing the engagement. Accordingly, there is some risk that a material misstatement may remain undetected. Further, our limited assurance engagement is not designed to detect fraud or error that is immaterial.

The absence of a significant body of established practice on which to measure and evaluate the Subject Matters, allows for different, but acceptable, measurement basis and can affect comparability between entities over time.

In addition, Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gasses.

The Subject Matters are subject to more inherent limitations than financial information, given the characteristics and methods used for determining underlying information. The precision of different measurement techniques may also vary.

#### *Our Independence and Quality Management*

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, together with the ethical requirements that are relevant to our assurance engagement of the Subject Matters in Malaysia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and, accordingly, maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

## SUSTAINABILITY STATEMENT

## INDEPENDENT LIMITED ASSURANCE STATEMENT (CONTINUED)

***Management's Responsibilities***

Management of the Company is responsible for:

- The preparation of the Subject Matters in accordance with the Reporting Criteria;
- Selection and application of appropriate methods to prepare the Subject Matters reported in the Statement, which includes but not limited to the use of assumptions and estimates for disclosure which are reasonable; and
- Designing, implementing and maintaining internal control relevant to the preparation of the Subject Matters, in accordance with the Reporting Criteria, to enable the preparation of such information that is free from material misstatement, whether due to fraud or error

***Our Responsibilities***

Our responsibility is to express our conclusion on whether anything has come to our attention that causes us to believe that the Subject Matters and related disclosures as presented in the Statement are not prepared, in all material respects, in accordance with the Reporting Criteria.

We have performed our limited assurance engagement in accordance with the scope of work agreed with the Company as stated in our Engagement Letter dated 3 October 2025, including performing the engagement in accordance to International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, which was issued by the International Auditing and Assurance Standards Board. This Standard requires that we plan and perform our engagement to obtain limited assurance about whether the Subject Matters as presented in the Statement are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of the Company's use of the Reporting Criteria specified as the basis of preparation used for the selected Subject Matters presented in the Statement, assessing the risks of material misstatement thereof, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matters in the Statement. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

***Procedures Performed***

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

## SUSTAINABILITY STATEMENT

### INDEPENDENT LIMITED ASSURANCE STATEMENT (CONTINUED)



#### *Procedures Performed (continued)*

Our limited assurance engagement on the Subject Matters consists of making enquiries, primarily of persons responsible for the preparation of the Subject Matters presented in the Statement and applying analytical and other evidence gathering procedures as appropriate.

Our limited assurance procedures included:

- Gained an understanding of A-RANK's business, internal processes and approach to sustainability;
- Conducted interviews with key personnel and collated evidence to understand A-RANK's process for reporting performance indicators and disclosures, including inquiries into potential risks of misstatement and quality control measures in place to mitigate the risks;
- Conducted limited assurance procedures over the selected Subject Matters, including:
  - i. Performed analytical procedures to support the reasonableness of the data;
  - ii. Checked that calculation of the Reporting Criteria have been applied as per the methodologies for the Subject Matters;
  - iii. Identified and tested the assumptions supporting the calculations to assess their reasonableness and consistency;
  - iv. Tested, on a sample basis, underlying source information to check accuracy of the data;
  - v. Obtained appropriate representations from management, in the form of a management representation letter addressed to us to confirm that the management believes that it has fulfilled its responsibilities.
- We also performed such other procedures as we considered necessary in the circumstances.

#### *Other Matters*

Information relating to prior reporting periods has not been subject to assurance procedures. Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the Statement. The maintenance and integrity of A-RANK's website is the responsibility of A-RANK's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to the Subject Matters and related disclosures, the Statement or to our independent limited assurance statement that may have occurred since the initial date of presentation on the A-RANK's website.



## SUSTAINABILITY STATEMENT

## INDEPENDENT LIMITED ASSURANCE STATEMENT (CONTINUED)

*Restriction on Distribution or Use*

This report is made solely to the Board of Directors of the Company in accordance with the agreement between us, in connection with the performance of an independent limited assurance engagement on the Subject Matters, as reported by A-RANK in the Statement and should not be used or relied upon for any other purposes.

We consent the inclusion of this report in the Statement to be disclosed on the website of the Company at <https://www.arank.com.my/> to assist the Board of Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Subject Matters in connection with the preparation of the Statement.

As a result, we will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come. Any reliance on this report by any third party is entirely at its own risk.

A handwritten signature in black ink, appearing to be 'BDO PLT'.

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

Kuala Lumpur  
24 October 2025

## SUSTAINABILITY STATEMENT

### SUSTAINABILITY FRAMEWORKS

In FYE 2025, we initiated alignment of our reporting with the SASB Standards, identifying the sector most relevant to our business model. While we address key disclosure topics through various initiatives, some topics were deemed not applicable given our operational context.

The table below illustrates how the sustainability frameworks referenced in this statement are interconnected. These principle-based frameworks serve as standardised tools that allow us to organise information systematically, align key indicators with our strategic goals, and ensure compliance with relevant regulatory requirements.

Common No.	Common Indicators	Sub-Indicators	FTSE Indicator	SASB Extractives & Minerals Processing Sector Iron & Steel Producers
1	Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category	C1 (a) <b>GAC:</b> Anti-Corruption Theme	
		Percentage of operations assessed for corruption-related risks	C1 (b) <b>GAC:</b> Anti-Corruption Theme	
		Confirmed incidents of corruption and actions taken	C1 (c) <b>GAC:</b> Anti-Corruption Theme	
2	Community/ Society	Total amount invested in the community	C2 (a) <b>SHR:</b> Human Rights & Community Theme	
		Total number of beneficiaries	C2 (b)	
3	Diversity	Percentage of employees by gender and age group for each employee category	C3 (a) <b>SLS:</b> Labour Standards Theme	
		Percentage of directors by gender and age group	C3 (b) <b>SLS:</b> Labour Standards Theme	
4	Energy Management	Total energy consumption	C4 (a) <b>ECC:</b> Climate Change Theme	EM-IS-130a.1 EM-IS-130a.2
5	Health & Safety	Number of work-related fatalities	C5 (a) <b>SHS:</b> Health & Safety Theme	EM-IS-320a.1
		Lost time incident rate (LTIR)	C5 (b) <b>SHS:</b> Health & Safety Theme	
		Number of employees trained on health & safety standards ( <i>External Training only</i> )	C5 (c) <b>SLS:</b> Labour Standards Theme	
6	Labour Practices and Standards	Total hours of training by employee category	C6 (a) <b>SLS:</b> Labour Standards Theme	
		Percentage of employees that are contractors or temporary staff	C6 (b) <b>SLS:</b> Labour Standards Theme	

## SUSTAINABILITY STATEMENT

## SUSTAINABILITY FRAMEWORKS (CONTINUED)

No.	Common Indicators	Sub-Indicators	FTSE Indicator	SASB Extractives & Minerals Processing Sector Iron & Steel Producers
6	Labour Practices and Standards (continued)	Total number of employee turnover by employee category	C6 (c) <b>SLS:</b> Labour Standards Theme	
		Number of substantiated complaints concerning human rights violations	C6 (d) <b>SHR:</b> Human Rights & Community Theme	
7	Supply Chain	Proportion of spending on local suppliers	C7 (a) <b>SHR:</b> Human Rights & Community Theme	EM-IS-430a.1
8	Data Privacy/ Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	C8 (a)	
9	Water	Total volume of water used	C9 (a) <b>EWT:</b> Water Security Theme	EM-IS-140a.1
10	Waste Management	Total waste generated and a breakdown of the following:	C10 (a) <b>EPR:</b> Pollution and Resources Theme	EM-IS-150a.1
		(i) total waste diverted from disposal	<b>EPR:</b> Pollution and Resources Theme	
		(ii) total waste directed to disposal		
11	Emissions Management	Scope 1 emissions in tonnes of CO <sub>2</sub> e	C11 (a) <b>ECC:</b> Climate Change Theme	EM-IS-110a.1 EM-IS-110a.2
		Scope 2 emissions in tonnes of CO <sub>2</sub> e	C11 (b) <b>ECC:</b> Climate Change Theme	
		Scope 3 emissions in tonnes of CO <sub>2</sub> e (business travel and employee commuting)	C11 (c) <b>ECC:</b> Climate Change Theme	



## SUSTAINABILITY STATEMENT

## SUSTAINABILITY FRAMEWORKS (CONTINUED)

				SASB Extractives & Minerals Processing Sector Iron & Steel Producers
No.	Sector Indicators	Sub-Indicators	FTSE Indicator	
1	Emissions – Air Quality/ Pollution	Weight of significant air emissions in kilograms	S4 (a)	EM-IS-120a.1
2	Materials	Total weight or volume of materials that are used to produce and package products and services	S5 (a)	<b>EPR:</b> Pollution and Resources Theme
3	Supply Chain (Environmental)/ Supplier Environmental Assessment	Percentage of new suppliers that were screened using environmental criteria	S6 (a)	<b>ESC:</b> Environment Theme
		Number of suppliers assessed for environmental impacts	S6 (b)	<b>ESC:</b> Environment Theme
4	Supply Chain (Social)/ Supplier Social Assessment	Percentage of new suppliers that were screened using social criteria	S7 (a)	<b>SSC:</b> Supply Chain: Social Theme
		Number of suppliers assessed for social impacts	S7 (b)	<b>SSC:</b> Supply Chain: Social Theme
5	Effluents	Total volume of water (effluent) discharged over the reporting period	S8 (a)	
				Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processesw EM-IS-000.A
				Total iron ore production EM-IS-000.B
				Total coking coal production EM-IS-000.C

# AUDIT COMMITTEE REPORT

## MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee ("AC") comprises of three (3) members, all of whom are Independent Non-Executive Directors. The current composition complies with the Paragraph 15.09(1) of Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), as all AC members must be Non-Executive Directors, with a majority of them being Independent Directors.

The Chairman of AC, Mr Hong Cheong Liang who was appointed on 13 October 2022 is not the Chairman of the Board and is an Independent Non-Executive Director.

During the financial year ended 31 July 2025, four (4) AC meetings were held. The details of attendance of each member at the AC meetings held are as follows:

Name	Designation	Number of Meeting attended
<b>Chairman</b> Hong Cheong Liang	Independent Non-Executive Director	4/4
<b>Members</b> Neoh Lay Keong	Independent Non-Executive Director	4/4
Siti Ruzainah Binti Abd Halim	Independent Non-Executive Director	4/4

## TERMS OF REFERENCE

The Terms of Reference ("TOR") of the AC outlining the composition, duties and responsibilities is available for viewing on the Company's website at [www.arank.com.my](http://www.arank.com.my). The last review of the TOR of the AC was on 24 June 2025.

The AC recognises the importance of independence of its External Auditors and that no possible conflict of interest whatsoever should arise. Hence, the TOR of AC had incorporated a policy which required a cooling-off period of at least three (3) years for any former key audit partner of the Group's External Auditors before the person is being appointed as member of the AC as required by Practice 9.2 of MCCG. No former key audit partner has been appointed as a member of the Board or AC.

## SUMMARY OF WORK OF THE AUDIT COMMITTEE

During the financial year under review, the AC carried out the following activities in accordance with its TOR:

### (a) Financial Reporting

- reviewed the unaudited quarterly and year-end results of the Group before recommending to the Board for their approvals and for announcement to Bursa Securities; and
- reviewed the Audited Financial Statements of the Group and of the Company prior to submission to the Board for consideration and approval.

### (b) With Outsourced Internal Auditors

- reviewed the internal audit plan and the scope of work;
- reviewed the internal audit reports, their findings, recommendations and the Management's response in addressing the issues highlighted to ensure that risk issues were adequately addressed;
- conducted the annual performance assessment on the Outsourced Internal Auditors; and
- reviewed the Related Party Transaction of the Group as part of the internal audit assessment.

## AUDIT COMMITTEE REPORT

### SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONTINUED)

During the financial year under review, the AC carried out the following activities in accordance with its TOR: (Continued)

#### (c) With External Auditors

- reviewed the audit plan and scope of work as well as the audit procedures to be utilised;
- reviewed the results of audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of their audit;
- reviewed the External Auditors' report and management letter, prior to the recommendation to the Board;
- met with the External Auditors twice before finalisation of the Audited Financial Statement for the financial year under review without the presence of Executive Directors and Management;
- appraised the performance and evaluated the independence and objectivity of the External Auditors in providing their services, including areas of audit emphasis for the financial year and additional disclosures in the auditors' report in line with the new and amended international standards on auditing, including disclosure on Key Audit Matters;
- conducted the annual performance assessment on the External Auditors, including their suitability and independence; and
- made recommendation to the Board on their re-appointment and the quantum of audit and non-audit fees.

#### (d) Other

- reviewed the related party transactions including any transaction to ensure that the transactions were on normal commercial terms and not detrimental to the interest of minority shareholders of the Company;
- reviewed the Circular to Shareholders on the Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature;
- reviewed the Audit Committee Report and Statement on Risk Management and Internal Control for the Board's approval prior to inclusion in the Company's Annual Report;
- reviewed the Sustainability Statement for the Board's approval prior to inclusion in the Company's Annual Report;
- reviewed and updated the TOR of AC to be in line with the latest MMLR of Bursa Securities and MCCG of Securities Commission Malaysia and recommended the revision to the Board for approval;
- reviewed any conflict of interest and potential conflict of interest situations that may arise during the financial year and conducted in the previous financial years that persist during the current financial year;
- reviewed and verified the options allocations pursuant to the ESOS of the Company during the financial year under review. The AC was satisfied that the allocation of options during the financial year ended 31 July 2025 was in compliance with the criteria set out in the ESOS By-Laws and by the ESOS Committee; and
- conducted self-assessment on the effectiveness of the Committee and the contribution of each individual committee member.

All the requirements under the TOR were complied with and the AC did not see any breach of the MMLR of Bursa Securities that warrant reporting to Bursa Securities.

## AUDIT COMMITTEE REPORT

### INTERNAL AUDIT FUNCTION

A-Rank recognises that an internal audit function is essential to ensure the effectiveness of the Group's systems of internal control and is an integral part of the risk management process. The internal audit function of the Group has outsourced to a professional Internal Audit service provider to assist the AC in carrying out its duties. The Outsourced Internal Auditors report directly to the AC.

The summary of works that had been undertaken by the Outsourced Internal Auditors during the financial year ended 31 July 2025 and the date of this report included the following:

- |   |  |
|---|--|
| <p>(a) Related party transaction review</p> <ul style="list-style-type: none"> <li>• Design and effectiveness of internal controls related to related party transactions</li> <li>• Transaction approval and authorization</li> <li>• Disclosure and transparency</li> <li>• Conflict of interest management</li> </ul> <p>(b) ESG Management Review</p> <ul style="list-style-type: none"> <li>• ESG governance (policy and strategy)</li> <li>• ESG risk assessment (materiality assessment and stakeholder mapping)</li> <li>• ESG performance metrics and monitoring (sustainability common matters)</li> <li>• Sustainability reporting framework</li> </ul> <p>(c) Payroll Processing and Control</p> <ul style="list-style-type: none"> <li>• Payroll Preparation and Security</li> <li>• Payroll Payment Controls</li> <li>• Distribution of Payroll</li> </ul> | <p>(d) Safety and Health</p> <ul style="list-style-type: none"> <li>• Safety policies and procedures</li> <li>• Safety training and awareness</li> <li>• Emergency preparedness</li> <li>• Incident reporting and investigation</li> <li>• Safety inspections and audits</li> <li>• Procedures for the safe handling, storage, and disposal of chemicals and hazardous materials</li> <li>• Workplace design and layout</li> </ul> <p>(e) Review and follow-up of previous internal audit findings</p> |
|---|--|

The internal audits performed had met their objectives by highlighting to the AC about the audit findings which required follow-up action by the Management, any outstanding audit issues which required corrective actions to be taken to ensure an adequate and effective internal control system within the Group, as well as any weaknesses in the Group's internal control system. It ensured that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management.

The total costs incurred for the internal audit function in respect of the financial year ended 31 July 2025 was RM26,000.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors (“Board”) of A-Rank Berhad is pleased to present its Statement on Risk Management and Internal Control (“SORMIC”) for the financial year ended 31 July 2025, which has been prepared pursuant to the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“SORMIC Guidelines”). The statement below outlines the nature and scope of risk management and internal control of the Company during the financial year under review.

## BOARD’S RESPONSIBILITIES

The Board affirms that it is responsible for the Group’s system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management. The Board also affirms that it is responsible for ensuring the adequacy and integrity of those systems. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives.

Therefore, it should be noted that any system can provide only a reasonable and not absolute assurance against material misstatement, fraud or loss.

For the financial year ended 31 July 2025, the Board has received assurances from the Managing Director and the Finance Manager that the Group’s risk management and internal control systems are operating adequately and effectively in all material aspects. There are no significant areas of concern that may affect the financial, operational and compliance controls.

The system of internal control incorporates inter alia, risk management, financial, operational and compliance controls as well as the governance process.

## RISK MANAGEMENT FRAMEWORK

The Board recognises the need for an effective risk management framework and to maintain a sound system of internal control. The Group has established a structured and on-going risk management process to identify, evaluate and manage risks that may significantly impact the Group. This includes identifying principal risks in critical areas, assessing the likelihood and the impact of material exposures and determining the corresponding risk mitigation and treatment measure.

The risk assessment of the Group is carried out by Messrs. ASAP Advisory PLT (“**Outsourced Internal Auditors**”) to identify and prepare the risk register to reflect existing operations and markets conditions. The Outsourced Internal Auditors will report directly to the Audit Committee (“**AC**”) on the key risk related issues and the AC shall report to the Board on the status of the risk management process. Risk registers of the principal risks and controls have been created and a risk profile for the Group has been developed and reviewed by the Board and Audit Committee.

The Risk Management Committee (“**RMC**”) was established to oversee and perform regular reviews on the Group’s risk management processes. During the financial year ended 31 July 2025, two (2) RMC meetings were held which were attended in full by all members of the Committee. The RMC meeting is chaired by the Managing Director and reports directly to the Audit Committee on a periodical basis where key risks and mitigating actions are deliberated and implemented.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### SYSTEM OF INTERNAL CONTROLS

Key elements of the Group's system of internal controls include the following:

- Organisation structure with clearly defined lines of responsibility and delegated authority which includes defined delegation of responsibilities to the Board Committees, the Management and the operating units;
- The AC comprises Independent Non-Executive Directors of the Board and has full access to both the Outsourced Internal Auditors and External Auditors. Whenever necessary, the AC will also review and discuss with the Management on the actions taken on issues brought up by the Outsourced Internal Auditors and the External Auditors;
- A regular review of the high-risk area of business processes by the Group's Outsourced Internal Auditors, which report directly to the AC, to assess the effectiveness of internal controls and to highlight any significant risk that may adversely affect the Group. The AC will monitor the status of the implementation of corrective actions to address internal control weaknesses, if any;
- The effectiveness of the system of internal controls is also reviewed through the ISO 9001:2015 which is subject to review and audit that manages and controls the quality requirement of the Group's products and services. The demanding documentation requirements of the certification further ensure a trail of accountability in the Group;
- Quarterly and annual financial results are reviewed by the AC;
- A regular review of the performance of the Group by the Directors at its meetings to ensure it is in line with the Group's overall objectives;
- A budgeting process which establishes plans and targets against which performances are monitored on an on-going basis;
- The Group's Sustainability Policy was developed and communicated to stakeholders to align the Group's practices and activities with the Group's business objectives of ensuring Environmental, Social and Governance ("ESG") sustainability. The Group remains focused on minimising its contribution towards climate change and environmental impact through responsible resource management, pollution control, awareness and accountability. This Policy complements our Code of Conduct and Ethics, Anti-Bribery and Corruption Policy and all relevant policies and procedures as well as all applicable laws and regulations. All our stakeholders including Directors, employees, suppliers, customers and community partners, must abide by this Policy. Our policies can also be accessed on the Company's website;
- Our Sustainability Statement aligns with the MMLR of Bursa Securities and other relevant international standards and guidelines, enabling us to effectively communicate our sustainability progress while striving for greater transparency. Additionally, a qualified Sustainability Assurance service provider verifies quality assurance and data accuracy before its inclusion in the Annual Report.
- A management reporting system in place to facilitate timely generation and monitoring of financial information for management review and decision making; and
- In compliance with Section 17A of the Malaysian Anti-Corruption Commission Amendment Act 2018, the Group has established the Anti-Bribery and Corruption ("ABC") Policy as part of Anti-Bribery Management System of the Group to help prevent, detect and address bribery and corruption, by establishing a culture of integrity, transparency and compliance. The ABC Policy is published in the Company's website at [www.arank.com.my](http://www.arank.com.my).

The Group's Management meets regularly to review the reports, monitors the business development and resolves key operational and management issues and reviews the financial performance against the budget.

### INTERNAL AUDIT FUNCTION

In accordance with the Malaysian Code on Corporate Governance, the Group has an internal audit function to review the adequacy and integrity of its system of internal controls.

The internal audit function of the Group is outsourced to the Outsourced Internal Auditors. The responsibilities of the Outsourced Internal Auditors include conducting audits, submitting findings and the provision of an independent report to the AC on the Group's systems of internal controls. Being an independent function, the audit work is conducted with impartiality, proficiency and due professional care.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTERNAL AUDIT FUNCTION (CONTINUED)

Internal audit plans are reviewed and approved by the AC and the plans include independent appraisal on the compliance, adequacy and effectiveness of the Group's internal controls and to assess and monitor the effectiveness and implementation of the Group's risk management policies on a periodical basis.

The findings of the internal audit function, including its recommendations and Management's responses, were reported to the AC. In addition, the internal audit function followed up on the implementation of recommendations from previous cycles of internal audit and updated the AC on the status of Management agreed action plan implementation.

Any areas for improvement identified during the course of the internal audit review were brought to the attention of the AC. Internal audit reports and risk management report were tabled at the AC meetings held during the financial year under review. The internal audit reports and risk management report were also forwarded to and discussed with the Management concerned for attention and necessary action, with the status of actions taken then reported back to the AC and the Board.

Total costs paid to Outsourced Internal Auditors for the financial year ended 31 July 2025 and up to the date of this report amounted to RM26,000 in which the following business processes and areas were audited:

- Related party transaction review;
- ESG Management Review;
- Payroll Processing and Control; and
- Safety and Health.

### REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors have reviewed this SORMIC in accordance with Audit and Assurance Practice Guide 3 ("**AAPG 3**") - Guidance for Auditors on Engagement to Report on the SORMIC; included in the Annual Report, issued by the Malaysian Institute of Accountants, for inclusion in the Annual Report for the financial year ended 31 July 2025, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the Statement on Risk Management and Internal Control factually inaccurate.

### CONCLUSION

The Board is satisfied that during the year under review, there is a process to manage the Group's system of internal controls to mitigate any significant risks faced by the Group so as to safeguard shareholders' interests and the Group's assets.





# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

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

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries and an associate are manufacturing and marketing of aluminium billets, property holding, investment holding and property developer. The further details of the subsidiaries and an associate are disclosed in Notes 8 and 9 to the financial statements respectively. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

## RESULTS

	Group RM	Company RM
Profit for the financial year	8,844,005	2,649,643
Attributable to:		
Owners of the parent	11,924,780	2,649,643
Non-controlling interests	(3,080,775)	-
	8,844,005	2,649,643

## DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year was as follows:

	Company RM
In respect of financial year ended 31 July 2024:	
First and final single tier dividend of 2.50 sen per ordinary share, paid on 18 December 2024	4,468,865

At the forthcoming Annual General Meeting, a first and final single tier dividend of 2.25 sen per ordinary share amounting to RM4,021,978 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 July 2026.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company did not allot and issue any new ordinary shares pursuant to the options granted and accepted exercised under the Employees' Share Option Scheme ("ESOS").

As at the date of this report, the unexercised options pursuant to A-Rank's ESOS granted and accepted by eligible Directors and employees are 5,675,200 options.

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

## DIRECTORS' REPORT

### EMPLOYEES' SHARE OPTION SCHEME ("ESOS" or "Scheme")

The Company implemented an ESOS, which was in force for a period of five (5) years from 27 August 2018 until 26 August 2023 ("the option period"). On 27 June 2023, the Board of Directors has approved the extension of the ESOS for a further period of five (5) years to 25 August 2028. The main features of the ESOS are as follows:

#### (a) Eligibility

##### Employee of the Group

An employee of the Group shall be able to participate in the Scheme, if, as at the date of offer:

- (i) he/she has attained at least 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
- (ii) he/she is employed on the date of offer and he/she is employed:
  - on a full time basis and is on the payroll of any company of the Group for a continuous period of at least one (1) year (which shall include any probation period) and his/her employment has been confirmed; or
  - he/she is serving in a specific designation under an employment contract with any company of the Group for a continuous fixed duration of at least one (1) year (which shall include any probation period) and may, if the ESOS Committee deems fit, to include contract staff hired for a period of one (1) year or more for any purposes or specific requirements of the Group; and
- (iii) such employees falls within any other eligibility criteria (including variations to the eligibility criteria under section (a)(ii) above) that may be determined by the ESOS Committee from time to time at its sole discretion.

##### Director of the Group

- (i) he/she has attained at least 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
- (ii) he/she has been appointed as a Director (and not as alternate Director) in the Company or any company in the Group; and
- (iii) such Director fulfils any other criteria as may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding.

In respect of a Director, a chief executive officer, major shareholders of the Company or a person connected with a Director, chief executive officer or major shareholder, the specific allocation of ESOS options granted under the Scheme must have been approved by the shareholders of the Company at a general meeting.

- (b) The maximum number of shares offered under the ESOS shall not, in aggregate, exceed 10% of the number of issued ordinary shares of the Company at any time during the existence of the ESOS;
- (c) The exercise price determined by the ESOS Committee is based on the five (5)-day Volume-Weighted Average Price of the Company's shares, as quoted on Bursa Malaysia Securities Berhad, immediately preceding the date of offer, with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time during the duration of the Scheme;



## DIRECTORS' REPORT

### EMPLOYEES' SHARE OPTION SCHEME ("ESOS" or "Scheme") (CONTINUED)

The Company implemented an ESOS, which was in force for a period of five (5) years from 27 August 2018 until 26 August 2023 ("the option period"). On 27 June 2023, the Board of Directors has approved the extension of the ESOS for a further period of five (5) years to 25 August 2028. The main features of the ESOS are as follows: (continued)

- (d) The maximum number of shares, which may be offered to any eligible employee and Director shall be at the discretion of the ESOS Committee after taking into consideration, among others and where relevant, the performance, position, seniority and length of service, subject to the following:
  - (i) that the number of ESOS options made available under the Scheme shall not exceed ten percent (10%) of the total number of issued ordinary shares of the Company;
  - (ii) that not more than ten percent (10%) of the shares available under the Scheme at the point in time when an offer is made, be granted to any individual eligible person who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the issued shares (excluding treasury shares, if any);
  - (iii) that not more than seventy percent (70%) of the total number of shares to be issued under the Scheme will be allocated in aggregate to the Directors and senior management of the Group who are eligible persons; and
  - (iv) that the Directors and senior management of the Group do not participate in the deliberation or discussion of their respective allocation.
- (e) No vesting period as well as performance target that must be achieved prior to the exercise of the ESOS options set by the ESOS Committee. Notwithstanding this, the ESOS Committee shall have the discretion to prescribe any conditions as it may deem fit in the offer;
- (f) The shares shall on issue and allotment rank pari passu in all respects with the then existing issued shares of the Company; and
- (g) No eligible employee and Director shall participate at any time in any other employees' share option scheme within the Company and its subsidiaries unless otherwise approved by the ESOS Committee.

Options exercisable in a particular year but not exercised shall be carried forward to subsequent years within the option period provided that no options shall be exercised beyond the date of expiry of the scheme.

The number of unissued ordinary shares under options was as follows:

Option price	<----- Number of options over ordinary shares ----->			
	Balance as at 1.8.2024	Exercised	Retracted*	Balance as at 31.7.2025
RM0.46	1,235,200	-	-	1,235,200
RM0.56	4,440,000	-	-	4,440,000

\* Due to resignation

## DIRECTORS' REPORT

### EMPLOYEES' SHARE OPTION SCHEME ("ESOS" or "Scheme") (CONTINUED)

Since the implementation of the ESOS until the end of the financial year ended 31 July 2025, a total of 16,745,400 options had been granted to eligible Directors and employees of the Group, which includes a total of 8,380,000 options granted to the Directors. A total of 10,344,200 options had been exercised and 726,000 options had been retracted since the implementation of the ESOS until the end of the financial year, which includes 5,300,000 options exercised and 400,000 options retracted by the Directors.

During the financial year, the Company did not allot and issue any new ordinary shares pursuant to the ESOS.

### DIRECTORS OF A-RANK BERHAD

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

Cheah Tek Kuang  
Tan Sri Datuk Leow Chong Howa  
Tan Wan Lay  
Gan Choon Sun  
Leow Vinzie  
Leow Vinken  
Hong Cheong Liang  
Neoh Lay Keong  
Siti Ruzainah Binti Abd Halim

### DIRECTORS OF SUBSIDIARIES OF A-RANK BERHAD

Pursuant to Section 253(2) of the Companies Act 2016, the Directors of the subsidiaries of A-Rank Berhad during the financial year and up to the date of this report are as follows:

Tan Sri Datuk Leow Chong Howa  
Tan Wan Lay  
Gan Choon Sun  
Leow Vinken  
Puan Sri Datin Seri Lee Kuan Kiow  
Gan Yee Hin  
Dato' Shaik Ahmad Sufian Bin Shaik Kamal Farid

## DIRECTORS' REPORT

### DIRECTORS' INTERESTS

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

	<-----	Number of ordinary shares		----->
	Balance as at 1.8.2024	Bought	Sold	Balance as at 31.7.2025
Shares in the Company				
<u>Direct interests:</u>				
Tan Sri Datuk Leow Chong Howa	31,500	–	–	31,500
Tan Wan Lay	18,704,300	–	–	18,704,300
Gan Choon Sun	861,680	–	–	861,680
Leow Vinzie	280,000	–	–	280,000
<u>Indirect interest:</u>				
Tan Sri Datuk Leow Chong Howa	46,638,887*	–	–	46,638,887*

\* Deemed interested by virtue of his indirect shareholdings via his spouse, City Data Limited and LB Aluminium Berhad pursuant to Section 8 of the Companies Act 2016.

Share options in the Company	<----- Number of options over ordinary shares ----->			Balance as at 31.7.2025
	Balance as at 1.8.2024	Granted	Exercised	
<u>Direct interests:</u>				
Tan Sri Datuk Leow Chong Howa	380,000	–	–	380,000
Tan Wan Lay	1,200,000	–	–	1,200,000
Gan Choon Sun	1,000,000	–	–	1,000,000
Leow Vinzie	100,000	–	–	100,000

By virtue of Section 8(4) of the Companies Act 2016 in Malaysia, Tan Sri Datuk Leow Chong Howa is deemed to have interest 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 and options over ordinary shares of the Company and of its related corporations during the financial year.

## DIRECTORS' REPORT

## 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 a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the followings:

- (i) remuneration received or due and receivable by certain Directors from the related corporations in their capacity as Directors or executives of the related corporations; and
- (ii) deemed benefits arising from related party transactions as disclosed in Note 31(b) to the financial statements.

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 ordinary shares in or debentures of the Company or any other body corporate except for the share options granted pursuant to the ESOS as mentioned in Note 28 to the financial statements.

## DIRECTORS' REMUNERATION

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

	Group 2025 RM	Company 2025 RM
<b><u>Directors of the Company</u></b>		
<b>Executive Directors:</b>		
Short-term employee benefits:		
– fees	150,000	150,000
– salaries, bonuses and other benefits	1,624,075	12,000
– defined contribution plan	257,360	–
	2,031,435	162,000
<b>Non-Executive Directors:</b>		
Short-term employee benefits:		
– fees	320,000	320,000
– other benefits	24,000	24,000
	344,000	344,000
<b>Total</b>	2,375,435	506,000
<b><u>Director of a subsidiary</u></b>		
<b>Executive Director:</b>		
Short term employee benefits:		
– salaries, bonuses and other benefits	241,354	–
– defined contribution plan	28,800	–
<b>Total</b>	270,154	–
<b>Total Directors' remuneration</b>	2,645,589	506,000

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash by the Group and the Company amounted to RM45,700 (2024: RM41,350).



## DIRECTORS' REPORT

### INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and officers of the Group amounted to RM5,000,000 and RM21,610 respectively.

There were no indemnity 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 there were no known bad debts to be 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 the 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.

#### (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 necessitate the writing off of bad debts or render 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 methods 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 and of the Company to meet their obligations as and when they fall due.

## DIRECTORS' REPORT

## OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONTINUED)

## (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.

## AUDITORS

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

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

	Group RM	Company RM
Statutory audit	105,800	11,000
Other services	28,500	28,500
	134,300	39,500

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

**Cheah Tek Kuang**  
Director

**Tan Wan Lay**  
Director

Kuala Lumpur  
24 October 2025

# STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 114 to 168 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 July 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,

**Cheah Tek Kuang**  
Director

Kuala Lumpur  
24 October 2025

**Tan Wan Lay**  
Director

# STATUTORY DECLARATION

I, Tan Tze (CA 19953), being the officer primarily responsible for the financial management of A-Rank Berhad, do solemnly and sincerely declare that the financial statements set out on pages 114 to 168 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 )  
Kuala Lumpur this )  
24 October 2025 )

**Tan Tze**

Before me:

Mardhiyyah Abdul Wahab  
No. W 729  
Commissioner for Oath

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF A-RANK BERHAD  
(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of A-Rank Berhad, which comprise the statements of financial position as at 31 July 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 114 to 168.

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 July 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"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

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

### ***Carrying amount of inventories at the lower of cost and net realisable value***

As at 31 July 2025, the carrying amount of aluminium products included in inventories of the Group, was RM84,322,678 as disclosed in Note 11 to the financial statements.

We have focused on the audit risk that the carrying amount of aluminium products may not be stated at the lower of cost and net realisable value. Writing down of aluminium products to net realisable value is mainly based on management estimates, which have been derived from estimates of selling prices that are subject to price volatility of aluminium, and if not accounted for properly, may lead to the valuation of aluminium products being misstated.

### ***Audit response***

Our audit procedures included the following:

- (i) compared the net realisable values determined by management against the movements of world aluminium prices based on available industry data to ensure the aluminium products are stated at the lower of cost and net realisable value; and
- (ii) tested inventories for sales subsequent to the year end to supporting documentation and assessed that the carrying amount of aluminium products are at the lower of cost and net realisable value.

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

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF A-RANK BERHAD

(Incorporated in Malaysia)

#### 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A-RANK BERHAD (Incorporated in Malaysia)

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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: (continued)

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 8 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

**Shahira Binti Shahar**  
03646/03/2026 J  
Chartered Accountant

Kuala Lumpur  
24 October 2025

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	81,456,526	83,335,423	-	-
Right-of-use assets	6	882,706	2,475,868	-	-
Investment property	7	9,344,546	9,344,546	-	-
Investments in subsidiaries	8	-	-	80,279,130	80,279,130
Investment in an associate	9	432,294	433,739	3,000	3,000
Other receivables	10	-	-	19,800,717	16,373,894
		92,116,072	95,589,576	100,082,847	96,656,024
<b>Current assets</b>					
Inventories	11	162,819,183	150,476,162	-	-
Trade and other receivables	10	64,634,607	62,296,766	20,189,648	25,362,995
Current tax assets		235,468	984,974	-	-
Cash and bank balances	12	22,551,319	30,274,617	14,600	84,171
		250,240,577	244,032,519	20,204,248	25,447,166
<b>TOTAL ASSETS</b>		<b>342,356,649</b>	<b>339,622,095</b>	<b>120,287,095</b>	<b>122,103,190</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	13	90,643,983	90,643,983	90,643,983	90,643,983
Reserves	14	100,653,816	93,197,901	29,063,824	30,883,046
		191,297,799	183,841,884	119,707,807	121,527,029
<b>Non-controlling interests</b>	8(c)	(14,610,141)	(11,529,366)	-	-
<b>TOTAL EQUITY</b>		<b>176,687,658</b>	<b>172,312,518</b>	<b>119,707,807</b>	<b>121,527,029</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	17	26,249,773	37,431,633	-	-
Lease liabilities	6	672,610	930,497	-	-
Deferred tax liabilities	15	4,747,000	4,666,000	-	-
		31,669,383	43,028,130	-	-
<b>Current liabilities</b>					
Trade and other payables	16	81,682,187	70,380,287	520,842	489,981
Derivative financial liabilities	18	433,885	801,188	-	-
Borrowings	17	51,567,203	51,418,529	-	-
Lease liabilities	6	257,887	1,595,263	-	-
Current tax liabilities		58,446	86,180	58,446	86,180
		133,999,608	124,281,447	579,288	576,161
<b>TOTAL LIABILITIES</b>		<b>165,668,991</b>	<b>167,309,577</b>	<b>579,288</b>	<b>576,161</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>342,356,649</b>	<b>339,622,095</b>	<b>120,287,095</b>	<b>122,103,190</b>

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 JULY 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Revenue	19	580,159,113	713,919,713	5,000,000	5,000,000
Cost of sales		(552,075,131)	(682,803,318)	-	-
Gross profit		28,083,982	31,116,395	5,000,000	5,000,000
Other operating income	20	2,926,433	3,472,805	1,485,225	1,824,689
Marketing and distribution expenses		(519,529)	(385,422)	-	-
Administrative expenses		(10,487,079)	(12,135,751)	(707,950)	(662,980)
Net losses on impairment of financial assets		(9,250)	(80,536)	-	-
Other operating expenses	21	(20,370)	(343,690)	(2,810,490)	(1,775,374)
Profit from operations		19,974,187	21,643,801	2,966,785	4,386,335
Finance costs	22	(6,796,924)	(7,146,124)	-	-
Share of results of an associate	9(c)	(1,445)	(2,083)	-	-
Profit before tax	23	13,175,818	14,495,594	2,966,785	4,386,335
Tax expense	24	(4,331,813)	(2,763,276)	(317,142)	(422,206)
Profit for the financial year		8,844,005	11,732,318	2,649,643	3,964,129
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		8,844,005	11,732,318	2,649,643	3,964,129
<b>Profit/(Loss) attributable to:</b>					
Owners of the parent		11,924,780	15,352,127	2,649,643	3,964,129
Non-controlling interests	8(c)	(3,080,775)	(3,619,809)	-	-
		8,844,005	11,732,318	2,649,643	3,964,129
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the parent		11,924,780	15,352,127	2,649,643	3,964,129
Non-controlling interests	8(c)	(3,080,775)	(3,619,809)	-	-
		8,844,005	11,732,318	2,649,643	3,964,129
<b>Earnings per ordinary share attributable to owners of the parent (sen):</b>					
Basic	25(a)	6.67	8.59		
Diluted	25(b)	6.47	8.32		

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

Group	Note	Share capital 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 August 2023		90,643,983	952,626	81,362,013	172,958,622	(7,909,557)	165,049,065
Profit/(Loss) for the financial year		-	-	15,352,127	15,352,127	(3,619,809)	11,732,318
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income/(loss)		-	-	15,352,127	15,352,127	(3,619,809)	11,732,318
<b>Transactions with owners</b>							
Dividend paid	26	-	-	(4,468,865)	(4,468,865)	-	(4,468,865)
Total transactions with owners		-	-	(4,468,865)	(4,468,865)	-	(4,468,865)
Balance as at 31 July 2024/ 1 August 2024		90,643,983	952,626	92,245,275	183,841,884	(11,529,366)	172,312,518
Profit/(Loss) for the financial year		-	-	11,924,780	11,924,780	(3,080,775)	8,844,005
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income/(loss)		-	-	11,924,780	11,924,780	(3,080,775)	8,844,005
<b>Transactions with owners</b>							
Dividend paid	26	-	-	(4,468,865)	(4,468,865)	-	(4,468,865)
Total transactions with owners		-	-	(4,468,865)	(4,468,865)	-	(4,468,865)
Balance as at 31 July 2025		90,643,983	952,626	99,701,190	191,297,799	(14,610,141)	176,687,658

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

Company	Note	Share capital RM	Share options reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 August 2023		90,643,983	952,626	30,435,156	122,031,765
Profit for the financial year		-	-	3,964,129	3,964,129
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	3,964,129	3,964,129
<b>Transactions with owners</b>					
Dividend paid	26	-	-	(4,468,865)	(4,468,865)
Total transactions with owners		-	-	(4,468,865)	(4,468,865)
Balance as at 31 July 2024/1 August 2024		90,643,983	952,626	29,930,420	121,527,029
Profit for the financial year		-	-	2,649,643	2,649,643
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	2,649,643	2,649,643
<b>Transactions with owners</b>					
Dividend paid	26	-	-	(4,468,865)	(4,468,865)
Total transactions with owners		-	-	(4,468,865)	(4,468,865)
Balance as at 31 July 2025		90,643,983	952,626	28,111,198	119,707,807

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

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax		13,175,818	14,495,594	2,966,785	4,386,335
Adjustments for:					
Depreciation of property, plant and equipment	5	4,706,764	4,615,861	-	-
Depreciation of right-of-use assets	6	1,629,485	1,431,083	-	-
Dividend income from a subsidiary	19	-	-	(5,000,000)	(5,000,000)
Fair value loss on discounting of non-current amounts owing by subsidiaries	21	-	-	2,810,490	1,775,374
Fair value unrealised gain on derivative financial instruments	20	(367,303)	(12,792)	-	-
(Gain)/Loss on disposal of property, plant and equipment	20, 21	(297)	1,040	-	-
Gain on lease modification	20	(11,428)	(43,100)	-	-
Impairment losses on trade receivables	10(e)	9,250	80,536	-	-
Inventories written down	11	-	2,082,000	-	-
Interest expense	22	6,796,924	7,146,124	-	-
Interest income	20	(463,177)	(770,827)	(1,485,225)	(1,824,689)
Property, plant and equipment written off	5	20,370	1	-	-
Share of loss in an associate	9(c)	1,445	2,083	-	-
Unrealised gain on foreign exchange	20	(706,553)	(823,400)	-	-
Operating profit/(loss) before changes in working capital		24,791,298	28,204,203	(707,950)	(662,980)
Changes in working capital:					
Inventories		(12,343,021)	15,246,653	-	-
Trade and other receivables		(2,286,207)	(2,698,893)	-	(166,539)
Trade and other payables		9,967,326	12,820,771	30,861	125,521
Cash generated from/(used in) operations		20,129,396	53,572,734	(677,089)	(703,998)
Tax paid		(3,584,496)	(2,841,074)	(344,876)	(268,194)
Tax refunded		55,455	-	-	-
Net cash from/(used in) operating activities		16,600,355	50,731,660	(1,021,965)	(972,192)

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Advances to an associate		(3,000)	-	(3,000)	-
Repayment from subsidiaries		-	-	424,259	435,866
Dividends received from a subsidiary	19	-	-	5,000,000	5,000,000
Interest received		463,177	770,827	-	-
Purchase of property, plant and equipment	5	(2,931,240)	(18,133,800)	-	-
Proceed from disposal of property, plant and equipment		83,300	370	-	-
Placements of deposit pledged to a licensed bank		(18,737)	(19,851)	-	-
Net cash (used in)/from investing activities		(2,406,500)	(17,382,454)	5,421,259	5,435,866
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividend paid	26	(4,468,865)	(4,468,865)	(4,468,865)	(4,468,865)
Drawdown of bankers' acceptances	17	17,943,306	-	-	-
Repayment of bankers' acceptances	17	(15,400,000)	-	-	-
Repayment of term loan	17	(10,569,507)	(8,384,621)	-	-
Drawdown of foreign currency loans	17	156,153,021	152,543,150	-	-
Repayment of foreign currency loans	17	(158,358,241)	(174,373,176)	-	-
Payments of lease liabilities	6	(1,740,984)	(1,519,974)	-	-
Interest paid		(5,494,620)	(6,964,241)	-	-
Net cash used in financing activities		(21,935,890)	(43,167,727)	(4,468,865)	(4,468,865)
Net decrease in cash and cash equivalents		(7,742,035)	(9,818,521)	(69,571)	(5,191)
Cash and cash equivalents at beginning of financial year		29,528,858	39,347,379	84,171	89,362
Cash and cash equivalents at end of financial year	12	21,786,823	29,528,858	14,600	84,171

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

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 1. CORPORATE INFORMATION

A-Rank 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 Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Lot 2-33, Jalan Perindustrian Mahkota 7, Taman Perindustrian Mahkota, 43700 Beranang, Selangor Darul Ehsan.

The consolidated financial statements for the financial year ended 31 July 2025 comprise the Company and its subsidiaries and the interest of the Group in an 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 24 October 2025.

## 2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries and an associate are manufacturing and marketing of aluminium billets, property holding, investment holding and property developer. The further details of the subsidiaries and an associate are disclosed in Notes 8 and 9 to the financial statements respectively. There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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 33.1 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.

## 4. OPERATING SEGMENTS

The Group's reportable operating segments are aluminium and property development. Its operating segments are presented based on products and services. The performance of each segment is measured based on the internal management report reviewed by chief operating decision maker.

The Group evaluates performance on the basis of profit or loss from operations before tax.

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 4. OPERATING SEGMENTS (CONTINUED)

- (a) Segment assets exclude tax assets. Segment liabilities exclude tax liabilities. Even though borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors. Details are provided in the reconciliations from segment assets and liabilities to the position of the Group.

2025	Note	Aluminium RM	Property development RM	Elimination RM	Total RM
<b>Revenue</b>					
Total revenue		585,159,113	-	(5,000,000)	580,159,113
Inter-segment revenue		(5,000,000)	-	5,000,000	-
Revenue from external customers		580,159,113	-	-	580,159,113
<b>Results</b>					
Interest income		1,924,943	23,459	(1,485,225)	463,177
Finance costs		(4,025,558)	(4,256,591)	1,485,225	(6,796,924)
Share of results of an associate		(1,445)	-	-	(1,445)
Depreciation of:					
- property, plant and equipment		(4,703,790)	(2,974)	-	(4,706,764)
- right-of-use assets		(1,629,485)	-	-	(1,629,485)
Net loss on impairment of financial assets		(9,250)	-	-	(9,250)
Other items of income	(i)	1,704,546	758,710	-	2,463,256
Other expenses	(ii)	(2,830,860)	-	2,810,490	(20,370)
<b>Segment profit/(loss) before tax</b>		19,715,396	(4,348,623)	(2,190,955)	13,175,818
<b>Tax expense</b>		(4,331,813)	-	-	(4,331,813)
<b>Segment assets</b>		373,701,570	89,116,812	(120,697,201)	342,121,181
Investment in an associate		432,294	-	-	432,294
Additions to property, plant and equipment		2,931,240	-	-	2,931,240
<b>Segment liabilities</b>		105,896,070	99,873,467	(44,905,992)	160,863,545



## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 4. OPERATING SEGMENTS (CONTINUED)

- (a) Segment assets exclude tax assets. Segment liabilities exclude tax liabilities. Even though borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors. Details are provided in the reconciliations from segment assets and liabilities to the position of the Group. (continued)

2024	Note	Aluminium RM	Property development RM	Elimination RM	Total RM
<b>Revenue</b>					
Total revenue		718,919,713	-	(5,000,000)	713,919,713
Inter-segment revenue		(5,000,000)	-	5,000,000	-
Revenue from external customers		713,919,713	-	-	713,919,713
<b>Results</b>					
Interest income		2,571,162	24,354	(1,824,689)	770,827
Finance costs		(4,586,029)	(4,384,784)	1,824,689	(7,146,124)
Share of results of an associate		(2,083)	-	-	(2,083)
Depreciation of:					
- property, plant and equipment		(4,613,604)	(2,257)	-	(4,615,861)
- right-of-use assets		(1,431,083)	-	-	(1,431,083)
Net loss on impairment of financial assets		(80,536)	-	-	(80,536)
Other items of income	(i)	2,701,978	-	-	2,701,978
Other expenses	(ii)	(2,119,064)	-	1,775,374	(343,690)
<b>Segment profit/(loss) before tax</b>		22,826,884	(5,104,581)	(3,226,709)	14,495,594
<b>Tax expense</b>		(2,763,276)	-	-	(2,763,276)
<b>Segment assets</b>		372,577,350	88,505,050	(122,445,279)	338,637,121
Investment in an associate		433,739	-	-	433,739
Additions to property, plant and equipment		18,128,264	5,536	-	18,133,800
<b>Segment liabilities</b>		111,489,341	94,913,082	(43,845,026)	162,557,397

- (i) Other items of income consist of the following:

	Group	
	2025 RM	2024 RM
Gain on disposal of property, plant and equipment	297	-
Gain on foreign exchange:		
- realised	460,662	1,770,986
- unrealised	706,553	823,400
Gain on lease modification	11,428	43,100
Fair value gain on derivative financial instruments:		
- realised	126,053	-
- unrealised	367,303	12,792
Training grant	32,250	51,700
Rental income	758,710	-
	2,463,256	2,701,978

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 4. OPERATING SEGMENTS (CONTINUED)

- (a) Segment assets exclude tax assets. Segment liabilities exclude tax liabilities. Even though borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors. Details are provided in the reconciliations from segment assets and liabilities to the position of the Group. (continued)

- (ii) Other expenses consist of the following:

	2025 RM	Group 2024 RM
Fair value loss on derivative financial instruments:		
– realised	–	342,649
Property, plant and equipment written off	20,370	1
Loss on disposal of property, plant and equipment	–	1,040
	20,370	343,690

- (b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	2025 RM	Group 2024 RM
<b>Revenue</b>		
Total revenue for reportable segments	585,159,113	718,919,713
Elimination of inter-segment revenue	(5,000,000)	(5,000,000)
Revenue of the Group per statements of profit or loss and other comprehensive income	580,159,113	713,919,713
<b>Profit for the financial year</b>		
Total profit/(loss) before tax for reportable segments	13,175,818	14,495,594
Tax expense	(4,331,813)	(2,763,276)
Profit for the financial year of the Group per statements of profit or loss and other comprehensive income	8,844,005	11,732,318
<b>Assets</b>		
Total assets for reportable segments	342,121,181	338,637,121
Current tax assets	235,468	984,974
Assets of the Group per statements of financial position	342,356,649	339,622,095
<b>Liabilities</b>		
Total liabilities for reportable segments	160,863,545	162,557,397
Deferred tax liabilities	4,747,000	4,666,000
Current tax liabilities	58,446	86,180
Liabilities of the Group per statements of financial position	165,668,991	167,309,577

**NOTES TO THE FINANCIAL STATEMENTS**

31 JULY 2025

**4. OPERATING SEGMENTS (CONTINUED)**

## (c) Geographical information

The Group operates only in Malaysia.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of customers. The composition of each geographical segments are Malaysia, South East Asia other than Malaysia, South Asia and others<sup>(1)</sup>.

<sup>(1)</sup> Others represent the sales of finished goods to East Asia, Africa and Europe.

	2025 RM	Group 2024 RM
<b>Revenue from external customers</b>		
Malaysia	386,626,218	494,838,507
South East Asia other than Malaysia	90,885,644	110,708,934
South Asia	95,828,008	106,032,383
Others <sup>(1)</sup>	6,819,243	2,339,889
	<u>580,159,113</u>	<u>713,919,713</u>

**Major customers**

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

	2025 RM	Revenue 2024 RM	Segment
Customer A	81,719,679	141,103,441	Malaysia
Customer B	<u>64,357,780</u>	<u>71,729,157</u>	Malaysia/India

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## NOTES TO THE FINANCIAL STATEMENTS

### 31 JULY 2025

#### 5. PROPERTY, PLANT AND EQUIPMENT

Group 2025	Balance as at 1.8.2024 RM	Additions RM	Written off RM	Disposals RM	Depreciation charge for the financial year RM	Balance as at 31.7.2025 RM
<b>Carrying amount</b>						
Freehold land	22,052,117	-	-	-	-	22,052,117
Buildings	27,551,674	525,494	-	-	(715,236)	27,361,932
Plant and machinery	32,912,337	537,107	-	-	(3,741,204)	29,708,240
Office equipment	412,883	74,870	(20,370)	(3)	(79,023)	388,357
Furniture and fittings	44,043	8,856	-	-	(13,152)	39,747
Electrical fittings	46	-	-	-	-	46
Motor vehicles	339,211	398,648	-	(83,000)	(158,149)	496,710
Assets work-in-progress	23,112	1,386,265	-	-	-	1,409,377
	83,335,423	2,931,240	(20,370)	(83,003)	(4,706,764)	81,456,526

	<----- At 31.7.2025 ----->		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	22,052,117	-	22,052,117
Buildings	37,981,556	(10,619,624)	27,361,932
Plant and machinery	93,866,385	(64,158,145)	29,708,240
Office equipment	1,040,814	(652,457)	388,357
Furniture and fittings	409,254	(369,507)	39,747
Electrical fittings	2,589,497	(2,589,451)	46
Motor vehicles	1,279,160	(782,450)	496,710
Assets work-in-progress	1,409,377	-	1,409,377
	160,628,160	(79,171,634)	81,456,526

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## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2024	Balance as at 1.8.2023 RM	Additions RM	Reclassifi- cation RM	Written off RM	Disposals RM	Depreciation charge for the financial year RM	Balance as at 31.7.2024 RM
<b>Carrying amount</b>							
Freehold land	14,161,971	7,890,146	-	-	-	-	22,052,117
Buildings	26,309,569	1,954,148	-	-	-	(712,043)	27,551,674
Plant and machinery	25,746,973	7,863,537	2,982,103	-	-	(3,680,276)	32,912,337
Office equipment	382,451	106,156	-	(1)	(1,410)	(74,313)	412,883
Furniture and fittings	45,047	10,850	-	-	-	(11,854)	44,043
Electrical fittings	315	-	-	-	-	(269)	46
Motor vehicles	476,317	-	-	-	-	(137,106)	339,211
Assets work-in-progress	2,696,252	308,963	(2,982,103)	-	-	-	23,112
	69,818,895	18,133,800	-	(1)	(1,410)	(4,615,861)	83,335,423

<----- At 31.7.2024 ----->			
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	22,052,117	-	22,052,117
Buildings	37,456,062	(9,904,388)	27,551,674
Plant and machinery	93,329,278	(60,416,941)	32,912,337
Office equipment	1,069,189	(656,306)	412,883
Furniture and fittings	400,398	(356,355)	44,043
Electrical fittings	2,589,497	(2,589,451)	46
Motor vehicles	963,512	(624,301)	339,211
Assets work-in-progress	23,112	-	23,112
	157,883,165	(74,547,742)	83,335,423

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 are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the various business segments of the Group. The principal annual depreciation rates used are as follows:

Buildings	2%
Plant and machinery	6% to 20%
Office equipment	10%
Furniture and fittings	10%
Electrical fittings	6%
Motor vehicles	20%

Freehold land has unlimited useful life and is not depreciated.

Assets work-in-progress represents building under construction for intended use as a hostel for employees. Assets work-in-progress is not depreciated until such time when the assets are available for use.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 JULY 2025

#### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

##### Right-of-use assets

Group	Plant and machinery RM	Motor vehicles RM	Total RM
<b>2025</b>			
<b>Carrying amount</b>			
Balance as at 1 August 2024	2,131,251	344,617	2,475,868
Modification	–	36,323	36,323
Depreciation charge for the financial year	(1,248,545)	(380,940)	(1,629,485)
Balance as at 31 July 2025	882,706	–	882,706
<b>2024</b>			
<b>Carrying amount</b>			
Balance as at 1 August 2023	2,897,560	689,245	3,586,805
Additions	84,490	–	84,490
Modification	235,656	–	235,656
Depreciation charge for the financial year	(1,086,455)	(344,628)	(1,431,083)
Balance as at 31 July 2024	2,131,251	344,617	2,475,868

##### Lease liabilities

Group	Plant and machinery RM	Motor vehicles RM	Total RM
<b>2025</b>			
<b>Carrying amount</b>			
Balance as at 1 August 2024	2,169,715	356,045	2,525,760
Modification	–	24,895	24,895
Lease payments	(1,346,184)	(394,800)	(1,740,984)
Interest expense	106,966	13,860	120,826
Balance as at 31 July 2025	930,497	–	930,497
<b>2024</b>			
<b>Carrying amount</b>			
Balance as at 1 August 2023	2,897,560	689,245	3,586,805
Additions	84,490	–	84,490
Modification	192,556	–	192,556
Lease payments	(1,150,974)	(369,000)	(1,519,974)
Interest expense	146,083	35,800	181,883
Balance as at 31 July 2024	2,169,715	356,045	2,525,760

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

## Lease liabilities (continued)

Represented by:

	2025 RM	Group 2024 RM
Current liabilities	257,887	1,595,263
Non-current liabilities	672,610	930,497
	<u>930,497</u>	<u>2,525,760</u>

	2025 RM	Group 2024 RM
Lease liabilities owing to non-financial institution	<u>930,497</u>	<u>2,525,760</u>

- (a) The Group leases a number of plant and machinery and motor vehicles in the locations, in which it operates with fixed periodic rent over the lease term.
- (b) The 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 accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liabilities.

The Group has certain leases of office equipment and hostels with lease term of 12 months or less and low-value leases (leases for which the underlying asset is RM20,000 and below). The Group applies the "lease of low-value assets" and "short-term lease" exemption for these leases.

- (c) The right-of-use assets are depreciated on a straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Plant and machinery	2 to 5 years
Motor vehicles	2 years

- (d) The following are the amounts recognised in profit or loss:

	2025 RM	Group 2024 RM
Depreciation charge of right-of-use assets (included in cost of sales)	1,629,485	1,431,083
Interest expense on lease liabilities (included in finance costs)	120,826	181,883
Expense relating to leases of low-value assets and short-term lease (included in administrative expenses)	79,608	96,108
Gain on lease modification (included in other operating income)	(11,428)	(43,100)
	<u>1,818,491</u>	<u>1,665,974</u>



## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

## Lease liabilities (continued)

- (e) The incremental borrowing rate and remaining maturity profile of the lease liabilities of the Group at the end of each reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

Group	Incremental borrowing rate %	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
<b>As at 31 July 2025</b>					
<b>Financial liabilities</b>					
Lease liabilities	6.65	312,000	728,000	–	1,040,000
<b>As at 31 July 2024</b>					
<b>Financial liabilities</b>					
Lease liabilities	6.65	1,740,984	1,040,000	–	2,780,984

- (f) Management exercises judgement in determining the incremental borrowing rate whenever the implicit rate of interest in a lease is not readily determinable as well as the lease term. The incremental borrowing rate used is based on a prevailing market borrowing rate over a similar lease term, of similar value as the right-of-use asset in a similar economic environment. Lease term is based on management expectations driven by prevailing market conditions and past experiences in exercising similar renewal and termination options.
- (g) Total cash outflows for leases of the Group amounted to RM1,820,592 (2024: RM1,616,082) during the financial year.
- (h) Reconciliation of liabilities arising from financing activities

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

	<b>Group</b>	
	<b>2025 RM</b>	<b>2024 RM</b>
<b>Lease liabilities</b>		
Balance as at 1 August 2024/2023	2,525,760	3,586,805
Cash flows:		
Payments of lease liabilities	(1,740,984)	(1,519,974)
Non-cash flows:		
Addition of lease liabilities	–	84,490
Modification	24,895	192,556
Unwinding of interest	120,826	181,883
Balance as at 31 July 2025/2024	930,497	2,525,760

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

### 7. INVESTMENT PROPERTY

	2025 RM	Group 2024 RM
<b>Cost</b>		
At 31 July 2025/2024	9,344,546	9,344,546
Fair value as at 31 July 2025/2024	11,220,000	11,220,000

- (a) Investment property is initially measured at cost, which includes transaction costs. After initial recognition, investment property is stated at cost less any accumulated depreciation and any accumulated impairment losses.
- (b) Investment property of the Group comprises freehold land held for capital appreciation purposes and it is not depreciated as it has an unlimited useful life.
- (c) The fair value of the Group's investment property is categorised as Level 3 in the fair value hierarchy. It was determined by the Directors based on the market comparison approach that reflects recent transaction prices for similar properties. The most significant input into this valuation approach is the price per square foot of comparable properties.
- (d) Direct operating expense arising from the investment property (non-generating income) during the financial year is as follow:

	2025 RM	Group 2024 RM
Quit rent and assessment	6,781	6,781

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost	80,279,130	80,279,130

- (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.

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

- (b) Details of the subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Effective interest in equity held by the Group		Principal activities
		2025	2024	
Formosa Shyen Horng Metal Sdn. Bhd.	Malaysia	100%	100%	Manufacturing and marketing of aluminium billets
Emerald Innovations Sdn. Bhd.	Malaysia	100%	100%	Property holding
Tambun Kekal Sdn. Bhd. ("TKSB")*	Malaysia	57.1%	57.1%	Investment holding
<b>Subsidiary of TKSB</b>				
Konsep Juara Sdn. Bhd. ("KJSB")*	Malaysia	28.6%	28.6%	Property developer

\* Subsidiaries not audited by BDO PLT or member firms.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) Subsidiaries of the Group that has non-controlling interests ("NCI") are as follows:

	TKSB Group	
	2025	2024
	RM	RM
NCI percentage of ownership interests and voting interest	42.9%	42.9%
Carrying amount of NCI	(14,610,141)	(11,529,366)
Loss allocated to NCI	(3,080,775)	(3,619,809)
Total comprehensive loss allocated to NCI	(3,080,775)	(3,619,809)

(d) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows:

	TKSB Group	
	2025	2024
	RM	RM
<b>Assets and liabilities</b>		
Non-current assets	20,400	23,374
Current assets	78,763,025	78,148,289
Non-current liabilities	(26,249,773)	(37,431,633)
Current liabilities	(73,486,088)	(57,357,652)
<b>Net liabilities</b>	(20,952,436)	(16,617,622)
Equity attributable to owners of the parent	(11,107,347)	(8,911,132)
NCI	(9,845,089)	(7,706,490)
<b>Total equity</b>	(20,952,436)	(16,617,622)
<b>Results</b>		
Loss for the financial year	(4,334,814)	(5,091,834)
Total comprehensive loss	(4,334,814)	(5,091,834)
Loss attributable to:		
- Owners of the parent	(2,196,216)	(2,577,977)
- NCI	(2,138,598)	(2,513,857)
	(4,334,814)	(5,091,834)

## NOTES TO THE FINANCIAL STATEMENTS

### 31 JULY 2025

#### 8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

- (d) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows: (continued)

	TKSB Group	
	2025 RM	2024 RM
Total comprehensive loss attributable to:		
– Owners of the parent	(2,196,216)	(2,577,977)
– NCI	(2,138,598)	(2,513,857)
Total comprehensive loss	(4,334,814)	(5,091,834)
<b>Cash flows</b>		
Cash flows used in operating activities	(671,216)	(1,939,308)
Cash flows from investing activities	13,567,621	13,750,556
Cash flows used in financing activities	(12,838,413)	(11,271,143)
Net increase in cash and cash equivalents	57,992	540,105

#### 9. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unquoted shares, at cost	3,000	3,000	3,000	3,000
Share of post-acquisition profit	429,294	430,739	–	–
	432,294	433,739	3,000	3,000

- (a) Investment in an 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 9. INVESTMENT IN AN ASSOCIATE (CONTINUED)

(b) The details of the associate is as follows:

Name of company	Principal place of business/ Country of incorporation	Effective interest in equity		Principal activity
		2025	2024	
Ringgit Voyage Sdn. Bhd.*	Malaysia	30%	30%	Investment holding

\* Associate not audited by BDO PLT or member firms.

The above investment is accounted for as investment in associate by virtue of ability of the Group to exercise significant influence over the financial and operating policies of the investee company through representation in the Board of Directors of this associate.

The associate has a financial year end of 31 December. Management accounts of this associate for the financial year ended 31 July 2025 has been used for the purpose of applying the equity method of accounting.

(c) The summarised financial information of the associate is as follows:

	Group	
	2025 RM	2024 RM
<b>Assets and liabilities</b>		
Non-current assets	1,768,528	1,767,613
Current assets	903,669	902,150
Current liabilities	(1,231,216)	(1,223,967)
Net assets	1,440,981	1,445,796
<b>Results</b>		
Loss for the financial year	(4,815)	(6,943)
Total comprehensive loss	(4,815)	(6,943)
<b>Share of results by the Group for the financial year</b>		
Share of loss by the Group for the financial year	(1,445)	(2,083)

## NOTES TO THE FINANCIAL STATEMENTS

### 31 JULY 2025

#### 10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Non-current</b>				
<b>Other receivables</b>				
Amounts owing by subsidiaries	-	-	19,800,717	16,373,894
<b>Current</b>				
<b>Trade receivables</b>				
Third parties	50,708,955	43,168,343	-	-
Amounts owing by related parties	6,555,704	10,310,940	-	-
	57,264,659	53,479,283	-	-
Less: Impairment losses				
- third parties	(2,623,776)	(2,614,526)	-	-
<b>Total trade receivables</b>	54,640,883	50,864,757	-	-
<b>Other receivables</b>				
Third parties	78,230	25,312	-	-
Deposits	33,530	36,525	1,000	1,000
Amount owing by an associate	369,000	366,000	369,000	366,000
Amounts owing by subsidiaries	-	-	20,044,648	25,220,995
	480,760	427,837	20,414,648	25,587,995
Less: Impairment loss				
- amount owing by an associate	(225,000)	(225,000)	(225,000)	(225,000)
	255,760	202,837	20,189,648	25,362,995
<b>Total receivables</b>	54,896,643	51,067,594	20,189,648	25,362,995
Prepayments	9,737,964	11,229,172	-	-
<b>Total trade and other receivables (current)</b>	64,634,607	62,296,766	20,189,648	25,362,995
<b>Total trade and other receivables (current and non-current)</b>	64,634,607	62,296,766	39,990,365	41,736,889

- (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 14 days to 180 days (2024: 14 days to 180 days) from the date of invoice. They are recognised at their original invoices amounts, which represent their fair values on initial recognition.



## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

### 10. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (c) Impairment for trade receivables 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. The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted to reflect current and forward-looking information on macroeconomic factors in Malaysia such as consumer price index, lending interest rate and non-performing loan (2024: consumer price index, lending interest rate and non-performing loan) affecting the ability of the consumers to settle the receivables. Expected loss rates are calculated using the roll rate method separately for exposures in different segments based on common credit risk characteristic, namely receivables aging status.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information 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 consolidated statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

- (d) The loss allowance of trade receivables of the Group are as follows:

Group 2025	Gross carrying amount RM	Loss allowance RM	Balance as at 31.7.2025 RM
<b>Collective assessment</b>			
Not past due	50,527,025	(452,263)	50,074,762
Past due:			
– 1 to 30 days	3,975,800	–*	3,975,800
– 31 to 60 days	590,321	–*	590,321
	4,566,121	–*	4,566,121
<b>Individual assessment</b>	2,171,513	(2,171,513)	–
	57,264,659	(2,623,776)	54,640,883

\* The expected credit loss is negligible.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 JULY 2025

#### 10. TRADE AND OTHER RECEIVABLES (CONTINUED)

(d) The loss allowance of trade receivables of the Group are as follows: (continued)

Group 2024	Gross carrying amount RM	Loss allowance RM	Balance as at 31.7.2024 RM
<b>Collective assessment</b>			
Not past due	48,628,198	(443,013)	48,185,185
Past due:			
– 1 to 30 days	1,248,031	–*	1,248,031
– 31 to 60 days	1,431,541	–*	1,431,541
	2,679,572	–*	2,679,572
<b>Individual assessment</b>	2,171,513	(2,171,513)	–
	53,479,283	(2,614,526)	50,864,757

\* The expected credit loss is negligible.

(e) The reconciliation of movement of the impairment losses on trade receivables is as follows:

Group	Credit impaired RM	Lifetime ECL allowance RM	Total allowance RM
<b>2025</b>			
Balance as at 1 August 2024	2,171,513	443,013	2,614,526
Charge for the financial year	–	9,250	9,250
Balance as at 31 July 2025	2,171,513	452,263	2,623,776
<b>2024</b>			
Balance as at 1 August 2023	2,171,513	362,477	2,533,990
Charge for the financial year	–	80,536	80,536
Balance as at 31 July 2024	2,171,513	443,013	2,614,526

Credit impaired refers to individually determined debtor who is in significant financial difficulties and has defaulted on payments, i.e. being more than 180 days past due to be impaired as at the financial year end.

(f) The movement of the allowance for impairment loss on amount owing by an associate is as follows:

Group and Company	Credit impaired RM
Balance as at 1 August 2023/31 July 2024/1 August 2024/31 July 2025	225,000

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

### 10. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (g) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the Group is summarised in the table below:

	2025 RM	Group 2024 RM
Maximum exposure	54,640,883	50,864,757
Collateral obtained	(5,761,983)	(3,276,918)
Net exposure to credit risk	48,878,900	47,587,839

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

- (h) Non-current amounts owing by subsidiaries represent loan, advances and payments made on behalf, which are unsecured, bear interest at rates ranging from 4.1% to 4.2% (2024: 4.2%) per annum and are not repayable within the next twelve (12) months.

The carrying amounts of the non-current amounts owing by subsidiaries are reasonable approximations of their fair values due to the insignificant impact of discounting.

Current amounts owing by subsidiaries represent advances and payments made on behalf, which is unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents, except for an amount of RM19,909,042 (2024: RM25,099,198), which bear floating interest at rates ranging from 4.1% to 4.2% (2024: 4.2%) per annum.

Amount owing by an associate represents advances and payments made on behalf, which is unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents.

- (i) Impairment for other receivables, amounts owing by subsidiaries and an associate are recognised based on the general approach within MFRS 9 using the forward-looking ECL model. 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. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month ECL along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime ECL along with the gross interest income are recognised. As at the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. 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 operating performance of the other receivables, changes to contractual terms, payment delays and past due information. A significant increase in credit risk is presumed if contractual payments are more than 90 days after credit term.

The probabilities of non-payment by other receivables, amounts owing by subsidiaries and an associate are adjusted by forward-looking information such as consumer price index, lending interest rate and non-performing loan (2024: consumer price index, lending interest rate and non-performing loan) and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime ECL for other receivables, amounts owing by subsidiaries and an associate.

It requires management to exercise judgement in determining the probabilities of default by other receivables, amounts owing by subsidiaries and an associate, appropriate forward-looking information and significant increase in credit risk.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 10. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (j) No ECL is recognised arising from other receivables other than amount owing by associate as it is negligible.
- (k) Included in prepayments of the Group are advance payments to overseas suppliers amounting to RM9,405,766 (2024: RM10,495,860).
- (l) The Group determines concentration of credit risk by monitoring its trade receivables on an ongoing basis. At the end of each reporting period, approximately 61% (2024: 59%) of the trade receivables of the Group were due from five (5) (2024: five (5)) major customers.

At the end of each reporting period, 99% (2024: 99%) of the receivables of the Company were owing by subsidiaries.

- (m) The currency exposure profile of trade and other receivables (excluding prepayments) of the Group and of the Company is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	45,068,197	44,176,751	39,990,365	41,736,889
United States Dollar	9,828,446	6,890,843	–	–
	54,896,643	51,067,594	39,990,365	41,736,889

- (n) The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the United States Dollar ("USD") exchange rate against the functional currency of the Group, with all other variables held constant:

	Group	
	2025 RM	2024 RM
<b>Profit after tax and equity</b>		
USD/RM – strengthen by 7% (2024: 3%)	522,873	157,111
– weaken by 7% (2024: 3%)	(522,873)	(157,111)

- (o) The following table demonstrates the sensitivity analysis of the Company if interest rates at the end of each reporting period changed by seventy-five (75) (2024: fifty (50)) basis points with all other variables held constant:

	Company	
	2025 RM	2024 RM
<b>Profit after tax and equity</b>		
– Increase by 0.75% (2024: 0.5%)	226,346	157,598
– Decrease by 0.75% (2024: 0.5%)	(226,346)	(157,598)

## NOTES TO THE FINANCIAL STATEMENTS

### 31 JULY 2025

#### 11. INVENTORIES

	Note	2025 RM	Group 2024 RM
<b>At cost</b>			
Aluminium products:			
Raw materials		35,213,880	7,155,637
Finished goods		49,108,798	25,690,022
		<u>84,322,678</u>	<u>32,845,659</u>
Consumables		1,866,791	1,787,031
Property development expenditure	(e)	76,629,714	76,091,937
		<u>162,819,183</u>	<u>110,724,627</u>
<b>At net realisable value</b>			
Aluminium products:			
Raw materials		-	30,231,750
Finished goods		-	9,519,785
		<u>162,819,183</u>	<u>150,476,162</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 31 JULY 2025

#### 11. INVENTORIES (CONTINUED)

	Note	2025 RM	Group 2024 RM
<b>Total inventories</b>			
Aluminium products		84,322,678	72,597,194
Consumables		1,866,791	1,787,031
Property development expenditure		76,629,714	76,091,937
		<u>162,819,183</u>	<u>150,476,162</u>

(a) Costs of aluminium products are determined on a first-in, first-out basis.

(b) Carrying amount of inventories are stated at the lower of cost and net realisable value for aluminium products.

Write-down of inventories for aluminium products to net realisable value, if any, is mainly based on management's estimates, which have been derived from expectation of current market prices and future demand.

Management focused on the risk that the carrying amount of inventories may not be stated at the lower of cost and net realisable value. Writing down of inventories to net realisable value requires the management to exercise significant judgement, which have been derived from estimates of selling prices that are subject to price volatility of aluminium, and if not accounted for properly, may lead to the valuation of inventories being misstated.

In estimating the net realisable value of the inventories, the management considers the inventories' ageing, the general economic conditions and consumers' demand.

(c) In the previous financial year, the Group wrote down to net realisable value for aluminium products of the Group amounting to RM2,082,000 and was included in cost of sales.

(d) During the financial year, inventories of the Group recognised as cost of sales amounted to RM487,717,372 (2024: RM615,226,253).

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 11. INVENTORIES (CONTINUED)

(e) Property development expenditure

Group	Balance as at 1.8.2024 RM	Cost incurred during the year RM	Balance as at 31.7.2025 RM
<b>2025</b>			
Leasehold land	70,485,560	–	70,485,560
Development costs	5,606,377	537,777	6,144,154
	<u>76,091,937</u>	<u>537,777</u>	<u>76,629,714</u>
Group	Balance as at 1.8.2023 RM	Cost incurred during the year RM	Balance as at 31.7.2024 RM
<b>2024</b>			
Leasehold land	70,485,560	–	70,485,560
Development costs	4,365,493	1,240,884	5,606,377
	<u>74,851,053</u>	<u>1,240,884</u>	<u>76,091,937</u>

Property development expenditure not recognised as an expense are recognised as an asset measured at the lower of cost and net realisable value.

Property development expenditure comprise all costs that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. Such development expenditure comprises the cost of land under development and other related development costs common to the whole project including professional fees and other relevant levies.

Property development land of a subsidiary with carrying amount of RM70,485,560 (2024: RM70,485,560) is pledged as a security for term loan granted to the subsidiary as disclosed in Note 17(b) to the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 12. CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	8,855,988	10,002,022	14,600	84,171
Deposits with licensed banks	13,695,331	20,272,595	-	-
As reported in the statements of financial position	22,551,319	30,274,617	14,600	84,171
Less:				
Pledged deposit with a licensed bank with maturity period of more than 3 months	(764,496)	(745,759)	-	-
<b>Cash and cash equivalents included in the statements of cash flows</b>	<b>21,786,823</b>	<b>29,528,858</b>	<b>14,600</b>	<b>84,171</b>

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Bank balances are deposits held at call with licensed banks.
- (c) Deposit pledged to a licensed bank is for term loan granted to a subsidiary as disclosed in Note 17(b) to the financial statements.
- (d) Weighted average effective interest rates of deposits placed at licensed banks of the Group and of the Company as at the end of each reporting periods are as follows:

	Group	
	2025	2024
<b>Weighted average effective interest rate</b>		
- Floating rates	2.6% - 4.7%	2.6% - 5.3%

- (e) The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by seventy-five (75) (2024: fifty (50)) basis points with all other variables held constant:

	Group	
	2025 RM	2024 RM
<b>Profit after tax and equity</b>		
- Increase by 0.75% (2024: 0.5%)	78,063	77,036
- Decrease by 0.75% (2024: 0.5%)	(78,063)	(77,036)

- (f) No expected credit losses were recognised arising from the deposits and cash and bank balances because the probability of default by these licensed banks were negligible.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 12. CASH AND BANK BALANCES (CONTINUED)

(g) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	11,747,166	20,571,980	14,600	84,171
United States Dollar	10,796,267	9,694,265	-	-
Others	7,886	8,372	-	-
	22,551,319	30,274,617	14,600	84,171

(h) The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the United States Dollar ("USD") exchange rate against the functional currency of the Group, with all other variables held constant:

	Group	
	2025 RM	2024 RM
<b>Profit after tax and equity</b>		
USD/RM - strengthen by 7% (2024: 3%)	574,361	221,029
- weaken by 7% (2024: 3%)	(574,361)	(221,029)

The exposure of the Group to the other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

## 13. SHARE CAPITAL

	Group and Company			
	2025		2024	
	Number of shares	RM	Number of shares	RM
<b>Ordinary shares issued and fully paid-up with no par value</b>				
At the beginning of the financial year/				
At end of the financial year	178,754,597	90,643,983	178,754,597	90,643,983

(a) During the financial year and in the previous financial year, the Company did not allot and issue any new ordinary shares pursuant to the ESOS.

(b) The owners of the parent 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 14. RESERVES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Non-distributable:</b>				
Share options reserve	952,626	952,626	952,626	952,626
<b>Distributable:</b>				
Retained earnings	99,701,190	92,245,275	28,111,198	29,930,420
	100,653,816	93,197,901	29,063,824	30,883,046

Share options reserve

Share options reserve represents the effect of equity-settled share options granted to Directors and employees of the Group and of the Company. This reserve is made up of the cumulative value of services received from Directors and employees for the issue of share options. When options are exercised, the amount from the share options reserve is transferred to share capital. When the options expire, the amount from the share options reserve is transferred to retained earnings.

## 15. DEFERRED TAX LIABILITIES

(a) The deferred tax liabilities are made up of the following:

	Group	
	2025 RM	2024 RM
Balance as at 1 August	4,666,000	4,123,000
Recognised in profit or loss (Note 24)	81,000	543,000
Balance as at 31 July	4,747,000	4,666,000
Presented after appropriate offsetting:		
Deferred tax liabilities*	4,747,000	4,666,000

\* The amounts of set-off between deferred tax assets and deferred tax liabilities of the Group were RM1,759,433 (2024: RM1,024,717).

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 15. DEFERRED TAX LIABILITIES (CONTINUED)

- (b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Property, plant and equipment RM	Other taxable temporary differences RM	Total RM
<b>Deferred tax liabilities of the Group</b>			
<b>2025</b>			
Balance as at 1 August 2024	5,690,717	–	5,690,717
Recognised in profit or loss	646,143	169,573	815,716
Balance as at 31 July 2025	6,336,860	169,573	6,506,433
<b>2024</b>			
Balance as at 1 August 2023	5,300,730	59,835	5,360,565
Recognised in profit or loss	389,987	(59,835)	330,152
Balance as at 31 July 2024	5,690,717	–	5,690,717
		<b>Deductible temporary differences RM</b>	<b>Total RM</b>
<b>Deferred tax assets of the Group</b>			
<b>2025</b>			
Balance as at 1 August 2024		1,024,717	1,024,717
Recognised in profit or loss		734,716	734,716
Balance as at 31 July 2025		1,759,433	1,759,433
<b>2024</b>			
Balance as at 1 August 2023		1,237,565	1,237,565
Recognised in profit or loss		(212,848)	(212,848)
Balance as at 31 July 2024		1,024,717	1,024,717

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 16. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Trade payables</b>				
Third parties	25,598,729	20,182,226	-	-
<b>Other payables</b>				
Third parties	48,922,573	43,710,519	11,342	-
Accruals	7,160,885	6,487,542	509,500	489,981
	56,083,458	50,198,061	520,842	489,981
	81,682,187	70,380,287	520,842	489,981

- (a) Trade and other payables of the Group and of the Company are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal credit terms granted to the Group ranged from 7 days to 30 days (2024: 7 days to 30 days) from the date of invoice.
- (c) Included in other payables is amounts owing to subsidiaries' non-controlling interests of RM36,811,928 (2024: RM27,372,615), which are unsecured, bear floating interest ranging from 4.1% to 4.2% (2024: 4.2%) and are payable upon demand.
- (d) The currency exposure profile of trade and other payables are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	67,478,154	66,224,034	520,842	489,981
United States Dollar	14,204,033	4,156,253	-	-
	81,682,187	70,380,287	520,842	489,981

- (e) The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the United States Dollar ("USD") exchange rate against the functional currency of the Group, with all other variables held constant:

	Group	
	2025 RM	2024 RM
<b>Profit after tax and equity</b>		
USD/RM – strengthen by 7% (2024: 3%)	(755,655)	(94,763)
– weaken by 7% (2024: 3%)	755,655	94,763

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 16. TRADE AND OTHER PAYABLES (CONTINUED)

- (f) The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by seventy-five (75) (2024: fifty (50)) basis points with all other variables held constant:

	2025 RM	Group 2024 RM
<b>Profit after tax and equity</b>		
– Increase by 0.75% (2024: 0.5%)	(209,828)	(104,016)
– Decrease by 0.75% (2024: 0.5%)	209,828	104,016

- (g) The maturity profile of the trade and other payables of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one (1) year.

## 17. BORROWINGS

	2025 RM	Group 2024 RM
<b>Non-current liability</b>		
Term loan	26,249,773	37,431,633
<b>Current liabilities</b>		
Bankers' acceptance	2,543,306	–
Foreign currency loans	37,847,798	40,854,783
Term loan	11,176,099	10,563,746
	51,567,203	51,418,529
	77,816,976	88,850,162

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) Term loan of the Group is secured by:
- corporate guarantee by a related party of which certain directors of a subsidiary are also directors of the related party;
  - joint and several guarantee by certain substantial shareholders of a related party;
  - open charge over the property held under title PT 50088, Mukim Batu, State of Wilayah Persekutuan, Kuala Lumpur as disclosed in Note 11(f) to the financial statements;
  - debenture by KJSB creating fixed and floating charges over all its assets and undertaking, both present and future; and
  - memorandum of charge over fixed deposit by KJSB in respect of Debt Service Reserve Account in the form of First Party Fixed Deposit as disclosed in Note 12(c) to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 17. BORROWINGS (CONTINUED)

- (c) The bankers' acceptances and foreign currency loans of the Group are secured by a corporate guarantee from the Company.
- (d) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of the Group that are exposed to interest rate risk:

Group	Weighted average effective interest rate per annum %	On demand or within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM	Total RM
<b>2025</b>					
<b>Floating rates</b>					
Bankers' acceptance	4.30%	2,543,306	–	–	2,543,306
Foreign currency loans	5.11%	37,847,798	–	–	37,847,798
Term loan	5.33%	11,176,099	26,249,773	–	37,425,872
<b>2024</b>					
<b>Floating rates</b>					
Foreign currency loans	5.77%	40,854,783	–	–	40,854,783
Term loan	5.35%	10,563,746	37,431,633	–	47,995,379

- (e) The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by seventy-five (75) (2024: fifty (50)) basis points with all other variables held constant:

	Group	
	2025 RM	2024 RM
<b>Profit after tax and equity</b>		
– Increase by 0.75% (2024: 0.5%)	(443,557)	(337,631)
– Decrease by 0.75% (2024: 0.5%)	443,557	337,631

- (f) The currency exposure profile of borrowings are as follows:

	Group	
	2025 RM	2024 RM
Ringgit Malaysia	39,969,178	47,995,379
United States Dollar	37,847,798	40,854,783
	77,816,976	88,850,162



## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 17. BORROWINGS (CONTINUED)

- (g) The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the United States Dollar ("USD") exchange rate against the functional currency of the Group, with all other variables held constant:

	Group	
	2025 RM	2024 RM
<b>Profit after tax and equity</b>		
USD/RM – strengthen by 7% (2024: 3%)	(2,013,503)	(931,489)
– weaken by 7% (2024: 3%)	2,013,503	931,489

- (h) The maturity profile of borrowings of the Group at the end of each reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

Group	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
<b>As at 31 July 2025</b>				
<b>Financial liabilities</b>				
Borrowings	56,357,503	29,291,168	–	85,648,671
<b>As at 31 July 2024</b>				
<b>Financial liabilities</b>				
Borrowings	57,285,515	43,772,788	–	101,058,303

- (i) The carrying amounts of borrowings are reasonable approximation of their fair values, either due to their short-term nature or that they are floating rate instruments, which are re-priced to market interest rates on or near the end of each reporting period. Fair values of borrowings 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 JULY 2025

#### 17. BORROWINGS (CONTINUED)

(j) Reconciliation of liabilities arising from financing activities

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

	Group	
	2025 RM	2024 RM
<b>Borrowings</b>		
<u>Bankers' acceptances</u>		
Balance as at 1 August 2024/2023	-	-
Cash flows:		
- Drawdown of bankers' acceptances	17,943,306	-
- Repayment of bankers' acceptances	(15,400,000)	-
Balance as at 31 July 2025/2024	2,543,306	-
<u>Foreign currency loans</u>		
Balance as at 1 August 2024/2023	40,854,783	62,684,809
Cash flows:		
- Drawdown of foreign currency loans	156,153,021	152,543,150
- Repayment of foreign currency loans	(158,358,241)	(174,373,176)
Non-cash flows:		
- Effect of exchange rate changes	(801,765)	-
Balance as at 31 July 2025/2024	37,847,798	40,854,783
<u>Term loan</u>		
Balance as at 1 August 2024/2023	47,995,379	56,380,000
Cash flows: Repayment of term loan	(10,569,507)	(8,384,621)
Balance as at 31 July 2025/2024	37,425,872	47,995,379

#### 18. DERIVATIVE FINANCIAL INSTRUMENTS

Group	2025		2024	
	Contract/ Notional amount RM	Liabilities RM	Contract/ Notional amount RM	Liabilities RM
Forward foreign exchange contracts	(28,233,844)	(333,841)	(39,180,463)	(801,188)
Commodity futures contracts	(6,659,386)	(100,044)	-	-
		(433,885)		(801,188)

- (a) Derivatives financial instruments are classified as at fair value through profit or loss and measured at fair value, categorised as Level 2 of the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

## (b) Forward foreign exchange contracts

Forward foreign exchange contracts have been entered into, to operationally hedge forecast sales and purchases denominated in foreign currencies that are expected to occur at various dates within three (3) months from the end of each reporting period. The forward foreign exchange contracts have maturity dates that coincide with the expected occurrence of these transactions. The fair value of these components has been determined based on the difference between the contract value and fair value of the underlying currencies at the end of each reporting period.

## (c) Commodity futures contracts

The Group has entered into commodity futures contracts with the objective of hedging the Group's exposure to adverse price movements in aluminum. The commodity futures contracts had maturity dates that coincide with the expected occurrence of these transactions. The fair value of these contracts had been determined based on the difference between the contract value and fair value of the underlying commodity as at the end of each reporting period.

## (d) The above derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at fair value through profit or loss. The resulting gain from re-measurement of RM367,303 (2024: RM12,792) is recognised in profit or loss.

## (e) The notional/contract amount and maturity date of the derivative financial instruments of the Group outstanding as at the end of each reporting period are as follows:

Group	Expiry date	Notional/ Contract amount USD	Equivalent RM
<b>2025</b>			
Forward foreign exchange contracts	Within five (5) months	(6,540,085)	(28,233,844)
Commodity future contracts	Within three (3) months	(1,561,038)	(6,659,386)
<b>2024</b>			
Forward foreign exchange contracts	Within three (3) months	(8,350,582)	(39,180,463)

## (f) The net exposure to foreign currency risk of the Group is kept at a minimum level by entering into forward foreign exchange contracts and hence any fluctuation in the foreign currency will not have a significant impact to the financial statements of the Group.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

- (g) During the financial year, the financial instruments of the Group, which were subject to price risk along with their contract values and mark-to-market fair value on closing, plus fair value recognised over the financial year were as follows:

Group	Contract and notional value within 3 months RM	Fair value attributed to price changes at period closing within 3 months RM
<b>2025</b>		
<b>Commodity based</b>		
Forward purchase contracts	(6,659,386)	(100,044)

The exposure of the Group to price volatility was solely derived from aluminium products. During the financial year, if the price of aluminium products changes by 3%, profit after tax for the Group would have equally increased or decreased by approximately RM151,834 (2024: Nil).

## 19. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Revenue from contracts with customers</b>				
Sale of goods	580,159,113	713,919,713	-	-
<b>Revenue from other sources</b>				
Dividend income from a subsidiary	-	-	5,000,000	5,000,000
	580,159,113	713,919,713	5,000,000	5,000,000
<b>Timing of revenue recognition</b>				
Transferred at a point in time	580,159,113	713,919,713	-	-

- (a) Sale of goods

Revenue from sale of goods are recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

There is no material 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 six (6) months.

- (b) Dividend income

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

Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 4 to the financial statements, which has been presented based on products and services and geographical location from which the sale transactions originated.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 20. OTHER OPERATING INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Gain on disposal of property, plant and equipment	297	-	-	-
Gain on foreign exchange:				
- realised	460,662	1,770,986	-	-
- unrealised	706,553	823,400	-	-
Gain on lease modification	11,428	43,100	-	-
Interest income:				
- deposits with licensed banks	463,177	770,827	-	-
- amounts owing by subsidiaries	-	-	1,485,225	1,824,689
Fair value gain on derivative financial instruments:				
- realised	126,053	-	-	-
- unrealised	367,303	12,792	-	-
Training grant	32,250	51,700	-	-
Rental income	758,710	-	-	-
	<u>2,926,433</u>	<u>3,472,805</u>	<u>1,485,225</u>	<u>1,824,689</u>

(a) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(b) Rental income

Rental income is accounted for on a straight-line basis over the lease term.

## 21. OTHER OPERATING EXPENSES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fair value loss on derivative financial instruments				
- realised	-	342,649	-	-
Property, plant and equipment written off	20,370	1	-	-
Loss on disposal of property, plant and equipment	-	1,040	-	-
Fair value loss on discounting of non-current amounts owing by subsidiaries	-	-	2,810,490	1,775,374
	<u>20,370</u>	<u>343,690</u>	<u>2,810,490</u>	<u>1,775,374</u>

## 22. FINANCE COSTS

	Group	
	2025 RM	2024 RM
Interest expense on:		
- other payables	1,181,478	942,178
- bankers' acceptances	212,909	-
- bank overdraft	133	1,412
- foreign currency loans	3,022,817	3,200,756
- lease liabilities	120,826	181,883
- term loan	2,258,761	2,819,895
	<u>6,796,924</u>	<u>7,146,124</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 23. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at after charging:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration:				
Statutory audit				
– BDO PLT	101,000	95,500	11,000	11,000
– other auditors	4,800	4,800	–	–
– other services	28,500	5,000	28,500	5,000

## 24. TAX EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense based on profit for the financial year:				
– current year	4,409,000	3,120,000	327,000	423,000
– over-provision in prior years	(158,187)	(899,724)	(9,858)	(794)
	4,250,813	2,220,276	317,142	422,206
Deferred tax (Note 15)				
Relating to origination and reversal of temporary differences	81,000	543,000	–	–
	4,331,813	2,763,276	317,142	422,206

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated taxable profit for the fiscal year.
- (b) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	13,175,818	14,495,594	2,966,785	4,386,335
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	3,162,196	3,478,943	712,028	1,052,720
Tax effects in respect of:				
– non-deductible expenses	1,387,352	1,942,988	814,972	570,280
– non-taxable income	–	–	(1,200,000)	(1,200,000)
– effect of share of loss of an associate	347	500	–	–
– tax incentives and allowances	(59,895)	(1,759,431)	–	–
	4,490,000	3,663,000	327,000	423,000
Over-provision of income tax in prior years	(158,187)	(899,724)	(9,858)	(794)
	4,331,813	2,763,276	317,142	422,206

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 25. EARNINGS PER ORDINARY SHARE

## (a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	2025	Group 2024
Profit attributable to equity holders of the parent (RM)	11,924,780	15,352,127
Weighted average number of ordinary shares in issue (unit)	178,754,597	178,754,597
Basic earnings per ordinary share (sen)	6.67	8.59

## (b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year end attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares. The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that the employees' share option scheme ("ESOS") are exercised at the beginning of the financial year. The ordinary shares to be issued under ESOS are based on the assumed proceeds on the difference between average share price for the financial year and exercise price.

	2025	Group 2024
Profit attributable to equity holders of the parent (RM)	11,924,780	15,352,127
Weighted average number of ordinary shares in issue (unit)	178,754,597	178,754,597
Effects of dilution due to ESOS (unit)	5,675,200	5,675,200
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share (unit)	184,429,797	184,429,797
Diluted earnings per ordinary share (sen)	6.47	8.32



## NOTES TO THE FINANCIAL STATEMENTS

### 31 JULY 2025

#### 26. DIVIDENDS

	Group and Company			
	2025	2024	2025	2024
	Dividend per share sen	Amount of dividend RM	Dividend per share sen	Amount of dividend RM
In respect of the financial year ended 31 July 2024:				
First and final single tier dividend, paid on 18 December 2024	2.50	4,468,865	-	-
In respect of the financial year ended 31 July 2023:				
First and final single tier dividend, paid on 20 December 2023	-	-	2.50	4,468,865

At the forthcoming Annual General Meeting, a first and final single tier dividend of 2.25 sen per ordinary share amounting to RM4,021,978 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 July 2026.

#### 27. EMPLOYEE BENEFITS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, bonuses and wages	12,718,296	13,111,012	-	-
Defined contribution plan	974,279	852,913	-	-
Social security contributions	162,796	142,403	-	-
Other benefits	1,587,320	2,965,211	36,000	36,000
	15,442,691	17,071,539	36,000	36,000

Included in employee benefits of the Group and of the Company are Executive Directors' and other key management personnel's remuneration as disclosed in Note 31(c) to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

### 28. EMPLOYEES' SHARE OPTION SCHEME ("ESOS" or "Scheme")

The Company implemented an ESOS, which was in force for a period of five (5) years from 27 August 2018 until 26 August 2023 ("the option period"). On 27 June 2023, the Board of Directors has approved the extension of the ESOS for a further period of five (5) years to 25 August 2028. The main features of the ESOS are as follows:

(a) Eligibility

Employee of the Group

An employee of the Group shall be able to participate in the Scheme, if, as at the date of offer:

- (i) he/she has attained at least 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
- (ii) he/she is employed on the date of offer and he/she is employed:
  - on a full time basis and is on the payroll of any company of the Group for a continuous period of at least one (1) year (which shall include any probation period) and his/her employment has been confirmed; or
  - he/she is serving in a specific designation under an employment contract with any company of the Group for a continuous fixed duration of at least one (1) year (which shall include any probation period) and may, if the ESOS Committee deems fit, to include contract staff hired for a period of one (1) year or more for any purposes or specific requirements of the Group; and
- (iii) such employees falls within any other eligibility criteria (including variations to the eligibility criteria under section (a)(ii) above) that may be determined by the ESOS Committee from time to time at its sole discretion.

Director of the Group

- (i) he/she has attained at least 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
- (ii) he/she has been appointed as a Director (and not as alternate Director) in the Company or any company in the Group; and
- (iii) such Director fulfils any other criteria as may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding.

In respect of a Director, a chief executive officer, major shareholders of the Company or a person connected with a Director, chief executive officer or major shareholder, the specific allocation of ESOS options granted under the Scheme must have been approved by the shareholders of the Company at a general meeting.

- (b) The maximum number of shares offered under the ESOS shall not, in aggregate, exceed 10% of the number of issued ordinary shares of the Company at any time during the existence of the ESOS;
- (c) The exercise price determined by the ESOS Committee is based on the five (5)-day Volume-Weighted Average Price of the Company's shares, as quoted on Bursa Malaysia Securities Berhad, immediately preceding the date of offer, with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time during the duration of the Scheme;

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

**28. EMPLOYEES' SHARE OPTION SCHEME ("ESOS" or "Scheme") (CONTINUED)**

The Company implemented an ESOS, which was in force for a period of five (5) years from 27 August 2018 until 26 August 2023 ("the option period"). On 27 June 2023, the Board of Directors has approved the extension of the ESOS for a further period of five (5) years to 25 August 2028. The main features of the ESOS are as follows: (continued)

- (d) The maximum number of shares, which may be offered to any eligible employee and Director shall be at the discretion of the ESOS Committee after taking into consideration, among others and where relevant, the performance, position, seniority and length of service, subject to the following:
  - (i) that the number of ESOS options made available under the Scheme shall not exceed ten percent (10%) of the total number of issued ordinary shares of the Company;
  - (ii) that not more than ten percent (10%) of the shares available under the Scheme at the point in time when an offer is made, be granted to any individual eligible person who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the issued shares (excluding treasury shares, if any);
  - (iii) that not more than seventy percent (70%) of the total number of shares to be issued under the Scheme will be allocated in aggregate to the Directors and senior management of the Group who are eligible persons; and
  - (iv) that the Directors and senior management of the Group do not participate in the deliberation or discussion of their respective allocation.
- (e) No vesting period as well as performance target that must be achieved prior to the exercise of the ESOS options set by the ESOS Committee. Notwithstanding this, the ESOS Committee shall have the discretion to prescribe any conditions as it may deem fit in the offer;
- (f) The shares shall on issue and allotment rank *pari passu* in all respects with the then existing issued shares of the Company; and
- (g) No eligible employee and Director shall participate at any time in any other employees' share option scheme within the Company and its subsidiaries unless otherwise approved by the ESOS Committee.

Options exercisable in a particular year but not exercised shall be carried forward to subsequent years within the option period provided that no options shall be exercised beyond the date of expiry of the scheme.

The number of unissued ordinary shares under options was as follows:

Option price	<----- Number of options over ordinary shares ----->			
	Balance as at 1.8.2024	Exercised	Retracted*	Balance as at 31.7.2025
RM0.46	1,235,200	-	-	1,235,200
RM0.56	4,440,000	-	-	4,440,000

\* Due to resignation

Since the implementation of the ESOS until the end of the financial year ended 31 July 2025, a total of 16,745,400 options had been granted to the eligible Directors and employees of the Group, which includes a total of 8,380,000 options granted to the Directors. A total of 10,344,200 options had been exercised and 726,000 options had been retracted since the implementation of the ESOS until the end of the financial year, which includes 5,300,000 options exercised and 400,000 options retracted by the Directors.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

### 28. EMPLOYEES' SHARE OPTION SCHEME ("ESOS" or "Scheme") (CONTINUED)

During the financial year, the Company did not allot and issue any new ordinary shares pursuant to the ESOS.

Fair value of share options was estimated by the Group using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share option measured at grant date and the assumptions used are as follows:

Expected life (years)	1 – 5
Average share price at grant date (RM)	0.50 – 0.62
Exercise price (RM)	0.46 – 0.56
Fair value of share options (RM)	0.14 – 0.18
Risk free rate of interest (%)	3.32% – 3.88%
Expected dividend yield (%)	3.25% – 5.10%
Expected volatility (%)	34.90% – 47.01%

### 29. COMMITMENTS

#### (a) Operating lease commitment

The Group as a lessor

Non-cancellable operating lease receivable are as follows:

	2025 RM	Group 2024 RM
Not later than one (1) year	720,000	–
Later than one (1) year and not later than five (5) years	141,290	–
	861,290	–

#### (b) Capital commitments not provided for in the financial statements are as follows:

	2025 RM	Group 2024 RM
Capital expenditure in respect of purchase of property, plant and equipment:		
– Approved and contracted for	12,687,289	519,948
– Approved but not contracted for	3,481,040	7,315,350
	16,168,329	7,835,298

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 30. GUARANTEE CONTRACTS

	Company	
	2025	2024
	RM	RM
Corporate guarantees given to financial institutions for banking facilities granted to a subsidiary		
<b>Unsecured</b>		
– Limit of guarantee <sup>#</sup>	160,660,000	186,940,000
– Amount utilised	40,391,104	40,854,783

<sup>#</sup> Includes the corporate guarantee for banking facilities granted to a subsidiary with a limit of equivalent to USD10,000,000 (2024: USD15,000,000).

- (a) The Company provides corporate guarantees to financial institutions for credit facilities granted to a subsidiary. The Company monitors the ability of the subsidiary to service its loans regularly.
- (b) Financial guarantees 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 with the principles of MFRS 15 *Revenue from Contract with Customers*.
- (c) The Company assumes that there is a significant increase in credit risk when the financial position of the subsidiary deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:
  - (i) the subsidiary is unlikely to repay its credit obligation to the bank in full; or
  - (ii) the subsidiary is continuously loss making and is having a deficit shareholders' fund.

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

Financial guarantees have not been recognised since the fair value was not material on initial recognition. As at the end of the reporting period, there was no indication that the subsidiary would default on repayment.

## 31. 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 could be individuals or other entities.

Related parties of the Group include:

- (i) direct and indirect subsidiaries as disclosed in Note 8 to the financial statements;
- (ii) an associate as disclosed in Note 9 to the financial statements;
- (iii) companies in which the Directors of the Company have substantial financial interests;

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 31. RELATED PARTY DISCLOSURES (CONTINUED)

## (a) Identities of related parties (continued)

Related parties of the Group include: (continued)

(iv) LB Aluminium Berhad and its subsidiary, LB Aluminium (Sarawak) Sdn. Bhd. are related parties to the Group. Tan Sri Datuk Leow Chong Howa is a Director of LB Aluminium Berhad, while Leow Vinzie is an alternate Director to Tan Sri Datuk Leow Chong Howa in LB Aluminium Berhad and a Director of LB Aluminium (Sarawak) Sdn Bhd.; and

(v) key management personnel, whom are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Executive Directors of the Group.

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with the related parties during the financial year:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b><i>With subsidiaries:</i></b>				
- Dividend income	-	-	5,000,000	5,000,000
- Interest income	-	-	1,485,225	1,824,689
<b><i>With related parties in which a Director has substantial financial interests:</i></b>				
- Sales to LB Aluminium Berhad	81,719,679	141,445,725	-	-
- Sales to LB Aluminium (Sarawak) Sdn. Bhd.	13,665,615	18,657,014	-	-
- Purchase of a motor vehicle from LB Aluminium Berhad	(83,000)	-	-	-

The related party transactions described above were carried out on agreed contractual terms and conditions and in the ordinary course of business between the related parties of the Group and of the Company.

Information regarding outstanding balances arising from related party transactions as at 31 July 2025 are disclosed in Notes 10 and 16 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 JULY 2025

### 31. RELATED PARTY DISCLOSURES (CONTINUED)

#### (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, directly or indirectly, including any Director (whether Executive or otherwise) of the Group and of the Company.

The remuneration of Directors and other key management personnel during the financial year were as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Directors of the Company</b>				
<b>Executive Directors:</b>				
Short-term employee benefits:				
– fees	150,000	150,000	150,000	150,000
– salaries, bonuses and other benefits	1,624,075	1,605,924	12,000	12,000
– defined contribution plan	257,360	187,360	–	–
	2,031,435	1,943,284	162,000	162,000
<b>Non-Executive Directors:</b>				
Short-term employee benefits:				
– fees	320,000	320,000	320,000	320,000
– other benefits	24,000	24,000	24,000	24,000
	344,000	344,000	344,000	344,000
<b>Total</b>	2,375,435	2,287,284	506,000	506,000
<b>Director of a subsidiary</b>				
<b>Executive Director:</b>				
Short-term employee benefits:				
– salaries, bonuses and other benefits	241,354	241,159	–	–
– defined contribution plan	28,800	28,800	–	–
<b>Total</b>	270,154	269,959	–	–
<b>Total Directors' remuneration</b>	2,645,589	2,557,243	506,000	506,000



## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

## 31. RELATED PARTY DISCLOSURES (CONTINUED)

## (c) Compensation of key management personnel (continued)

The remuneration of Directors and other key management personnel during the financial year were as follows:  
(continued)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Other key management personnel:</b>				
Short term employee benefits	541,858	528,725	-	-
Defined contribution plan	86,380	84,347	-	-
<b>Total compensation of other key management personnel</b>	<b>628,238</b>	<b>613,072</b>	<b>-</b>	<b>-</b>
<b>Total compensation of key management personnel</b>	<b>3,273,827</b>	<b>3,170,315</b>	<b>506,000</b>	<b>506,000</b>

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group amounted to RM45,700 (2024: RM41,350).

Directors of the Group have been granted the following number of options under the ESOS:

	Group	
	2025 Number	2024 Number
Balance as at 1 August/31 July	2,680,000	2,680,000

The terms and conditions of the ESOS are detailed in Note 28 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 JULY 2025

### 32. CAPITAL AND FINANCIAL RISK MANAGEMENT

#### (a) Capital management

The primary objective of the capital management of the Group is to ensure that the Group would be able to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. The overall strategy of the Group remains unchanged from that in the previous financial year ended 31 July 2024.

The Group manages its capital structure and makes adjustments to it in response to changes in the 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 during the financial years ended 31 July 2025 and 31 July 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes within net debt, borrowings less cash and bank balances. Capital represents equity attributable to the owners of the parents. The gearing ratio as at 31 July 2025 and 31 July 2024 are as follows:

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Borrowings	17	77,816,976	88,850,162	–	–
Less: Cash and bank balances	12	(22,551,319)	(30,274,617)	(14,600)	(84,171)
Net debt/(cash)		55,265,657	58,575,545	(14,600)	(84,171)
Total capital		191,297,799	183,841,884	119,707,807	121,527,029
Gearing ratio (%)		28.89	31.86	*	*

\* Gearing ratio is not applicable as the Company are at net cash position.

Pursuant to the requirements of Practice Note No. 17/2005 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 31 July 2025.

The Group is not subject to any other externally imposed capital requirements.

#### (b) 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 interest rate, foreign currency exchange and the unpredictability of the financial markets.

The Group is exposed mainly to interest rate risk, foreign currency risk, credit risk, liquidity and cash flow risk and price fluctuation risk.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

### 32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Information on the management of the related exposures is detailed below:

(i) 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 exposure of the Group and of the Company to interest rate risk arises primarily from their borrowings and deposits placed with licensed banks.

Sensitivity analysis for interest rates risk

The Group regularly reviews and ensure that it obtains bank borrowings at competitive rates under the most favourable terms and conditions.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 10, 12, 16 and 17 to the financial statements respectively.

(ii) 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.

The Group is exposed to foreign exchange rate risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily United States Dollar ("USD"). The Group entered into forward foreign exchange contracts to limit its exposure of sales and purchases dominated in foreign currency.

The foreign currency profile and sensitivity analysis has been disclosed in Notes 10, 12, 16, 17 and 18 to the financial statements respectively.

(iii) Credit risk

Cash deposits, trade receivables and financial guarantee contracts could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. In order to manage this risk, 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.

The primary exposure of the Group to credit risk arises through its trade receivables while the Company's primary exposure is through the amounts owing by subsidiaries. The trading terms of the Group with its customers are mainly on credit. The credit period is generally for a period of fourteen (14) days, extending up to one hundred and eighty (180) days for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management.

The credit risk profiles have been disclosed in Note 10 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

### 32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial risk management objectives and policies (continued)

(iii) Credit risk (continued)

Exposure to credit risk

At the end of each reporting period, the maximum exposure to credit risk of the Group and of the Company is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The information regarding credit enhancement for trade and other receivables is disclosed in Note 10 to the financial statements.

(iv) Liquidity and cash flow risk

The Group monitors its cash flow position actively and maintains sufficient cash balances and credit facilities to meet its working capital requirements and other obligations as and when they fall due.

The Group actively manages its debt maturity profile, operating cash flows and the 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 and credit lines deemed adequate to finance the Group's activities.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 6, 16, 17, and 18 to the financial statements respectively.

(v) Price fluctuation risk

The Group is exposed to price fluctuation risks arising from sale and purchase of aluminium commodities. The Group entered into commodity futures contracts with the objective of managing and mitigating the exposure to price volatility in the commodity markets.

As at the end of each reporting period, the Group has entered into several commodity futures contracts in the ordinary course of business.

The price fluctuation risk profile have been disclosed in Note 18 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2025

### 33. ADOPTION OF NEW MFRSS AND AMENDMENTS TO MFRSS

#### 33.1 New MFRSS adopted during the financial year

The Group and the Company adopted the following Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

The adoption of the above Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

#### 33.2 New MFRSS that have been issued, but only effective for annual periods beginning on or after 1 January 2025

The following are Standards and Amendments of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual Improvements to MFRS Accounting Standards – Volume 11</i>	1 January 2026
Amendments to MFRS 9, Financial Instruments and MFRS 7 Financial Instruments: <i>Disclosures – Contracts Referencing Nature – dependent Electricity</i>	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 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, since the effects would only be observable for future financial years.

# LIST OF PROPERTIES

Location	Approximate Age of Building (years)	Tenure	Land Area (Build-up Area) m <sup>2</sup>	Description/ Existing Use	Net Book Value as at 31 July 2025 RM	Date of Revaluation/ Acquisition*
<b>FORMOSA SHYEN HORNG METAL SDN BHD</b>						
1 Lot 2-31, Jalan Perindustrian Mahkota 7, Taman Perindustrian Mahkota, 43700 Beranang, Selangor Darul Ehsan	-	Freehold	4,209	Industrial land with container storage yard	1,670,351	22-Feb-13
2 Lot 2-32, Jalan Perindustrian Mahkota 7, Taman Perindustrian Mahkota, 43700 Beranang, Selangor Darul Ehsan	28	Freehold	3,521 (1,364)	Industrial land with single-storey factory	5,744,213	22-Feb-13
3 Lot 2-33, Jalan Perindustrian Mahkota 7, Taman Perindustrian Mahkota, 43700 Beranang, Selangor Darul Ehsan	28	Freehold	3,521 (1,364)			22-Feb-13
4 Lot 2-34, Jalan Perindustrian Mahkota 7, Taman Perindustrian Mahkota, 43700 Beranang, Selangor Darul Ehsan	24	Freehold	3,521 (1,740)	Industrial land with single-storey factory	4,304,370	22-Feb-13
5 Lot 2-35, Jalan Perindustrian Mahkota 7, Taman Perindustrian Mahkota, 43700 Beranang, Selangor Darul Ehsan	24	Freehold	3,521 (1,740)			22-Feb-13
6 Lot 2-36, Jalan Perindustrian Mahkota 7, Taman Perindustrian Mahkota, 43700 Beranang, Selangor Darul Ehsan	21	Freehold	3,521 (2,030)	Industrial land with single-storey factory	5,252,912	22-Feb-13
7 Lot 2-36(A), Jalan Perindustrian Mahkota 7, Taman Perindustrian Mahkota, 43700 Beranang, Selangor Darul Ehsan	21	Freehold	3,521 (2,030)			22-Feb-13
8 Lot 2-40, Jalan Perindustrian Mahkota 9, Taman Perindustrian Mahkota, 43700 Beranang, Selangor Darul Ehsan	-	Freehold	3,521	Industrial land	3,945,073	12-Jun-24*
9 Lot 2-41, Jalan Perindustrian Mahkota 9, Taman Perindustrian Mahkota, 43700 Beranang, Selangor Darul Ehsan	-	Freehold	3,521	Industrial land	3,945,073	12-Jun-24*
10 Lot 2-42, Jalan Perindustrian Mahkota 9, Taman Perindustrian Mahkota, 43700 Beranang, Selangor Darul Ehsan	17	Freehold	3,521 (240)	Industrial land with single-storey warehouse and production office with laboratory, workshop and canteen	13,706,868	22-Feb-13
11 Lot 2-43, Jalan Perindustrian Mahkota 9, Taman Perindustrian Mahkota, 43700 Beranang, Selangor Darul Ehsan	17 and 11	Freehold	3,521 (2,089)			22-Feb-13
12 Lot 2-44, Jalan Perindustrian Mahkota 9, Taman Perindustrian Mahkota, 43700 Beranang, Selangor Darul Ehsan	17 and 11	Freehold	3,521 (1,969)	and Single-storey factory with double-storey office (Lot 2-43 & 2-44)		22-Feb-13

## LIST OF PROPERTIES

Location	Approximate Age of Building (years)	Tenure	Land Area (Build-up Area) m <sup>2</sup>	Description/ Existing Use	Net Book Value as at 31 July 2025 RM	Date of Revaluation/ Acquisition*
<b>FORMOSA SHYEN HORNG METAL SDN BHD (CONTINUED)</b>						
13 Lot 2-45, Jalan Perindustrian Mahkota 9, Taman Perindustrian Mahkota, 43700 Beranang, Selangor Darul Ehsan	19	Freehold	4,209 (1,487)	Industrial land with 3-storey office building	3,678,440	22-Feb-13
14 Lot 2-48, Jalan Perindustrian Mahkota 9, Taman Perindustrian Mahkota, 43700 Beranang, Selangor Darul Ehsan	-	Freehold	6,340	Industrial land	5,336,971	08-Mar-22*
15 No. 6, Jalan Kesuma 3/5, Bandar Tasik Kesuma, 43700 Beranang, Selangor Darul Ehsan	2	Freehold	143	3-storey shop office	609,926	13-May-24*
16 No. 8, Jalan Kesuma 3/5, Bandar Tasik Kesuma, 43700 Beranang, Selangor Darul Ehsan	2	Freehold	143	3-storey shop office	609,926	13-May-24*
17 No. 10, Jalan Kesuma 3/5, Bandar Tasik Kesuma, 43700 Beranang, Selangor Darul Ehsan	2	Freehold	143	3-storey shop office	609,926	13-May-24*
<b>EMERALD INNOVATIONS SDN BHD</b>						
18 H.S (D) 184636, PT 47408, Mukim Semenyih, Daerah Ulu Langat, Selangor Darul Ehsan	-	Freehold	9,225	Vacant commercial land	9,344,546	27-Feb-19*

# ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2025

## STATISTICS ON ORDINARY SHAREHOLDING

Number of issued shares	:	178,754,597 ordinary shares
Class of shares	:	Ordinary Shares
Voting rights	:	One vote per one (1) ordinary share
Number of Shareholders	:	2,043

## ANALYSIS OF ORDINARY SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	% of Total Shareholders	Number of Shares Held	% of Shareholdings
Less than 100	63	3.08	2,878	0.00
100 to 1,000	157	7.68	71,783	0.04
1,001 to 10,000	943	46.16	4,864,160	2.72
10,001 to 100,000	750	36.71	22,506,820	12.59
100,001 to less than 5%	127	6.22	69,227,229	38.73
5% and above	3	0.15	82,081,727	45.92
<b>Total</b>	<b>2,043</b>	<b>100.00</b>	<b>178,754,597</b>	<b>100.00</b>

## DIRECTORS' INTEREST

Name	<----- Number of Ordinary Shares ----->			
	Direct Interest		Indirect Interest	
	Number of Shares Held	% of Shareholdings	Number of Shares Held	% of Shareholdings
Cheah Tek Kuang – Chairman	–	–	–	–
Tan Sri Datuk Leow Chong Howa – Vice Chairman	31,500	0.02	46,638,887*	26.09
Tan Wan Lay	18,704,300	10.46	–	–
Gan Choon Sun	861,680	0.48	–	–
Leow Vinzie	280,000	0.16	–	–
Leow Vinken	–	–	–	–
Hong Cheong Liang	–	–	–	–
Neoh Lay Keong	–	–	–	–
Siti Ruzainah Binti Abd Halim	–	–	–	–

## SUBSTANTIAL SHAREHOLDERS

In accordance with Section 144 of the Companies Act 2016, the following are the substantial shareholders of the Company:

	Direct Interest		Indirect Interest	
	Number of Shares Held	% of Shareholdings	Number of Shares Held	% of Shareholdings
City Data Limited	44,507,387	24.90	–	–
Tan Sri Datuk Leow Chong Howa	31,500	0.02	46,638,887*	26.09
Lin, Chih-Chang	18,870,040	10.56	–	–
Tan Wan Lay	18,704,300	10.46	–	–

\* Deemed interested by virtue of his indirect shareholdings via his spouse, City Data Limited and LB Aluminium Berhad pursuant to Section 8 of the Companies Act 2016.



## ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2025

## THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Number of Shares Held	% of Shareholdings
1	Citigroup Nominees (Asing) Sdn Bhd Beneficiary: Exempt an for Bank of Singapore Limited (Foreign)	44,507,387	24.90
2	Lin, Chih-Chang	18,870,040	10.56
3	Tan Wan Lay	18,704,300	10.46
4	Sam Kwai Sim	6,806,100	3.81
5	Fairways Assets Investment Limited	6,300,000	3.52
6	Mablewood International Holding Limited	5,519,430	3.09
7	Meyer Capital Holding Ltd	4,200,000	2.35
8	Alliancegroup Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Teo Kwee Hock (7004011)	2,500,000	1.40
9	LB Aluminium Berhad	2,100,000	1.17
10	Lee Heng Yee	1,903,700	1.06
11	Lim Khuan Eng	1,890,000	1.06
12	Lim Kuan Gin	1,878,700	1.05
13	Maybank Securities Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Mary Tan @ Tan Hui Nghoh (STF)	1,326,500	0.74
14	Nga Hock Ee	1,020,200	0.57
15	Loh Boon Hong	1,000,000	0.55
16	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Teo Siew Lai	1,000,000	0.55
17	Tan Teck Peng	890,000	0.50
18	Gan Choon Sun	861,680	0.48
19	Tan Chez Chooi	822,500	0.46
20	Tan Aik Choon	778,600	0.44
21	Loh Lai Kim	713,000	0.40
22	Alliancegroup Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Ta Kin Yan (7000778)	700,000	0.39
23	JCA Builders (Malaysia) Sdn Bhd	655,200	0.37
24	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Chua Eng Ho Wa'a @ Chua Eng Wah	601,500	0.34
25	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Mah Yoke Lian	600,700	0.34
26	Alliancegroup Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Ker Min Choo (8109400)	600,000	0.34
27	Wong Kong Nyok	600,000	0.34
28	Liew Seong Kin	584,500	0.33
29	Addeen Trading Sdn Bhd	573,600	0.32
30	Koh Kwee Hooi	555,700	0.31
<b>Total</b>		<b>129,063,337</b>	<b>72.20</b>

# PROXY FORM

CDS Account No.	
Number of shares held	



I / We \_\_\_\_\_  
[Full name in block, NRIC/Passport/Company No.]

of \_\_\_\_\_  
(full address)

being a Member(s) of A-RANK BERHAD hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares Held	%
Address			
Contact No.	Email Address:		

and/or\* (\*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares Held	%
Address			
Contact No.	Email Address:		

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf, at the Annual General Meeting ("AGM") to be held at Ujong Pandang Room, Staffield Country Resort, Batu 13, Jalan Seremban-Kuala Lumpur (Country Road), 71700 Mantin, Negeri Sembilan Darul Khusus on Tuesday, 9 December 2025 at 10:00 a.m. or at any adjournment thereof, and to vote as indicated below:

NO.	ORDINARY RESOLUTIONS	*FOR	*AGAINST
1.	To approve the payment of a first and final single tier dividend of 2.25 sen per ordinary share in respect of the financial year ended 31 July 2025.		
2.	To approve the payment of Directors' fees of RM470,000 for the financial year ended 31 July 2025.		
3.	To approve the payment of Directors' benefits of up to RM54,000 for the period immediately after this AGM until the next AGM of the Company to be held in 2026.		
4.	To re-elect Tan Sri Datuk Leow Chong Howa as Director.		
5.	To re-elect Mr Tan Wan Lay as Director.		
6.	To re-elect Mr Gan Choon Sun as Director.		
7.	To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
8.	To grant authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
9.	To approve the Proposed Renewal of the Existing Shareholders' Mandate for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature.		

\* Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

^ Manner of execution:

- If you are an individual member, please sign where indicated.
- If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
  - at least two (2) authorised officers, of whom one shall be a director; or
  - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Signature^  
Member(s)

NOTES:

1. APPOINTMENT OF PROXY

- (a) For the purpose of determining who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 28 November 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend this AGM or appoint a proxy or proxies to attend, participate, speak and vote on his/her/its behalf.
- (b) A member who is entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (c) A member of the Company who is entitled to attend and vote at this AGM may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the AGM.
- (d) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (f) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (g) The original executed proxy form must be deposited at the registered office of the Company at Unit 30- 01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposed to vote.

- (h) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (i) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- (j) Last date and time for lodging this proxy form is on Sunday, 7 December 2025 at 10:00 a.m.
- (k) Please bring an ORIGINAL of the following identification papers (where applicable) and present it to the registration staff for verification:
  - (i) Identity card (NRIC) (Malaysian); or
  - (ii) Police report (for loss of NRIC)/Temporary NRIC (Malaysian); or
  - (iii) Passport (Foreigner).
- (l) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the registered office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:
  - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
  - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - (aa) at least two (2) authorised officers, of whom one shall be a director; or
    - (bb) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

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The Company Secretary

**A-RANK BERHAD**

(200301031200 [633621-X])

Unit 30-01, Level 30, Tower A,  
Vertical Business Suite,  
Avenue 3, Bangsar South,  
No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur.

STAMP


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## **A-RANK BERHAD**

(200301031200 [633621-X])

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