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CHOO BEE

CHOO BEE METAL INDUSTRIES BERHAD

[Registration No. 197101000234 (10587-A)]
(Incorporated in Malaysia)



ANNUAL REPORT **2025**

**BUILT ON STRENGTH,
REALISING VISION**



Built on Strength, Realising Vision

Strength becomes the foundation for progress when guided by clear direction and disciplined execution. Built on decades of industry experience, Choo Bee Metal Industries Berhad continues to realise its vision by leveraging proven capabilities and deep market understanding to support a diverse range of sectors. With resilience at its core, the Group advances with confidence, strengthening operations while responding to evolving industrial needs. Each step forward reflects a commitment to sustained growth and dependable performance. Grounded in strength and driven by vision, the Group continues to shape meaningful progress across the industrial landscape and the opportunities ahead.

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PROXY FORM	ENCLOSED



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2026 Annual General Meeting (“**AGM**”) of Choo Bee Metal Industries Berhad (“**CBMI**” or “**the Company**”) will be held at M Roof Hotel & Residences Ipoh, Jalan Dato Lau Pak Khuan, Taman Ipoh, 31400 Ipoh, Perak Darul Ridzuan, Malaysia on Tuesday, 23 June 2026 at 11.00 a.m. to transact the following business:

A G E N D A

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025, together with the Directors’ and Auditors’ Reports thereon. (Please refer to Note 2)
2. To approve the payment of Directors’ Fees of RM229,333 for the Directors in respect of the financial year ended 31 December 2025. (Ordinary Resolution 1)
3. To approve the payment of Directors’ Benefits payable to Non-Executive Directors up to an amount of RM60,000 from the 2026 AGM until the next AGM of the Company. (Ordinary Resolution 2)
4. To re-elect the following Directors retiring by rotation in accordance with Article 102 of the Company’s Constitution:
 - 4.1 Soon Cheng Hai (Ordinary Resolution 3)
 - 4.2 Ng Leong Teck (Ordinary Resolution 4)
5. To re-elect the following Directors who were appointed during the year in accordance with Article 100 of the Company’s Constitution:
 - 5.1 Ng Lai Chiek (Ordinary Resolution 5)
 - 5.2 Soon Seong Koon (Ordinary Resolution 6)
 - 5.3 Lee Kam Foong (Ordinary Resolution 7)
6. To re-appoint Messrs BDO PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. (Ordinary Resolution 8)

AS SPECIAL BUSINESS:

To consider and, if thought fit, pass the following resolutions:

7. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (“PROPOSED SHARE BUY-BACK AUTHORITY”)** (Ordinary Resolution 9)

“That, subject to the Companies Act 2016 (“**Act**”), the provisions of the Company’s Constitution, the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company provided that:

 - (a) the aggregate number of ordinary shares which may be purchased and/or held shall not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of purchase;
 - (b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase; and

Notice of Annual General Meeting

AS SPECIAL BUSINESS: (CONT'D)

To consider and, if thought fit, pass the following resolutions: (Cont'd)

7. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY ("PROPOSED SHARE BUY-BACK AUTHORITY") (CONT'D)** (Ordinary Resolution 9)

- (c) the Directors of the Company may decide in their absolute discretion either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends and/or in such manner as may be permitted pursuant to Section 127 of the Companies Act 2016 and the provisions of the MMLR of Bursa Securities and any other relevant authorities.

And that any authority conferred by this resolution may only continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first.

And that authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares) in accordance with the Act, the provisions of the Constitution of the Company and the MMLR and/or guidelines of Bursa Securities and all other relevant governmental and/or regulatory authorities."

8. **PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** (Ordinary Resolution 10)

"That pursuant to Sections 75 and 76 of the Companies Act 2016 ("**Act**"), the Directors be and are hereby empowered to allot and issue shares in the Company at any time and from time to time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the Constitution of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issuance.

That pursuant to Section 85 of the Act, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from issuance of new shares pursuant to this Mandate.

And that the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and further that such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

Notice of Annual General Meeting

AS SPECIAL BUSINESS: (CONT'D)

To consider and, if thought fit, pass the following resolutions: (Cont'd)

9. **PROPOSED GRATUITY PAYMENT TO FORMER DIRECTOR, NG POH TAT** (Ordinary Resolution 11)

"That approval be and is hereby given for the Company to pay a gratuity amounting to RM138,000 to Ng Poh Tat, former Director of the Company in recognition of his 17.5 years of service and contribution to the Company.

And that authority be and is hereby given to the Directors of the Company to take all such actions as they may consider necessary to give full effect to this resolution."

10. **PROPOSED GRATUITY PAYMENT TO FORMER DIRECTOR, PUAN SRI SHAHRIZAN BINTI ABDULLAH** (Ordinary Resolution 12)

"That approval be and is hereby given for the Company to pay a gratuity amounting to RM150,000 to Puan Sri Shahrizan Binti Abdullah, former director of the Company in recognition of her 22 years of service and contribution to the Company.

And that authority be and is hereby given to the Directors of the Company to take all such actions as they may consider necessary to give full effect to this resolution."

11. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

CHAN EOI LENG
(SSM PC No. 202008003055)
(MAICSA 7030866)

CHONG KWAI YOONG
(SSM PC No. 202308000244)
(MAICSA 7075434)

Chartered Secretaries

Perak Darul Ridzuan
30 April 2026

NOTES:

1. PROXY

Only members whose names appear on the Record of Depositors as at 15 June 2026 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead. A proxy must be 18 years and above and may but need not be a member of the Company.

A member, other than an exempt authorised nominee is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him/her. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an 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 but the proportion of holdings to be represented by each proxy must be specified.

Notice of Annual General Meeting

NOTES: (CONT'D)

1. PROXY (CONT'D)

The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.

The instrument appointing a proxy or the power of attorney must be deposited at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for the holding of the Meeting or any adjournment Meeting thereof either by hand, post, courier or electronic mail to bsr.proxy@boardroomlimited.com before the Form of Proxy lodgement cut-off time as mentioned above. Alternatively, the proxy form can be submitted by electronic means through the Share Registrar's website, Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Guide on the procedures for electronic lodgement of proxy form.

2. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Agenda 1 is meant for discussion only as Section 340(1) of the Companies Act 2016 ("**Act**") requires the Audited Financial Statements to be laid before the Company at the AGM and they do not require shareholders' approval. Hence, Agenda 1 will not be put forward for voting.

3. DIRECTORS' FEES AND BENEFITS

Section 230(1) of the Act provides amongst others, that "fees" of the Directors and "any benefits" payable to Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval is sought for these payments in two (2) separate ordinary resolutions as follows:

Ordinary Resolution 1 : Payment of Directors' Fees in respect of the financial year ended 31 December 2025

Ordinary Resolution 2 : Payment of Directors' Benefits from 2026 AGM until the next AGM of the Company

The Directors' Fees include fees payable to the Chairman and members of the Board.

Based on the Nomination and Remuneration Committee's recommendation, the Board decided that the Directors' fees per annum (p.a.) shall remain unchanged.

Summary of the Payment of Directors' Fees for Financial Year Ended 2025 and Directors' Benefits to Non-Executive Directors from the 2026 AGM until the next AGM in the year 2027:

Description	Executive Directors	Non-Executive Directors / Members
Directors' Fees	RM20,000.00 per annum per Director	RM62,000.00 per annum per Director
Description	Non-Executive Directors / Members	
Allowance for Chairman of Audit and Risk Management Committee	RM10,000.00 per year	
Allowance for Chairman of Nomination and Remuneration Committee	RM6,000.00 per year	
Meeting Allowance for Directors and Board Committees	RM800.00 per Meeting (Board/Audit and Risk Management Committee)	
	RM500.00 per Meeting (Nomination and Remuneration Committee)	

Note:

The Directors' Benefits payable to the Non-Executive Directors would be calculated based on the current composition of the Board and Board Committees and the number of meetings scheduled for the Board and Board Committees and includes all benefits payable to the Directors, such as meeting allowances, committees' fees, etc.

Notice of Annual General Meeting

4. RE-ELECTION OF DIRECTORS

Soon Cheng Hai and Ng Leong Teck, who are retiring by rotation, are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at this AGM.

Ng Lai Chiek, Soon Seong Koon and Lee Kam Foong, who were appointed as Directors of the Company during the year, are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at this AGM.

The Board has via the Nomination and Remuneration Committee conducted an assessment on their effectiveness and contributions of the said retiring Directors including their skills, experience, competency, and time commitment, and has recommended for them to be re-elected to the Board. The profile of the retiring Directors are set out in the Profile of Directors of the Annual Report 2025.

5. RE-APPOINTMENT OF EXTERNAL AUDITORS ("EA")

The Audit and Risk Management Committee ("ARMC") has carried out an assessment of the suitability and independence of the EA, Messrs BDO PLT. The ARMC in its assessment found Messrs BDO PLT to be sufficiently objective and independent and was satisfied with the suitability based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group.

The Board therefore approved the ARMC's recommendation that the re-appointment of Messrs BDO PLT as EA of the Company be put forward for the shareholders' approval at the 2026 AGM.

6. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The proposed resolution, if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the total number of issued shares of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the conclusion of the next annual general meeting of the Company or within which the next annual general meeting after the date is required by law to be held, whichever occurs first.

7. PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")

The Company had during its 2025 AGM held on 19 June 2025, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Act. The Company did not issue any new shares pursuant to this mandate obtained and accordingly no proceeds were raised.

The proposed Ordinary Resolution 10 is a renewal general mandate for issuance of shares by the Company pursuant to Sections 75 and 76 of the Act, the Constitution of the Company and the Main Market Listing Requirements of Bursa Securities. The mandate, if passed, will provide flexibility for the Company and empower the Directors to issue and allot new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for purpose of funding future investments project(s), working capital and/or acquisitions. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make announcement in respect thereof.

8. PROPOSED GRATUITY PAYMENTS

The Proposed Gratuity Payments are tabled for the approval of the shareholders in compliance with Section 230 (1) of the Companies Act 2016 and Paragraph 7.24 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which require that benefits payable to the directors of a listed company be approved at a general meeting.

Notice of Annual General Meeting

8. PROPOSED GRATUITY PAYMENTS (CONT'D)

8.1 TO FORMER DIRECTOR, NG POH TAT

Ng Poh Tat has retired as a Non-Independent Non-Executive Director of CBMI on 28 February 2026 after serving the Board for a period of 17.5 years. The proposed gratuity payment is a token of appreciation to Ng Poh Tat for his past 17.5 years of service, dedication, and contribution to the Company during his tenure in office as Director of the Company in line with the Company's remuneration policy where Directors are entitled to receive a gratuity payment upon their retirement from office.

8.2 TO FORMER DIRECTOR, PUAN SRI SHAHRIZAN BINTI ABDULLAH

Puan Sri Shahrizan Binti Abdullah has indicated her intention to retire from her office as an Independent Non-Executive Director of the Company effective 23 May 2026. The retirement was announced to Bursa Securities on 29 April 2026. The proposed gratuity payment is a token of appreciation to Puan Sri Shahrizan Binti Abdullah for her past 22 years of service, dedication, and contribution to the Company during her tenure in office as Independent Non-Executive Director of the Company in line with the Company's remuneration policy where Directors are entitled to receive a gratuity payment upon their retirement from office.

The Proposed Gratuity Payments would be a one-off payment from the Company which if approved by the shareholders and will be paid in cash funded entirely from internally generated funds.

ANNUAL REPORT 2025 AND CORPORATE GOVERNANCE REPORT 2025

The Annual Report 2025 and Corporate Governance Report 2025 can be downloaded at www.choobee.com

Corporate Information

BOARD OF DIRECTORS

Soon Cheng Hai

Group Executive Chairman
Chief Executive Officer
Executive Director

Soon Cheng Boon

Deputy Chief Executive Officer
Executive Director

Soon Seong Koon

Executive Director

Puan Sri Shahrizan Binti Abdullah

Senior Independent Non-Executive Director

Ng Leong Teck

Independent Non-Executive Director

Ng Lai Chiek

Independent Non-Executive Director

Lee Kam Foong

Independent Non-Executive Director

EXECUTIVE COMMITTEE

Soon Cheng Hai, Chairman
Soon Cheng Boon, Member
Soon Seong Koon, Member

NOMINATION AND REMUNERATION COMMITTEE

Puan Sri Shahrizan Binti Abdullah, Chairman
Ng Leong Teck, Member
Ng Lai Chiek, Member
Lee Kam Foong, Member

AUDIT AND RISK MANAGEMENT COMMITTEE

Ng Leong Teck, Chairman
Puan Sri Shahrizan Binti Abdullah, Member
Ng Lai Chiek, Member
Lee Kam Foong, Member

SHARE REGISTRAR

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

REGISTERED OFFICE

No. 37B, Jalan Basco Kepayang 1
Basco Avenue @ Kepayang
31400 Ipoh
Perak Darul Ridzuan
Malaysia
Tel: 605-541 7618
Fax: 605-541 7618
E-mail address: concierto.hub@concierto.com

SECRETARIES

Chan Eoi Leng
(SSM PC No. 202008003055)
(MAICSA 7030866)

Chong Kwai Yoong
(SSM PC No. 202308000244)
(MAICSA 7075434)

PRINCIPAL PLACE OF BUSINESS

Wisma Soon Teik Aun
Jalan Bendahara
31650 Ipoh
Perak Darul Ridzuan
Malaysia
Tel: 605-255 8111
E-mail address: enquiries@choobee.com.my

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Berhad

WEBSITE AND E-MAIL ADDRESS

Homepage: www.choobee.com
E-mail address: enquiries@choobee.com.my

AUDITORS

BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206)
Chartered Accountants
Suite 18-04, Level 18, Menara Zurich
No 15, Jalan Dato' Abdullah Tahir
80300 Johor Bahru
Malaysia
Tel: 607-331 9815
Fax: 607-331 9817

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Profile of Directors

Soon Cheng Hai

Group Executive Chairman

Chief Executive Officer

Executive Director

Date of Appointment

10 April 1985

Gender

Male

Length of Service (as at 30 April 2026)

41 years

Age

63 years old

Date of Last Re-Election

20 June 2024

Nationality

Malaysian

Board Committees Memberships

- Executive Committee Chairman

Board Meeting Attended

4/5

Academic/Professional Qualifications

- Diploma in Business Management from Sangyo Noritsu College, Japan

Other Directorship(s) in Public Companies and Listed Issuers

- Nil

Past Directorships and/or Appointments/Working Experience

He has substantially worked within the Group for more than 30 years in various core processes such as management of the supply chain, marketing, product development and manufacturing management. Based on a successful performance record, he was promoted to the position of Group Deputy Managing Director in 1992 and subsequently promoted to Group Managing Director ("GMD") in 1994. He was re-designated to Chief Executive Officer ("CEO") and appointed as Group Executive Chairman on 21 February 2014.

He is also the Chairman of the Executive Committee.

Family Relationship/Conflict of Interest

Soon Cheng Boon is his brother. He is a director and shareholder in Choo Bee Holdings Sdn. Bhd. and Soon Lian Huat Holdings Sdn. Berhad, major shareholders of the Company. Save for the recurrent related party transactions as disclosed in Note 30 of the Audited Financial Statement, he has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Conviction of Offence

He has not been convicted for any offence within the past 5 years nor imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Directors

Soon Cheng Boon

Deputy Chief Executive Officer

Executive Director

Date of Appointment

19 September 1985

Gender

Male

Length of Service (as at 30 April 2026)

40 years 7 months

Age

61 years old

Date of Last Re-Election

19 June 2025

Nationality

Malaysian

Board Committees Memberships

- Executive Committee Member

Board Meeting Attended

5/5

Academic/Professional Qualifications

- Not Applicable

Other Directorship(s) in Public Companies and Listed Issuers

- Nil

Past Directorships and/or Appointments/Working Experience

He joined Choo Bee Hardwares Sdn. Bhd. in 1982, currently serving as the Group Business Manager and was appointed as Deputy Chief Executive Officer on 21 June 2019. He underwent training overseas as well as locally and has extensive experience in the field of sales and marketing management. He is also responsible for the overall business development and formulation of all marketing plans and policies for the Group.

He is also a member of the Executive Committee.

Family Relationship/Conflict of Interest

Soon Cheng Hai is his brother. He is a director and shareholder in Choo Bee Holdings Sdn. Bhd. and Soon Lian Huat Holdings Sdn. Berhad, major shareholders of the Company. Save for the recurrent related party transactions as disclosed in Note 30 of the Audited Financial Statement, he has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Conviction of Offence

He has not been convicted for any offence within the past 5 years nor imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Directors

Soon Seong Koon

Executive Director

Date of Appointment

1 January 2026

Gender

Male

Length of Service (as at 30 April 2026)

4 months

Age

36 years old

Date of Last Re-Election

Not Applicable

Nationality

Malaysian

Board Committees Memberships

- Executive Committee Member

Board Meeting Attended

N/A

Academic/Professional Qualifications

- Bachelor's Degree in Management and Marketing from Curtin University of Technology
- Diploma in Information Technology, Business Management, and Business Administration from Australia Institute of Commerce and Technology

Other Directorship(s) in Public Companies and Listed Issuers

- Nil

Past Directorships and/or Appointments/Working Experience

He is promoted from Assistant Sales Manager to Sales Manager and has been employed with CBMI since 14 October 2014. He is responsible for managing customer accounts, driving sales performance, and supporting business growth while maintaining strong credit quality. His role includes developing sales strategies, monitoring market conditions, overseeing debt collection, and identifying new business opportunities. In addition, he serves as a Credit Committee member works closely with production teams to align pricing strategies and operational planning, including oversight of export activities to ensure regulatory compliance and operational efficiency.

Family Relationship/Conflict of Interest

Eldest Son of Soon Cheng Hai, Executive Director cum the Chief Executive Officer of Choo Bee Metal Industries Berhad.

Conviction of Offence

He has not been convicted for any offence within the past 5 years nor imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Directors

Ng Leong Teck

Independent Non-Executive Director

Date of Appointment

1 March 2023

Gender

Male

Length of Service (as at 30 April 2026)

3 years and 2 months

Age

58 years old

Date of Last Re-Election

21 June 2023

Nationality

Malaysian

Board Committees Memberships

- Audit and Risk Management Committee, Chairman (Appointed as member on 1 March 2023 and as Chairman on 31 May 2023)
- Nomination and Remuneration Committee, Member (Appointed on 1 March 2023)

Board Meeting Attended

5/5

Academic/Professional Qualifications

- Qualified Chartered Accountant - The Association of Chartered Certified Accountants ("ACCA")
- Member of the Malaysian Institute of Accountants ("MIA")

Other Directorship(s) in Public Companies and Listed Issuers

- Nil

Past Directorships and/or Appointments/Working Experience

Before setting up his own practice in 2003, he was attached to Skelchy Su Lim & Associates followed by PKF Malaysia respectively. He was also attached to UHY Malaysia PLT briefly from 2017 to 2019, in which he was the engagement partner as well as engagement quality control reviewer for around 15 listed entities. He has 28 years of professional experience and has been involved in a wide range of audit and business advisory services. He has also led assignments in a wide range of companies, from small local entrepreneurial organisations to large international trading, construction, services and manufacturing companies, as well as companies listed on Bursa Malaysia. His experience includes among others, corporate listing exercises, due diligent audit assignments, investigation on listed company classified under Practice Note 4 of the Listing Requirements as well as acting as Monitoring Accountant (under instructions and appointment by the Securities Commission) to review and monitor the financial movements of listed companies. He ceased as a partner in TNL Partners PLT in November 2024. He is currently a partner in CS Partners PLT Chartered Accountant, an audit firm.

Family Relationship/Conflict of Interest

He does not have any family relationship with any other Director and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Conviction of Offence

He has not been convicted for any offence within the past 5 years nor imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Directors

Puan Sri Shahrizan Binti Abdullah

Senior Independent Non-Executive Director

Date of Appointment

12 June 2004 as Non-Independent Non-Executive Director
 23 May 2014 redesignated as Independent Non-Executive Director
 1 March 2023 redesignated as Senior Independent Non-Executive Director

Length of Service (as at 30 April 2026)

9 years 11 months as Non-Independent Non-Executive Director
 11 years 11 months as Independent Non-Executive Director

Date of Last Re-Election

20 June 2024

Board Committees Memberships

- Nomination and Remuneration Committee (“NRC”), Chairman (Appointed as Chairman of NRC on 1 March 2023)
- Audit and Risk Management Committee, Member

Academic/Professional Qualifications

- Bachelor of Economics Degree from University of Malaya

Other Directorship(s) in Public Companies and Listed Issuers

- Nil

Past Directorships and/or Appointments/Working Experience

She was appointed to the Board as a Non-Independent Director and was subsequently re-designated to Independent Director status on 23 May 2014 after she ceased to act as a nominee/representative of a deemed substantial shareholder.

She started her career as an Advisory Services Executive with Majlis Amanah Rakyat Malaysia after graduation. In 1975, she joined South East Asia Development Corporation as an Investment Analyst and in 1978, became a Financial Analyst with Amanah Chase Merchant Bank. She then held the position of Senior Corporate Services Manager in Permodalan Nasional Berhad from 1979 to 1984. She was the Chairperson of MIDF Amanah Asset Management Berhad until her retirement on 21 February 2017. Subsequent to this, she was appointed as an Independent Non-Executive Director of MIDF Amanah Investment Bank Berhad until her retirement on 16 May 2020. Apart from the above, she also holds a directorship in a private limited company.

Family Relationship/Conflict of Interest

She does not have any family relationship with any other Director and/or major shareholders of the Company. She has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Conviction of Offence

She has not been convicted for any offence within the past 5 years nor imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Gender

Female

Age

75 years old

Nationality

Malaysian

Board Meeting Attended

5/5

Profile of Directors

Ng Lai Chiek

Independent Non-Executive Director

Date of Appointment

1 January 2026

Gender

Male

Length of Service (as at 30 April 2026)

4 months

Age

67 years old

Date of Last Re-Election

Not Applicable

Nationality

Malaysian

Board Committees Memberships

- Audit and Risk Management Committee, Member (Appointed on 1 January 2026)
- Nomination and Remuneration Committee, Member (Appointed on 1 January 2026)

Board Meeting Attended

N/A

Academic/Professional Qualifications

- Professional Qualification of Law from Advocate & Solicitor, High Court of Malaya
- Provisional Member ASA (1983/84) with Bachelor's Degree of Economics from Australian Society of Accountants
- Bachelor's Degree in Law and Economics from Monash University

Other Directorship(s) in Public Companies and Listed Issuers

- Nil

Past Directorships and/or Appointments/Working Experience

He has more than three decades of experience in professional practice, having built a long-standing career with Rusnah Loh Ng & Co., where he served as a Partner from 1986 before transitioning to the role of Consultant in 2023, a position he continues to hold to date. His extensive expertise spans business advisory and compliance matters, accumulated through years of serving clients across diverse industries.

Family Relationship/Conflict of Interest

He does not have any family relationship with any other Director and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Conviction of Offence

He has not been convicted for any offence within the past 5 years nor imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Directors

Lee Kam Foong

Independent Non-Executive Director

Date of Appointment

1 April 2026

Gender

Female

Length of Service (as at 30 April 2026)

30 days

Age

61 years old

Date of Last Re-Election

Not Applicable

Nationality

Malaysian

Board Committees Memberships

- Audit and Risk Management Committee, Member (Appointed on 1 April 2026)
- Nomination and Remuneration Committee, Member (Appointed on 1 April 2026)

Board Meeting Attended

N/A

Academic/Professional Qualifications

- Diploma in Business Management from Malaysian Institute of Management (MIM)
- Foundation in Accounting from The Malaysian Association of Certified Public Accountants (Part 1) (MACPA)

Other Directorship(s) in Public Companies and Listed Issuers

- Nil

Past Directorships and/or Appointments/Working Experience

She began her career in 1984 as an articled clerk with Coopers & Lybrand, where she was primarily involved in statutory audit engagements. She subsequently joined Ernst & Young in 1991 as an Audit Senior. In 1995, she joined M & A Securities Sdn. Bhd. as Credit Control Manager, where she was responsible for overseeing clients' and remisers' credit limits and coordinating with the legal department on the recovery of default accounts.

In 2003, she joined Lim Tang & Partners (now known as CHI-LLTC), an audit firm providing statutory audit and tax advisory services, as Accounts, Administrative and Human Resources Manager. Following the transfer of tax advisory services to Lim Tang Services Sdn. Bhd. in 2006, she has been responsible for managing all tax matters for corporate and personal clients of the firm, a role she continues to undertake to date.

Family Relationship/Conflict of Interest

She does not have any family relationship with any other Director and/or major shareholders of the Company. She has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Conviction of Offence

She has not been convicted for any offence within the past 5 years nor imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Key Senior Management

Soon Cheng Hai

*Group Executive Chairman
 Chief Executive Officer
 Executive Director
 Male, Aged 63, Malaysian*

Refer to the Profile of Directors.

Soon Cheng Boon

*Deputy Chief Executive Officer
 Executive Director
 Male, Aged 61, Malaysian*

Refer to the Profile of Directors.

Soon Seong Koon

*Executive Director
 Male, Aged 36, Malaysian*

Refer to the Profile of Directors.

Chong Choy Har

*Chief Financial Officer
 Female, Aged 45, Malaysian*

Date of Appointment

1 March 2026

Academic/Professional Qualifications

- Qualified Chartered Accountant, Malaysian Institute of Accountants ("MIA")
- Qualified Chartered Accountant, The Chartered Institute of Management Accountants ("CIMA")

Other Directorship(s) in Public Companies and Listed Issuers

- Nil

Family Relationship/Conflict of Interest

She does not have any family relationship with any other Director and/or major shareholders of the Company. She has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Working Experience

She began her career in 2003 in the commercial sector as a Costing and Accounts Executive, where she gained hands-on experience in costing, financial reporting and operational finance. She joined Choo Bee Group in 2009 as an Assistant Finance Manager and subsequently progressed to Finance Manager in 2011 and Senior Finance Manager in 2012. In 2025, she was appointed Financial Controller and subsequently assumed the role of Acting Chief Financial Officer. Throughout her tenure with the Group, she has been responsible for leading the financial reporting and group consolidation functions, while ensuring full compliance with Malaysian Financial Reporting Standards ("MFRS"), Bursa Malaysia Listing Requirements, and the Companies Act 2016. Her responsibilities have also included managing the Group's foreign currency exposure and cash flow planning. She currently oversees the Group's accounting and finance functions, including financial reporting, cash flow management, taxation matters, audit coordination, and compliance with statutory and regulatory requirements across the Group.

Conviction of Offence

She has not been convicted for any offence within the past 5 years nor imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.



聚美

CHOO BEE



intertek

Certificate No.: Q831088



UKAS
MANAGEMENT
SYSTEMS

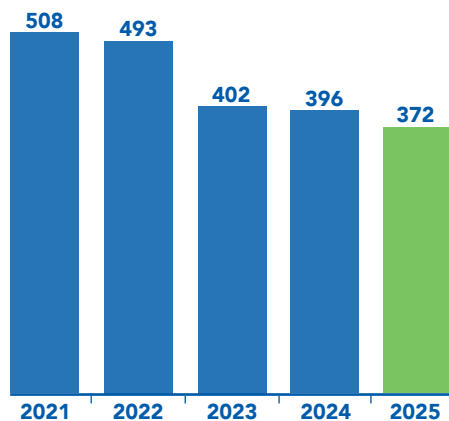
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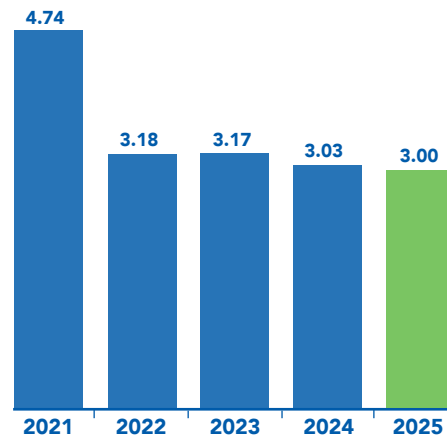
Five Years Group Financial Highlights

		2021	2022	2023	2024	2025
Revenue	RM'Million	508	493	402	396	372
NTA Per Share	RM	4.74	3.18	3.17	3.03	3.00
Profit/(Loss) Before Taxation	RM'Million	137	12	1	(30)	(6)
Profit/(Loss) After Taxation	RM'Million	103	8	1	(26)	(7)
Earnings/(Loss) Per Share	Sen	78.95	5.17	0.58	(13.13)	(3.37)
Dividend Cover Ratio	Times	10.53	1.66	1.15	-	-
Borrowings	RM'Million	6	10	8	3	-
Shareholders Equity	RM'Million	619	624	621	594	587

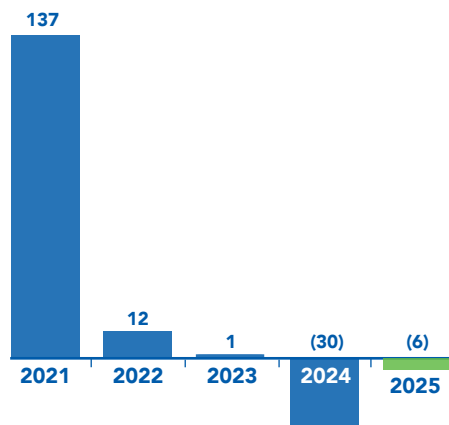
Revenue (RM'Million)



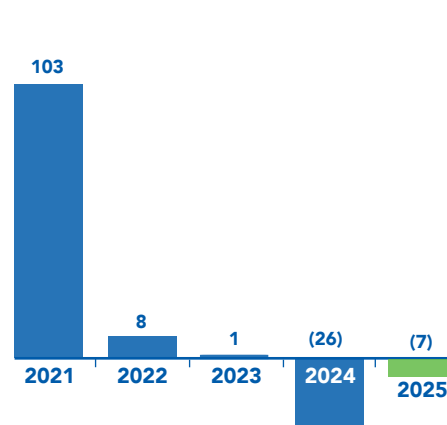
Net Tangible Asset Per Share (RM)



Profit/(Loss) Before Taxation (RM'Million)

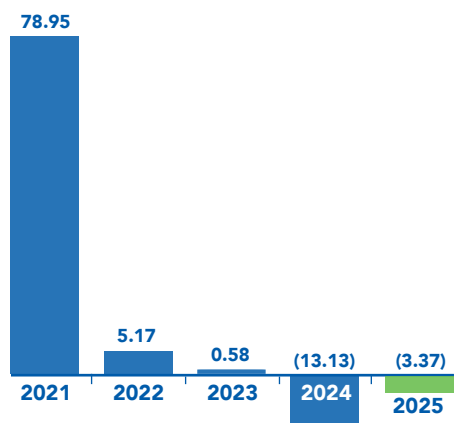


Profit/(Loss) After Taxation (RM'Million)

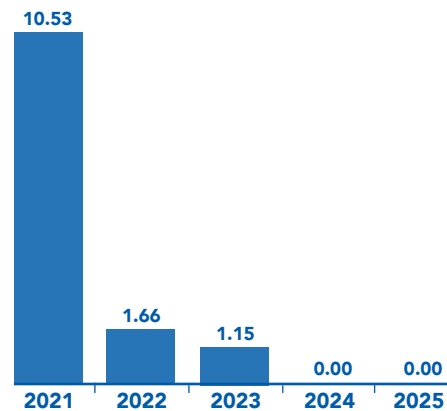


Five Years Group Financial Highlights

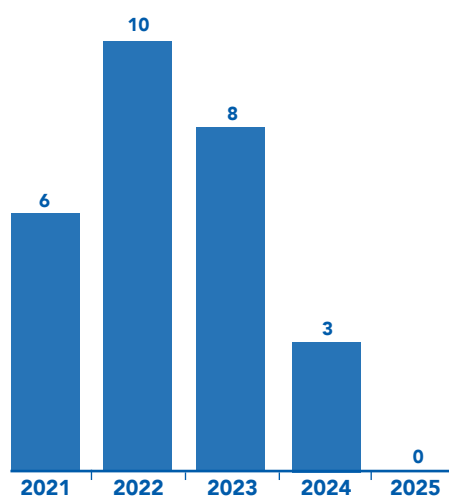
Earnings/(Loss) Per Share (Sen)



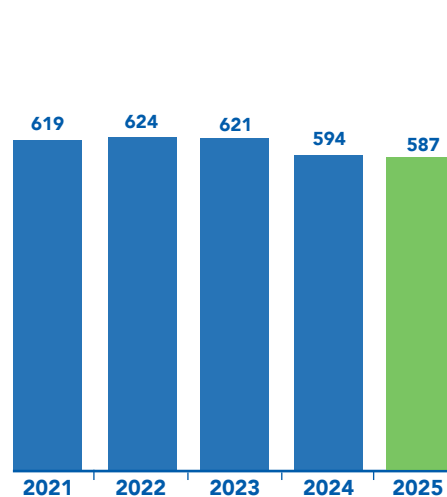
Dividend Cover Ratio (Times)



Borrowings (RM'Million)



Shareholders Equity (RM'Million)



Management Discussion and Analysis

Business and Operations

The Company is principally engaged in the manufacturing and sales of flat-based steel products from Hot Rolled and Cold Rolled coils, as well as providing processing services such as shearing and slitting of steel products. Its subsidiaries are primarily involved in the:

- a) Trading of hardware and construction materials; and
- b) Manufacturing of stainless-steel pipes as well as trading of hardware.

The Group is an established player in its market, where the Group's products are sold principally through its network of dealers in Peninsular Malaysia, Sabah, Sarawak and Singapore (export market). Currently, the Group's products are mostly sold domestically (90%) where exports contribute 10% to the Group's revenue.

The Group currently, has 11 tube making production lines, including 4 in Kapar, Selangor, and 7 in Pengkalan, Ipoh. Both factory plants produce mainly welded steel pipes for water transmission, structural applications and construction industry as well as for general usage purposes. The combined installed capacity per annum is approximately 320,000 metric tonnes.



Objectives and Strategies

The vision of the Group is to be one of the nation's premier manufacturers, suppliers and service centre of steel products. The Group's long-term objective is to remain resilient and sustainable in its core business competency, while delivering sustainable shareholder value to all stakeholders. The strategies employed by the Group to meet its long-term objective include continual cost efficiency improvements, strengthening productivity, enhancing quality and delivery of our products.

Review of Financial Results

For the financial year ("FY") 2025, the Group operated under pricing pressure and intense competition. The Group's revenue declined by 6% to RM372.4 million compared to RM396.4 million in FY 2024. This was primarily due to weaker average selling prices, offsetting higher sales volume. Nevertheless, profit margins improved as a result of lower cost of sales, with performance turning around from a gross loss of RM2.9 million to a gross profit of RM15.5 million.

The Group's administrative and selling/distribution expenses decreased by 6% compared to FY 2024, attributable to disciplined cost management. Other income for the year increased to RM5.4 million from RM1.8 million recorded in the previous year, mainly due to duty drawback claims and interest income from short-term deposits.

In line with the improved gross profit margins, the Group's loss before taxation narrowed to RM6.1 million, compared to RM30.1 million recorded in FY 2024. This was supported by the Group's positive EBITDA recorded in FY 2025.

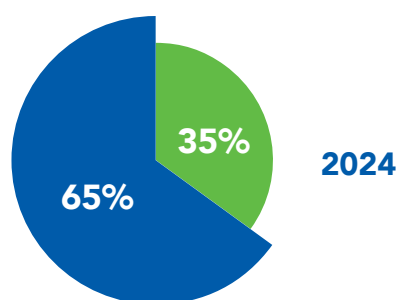
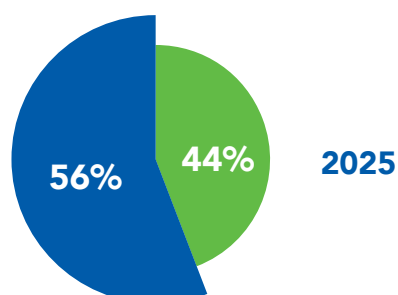


Management Discussion and Analysis

Review of Operating Activities

The revenue of the Group can be further analysed as follows:

	Trading RM'000	Manufacturing RM'000	Total RM'000
2025			
Total revenue	220,082	202,162	422,244
Inter-segment sales	(9,698)	(40,170)	(49,868)
Revenue from external customers	210,384	161,992	372,376
2024			
Total revenue	268,700	202,156	470,856
Inter-segment sales	(10,005)	(64,499)	(74,504)
Revenue from external customers	258,695	137,657	396,352
(Decrease)/Increase	(48,311)	24,335	(23,976)
(Decrease)/Increase	-19%	18%	-6%



■ Trading ■ Manufacturing

For the FY 2025, the trading segment contributed 56% of the Group's revenue, while the manufacturing segment contributed 44%.

The detailed segmental performance is disclosed in Note 4 of the financial statements.



Management Discussion and Analysis

Financial Position

The Group had adopted the best business practice as in past years to ensure that all investments made were within business objectives and limitations. Our financial position as at 31 December 2025 are as follows:

1. Assets:

a. Property, plant and equipment (including Investment properties)

As there were no major capital acquisitions during the year, the decrease in property, plant and equipment to RM249.2 million was mainly due to depreciation charges, while Investment properties remained unchanged at RM9.8 million for both FY 2025 and FY 2024.

b. Inventories

Inventories shrank to RM165.5 million from RM201.0 million recorded in the previous financial year. This was mainly due to prudent inventory management amid a challenging operating environment and slower demand.

c. Trade and other receivables

Trade and other receivables declined to RM89.3 million from RM100.3 million recorded in the previous financial year, which was in line with the lower revenue trend as well as healthy collections during the year.

d. Cash and bank balances

The Group's cash and bank balances rose to RM47.2 million from RM28.0 million in the previous financial year, attributed to prudent cost and inventory management as well as healthy collections of trade receivables.

2. Liabilities:

Trade and other payables

The Group's trade and other payables reduced to RM9.0 million as compared with RM26.9 million in the previous financial year. This was mainly attributed to lower trade purchases and accrued obligations in tandem with the lower business operations.

The Group remains prudent in maintaining a sound financial position even in the midst of the challenging and volatile market environment, whereby total yield accumulated during these years are translated in our strong net tangible assets, low gearing ratio, net assets position and healthy cash reserves of the Group, further underlining the strengths reflecting the business' going-concern capabilities which enables the execution of our strategic objectives in creating value over the coming years.

The Group will continue to explore opportunities for continued growth and capital expansion to add value to the shareholders.

Management Discussion and Analysis

Economic and Industry Outlook

In 2025, Malaysia's economy recorded a solid and accelerating growth, underpinned by resilient domestic demand, sustained household consumption, and continued investment in technology infrastructure, particularly in data centres. The economy expanded by 4.4% in 1Q 2025, maintained at the same pace of 4.4% in 2Q 2025, strengthened to 5.2% in 3Q 2025, and further accelerated to 6.3% in 4Q 2025. Overall, the full-year GDP growth for Malaysia averaged at 5.2%.

Subsequent to the stronger growth in 2025, the momentum is expected to continue for 2026, with the GDP growth projected between the range of 4.0% to 5.0%. The expansion will be driven by sustained domestic demand, a strong semiconductor upcycle, and the rollout of the "Visit Malaysia 2026" tourism campaign.

Steel demand remains underpinned by infrastructure initiatives outlined in the 13th Malaysia Plan (13MP), including major projects such as the Penang Light Rail Transit (LRT) Mutiara Line, the early stages of Mass Rapid Transit 3 (MRT3), the Trans-Borneo Railway, and the Johor Bahru Elevated Autonomous Rapid Transit system. In addition, expanding industrial activities and the development of data centres continue to bolster steel consumption. At the same time, the industry is progressively shifting towards lower-carbon operations, driven by carbon-related regulatory measures and sustainability-focused procurement practices.

The Group continues to prioritise enhancements in operational and energy efficiency, while maintaining prudent cost management through disciplined sourcing and effective inventory control. These measures are aimed at sustaining stable operations amid changing market dynamics and regulatory developments.

Dividend

Notwithstanding the improvement in the Group's financial performance compared to the previous financial year, the Group remained in a loss position and the Board does not recommend any dividend for the financial year ended 31 December 2025.



Sustainability Statement



Overview

Choo Bee Metal Industries Berhad (“CBMI” or “the Company”) and its subsidiaries (“the Group”) recognise that sustainable business practices are imperative in driving long-term business growth and creating shared value for our stakeholders. These matters are not merely aspirational, as they call for transformative progress in general corporate governance and operational structures.

This necessarily includes institutional structures to ensure sound compliance with governance principles, which deal with anti-corruption, conflicts of interest and reporting structures which are addressed in this report.

The Group aspires to be a leading steel manufacturer, supplier and service centre of steel products, providing sustainable solutions guided by its Environmental, Social, and Governance (“ESG”) pillars.

Reporting Scope and Period

The Board of Directors (“the Board”) is pleased to present the Sustainability Statement (“Statement”) for the financial year ended 31 December 2025 (“FY 2025”) to illustrate our strategic approaches in addressing sustainability challenges and opportunities. This Statement covers the period from 1 January 2025 to 31 December 2025, focusing on CBMI and its subsidiaries, Choo Bee Hardwares Sdn. Bhd. (“CBH”) and Taik Bee Hardware Sdn. Bhd. (“TBH”). For FY 2025, Choo Bee Hardware Sabah Sdn. Bhd. (“CBHS”) is excluded from the operational sustainability metrics as it represents only 5% of the Group revenue and falls outside our primary manufacturing focus for this transition year.

STAKEHOLDERS INPUT

As we continue our sustainability journey, we welcome your feedback to help us continuously improve our initiatives and reporting standards. Please direct any feedback, comments, or inquiries to finance@choobee.com.my.

Framework and Guidelines

This Statement is prepared in accordance with the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements on sustainability statements and the Sustainability Reporting Guide (3rd Edition). The United Nations Sustainable Development Goals (“SDGs”) guided the identification of key sustainability matters and the development of the Group’s sustainability strategies. The SDGs remain the lodestar, guiding the identification of key environmental and human capital sustainability goals.

Sustainability also requires financial responsibility, as this involves investment in financial resources with an eye to long term return on investment. Therefore, qualitative indicators need to be put in place and tracked and these are dealt with in the “Financial Performance” of the Annual Report.

The Group is committed to embedding sustainability into its business strategy and operations, and taking steps to align its practices and disclosures in line with the National Sustainability Reporting Framework (“NSRF”) in preparation for the mandatory sustainability reporting requirements effective from 2026. Sustainability oversight is incorporated within the Group’s governance framework, with management responsibility responsible for coordinating sustainability-related initiatives and monitoring progress. The Group is progressively enhancing its policies, data collection processes, and internal controls to support reliable sustainability reporting as it moves towards compliance with NSRF requirements.

As a precursor to the more detailed considerations of the matters summarised above, the relevant SDG factors and their impact on the Group are set out below.



Sustainability Statement

Assurance Statement

The Board acknowledges its responsibility for the integrity of this Sustainability Statement. For the financial year ended 31 December 2025, the Statement has been prepared based on information reviewed and verified by the respective data owners within the Group, with internal checks conducted by Management to ensure the accuracy and consistency of the disclosed data.

In accordance with Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Group confirms that the Sustainability Statement has been subjected to an internal review process. No independent external assurance has been conducted for this report. However, the Group is currently strengthening its internal data collection protocols and maintains a roadmap to obtain external assurance in due course as we align with the phased requirements of the NSRF.

Sustainability Commitment

The Group is committed to creating long-term sustainable value and growth for all stakeholders. We embrace an integrated approach to sustainability, i.e. to integrate the ESG principles into the business strategy planning and operational practices across the Group.

The Group has implemented an Environmental Policy in line with this commitment, and strives to minimise its environmental footprint and support the transition towards a low-carbon future. The Group will align its initiatives with the Greenhouse Gas ("GHG") Protocol framework, addressing Scope 1 (direct emissions), Scope 2 (indirect energy emissions) and Scope 3 (value chain emissions) across all operations.

Our dedication to delivering sustainable value to our stakeholders is reflected in the Group's vision and mission:

VISION

To become one of the nation's premier manufacturer, supplier and service centre of steel products.

MISSION

By meeting and exceeding customers' needs through sustainable and effective business strategies, built on integrity and continuous improvement to internal processes and operations.

OBJECTIVE

Ensure that all initiatives are sustainable.
*Sustainability means balancing the following:
 People, Profits, Planet*

KEY PILLARS



Economic



Environment



Social



Governance

CROSS-CUTTING TRUSTS



Engage Stakeholders



Measure and Report



Accountable



Sustainable

Sustainability Statement



Sustainability Governance

The Group's commitment to sustainability is deeply ingrained in our corporate governance framework. To ensure sustainability is rooted throughout our organisation, the Board of Directors ("the Board") maintains ultimate accountability, supported by the Audit and Risk Management Committee ("ARMC"). The ARMC oversees the management of material sustainability matters, ensures the integration of sustainability risks within the Group's enterprise risk management, and approves the sustainability strategy, targets, and statements. Operating under this oversight, the Executive Committee ("EXCO") supports the Board and ARMC by setting the overall corporate sustainability strategies and providing impact oversight on the Group's initiatives.

The Board brings relevant experience in governance, risk management, regulatory compliance and business operations, to support oversight of sustainability-related matters. While the Board has not undertaken a formal training needs assessment specifically related to the NSRF, sustainability-related developments, including emerging regulatory expectation and reporting requirements are incorporated into Board and management discussions.

Furthering our commitment, a Sustainability Working Group ("SWG"), led by the Chief Executive Officer, drives implementation across the organisation. This team, composed of senior and middle management, as well as Heads of Department ("HOD"), ensures cross-functional collaboration and effective execution of sustainability initiatives. The SWG also oversees the verification of sustainability data submitted by relevant departments to ensure the reliability and integrity of the Group's sustainability disclosures. The data is reviewed for completeness, consistency and aligned with reporting requirements.








The Board is committed to continuous improvement in its oversight of climate change. We recognise the evolving nature of climate-related risks and opportunities and regularly review and enhance our governance processes to ensure they remain effective and aligned with the Group's best practices. This includes staying informed about the latest climate science, regulatory developments, and stakeholder expectations.



Sustainability Statement

Stakeholders Engagement

Recognising that our stakeholders are vital to the long-term sustainability of our business, we prioritise building and nurturing strong relationships through open and effective communication. During FY 2025, we engaged with key stakeholders through various channels and initiatives, as outlined below:

STAKEHOLDER	AREAS OF INTEREST/ OBJECTIVES	OUR RESPONSE	ENGAGEMENT CHANNELS	FREQUENCY
Shareholders (Investors and Lenders) 	<ul style="list-style-type: none"> Business performance Sustainable achievements 	<ul style="list-style-type: none"> Periodical updates of business and financial performance 	<ul style="list-style-type: none"> Annual General Meeting Annual Reports Quarterly announcements Corporate website 	<ul style="list-style-type: none"> Annually Annually Quarterly Ongoing
Employees 	<ul style="list-style-type: none"> Safe, secure and caring working environment 	<ul style="list-style-type: none"> Implementation of health and safety policies Conduct trainings and development Maintenance of workforce diversity, equity and inclusion 	<ul style="list-style-type: none"> Internal communication Performance appraisal Training and development programmes Employee satisfaction survey Company activities 	<ul style="list-style-type: none"> Monthly Annually As required Annually Ongoing
Customers 	<ul style="list-style-type: none"> Products Pricing Customer experience 	<ul style="list-style-type: none"> Offer quality products through our quality assurance control 	<ul style="list-style-type: none"> Marketing activities Customer surveys 	<ul style="list-style-type: none"> Ongoing Annually
Suppliers 	<ul style="list-style-type: none"> Relationship management Pricing and business development 	<ul style="list-style-type: none"> Fair and transparent procurement practices 	<ul style="list-style-type: none"> Meetings Face-to-face engagements 	<ul style="list-style-type: none"> Ongoing As required
Regulators 	<ul style="list-style-type: none"> Compliance with laws and regulations 	<ul style="list-style-type: none"> Ensure conformance and compliance to regulatory expectations and requirements 	<ul style="list-style-type: none"> Consultations Meetings Forums Webinars 	<ul style="list-style-type: none"> Ongoing As required As required As required
Media 	<ul style="list-style-type: none"> Timely communication 	<ul style="list-style-type: none"> Respond in a timely manner to media enquiries 	<ul style="list-style-type: none"> Media interviews and releases 	<ul style="list-style-type: none"> As required
Local Communities 	<ul style="list-style-type: none"> Support community initiatives that will benefit the local areas 	<ul style="list-style-type: none"> Create meaningful impact through Corporate Responsibility Programmes that benefit the communities and environment 	<ul style="list-style-type: none"> Corporate Responsibility activities Sponsorship programmes 	<ul style="list-style-type: none"> Ongoing Ongoing

Sustainability Statement

Materiality Assessment Process

Materiality assessment is essential to identify, analyse, and prioritise all relevant sustainability matters for the Group and our stakeholders. We conducted our materiality assessment for FY 2025 using the following four-step approach:



Sustainability Framework

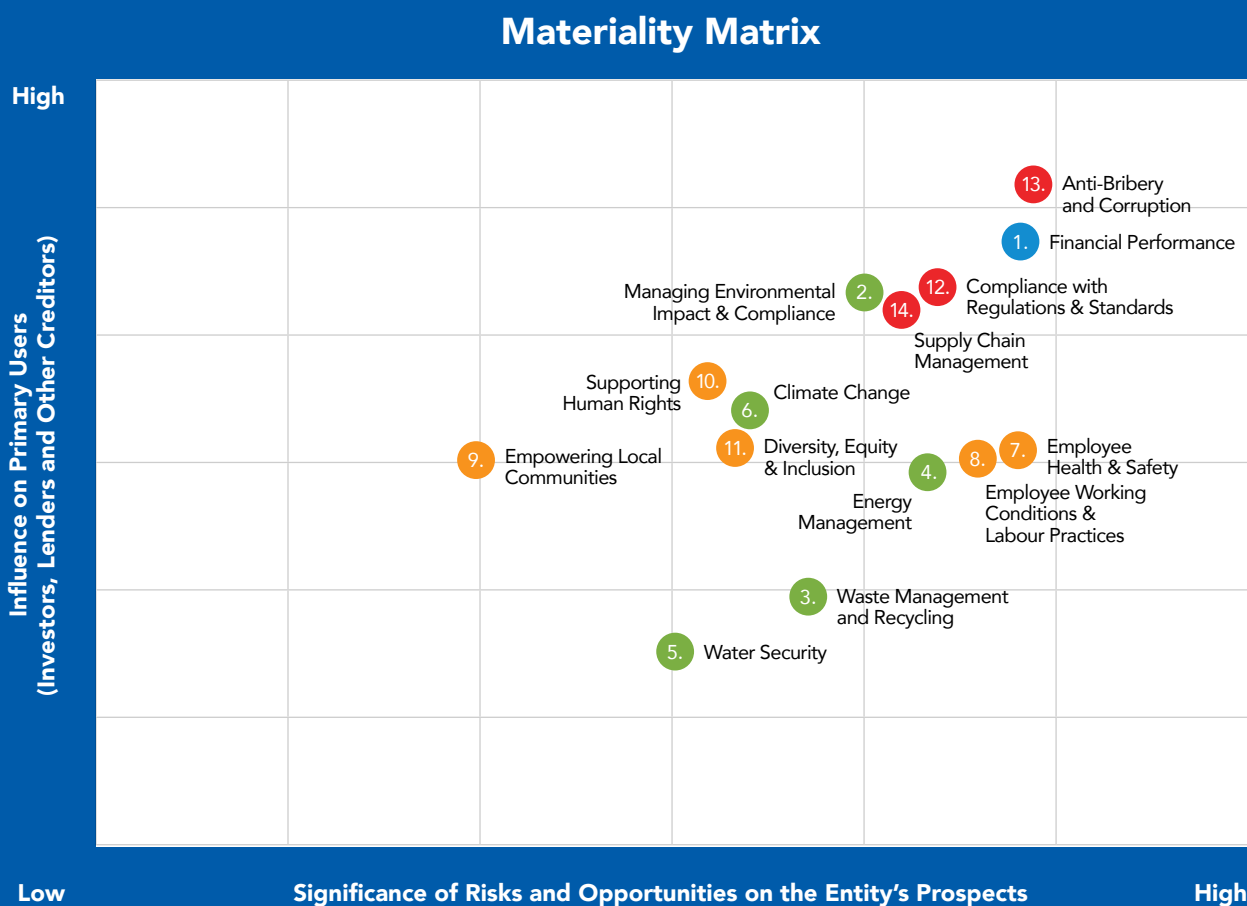
The Group's sustainability framework aims to create value for its stakeholders, while upholding transparency and accountability, reduce our environmental impact, empower our people as well as contribute positively to the local communities where we operate. In line with this, the key material sustainability matters of the Group's sustainability framework identified are depicted below:



Sustainability Statement

Materiality Matrix

Based on our assessment, a total of fourteen (14) key areas were identified considering the impacts towards the Group and stakeholders, scaling from "Low" to "High", as depicted in the following Materiality Matrix:



The Group's current initiatives must not compromise the needs of future generations. We strive to embed sustainability in every initiative undertaken by the Group.

To this end, we have strategically mapped fourteen (14) United Nations SDGs that align with our material sustainability matters, and developed corresponding initiatives detailed in the table below. These initiatives are practical and proactive, with clearly defined goals and milestones that are regularly reviewed. In doing so, the Group strives to be a responsible manufacturer, valued employer, and socially responsible corporate citizen.

Sustainability Statement

Material Sustainability Matters and UNSDGs

Sustainability Initiatives

ECONOMIC

1. Financial Performance



- To sustain the business by expanding range of standard product grades produced, improving production efficiency, enhancing market presence, and increasing asset base. Financial performance is also linked to climate-related risks as per IFRS S2.

ENVIRONMENT

2. Managing Environmental Impact and Compliance
3. Waste Management & Recycling
4. Energy Management
5. Water Security
6. Climate Change



- To communicate Climate Change and Action to employees by using email and preferred communication channels on environmental initiatives, coordinated by the Environmental Regulatory Compliance Monitoring Committee ("ERCMC") and SWG.
- To adopt proper waste management and recycling practices.
- To reduce electricity consumption using renewable energy (solar photovoltaic system).
- To monitor water consumption so that can improve usage efficiency and promote conservation.
- To set target to reduce emissions based on Scope 1, 2 and 3 of greenhouse gas emissions.
- To utilise natural resources diligently and efficiently.
- To strictly comply with environmental regulations and maintain an Environmental Responsibility Programme among employees on an annual basis.

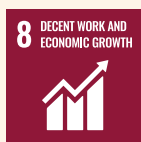
Sustainability Statement

Material Sustainability Matters and UNSDGs

Sustainability Initiatives

SOCIAL

7. Employee Health & Safety
8. Employee Working Conditions & Labour Practices
9. Empowering Local Communities
10. Supporting Human Rights
11. Diversity, Equity & Inclusion



- To create a safe, healthy, diverse, and inclusive workplace.
- To provide on-going training programmes and employment-related assistance for employees.
- To connect with and contribute to the community.
- The Group is a strong advocate for human rights in accordance with Malaysian labour laws and international standards.
- The Group is committed towards promoting the values of diversity to ensure that the recruitment process is based on merit and fairness. All our employees are treated with equal respect and opportunities irrespective of race, gender, age, religion, nationality, and background.
- To communicate the company's labour standards policy to employees and to translate into relevant languages, where required. Multilingual worker reviews are conducted to ensure understanding.
- To provide induction training on social compliance policy and human rights matters to the employee upon his/her joining the Group.

GOVERNANCE

12. Compliance with Regulations & Standards
13. Anti-Bribery and Corruption
14. Supply Chain Management



- To strictly adhere to all applicable laws and regulations.
- To continuously promote ethical business practices and maintain high standards of corporate governance.
- All relevant parties to comply with the Group's policies as well as the Code of Conduct and Ethics.
- To commit in conducting our business free from any and all forms of corruption.
- To prioritise local procurement and ensure all external suppliers adhere to the Group's Code of Conduct and Ethics, and Anti-Bribery and Corruption Policy to minimise value chain risks.

Sustainability Statement

Corporate Governance, Compliance and Integrity Highlights

The Group is a reputable and sustainable organisation and we are committed to conducting business integrity and professionalism. We instill these values in our employees, who are guided by our Code of Conduct and Ethics ("COC") and Anti-Bribery and Corruption Policy ("ABC") in their daily work.

The COC provides a framework of ethical principles and guidelines for all employees and directors, helping them navigate ethical challenges and fulfill their responsibilities. Our ABC reinforces the Group's zero-tolerance stance against corruption and aligns with the Malaysian Anti-Corruption Commission ("MACC") Act 2009.

All new employees participate in an induction programme that includes familiarisation with the Group's COC and ABC. Additionally, all employees receive annual briefings on these guidelines, along with required practices and procedures.

All our policies are made available on the Company's website at www.choobee.com.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Sustainability Statement

Anti-Bribery and Corruption (“ABC”)

The Group is committed to conducting its business with integrity and adopts a zero-tolerance approach towards bribery and corruption, in compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. An Anti-Bribery and Corruption (“ABC”) Policy has been established to provide clear guidance on ethical conduct and to manage bribery and corruption risks across the Group. The Board reviews corruption risk annually and its ABC Policy at least once every three (3) years to ensure its continued effectiveness and compliance with regulations. Any changes arising from the review are revised and approved by the Board prior to adoption.

During FY 2025, the ABC Policy was communicated to all employees via notice under the Choo Bee Policies Awareness and Commitment programme, to reinforce awareness of legal obligations, expected standards of conduct, and accountability. All new employees are briefed on this policy upon joining the company. These measures promote a culture of integrity, support ethical business practices and align with Bursa Malaysia’s sustainability requirements on governance and corporate conduct. The Group did not receive any case reported on corruption for the FY 2025.

The following table shows the annual corruption risk assessment undertaken:

Employee category	FY 2023	FY 2024	FY 2025
General workers	100%	100%	100%
Non-Executives	100%	100%	100%
Executives	100%	100%	100%
Managers	100%	100%	100%

	FY 2023	FY 2024	FY 2025
Percentage of operations assessed for corruption-related risks	100%	100%	100%

	FY 2023	FY 2024	FY 2025
Number of confirmed corruption incidents	Nil	Nil	Nil

Whistleblowing Policy

The Group has a Whistleblowing policy which sets out the reporting channels and procedures that allow a confidential avenue for anyone to raise concerns on suspected unethical and improper behaviour.

Upon receipt of the whistleblowing report, an investigation will be initiated, and appropriate actions will then be taken accordingly. Whistleblowers who report with good faith will be protected with confidentiality. The Group did not receive any case reported on whistleblowing for the FY 2025 and no employees have been disciplined or dismissed, nor any public cases have been brought against the Group and its employees due to non-compliance to the laws and regulations. Hence, no relevant fines, penalties or settlements imposed or made during the FY 2025.

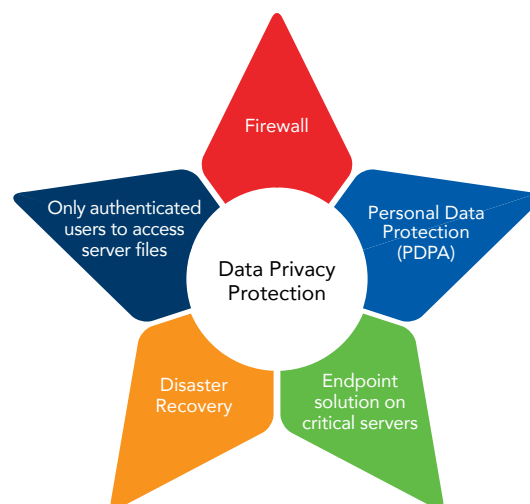
Concerns are raised via email at enquiries@choobee.com.my, through telephone call to report improprieties confidentially or anonymous mailbox installed at the Group’s headquarters.

Data Privacy and Protection

The Group is committed to protecting the privacy and confidentiality of the data of our customers and employees to ensure we manage data in accordance with high standards of data privacy. To safeguard against cybersecurity hazards, we strictly comply with Malaysia’s Personal Data Protection (Amendment) Act 2024 (“PDPA”) to ensure the secure storage of all relevant information.

Human Resources and relevant departments’ key personnel had attended webinar training on ‘Understanding the Amendments to the Personal Data Protection Act (PDPA) 2010’ in FY 2025.

The Group’s data protection measures are as follows:



In FY 2025, the Group did not receive any complaints concerning breaches of customer data privacy or loss of customer data.

	FY 2023	FY 2024	FY 2025
Number of substantiated complaints concerning breaches of customer data privacy and losses of customer data	Nil	Nil	Nil

Sustainability Statement

Supply Chain Management

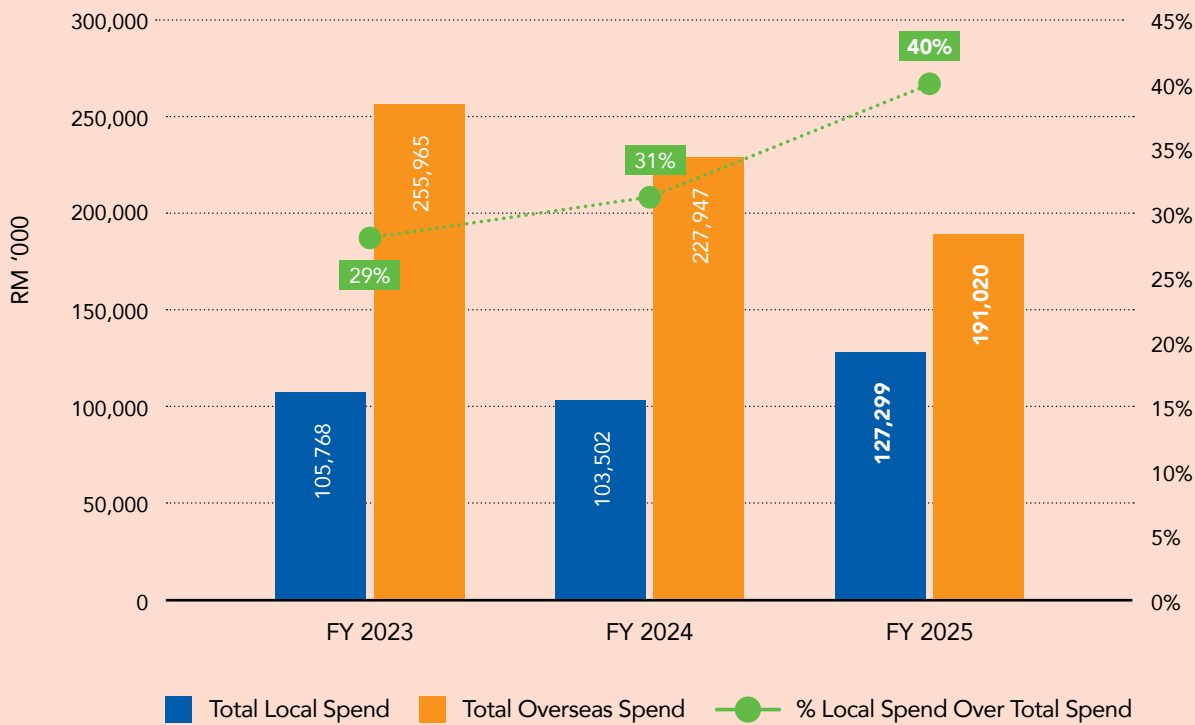
Recognising that sustainability extends throughout our operations, we prioritise suppliers who share our commitment to ethical practices, environmental responsibility, and community well-being.

Our commitment to local sourcing minimises our environmental footprint while maximising our positive impact. This approach not only enhances the sustainability of our products and services but also fosters job creation and economic opportunities within our communities.

In FY 2025, the Group achieved 40% of its spending on local suppliers, driven by a strategic shift from overseas sourcing of materials for manufacturing to domestic suppliers. This reflects the Group's commitment to supporting the local economy and strengthening sustainable supply chain partnerships.

Proportion of spending on local suppliers is calculated based on group-level procurement from external vendors, excluding intercompany transactions, to accurately reflect our contribution to the local economy.

Spending on Local and Oversea Suppliers



Furthermore, all suppliers must adhere to the Group's policies, including the COC. This ensures consistent business integrity across the Group, particularly in preventing bribery and corruption. This adherence to policy is a key component of our supply chain risk management strategy, designed to minimise potential legal, financial, and reputational risks.

Sustainability Statement



Logistic and Distribution

The Group is constantly striving to improve on the logistic management and distribution chain. The transportation of raw materials and finished products can generate significant emissions. Through dedicated efforts, the Group has significantly reduced distribution-related operational challenges. Ongoing initiatives to enhance distribution efficiency include:

- Optimising warehouse operations by streamlining inventory tracking, order fulfillment, and packing processes for improved accuracy.
- Adequately stocking up most of the common and popular products in our Kapar warehouse to enhance the product delivery of our products to customers in the Klang valley and Singapore markets.
- Close supervision to ensure adherence to the established procedures which led to better warehouse management, greater improvement on traceability and reduction in errors on deliveries.

Business Sustainability

The Group is principally engaged in the manufacturing and sales of flat-based steel products, providing processing services such as shearing and slitting of steel products, as well as trading of hardware and construction materials. Our long-term business strategy, with sustainability at its core, will guide us through the evolving market, ensuring resilience and shared prosperity with our stakeholders, including employees, communities, governments and shareholders.

Financial Performance

The Group's long-term sustainability is underpinned by strong economic performance, which supports value creation for stakeholders while fostering growth and innovation. A solid financial foundation enables the Group to execute strategic initiatives and sustain operational resilience.

The Group primarily serves the local market while actively expanding its market presence and exploring new territories. To strengthen its competitive advantage, the Group remains focused on optimising raw material sourcing, improving operational efficiency, and enhancing overall productivity. In line with this, the Kapar plant modernised key production processes through automation, including stacking, packing, bundling, and strapping operations. Through continued investment in automation and process optimisation, the Group aims to enhance cost efficiency and support long-term financial performance.

To support sustainable growth, the sales and marketing team continues to explore potential regional markets and evaluate opportunities in steel-related businesses.

Regular meetings were held to closely monitor and analyse our financial performance. This proactive approach enables us to gain actionable insights and make timely decisions aligned with our performance objectives, ensuring we stay on track to meet our economic goals.

The financial performance data presented below reflects the consolidated audited financial results of the entire Group. While our operational sustainability metrics in this Statement exclude Choo Bee Hardware Sabah Sdn Bhd ("CBHS") due to its immaterial environmental impact, the economic performance indicators encompass the full financial reporting boundary to ensure direct alignment with the Group's audited financial statements.

	FY 2023 RM '000	FY 2024 RM '000	FY 2025 RM '000
Revenue	402,114	396,352	372,376
Profit/(Loss) After Taxation	1,131	(25,740)	(6,608)

Sustainability Statement

Customers, Certification, Product Quality and Safety, Corporate Membership

The Group prioritises customer satisfaction, and loyalty by providing customer-centric services, high-quality products at competitive prices.

To further enhance customer experience, we conduct an annual survey with the future goal of achieving at least 90% overall customer satisfaction. This valuable feedback allows us to better understand customer needs and expectations, and continuously improve our products and services.

For FY 2025, the Group achieved a customer satisfaction rate of 98%, with our customer satisfaction survey covering three key areas: timeliness and reliability of delivery, quality of product and services, and responsiveness to customer needs.

As an established manufacturer of steel pipes products, CBMI is fully committed to maintain its quality management system and product certifications. Our finished goods (steel pipes, tubes, hollow sections) are produced in compliance with relevant product-specification standards, including MS (Malaysian Standards), JIS (Japanese Industrial Standards), EN (European Standards), and AS/NZ (Australian/New Zealand Standards) requirements. We are able to provide transparent and verifiable data on the production process and quality performance of the products.

These certificates along with the traceability provide evidence of compliance and enhance the credibility to our products to compete in the marketplace. The certifications adopted are as follows:

Certification	Agencies/ Certification bodies
ISO 9001:2015 Quality management system	Intertek Certification International Sdn. Bhd.
BC1:2023 Factory and Production Control ("FPC") - Building and Construction Authority	TUV Rheinland Malaysia
Product certifications JIS G 3452, MS EN 10219/ BS EN 10219, SPAN TS 21827 and MS 863/ BS EN 10255	Ikram QA Services Sdn. Bhd.
Product certifications JIS G 3350, MS EN 10219, SPAN TS 21827 and MS 863	Anqas Certification Sdn. Bhd.
Perakuan Pamatuhan Standard ("PPS") Local Product Manufacturer	Lembaga Pembangunan Industri Pembinaan Malaysia

The Group engages with industry associations to acquire valuable insights into industry best practices and stay informed about emerging trends and developments.

CBMI is a member of the Federation of Malaysian Manufacturers ("FMM") Perak, Malaysian Employers Federation ("MEF") and Malaysian Investment Development Authority ("MIDA"). CBH is a member of the Perak Chinese Chamber of Commerce and Industry ("PCCCI").

During FY 2025, the Group was recognised at Tenaga Nasional Berhad's ("TNB") customer appreciation event in Perak and received a trophy and Certificate of Achievement for its participation in the Green Electricity Tariff ("GET") programme. This award reflects the Group's ongoing commitment to support green electricity initiatives and promote sustainable energy practices.



In addition to the above, CBMI received a certification of recognition for longstanding membership of 35 years with FMM Perak.



Sustainability Statement

Environmental Footprint

Managing Environmental Impact and Compliance

The Group is dedicated to minimising its environmental footprint by systematically managing environmental risks and ensuring strict compliance with all applicable environmental laws, regulations, and international standards. Our approach involves comprehensive environmental impact assessments, ongoing monitoring, and implementation of mitigation measures across our operations.

We have established the Environmental Performance Monitoring Committee (“EPMC”), which meets quarterly to review performance, compliance, and gather employee feedback, and the Environmental Regulatory Compliance Monitoring Committee (“ERCMC”), which meets annually to ensure regulatory compliance. Climate change actions and environmental initiatives are communicated to employees through regular emails and preferred communication channels to enhance awareness and engagement.



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Sustainability Statement

Waste Management and Recycling

We are cognisant that our manufacturing operations generate scheduled waste. To minimise environmental impact, CBMI has implemented a scheduled waste management system to guide employees' compliance. Our scheduled waste management practice adheres to relevant regulations, particularly the First Schedule of the Environmental Quality (Scheduled Wastes) Regulation, 2005.

The Group has also adopted the Department of Environment's ("DOE") Environmental Mainstreaming Tools ("EMT") to promote self-regulation in environmental compliance and integrate environmental considerations across all levels of the Group's organisational structure and operations. Scheduled wastes are managed in accordance with the waste hierarchy of Prevention, Reuse, Recycling and Disposal, prioritising reuse and recycling before disposal to reduce landfill waste and associated carbon emissions.

The type of scheduled waste generated by the Group is listed according to the scheduled waste code, as below:

Scheduled waste code	Waste Name
SW110	E-Waste / Electronic waste
SW305	Spent lubricating Oil
SW307	Spent mineral oil-water emulsion
SW312	Metal Sludge
SW409	Contaminated Container
SW410	Contaminated Gloves
SW422	Metal Chips

The Group's scheduled waste generated and breakdown on waste diverted from and waste directed to disposal are as shown below:

	FY 2023	FY 2024	FY 2025
Total waste generated (metric tonnes)	5.99	23.29	77.13
Waste diverted from disposal (metric tonnes)	3.17	20.92	74.32
Waste directed to disposal (metric tonnes)	2.82	2.37	2.81

The increase in waste generation from FY 2024 to FY 2025 was primarily due to the expansion of operations at the Kapar plant. The Kapar plant has been running in full capacity. The Company's improved waste management performance strengthens regulatory compliance, supports cost efficiency, and enhances its environmental sustainability profile.

All scheduled waste was collected by DOE-licensed contractors and disposed of at prescribed premises.



Wastes were collected, packed, and labelled accordingly.

Sustainability Statement

Energy Management

The Group is committed to the efficient use of resources and energy to minimise environmental impact and promote sustainability. We have implemented initiatives to reduce electricity consumption, such as adopting energy-efficient lighting and equipment. As part of this commitment, Choo Bee installed rooftop solar photovoltaic ("PV") system at our Pengkalan plant and headquarters, marking a significant advancement in our efforts to reduce energy consumption. We are in the process of installing rooftop solar PV system with 1,498 kWp in Kapar plant.

Total energy intensity, primarily from electricity imported from the TNB grid is as follows:

	FY 2023	FY 2024	FY 2025
Energy consumption (MWh)	2,074	3,021	3,596
Total energy intensity (MWh/Tonne)	0.0367	0.0433	0.0493

To accurately track our operational efficiency in line with the latest industrial manufacturing reporting standards, the Group has introduced Total Energy Intensity as a key performance indicator. This metric measures the amount of energy required to produce each tonne of steel, allowing us to monitor the effectiveness of our automation and energy-saving initiatives at the Kapar and Pengkalan plants, independent of changes in total production volume.

Total emissions from electricity consumption are as follows:

	FY 2023	FY 2024	FY 2025
Electricity consumption (tCO ₂ e)	1,605	2,338	2,784

Energy consumption increased due to the expansion of Kapar plant operations and higher operational activities. Total energy consumption rose by 46% from FY 2023 to FY 2024 and by 19% from FY 2024 to FY 2025, primarily driven by increased production capacity and extended machine operating hours following the expansion.



Water Security

Recognising the importance of responsible water management for our manufacturing operations, the Group is committed to minimising our water footprint and protecting this precious resource.

The Group has water management practice in place, where water consumption is monitored to improve usage efficiency and promote conservation. Our water management initiatives include:

- Implementing rainwater harvesting for general use, toilet flushing and cleaning to reduce reliance on municipal water supply; and
- Raising employee awareness on proper water management.

	FY 2023	FY 2024	FY 2025
Water consumption (megaliters)	27.95	36.63	27.08

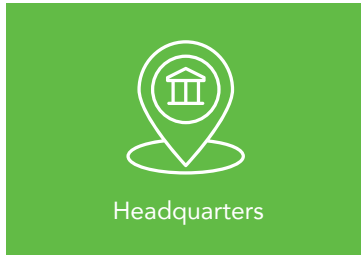
Sustainability Statement

Climate Change

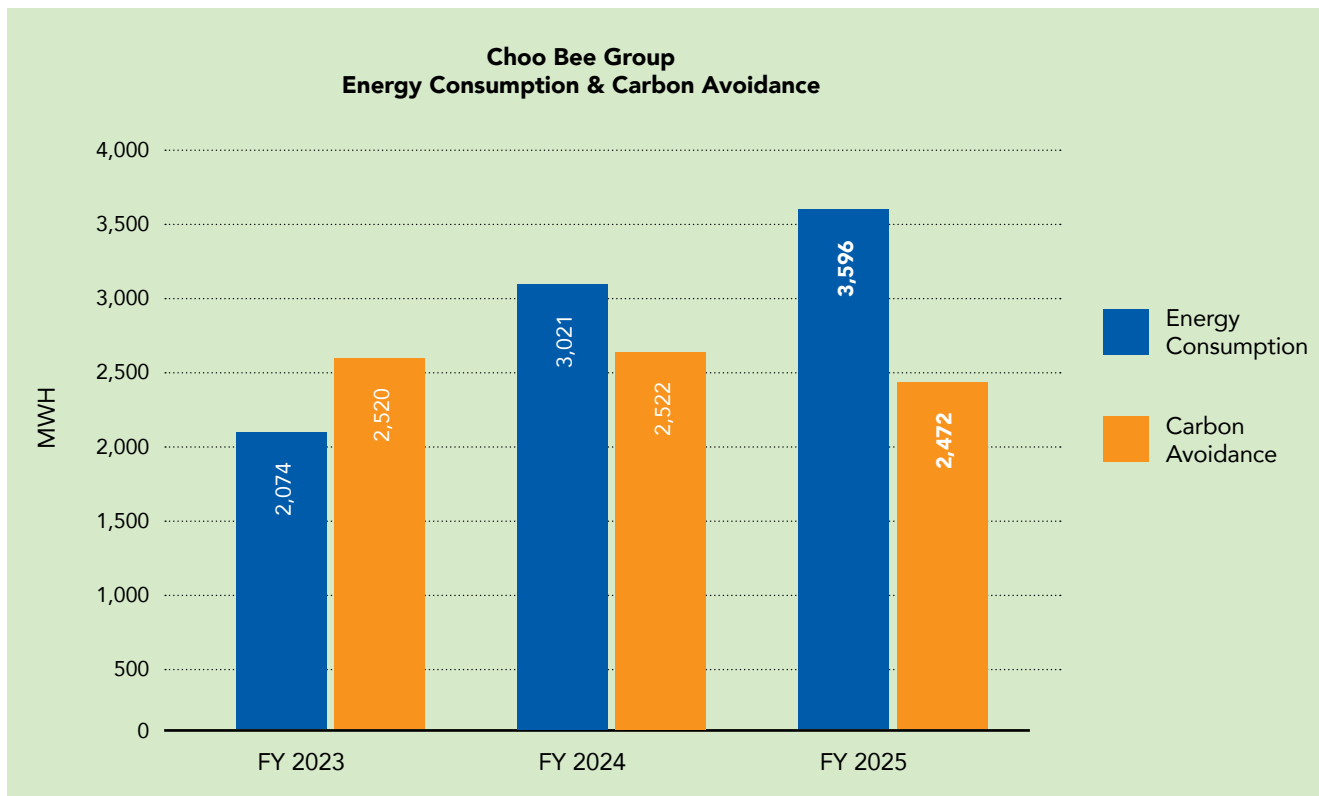
The Group acknowledges the impact of climate change and actively seeks opportunities to mitigate its effects. We recognise that greenhouse gas (“GHG”) emissions contribute to climate change.

Since FY 2023, we have been monitoring our carbon emissions across Scope 1, 2, and 3, encompassing both direct and indirect emissions. Direct emissions originate from sources that are owned or controlled by the Group, primarily through diesel and petrol consumption while indirect emissions arise from purchased electricity.

The Group has implemented several initiatives to reduce its environmental impact such as sourcing raw materials locally, installing solar panels and improving operational efficiency. These actions directly contribute to a reduction in GHG emissions.



The Group tracks its energy consumption and carbon avoidance to assess its environmental performance. The three-year trend is illustrated in the graph below:

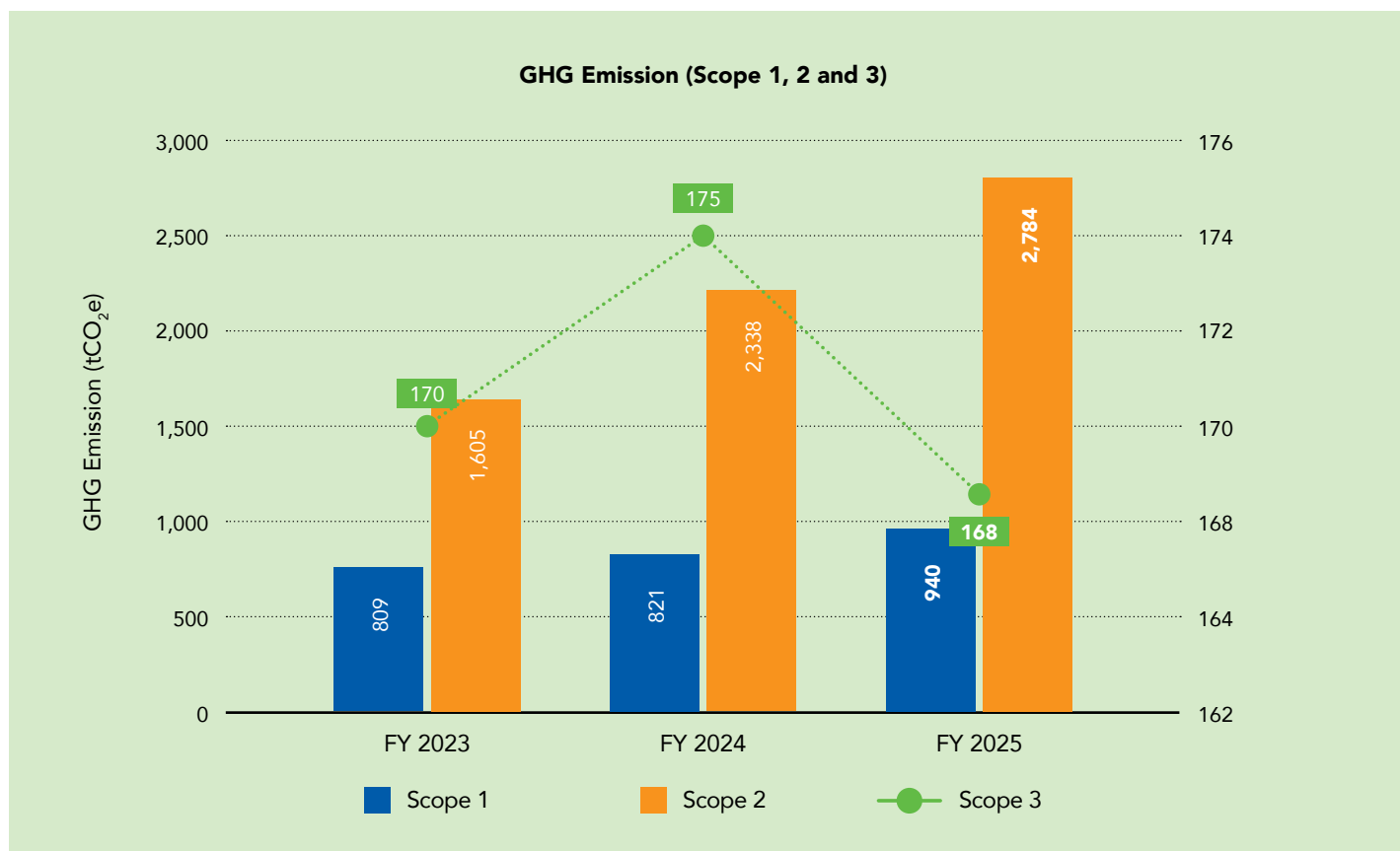


The Group’s GHG emissions profile for FY 2025 reflects the strategic expansion of our Kapar plant operations. While absolute Scope 2 emissions increased in tandem with higher production output, the Group’s energy intensity is monitored to ensure efficiency. The anticipated commissioning of our 1,498 kWp solar PV system in early FY 2026 is a key mitigation strategy to reduce our reliance on the national grid and lower our carbon footprint in future reporting cycles.

Sustainability Statement

For FY 2025, we have monitored and recorded Scope 1, 2 and 3 emission data as per the chart below:

- Scope 1 emissions: Direct – Company-owned vehicles and forklifts used in warehouse and production operations (tCO₂e).
- Scope 2 emissions: Indirect – Electricity consumption (tCO₂e).
- Scope 3 emissions: Indirect – Business Travel and Employee Commuting (tCO₂e).



In FY 2025, GHG emissions from diesel consumption for forklifts and lorries, and petrol consumption for company vehicles amounted to 940 tCO₂e, while emissions from electricity consumption amounted to 2,784 tCO₂e.

Total emissions from fuels are as follows:

Fuel Type	FY 2023	FY 2024	FY 2025
Diesel consumption	717	714	834
Petrol consumption	92	107	106
Total in tCO ₂ e	809	821	940

Diesel emissions increased by 14% from FY 2024 to FY 2025, primarily due to the expansion of Kapar plant operations which resulted in higher logistics activity and increased transportation frequency.

In FY 2025, the Group expanded its emissions boundary to include Scope 3 emissions, currently covering business travels and employee commuting. For comparability, Scope 3 emissions for FY 2023 and FY 2024 have been estimated to include employees who have since left Group, with employee commuting emissions calculated based on their last known residential address. Business travel emissions for these two years were limited to air travels, as other travel related expenses were assessed to be immaterial.

Sustainability Statement

Human Capital

Employee Health & Safety

The Group recognises that its employees are its most valuable assets and is committed to providing a safe and healthy environment for all employees, in compliance with applicable safety and health regulations. We believe that a motivated and engaged workforce is crucial to achieving our sustainability objectives. Accordingly, the Group has implemented training and safety awareness programmes focused on workplace safety and environmental practices. By ensuring a healthy, safe and conducive workplace, the Group aims to prevent injuries among those working within its premises, which in turn contributes to improved operational efficiency and productivity.

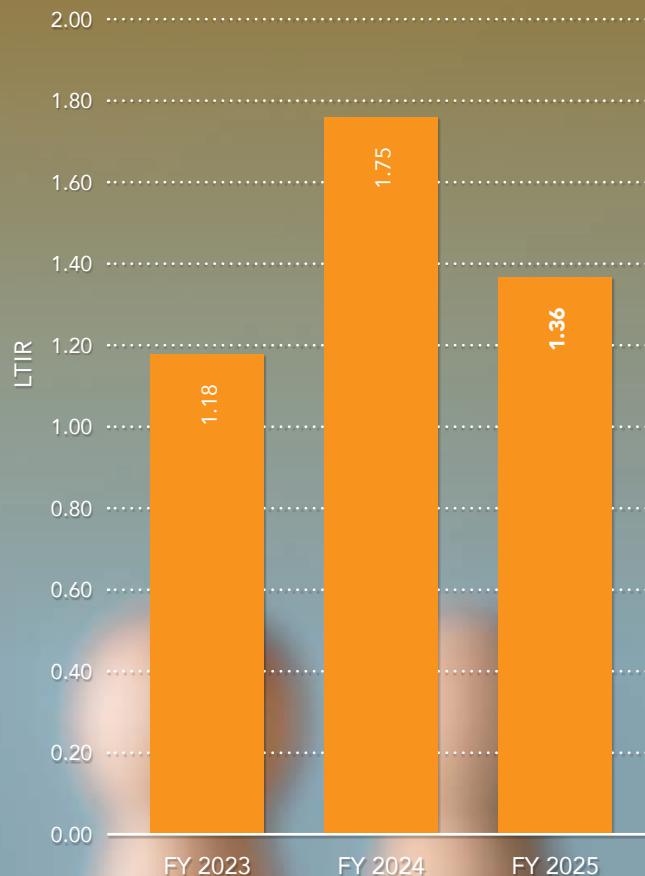
This commitment is reflected through the establishment of the Occupational Safety and Health Committee (“OSHC”), which comprises representatives from various levels of the organisation. The OSHC operates in accordance with the Occupational Safety and Health Act 1994, Occupational Safety and Health Manual, Land Public Transport Act 2020 as well as other relevant regulations. The OSHC oversees workplace safety and health matters, including hazard identification, incident investigation, regulatory compliance, and the promotion of a safe working culture.

The Group’s Occupational Safety and Health Policy prioritises the provision of a safe and secure work environment for all employees, guided by recognised industry standards to prevent workplace injuries and accidents. Relevant employees are provided with appropriate Personal Protective Equipment (“PPE”) and supported by adequate safety equipment to minimise workplace hazards. All accident cases are thoroughly investigated, and effective corrective and preventive actions are being taken to prevent and eliminate repeated accidents. The Group firmly believes that employee health and safety is fundamental to its long-term success.

During FY 2025, a total of 272 employees was trained on health and safety standards.

The Lost Time Injury Rate (“LTIR”) / Frequency (“LTIF”) is monitored annually as a key performance indicator to assess workplace safety performance and to guide continuous improvement initiatives.

Lost Time Injury Rate (“LTIR”) for FY 2023 to FY 2025



Safety Forklift / Reach Truck Operation

Sustainability Statement

The Group recorded a LTIR of 1.36 in FY 2025, representing a 22.3% improvement compared to FY 2024. Notably, there were zero work-related fatality cases recorded during FY 2025, underscoring the Group's commitment to safeguarding employee health and safety.

In line with the Common Sustainability Indicators for Occupational Health and Safety issued by Bursa Malaysia, the Group has revised the LTIR calculation methodology to ensure alignment with Bursa's sustainability reporting framework. Accordingly, the LTIR figures for FY 2023 and FY 2024 have been restated to ensure consistency and comparability in the calculation and presentation of safety performance across reporting periods.

Training programmes focus on both preventive and corrective measures, aiming to reduce exposure to workplace risks and strengthen safety culture at all levels of the organisation.

Basic Occupational First Aid (BOFA) and CPR



Chemical Handling and Spill Management



Employee Working Conditions and Labour Practices

The Group's hiring practices are based on capability and job suitability, with recruitment decisions made on a fair and non-discriminatory basis. We are committed to recruiting, developing and retaining high-performing employees by providing a work environment that is safe, conducive and empowering. The Group complies with all applicable local labour and employment laws in all our human resources practices.

Employee wellbeing remains a key priority, as we recognise that our employees' strength and contributions are fundamental to the Group's overall performance and long-term success. In support of this, the Group has implemented employee management practices and competitive benefit packages designed to reward and retain employees, with focus on health, financial wellbeing and career development. The following competitive benefits reflect the Group's commitment to fostering a motivated and sustainable workforce.

- Annual performance appraisal (to provide a structured and objective assessment of employee performance, identify training and development needs, and support career progression);
- Medical, group hospitalisation and surgical, and personal accident coverage;
- Staff lunch social gathering during festivals;
- Company annual dinner;
- Corporate t-shirts (to help enhance the sense of belonging and company branding);
- Long service staff awards in recognition for their loyalty and contribution to the Group.

For FY 2025, a total of 30 employees received Long Service Awards marking service milestones ranging from 10 to 45 years. These awards were given to deserving staff in recognition of their loyalty, dedication and contributions over the years.

This initiative reflects the Company's commitment to promoting work-life balance, enhanced employees' well-being and strengthened operational efficiency while ensuring sustained business performance.

Sustainability Statement

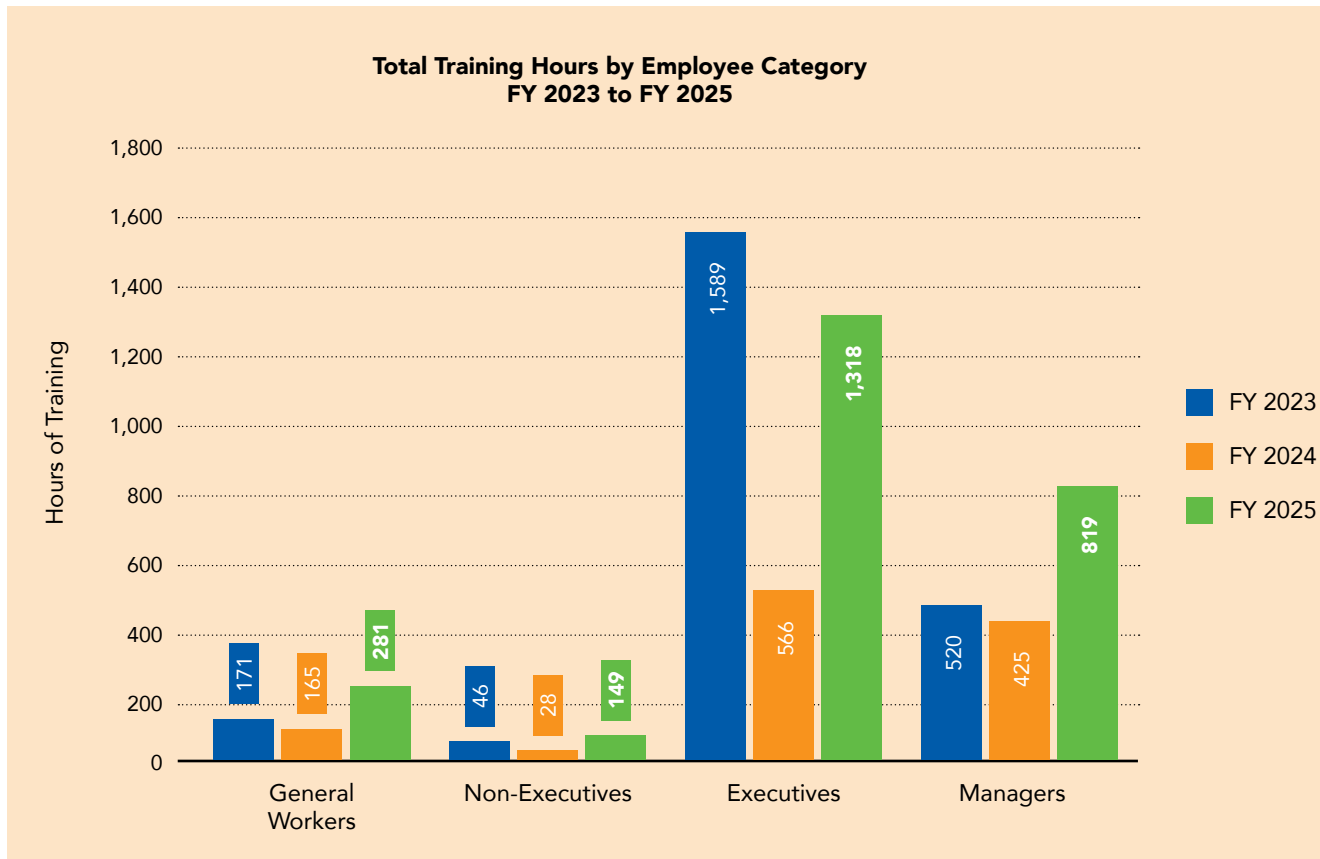
Training and People Development

In FY 2025, the Group continued to invest in training and development of its employees, recognising human capital as a key driver of long-term sustainability and business success. All training initiatives are aligned with business priorities to ensure employees are equipped with the necessary skills, knowledge and experience to perform their roles effectively and to support both horizontal and vertical career progression within the Group.

Heads of Department in collaboration with Human Resources Department annually assess and identify training and development needs to address competency gaps and future workforce requirements. This structured and continuous approach to talent development enables the Group to build a multi-skilled, resilient workforce that is committed, engaged and capable of supporting operational excellence and sustainable growth.

The training details are as follows:

Training Themes	FY 2023	FY 2024	FY 2025
Statutory and regulatory compliance	20	12	9
Environment, Safety and Health compliance	12	12	13
Technical and operational	20	19	25
Management, account and finance	5	6	7
Anti-bribery and corruption / Personal Data Protection Act	-	-	2
	57	49	56



In FY 2025, the Group recorded a total of 2,567 training hours across both internal and external learning and development programmes.

Sustainability Statement

Succession Planning

To ensure a continuous stream of qualified and competent employees ready to fill up critical positions should the need arise, the Group has established a succession planning policy as part of its risk management. The factors contributing to this risk are employee age (60 years and above), health of incumbents, and potential job opportunities for incumbents from external sources. Strategies to mitigate this risk comprise:

- (i) short term strategies such as the second person in line to ensure smooth running of day-to-day operations with major decisions/approvals made by Management whenever required, other Heads of Department who have the knowledge, skill and experience to execute additional function, deploy appropriate consultant to carry out the task;
- (ii) long term strategies such as grooming the second person in line to succeed the incumbent, new recruitment, engage specialist or consultant on a longer-term project basis; and
- (iii) active recruitment of incoming talent, in line with responsible planning for operational expansion.

As part of its workforce sustainability and talent acquisition initiatives, CBMI participated in the *MyFuture Jobs Manufacturing Career Day* organised by PERKESO to attract potential candidates for its vacant positions.



Supporting Human Rights

The Group is committed to upholding and promoting human rights across all its operations. We believe that strong human rights practices, combined with fair and ethical treatment of employees, contribute to enhanced productivity and foster a positive, inclusive working environment. The Group complies with all applicable laws and regulations, including but not limited to the Malaysia Employment Act 2022.

The Group adheres strictly to statutory requirements on minimum wages and maximum allowable working hours. Labour standards policies are communicated clearly to all employees and are translated into relevant languages to ensure accessibility and understanding. Periodic multilingual briefings and employee engagements are conducted to reinforce awareness and compliance.

In FY 2025, the Group received zero substantiated complaints concerning human rights violations or non-compliance with labour standards.

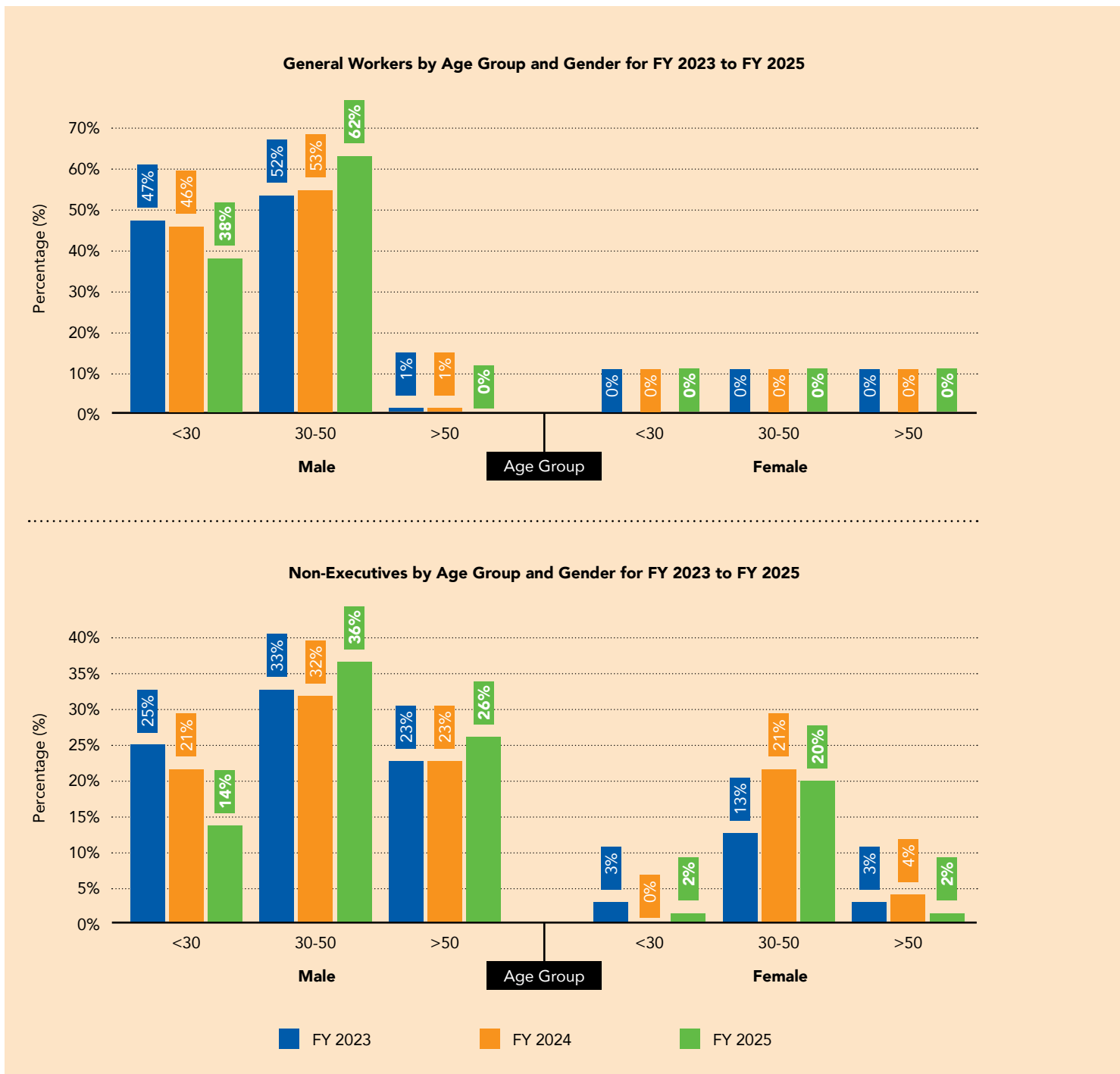


Sustainability Statement

Diversity, Equity and Inclusion

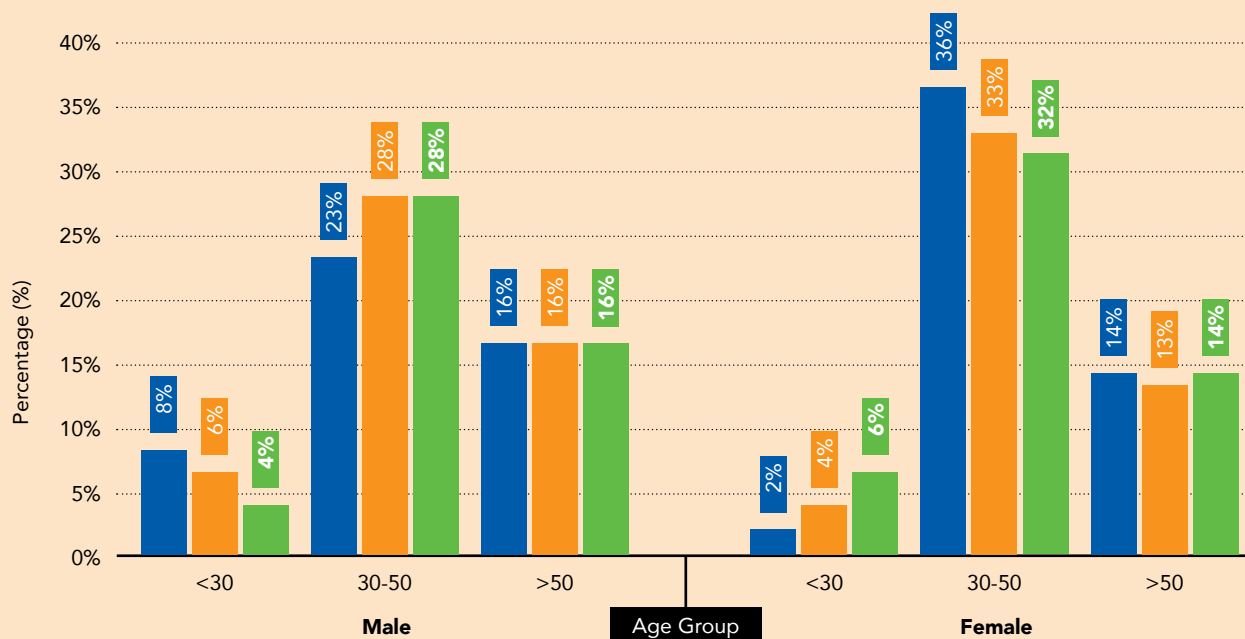
Diversity gives the Group a competitive edge through accumulation of, and ability to tap into wide range of knowledge, perspective and ideas. The Group cultivates a dynamic and inclusive workforce that values diversity in cultural backgrounds, skills, experiences, gender, age, and religion. We believe that such diverse environment fosters creativity, enhances productivity, and drives business growth and sustainability. The Group is committed to promoting diversity and equity throughout its recruitment process. All employees within the Group hold permanent positions, with no contractors or temporary staff.

Our workforce profile by age group and gender for each employee category are as follows:

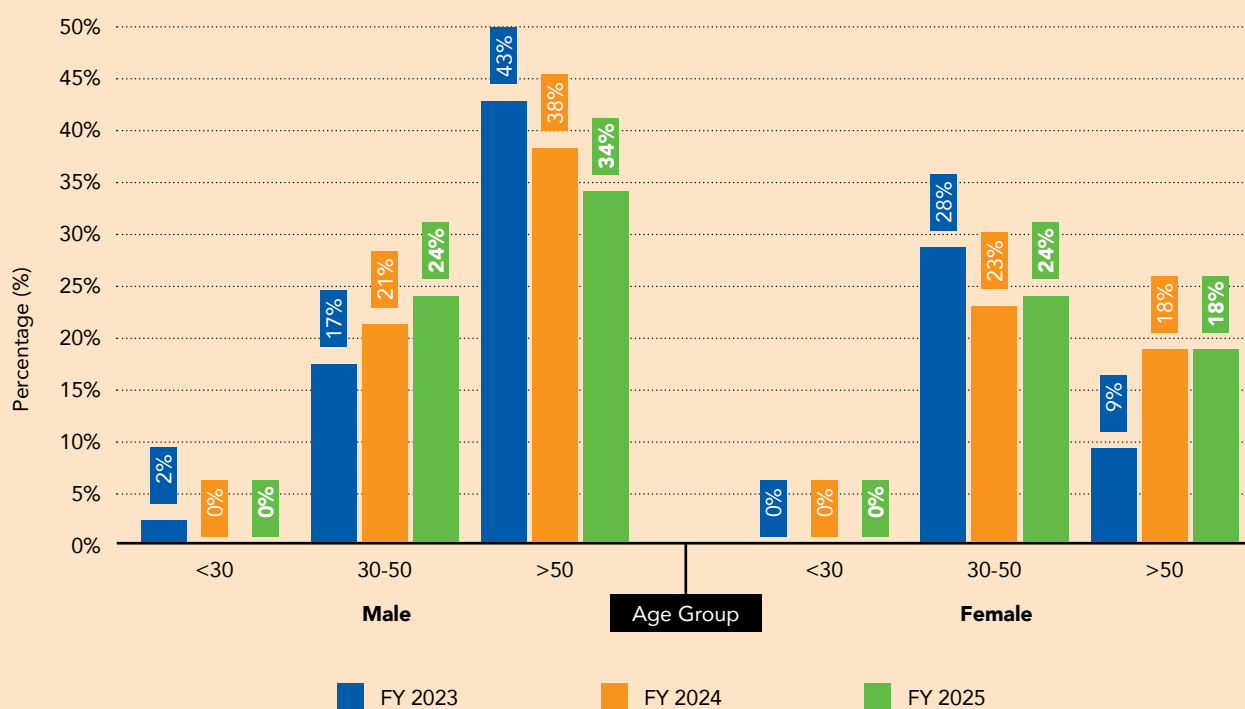


Sustainability Statement

Executives by Age Group and Gender for FY 2023 to FY 2025

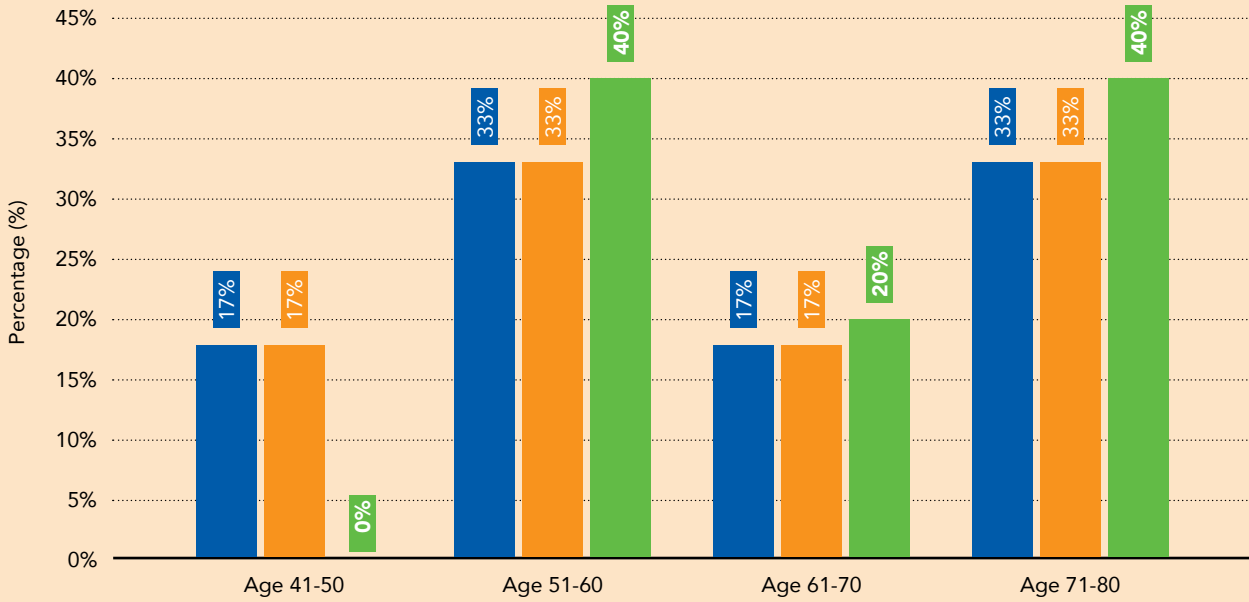


Managers by Age Group and Gender for FY 2023 to FY 2025

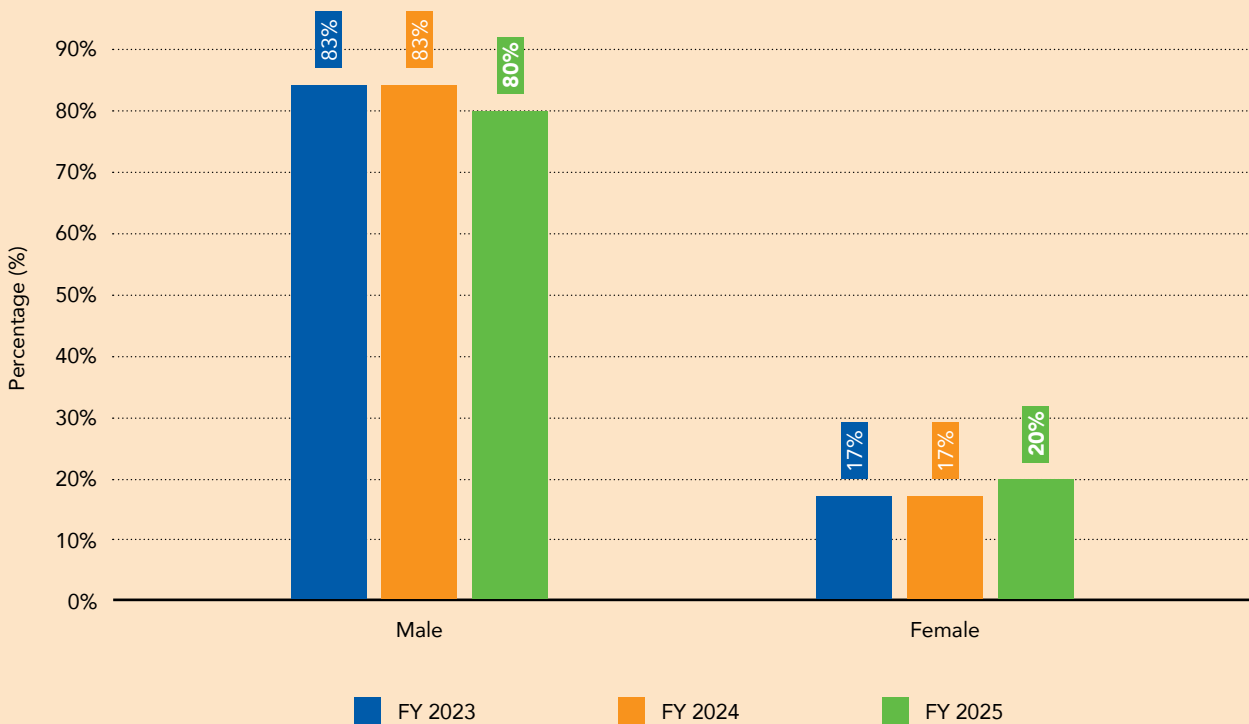


Sustainability Statement

Percentage of Directors by Age Group for FY 2023 to FY 2025



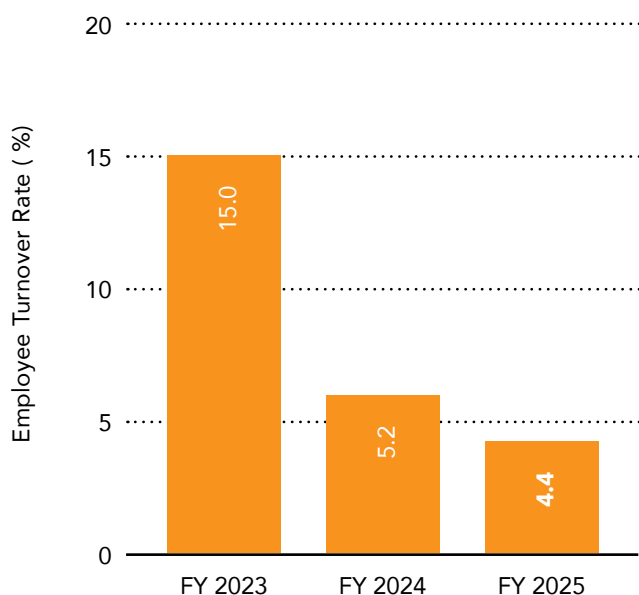
Percentage of Directors by Gender for FY 2023 to FY 2025



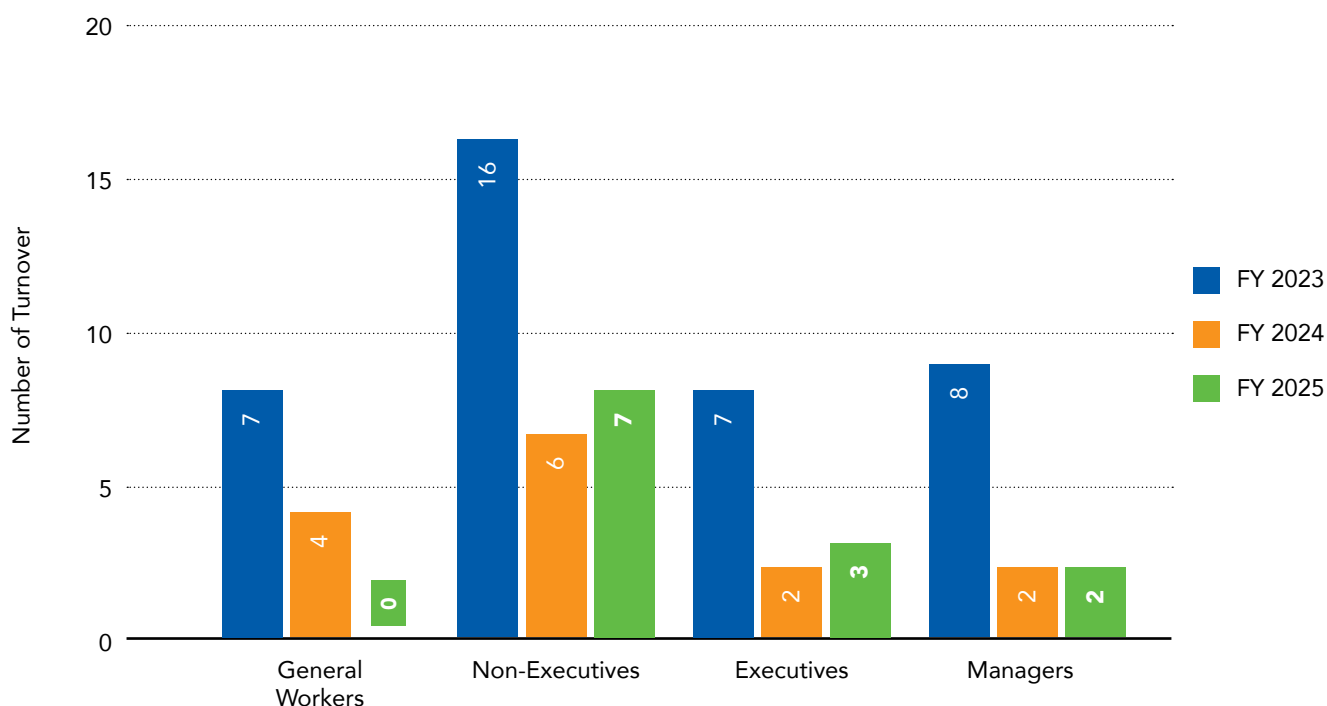
Sustainability Statement

The Group recognised that employee retention is critical to long-term sustainability and organisational stability. During FY 2025, the Group recorded an employee turnover rate of 4.4%, reflecting a stable workforce and the effectiveness of our people management practices.

Employee Turnover Rate for FY 2023 - FY 2025



Number of Turnover by Employee Category for FY 2023 - FY 2025



Sustainability Statement

Social Outreach

Contributing to Community Development

The Group is committed to supporting the community and carried out various Corporate Social Responsibility (CSR) activities during FY 2025 which included:

- providing financial support amounted to RM11,900 to 13 non-profit organisations, namely old folks home, religious associations, welfare organisation for disabled children and others for their various needs;
- contribution of materials worth RM12,103 for a hydroponic farming project located on 6.18 acres of Tambun land leased to Perak Association for Intellectually Disabled (“PAFID”) by Perbadanan Setiausaha Kerajaan Negeri Perak. The project directly involves approximately 70 students with intellectual disabilities at the site providing hands-on skills development and work exposure. Income generated from the project supports programmes that benefit around 400 students with intellectual disabilities, while promoting green and responsible farming practices. The vegetables produced are made available to wider community, enabling buyers to participate and benefit from this extended social impact; and
- contribution of materials worth RM3,366 for construction of a gazebo at the Pasir Puteh Fire and Rescue Station, Perak, aimed at enhancing community infrastructure in line with the Fire and Rescue Department’s implementation of the *Program Ekosistem Kondusif Sektor Awam* (“EKSA”). This initiative reinforces the Group’s commitment to community support and social responsibility. The gazebo serves the Bomba team which comprises around 25 to 30 personnel and general public, offering an accessible space for community use.

In addition, the Group provided internship opportunities to 2 interns, offering students exposure to professional work environment and contributing to youth development and workforce readiness.

The Group’s CSR initiatives are guided by the following principles:

- *Community Impact:* Prioritising projects that create a positive and lasting impact on the local community.
- *Family and Community Well-being:* Championing initiatives that support family and community welfare.
- *Sustainable Legacy:* Designing CSR programmes that deliver enduring benefits.

Material contribution for a hydroponic farming project



Material contribution for construction of a gazebo

Moving Forward

The Group is dedicated to driving positive change across environmental, social, and industry dimensions, reflecting our long-term commitment to sustainable and responsible growth. We are committed to embedding sustainable practices throughout our manufacturing operations, with key areas of focus including reduction of carbon emissions, optimisation of energy efficiency, and minimisation of waste. These initiatives are part of our broader strategy to mitigate environmental impact, comply with evolving regulatory standards, and contribute to a more sustainable future.

Looking ahead, the Group remains committed to sustainability, embracing opportunities to innovate and strengthen ESG performance. Together with our stakeholders, the Group will continue to drive sustainability growth, create lasting value and shape a resilient and inclusive future for generations to come.

Sustainability Statement

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	(at least for the categories of business travel and employee commuting)	

Unmodified Disclosure Statement

The data in this Content Index has been generated in the prescribed format via the Bursa Malaysia CSI Platform. This unmodified disclosure reflects the Group's verified internal data for the 2023 – 2025 rolling period. The Group certifies that the data has been reproduced faithfully from the platform to ensure transparency, consistency, and alignment with the NSRF transition requirements.

Choo Bee Metal Industries Berhad

BMLR Transition Period

Date & Time: 2026-04-29 12:02:39
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Anti-Corruption	Percentage of employee who have received training on anti-corruption by employee category - General Workers	Percentage	100	100	No assurance	Internal verification conducted.
Anti-Corruption	Percentage of employee who have received training on anti-corruption by employee category - Non-Executives	Percentage	100	100	No assurance	Internal verification conducted.
Anti-Corruption	Percentage of employee who have received training on anti-corruption by employee category - Executives	Percentage	100	100	No assurance	Internal verification conducted.
Anti-Corruption	Percentage of employee who have received training on anti-corruption by employee category - Managers	Percentage	100	100	No assurance	Internal verification conducted.
Anti-Corruption	Percentage of operations assessed for corruption-related risks	Percentage	100	100	No assurance	Internal verification conducted.
Anti-Corruption	Confirmed incidents of corruption and action taken	Number	0	0	No assurance	Internal verification conducted.
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	27369	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Community/Society	Total number of beneficiaries of the investment in communities	Number	> 430	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by age group for each employee category - General Workers Under 30	Percentage	38	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.

Sustainability Performance Data Table

Choo Bee Metal Industries Berhad

BMLR Transition Period

Date & Time: 2026-04-29 12:02:39
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Percentage of employees by age group for each employee category - General Workers Between 30-50	Percentage	62	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by age group for each employee category - General Workers Above 50	Percentage	0	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by age group for each employee category - Non-Executives Under 30	Percentage	16	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by age group for each employee category - Non-Executives Between 30-50	Percentage	56	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by age group for each employee category - Non-Executives Above 50	Percentage	28	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by age group for each employee category - Executives Under 30	Percentage	10	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by age group for each employee category - Executives Between 30-50	Percentage	60	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by age group for each employee category - Executives Above 50	Percentage	30	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.

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Sustainability Statement

Sustainability Performance Data Table

Choo Bee Metal Industries Berhad BMLR Transition Period

Date & Time: 2026-04-29 12:02:39
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Percentage of employees by age group for each employee category - Managers Under 30	Percentage	0	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by age group for each employee category - Managers Between 30-50	Percentage	48	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by age group for each employee category - Managers Above 50	Percentage	52	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by gender group for each employee category - General Workers - Male	Percentage	100	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by gender group for each employee category - General Workers - Female	Percentage	0	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by gender group for each employee category - Non-Executives - Male	Percentage	76	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by gender group for each employee category - Non-Executives - Female	Percentage	24	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by gender group for each employee category - Executives - Male	Percentage	48	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.

Sustainability Performance Data Table

Choo Bee Metal Industries Berhad

BMLR Transition Period

Date & Time: 2026-04-29 12:02:39
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Percentage of employees by gender group for each employee category - Executives - Female	Percentage	52	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by gender group for each employee category - Managers - Male	Percentage	58	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of employees by gender group for each employee category - Managers - Female	Percentage	42	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of directors by age group - Between 41-50	Percentage	0	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of directors by age group - Between 51-60	Percentage	40	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of directors by age group - Between 61-70	Percentage	20	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of directors by age group - Between 71-80	Percentage	40	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Diversity	Percentage of directors by gender group - Male	Percentage	80	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.

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Sustainability Statement

Sustainability Performance Data Table

Choo Bee Metal Industries Berhad BMLR Transition Period

Date & Time: 2026-04-29 12:02:39
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Percentage of directors by gender group - Female	Percentage	20	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Energy Management	Total energy consumption	MWh	3,596	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Health And Safety	Number of work-related fatalities	Number	0	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Health And Safety	Lost-Time Injury Rate (LTIR) / Frequency (LTIF)	Rate	1.36	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Health And Safety	Number of employees trained on health and safety standards	Number	272	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Labour Practices And Standards	Total hours of training by employee category - General Workers	Hours	281	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Labour Practices And Standards	Total hours of training by employee category - Non-Executives	Hours	149	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Labour Practices And Standards	Total hours of training by employee category - Executives	Hours	1,318	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.

Sustainability Performance Data Table

Choo Bee Metal Industries Berhad BMLR Transition Period

Date & Time: 2026-04-29 12:02:39
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour Practices And Standards	Total hours of training by employee category - Managers	Hours	819	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Labour Practices And Standards	Percentage of employees that are contractors or temporary staff	Percentage	0	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Labour Practices And Standards	Total number of employee turnover by employee category - General Workers	Number	0	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Labour Practices And Standards	Total number of employee turnover by employee category - Non-Executives	Number	7	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Labour Practices And Standards	Total number of employee turnover by employee category - Executives	Number	3	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Labour Practices And Standards	Total number of employee turnover by employee category - Managers	Number	2	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Labour Practices And Standards	Number of substantiated complaints concerning human rights violations	Number	0	0	No assurance	Internal verification conducted.
Supply Chain Management	Percentage of spending on local suppliers	Percentage	40	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Data Privacy And Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.

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Choo Bee Metal Industries Berhad

BMLR Transition Period

Date & Time: 2026-04-29 12:02:39
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Water	Total volume of water used	Megaliters	2708	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Waste Management	Total waste generated	Metric tonnes	7713	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Waste Management	Total waste diverted from disposal	Metric tonnes	74.32	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Waste Management	Total waste directed to disposal	Metric tonnes	2.81	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Emissions Management	Scope 1 emissions in tonnes (tCO ₂ e)	Metric tonnes	940	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Emissions Management	Scope 2 emissions in tonnes (tCO ₂ e)	Metric tonnes	2,784	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.
Emissions Management	Scope 3 emissions in tonnes (tCO ₂ e) (at least for the categories of business travel and employee commuting)	Metric tonnes	168	—	No assurance	Internal verification conducted. Target undergoing recalibration based on new FY 2025 baseline.

Corporate Governance Overview Statement

The Board of Directors (“the Board”) is committed to ensure that the highest standards of corporate governance are practised throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders value and the financial performance of the Group.

This Corporate Governance (“CG”) Overview Statement in compliance with Main Market Listing Requirements (“MMLRs”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) is to provide an overview of the CG practices of the Company during the financial year ended 31 December 2025 (“FY 2025”) and should be read in conjunction with CG Report 2025 (“CG Report”). Both CG Overview Statement and CG Report are made available on the Company’s website, www.choobee.com

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Composition, Board Balance and Independence of Directors

The Group is led by an effective Board with wide and varied technical, financial and commercial experience. For the FY 2025, the Board consists of five (5) members comprising two (2) Executive Directors, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, whereby one (1) is a woman director in accordance with its Diversity Policy of at least one (1) female director. This also complies with Paragraph 15.02 (1) (a) of the MMLRs of Bursa Malaysia Securities Berhad to have at least one-third (1/3) of the Board consisting of independent directors.

The Chairman of the Board, who is also the Chief Executive Officer (“CEO”) of the Group leads the Board during Board meetings and ensures that Board meetings are not combined with Board Committee meetings. The Chairman is not a member of any other Board Committees nor was he invited to attend any of the Board Committee Meetings held in FY 2025.

Based on the Board’s annual review of its size and composition, it was agreed that the Board is appropriately balanced to reflect the interests of substantial shareholders as well as adequate to effectively govern the organisation. As such, the Board is satisfied that the current Board composition fairly represents and protects the interests of the minority shareholders in the Company.

During the FY 2025, Mr Tan Han Leong, the Executive Director has resigned on 25 February 2025.

As at FY 2025, the two (2) Independent Non-Executive Directors are of caliber to carry sufficient weight in Board’s decisions. The Independent Non-Executive Directors play a key role in providing unbiased and independent views and impartiality to the Board’s deliberation and decision-making process. In addition, the Independent Non-Executive Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders in the Group. The assessment on independence of the Directors based on the provisions of the MMLRs covers a series of objective tests and is carried out before the appointment of the Independent Non-Executive Directors.

The Board with assistance from the Nomination and Remuneration Committee (“NRC”) will undertake to carry out an annual assessment of the effectiveness of the Independent Non-Executive Directors and consider whether the Independent Non-Executive Directors can continue to bring independent and objective judgement to the Board deliberations. Any Director who considers that he has or may have a conflict of interest or a material personal interest or a direct or indirect interest or relationship or potential conflict of interest, including interest in any competing business that could reasonably be considered to influence in a material way, the Director’s decisions in any matter concerning the Company, is required to immediately disclose to the Board. A brief description of the background of each Director is presented in the Profile of Directors.

The NRC also reviews annually to ensure that Directors are fit and proper in accordance with the Board’s Fit and Proper Policy as well as the composition of the Board and Board Committees. In determining candidates for appointment to the Board and Board Committees, various factors are considered, including the time commitment of the Board and Board Committee members in discharging their roles and responsibilities through attendance at their respective meetings, their performance and contribution, possession of the attributes, capabilities and qualifications considered necessary or desirable for service and demonstration of independence, integrity and impartiality in decision-making.

Access to Information and Advice

The Directors are at liberty to seek independent professional advice on matters relating to the fulfillment of their roles and responsibilities. The Directors can also seek advice from Management on issues pertaining to their respective jurisdictions as well as request for information or updates on matters relating to the Company’s business operations. The Directors may also interact directly with, or request further explanation, information or updates on any aspect of the Group’s operations or business concerns from the Management. The cost of procuring these professional services will be borne by the Company. Board meeting documents and other relevant Group information/policies/procedures/processes are usually compiled in hard copy to Directors five (5) business days in advance prior to board meetings to enable sufficient preparation for deliberation and decision making.

Corporate Governance Overview Statement

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

Qualified and Competent Company Secretaries

The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, Board policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretaries support the Board in ensuring relevance and effectiveness in its Corporate Governance practices. The Company Secretaries also attended and ensured that all Board meetings are properly convened and minuted, while accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory register at the registered office of the Company.

The Directors are regularly updated by the Company Secretaries on new statutory as well as regulatory requirements relating to the duties and responsibilities of Directors. All Directors have unrestricted access to timely and accurate information and access to the advice and services of the Company Secretaries who are responsible for ensuring that Board procedures are followed.

Supply of Information

The Board has unrestricted access to timely and accurate information, necessary in the furtherance of their duties. All Directors review a quarterly Board report which is circulated at least five (5) days prior to the Board meeting to allow sufficient time for the Directors to review the Board papers for effective deliberation at the meeting. The Board report includes, among others, the following details:

- Quarterly financial results
- Annual audited financial statements
- Operational and sustainability reports
- Corporate plans, major issues and opportunities for the Group
- Changes to management and control structure of the Group
- Policies and procedures
- Reports to Shareholders and public announcements
- Updates to regulatory requirements
- Minutes of the previous Board meetings

Diversity Policy for Board and Senior Management

The Board's Diversity Policy for Board and Senior Management requires having at least one (1) female Director. As at 31 December 2025, we have a female member namely Puan Sri Shahrizan Binti Abdullah sitting on the Board. The Board will actively work towards having at least 30% women Directors in compliance with Practice 5.10 of the MCCG 2021. The Board's Diversity Policy for Board and Senior Management is available on our corporate website at www.choobee.com

Recruitment or Appointment of Directors

The Board adheres to its Fit & Proper Policy for the appointment and re-election of Directors as required by the MMLRs, with the aim of strengthening board independence, quality and diversity.

In the process of recruitment or appointment of new Directors, the NRC has its own review criteria as well as the Board's Fit and Proper requirements that needs to be met before making recommendations to the Board. These include the review of skills, experience and strength in the qualities necessary for the discharge of responsibilities in an effective and competent manner. Other factors considered by the Committee include the candidates' ability to satisfy the test of independence taking into account the candidates' character, integrity, professionalism, time and commitment. Diversity of the Board's composition is also important to facilitate optimal decision-making by harnessing different insights and perspectives.

With regards to identifying candidates for appointment as Directors, the NRC/Board does not solely rely on recommendations from existing Board members, Management or major shareholders but also relies on other sources to identify suitably qualified candidates.

Corporate Governance Overview Statement

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

Re-appointment and Re-election of Directors

In accordance with the Constitution of the Company, all Directors who are appointed by the Board are subject to election at the first opportunity after their appointment and at least one-third (1/3) of the remaining Directors are subject to re-election by rotation at each Annual General Meeting ("AGM"). The Constitution also provides that all Directors shall retire at least once in three (3) years. The NRC reviews the composition of the Board annually and makes recommendations to the Board when considered necessary to ensure the Board comprises an appropriate mix of skills and experience.

Based on the NRC's assessment of the retiring Directors, the NRC and the Board have affirmed that the retiring Directors listed below have satisfied the fit and proper criteria and be proposed and recommended by the NRC to the Board for approval prior to the shareholders' approval at the forthcoming AGM:

- Soon Cheng Hai (by rotation)
- Ng Leong Teck (by rotation)
- Ng Lai Chiek (appointed on 01 January 2026)
- Soon Seong Koon (appointed on 01 January 2026)
- Lee Kam Foong (appointed on 01 April 2026)

All assessments and evaluations carried out by the NRC in discharging its functions have been properly documented.

Foster Committee

Each Director does not hold more than five (5) directorships in public listed companies to ensure that they have sufficient time to focus and discharge their duties and responsibilities. The NRC would also consider the number of directorships held in other Public Listed Companies ("PLC") when determining candidates for recommendation to the Board. The Board is satisfied with the level of time commitment given by the Non-Executive Directors towards fulfilling their roles and responsibilities as Directors of the Company during the FY 2025.

Roles and Responsibilities of the Board

The Board is responsible for oversight and overall management of the Group. To ensure the effective discharge of its functions and responsibilities, the Board delegates the day-to-day management of the Group's business to the Management. This is further supported by the Group's Summary of Authority Limits ("SAL"), which clearly sets out relevant matters reserved for the Board's approval as well as those which the Board may delegate to the Board Committees, the CEO and Management.

Key matters which are reserved for the Board's approval are as follows:

- Approval of strategic plans for the Company

The Board plays a role in the development of the Company's strategy. At the beginning of the year (annual basis), the Management presents to the Board its recommended strategy and proposed business plans for the year. At this session, the Board reviews and deliberates upon both Management's and its own perspectives, challenges Management's views and assumptions as well as discusses the necessary resources required for the year to deliver the best outcomes. In furtherance of this, the Board then reviews and approves the annual targets for the year which is then used as a key performance indicator when reviewing the Management's performance.

The strategy planning process for 2025 was held during the Board meeting on 27 February 2025, where the Management presented the proposed 2025 business plan and targets for the Board's review and discussion. The 2025 business plan was approved by the Board at this meeting.

- Overseeing the conduct of the Company's business

The CEO is responsible for the day-to-day management of the business and operations of the Group. He is supported by the Executive Committee, heads of operating units as well as other operating committees established such as the Credit Committee, Safety and Health Committee, Quality Management System Committee and Corporate Disclosure Committee. The Board also delegates and confers some of its authorities and discretion to the Executive Directors as well as relevant Board Committees. The Board Committees are entrusted by the Board with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference ("TOR"). Any key issues and decisions arising from the Board Committees will be reported and tabled to the Board for approval, if required.

Corporate Governance Overview Statement

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

Roles and Responsibilities of the Board (Cont'd)

- Overseeing the conduct of the Company's business (Cont'd)

The Management's performance under the leadership of the CEO is assessed on a quarterly basis by the Board and includes a comprehensive summary of the Group's operating drivers and financial performance. The Board is also kept informed of key strategic initiatives, significant operational issues and the Group's performance based on the approved targets set. The relevant members of the Executive Committee and Chief Financial Officer ("CFO") or/and Financial Controller were in attendance at Board meetings to support the CEO in presenting updates on the progress of business targets and achievements to date, and to provide clarification on the challenges and issues raised by the Board.

- Risk management

Identifying principal risks and ensuring the implementation of appropriate internal controls to manage them. By reviewing the adequacy and integrity of the management information and internal control system of the Group through the Risk Management team, the Board oversees the risk management framework of the Group. The Risk Management team advises the Audit and Risk Management Committee ("ARMC") and the Board on areas of high risk and the adequacy of compliance and control procedures throughout the Group.

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

- Sustainability risk and opportunities governance

Addresses and takes into account sustainability considerations, including among others the development and implementation of company strategies, business plans, major plans and risk management. The Board oversees sustainability governance through the Sustainability Working Group ("SWG"). The SWG, led by the CEO are responsible for:

- i. materiality assessment, drive implementation, monitor, report sustainability initiatives; and
- ii. advises the Board on Sustainability risks, adequacy of implementation and performance indicators.

- Succession planning

The Board, through the NRC is responsible for ensuring that there is a proper succession planning in place for the Directors, CEO and Key Group Management.

The NRC deliberated on the succession planning of the Board in view of the forthcoming retirement of Mr Ng Poh Tat, who will retire upon the expiry of his contract on 28 February 2026, and Puan Sri Shahrizan Binti Abdullah, whose tenure as Independent Non-Executive Director will reach twelve (12) years on 23 May 2026, following which she indicated her intention to retire from the Board.

In anticipation of these retirements and to ensure continuity of leadership and effective Board oversight, the NRC considered the proposal from the major shareholder to appoint Mr Ng Lai Chiek and Madam Lee Kam Foong as Independent Non-Executive Directors to succeed the retiring Directors, and Mr Soon Seong Koon as Executive Director as part of the Group's leadership succession planning.

- Overseeing the development and implementation of shareholders communication policy

The Group believes in building investor confidence through good Corporate Governance practices. As such, Investor Relations ("IR") activities are carried out in accordance with its Shareholders Communication Policy (available on its corporate website).

The roles and responsibilities of the Group Executive Chairman and the CEO are defined in the Board Charter.

Corporate Governance Overview Statement

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

Board Charter

The Board has a Board Charter which sets out the roles and responsibilities of the Board, Board Committees, Directors and Management and also the processes and procedures for convening their meetings. It serves as a reference and primary induction literature providing prospective and existing Board members and Management insight into the fiduciary and leadership functions of the Directors. The Board Charter is publicly available on our corporate website at www.choobee.com. The Board Charter is reviewed annually to ensure it complies with legislations, best practices and remains relevant and effective in light of the Board's objectives. During the FY 2025, the Board has revised its Board Charter, Code of Conduct and Ethics to be in line with Bursa Securities's Sustainability Guidelines.

Formalised Ethical Standards through Code of Conduct and Ethics

The Group's Code of Conduct and Ethics for Directors and employees governs the standards of ethics and good conduct expected of Directors and employees, respectively. The Code of Conduct and Ethics includes principles relating to fair dealings, confidentiality of information, conflict of interest, compliance with laws and regulations and sexual harassment, which is available on our corporate website at www.choobee.com

Whistleblowing Policy and Procedure ("WPP")

In addition, the Company's WPP, which is also available on our corporate website at www.choobee.com, seek to foster an environment where integrity and ethical behaviour are maintained and any illegal or improper action and/or wrongdoing in the Company may be exposed. The ARMC is responsible for overseeing the implementation of the WPP for the Group's management, and all whistle-blowing reports are addressed to the ARMC Chairman. The CEO is responsible for overseeing the implementation of the WPP for the Group's employees, where the CEO would address all whistle-blower reports made by employees or external parties as prescribed under the WPP.

Anti-Bribery and Corruption Policy ("ABC Policy")

The objective of the Company's ABC Policy which is also available on its corporate website, is to manage risk in relation to bribery and corruption. This is to ensure that good standards of behaviour permeate throughout all levels of the Group and would help prevent misconduct and unethical practices. Consequently, it will support the delivery of long-term sustainable success for the Company. The ARMC is responsible for overseeing the implementation of the ABC Policy for the Group's management, and all reports are addressed to the Compliance Officer who will perform an initial investigation. Where the matter is deemed potentially serious, it will be promptly reported to the CEO and/or Chairman of the ARMC for further action.

Annual Assessment

The NRC carries out the Board, Board Committee and Director's assessment exercise annually. The effectiveness of the Board is assessed in the areas of Board diversity, composition and governance, addressing material sustainability risks and opportunities, decision-making and Boardroom activities, as well as in terms of each Director's skills and expertise. The respective Board Committees are assessed through the appointed Committee's Chairman to ascertain whether their functions and duties are effectively discharged in accordance with their respective Terms of Reference. The effectiveness of the Board Committee is also assessed in terms of composition and governance, meeting administration and conduct, skills, competencies, roles and responsibilities. The Directors are assessed in relation to the skills, experience, contribution and other qualities they bring to the Board. Additionally, the ability of each individual Director and Board Committee member to exercise independent judgement and demonstrate objectivity and clarity of thought on issues during deliberations at meetings, offer practical advice to the Board and/or Board Committee discussions are also taken into consideration.

The NRC had in November 2025 carried out the formal assessment of the Board and Board Committees for their 2025 performance and contributions based on the assessment criteria spelled out above. From the assessment, the NRC was satisfied that the Board and Board Committees have discharged their duties effectively during the year.

Directors' Remuneration

The Company has adopted the practices recommended by MCCG whereby the level of remuneration of the Directors is sufficient to attract and retain the Directors needed to manage the Group successfully. In the case of Executive Directors, their remuneration is linked to their level of responsibilities, experience, contribution, and individual as well as the Group's performance. For the Non-Executive Directors, the level of remuneration reflects the demands, complexities and performance of the Company as well as the experience, skills and level of responsibilities undertaken by them.

Corporate Governance Overview Statement

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

Directors' Remuneration (Cont'd)

The NRC carries out the annual review of the overall remuneration policy for Directors and Key Group Management. The NRC ensures that the Company's remuneration policy remains supportive of its corporate objectives and is aligned with the interest of shareholders and that the remuneration packages of Directors and Key Group Management are sufficiently attractive to attract and to retain persons of high caliber. The remuneration policy for the Board and Key Group Management can be found on its corporate website.

The details of the Directors' remuneration for the FY 2025 are as follows:

Directors' Remuneration	Executive Directors RM'000	Non-Executive Directors RM'000
Group		
Fee	70	188
Salaries and EPF	2,178	-
Bonus	245	-
Allowances	24	94
Benefits-in-kind	56	-

Directors' Remuneration	Executive Directors RM'000	Non-Executive Directors RM'000
Company		
Fee	40	186
Salaries and EPF	1,109	-
Bonus	122	-
Allowances	12	46
Benefits-in-kind	28	-

Group

RM	Soon Cheng Hai				Soon Cheng Boon			
	Salary & Allowance & EPF	Bonus	Fee	Benefits-in-kind	Salary & Allowance & EPF	Bonus	Fee	Benefits-in-kind
Below 50,000			√	√			√	√
100,001 - 150,000		√				√		
1,000,001 - 1,050,000					√			
1,100,001 - 1,150,000	√							

RM	Tan Han Leong (Resigned on 25 Feb 2025)		
	Salary & Allowance & EPF	Bonus	Fee
Below 50,000	√		

Corporate Governance Overview Statement

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

Directors' Remuneration (Cont'd)

Company

RM	Soon Cheng Hai				Soon Cheng Boon		
	Salary & Allowance & EPF	Bonus	Fee	Benefits-in-kind	Salary & Allowance & EPF	Bonus	Fee
Below 50,000			√	√			√
50,001 - 100,000		√				√	
500,001 - 550,000					√		
550,001 - 600,000	√						

RM	Tan Han Leong (Resigned on 25 Feb 2025)		
	Salary & Allowance & EPF	Bonus	Fee
Below 50,000	√		

Non-Executive Directors' Remuneration

Group & Company

RM	Ng Poh Tat (Retired on 28 Feb 2026)		Ng Leong Teck		Puan Sri Shahrizan Binti Abdullah	
	Fee	Allowances	Fee	Allowances	Fee	Allowances
Below 50,000		√		√		√
50,001 - 100,000	√		√		√	

During the year, none of the Directors rendered any services to the Group that incurs separate remuneration.

Board and Board Committees Meetings

The Board and Board Committees meetings for each financial year are scheduled in advance (or as the occasion requires) for Directors to plan their schedule ahead to enable them to fulfill their time commitments. The Board and Board Committees have a formal schedule of matters reserved for it, among others, for decision, including the approval of annual and quarterly results, major capital expenditures, the review of business operations and performance of the Group as well as other matters as covered in their respective Terms of Reference.

The Board is satisfied with the level of time commitment given by the Directors in the discharge of their roles and responsibilities as evidenced by their attendance at the respective meetings during the FY 2025:

Name of Directors	Board	Board Committees	
		ARMC	NRC
Soon Cheng Hai	4/5	N/A	N/A
Soon Cheng Boon	5/5	N/A	N/A
Ng Poh Tat (Retired on 28 February 2026)	5/5	5/5	5/5
Puan Sri Shahrizan Binti Abdullah	5/5	5/5	5/5
Ng Leong Teck	5/5	5/5	5/5
Tan Han Leong (Resigned on 25 February 2025)	N/A	N/A	N/A

N/A denotes Not Applicable

Corporate Governance Overview Statement

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

Board and Board Committees Meetings (Cont'd)

All Directors have also adequately complied with the minimum requirements on attendance at Board meetings as stipulated in the MMLRs (minimum 50% attendance).

Directors' Trainings

Directors' training is an on-going process as Directors recognise the need to continually develop and refresh their knowledge and skills, and to update themselves on developments in the steel industry and business landscape both domestically and internationally.

The Board's policy requires each Director to attend at least one (1) training session annually. The Board assesses each member's training requirements based on the feedback from members of the Board. The NRC will then analyse the training needs of each Director and delegate the task of sourcing for the appropriate training, according to the Director's needs, to the Human Resource Department of the Group. Directors are also personally responsible for their own training needs and should they come across any suitable training, they will notify the Human Resource Department to make arrangements accordingly.

During the FY 2025, the members of the Board had attained training on areas relevant to their duties and responsibilities as Directors by attending external seminars/talks as well as internally facilitated sessions and through reading materials.

Seminars and training programmes attended by Directors for the FY 2025 are as follows:

Name of Directors	Training or Seminars Attended
Soon Cheng Hai	- Bursa Sustainability (Economic, Environmental & Social "EES") Reporting Requirements
Soon Cheng Boon	- Bursa Sustainability (Economic, Environmental & Social "EES") Reporting Requirements
Ng Poh Tat	- Section 17 A, Malaysian Anti-Corruption Commission Act 2009 & Adequate Procedures
Puan Sri Shahrizan Binti Abdullah	- Section 17 A, Malaysian Anti-Corruption Commission Act 2009 & Adequate Procedures
Ng Leong Teck	- Minimum Transfer Pricing Documentation for SMEs - The New MIA Practice Review Framework (PR) 2024 - Malaysian Tax Conference 2025 - Recap and Overview of Key MPERS Sections - Recap and Overview of Key Auditing Standards (ISAs) - Seminar Percukaian Kebangsaan 2025 (Belanjawan 2026)

The Directors will continue to undergo training and other relevant programmes to further enhance their skills and knowledge where relevant.

The Company Secretaries circulated from time to time the relevant guidelines on statutory and regulatory requirements to the Directors. The External Auditors also highlighted changes to the Malaysian Financial Reporting Standards and legislation that affect the Company's financial statements during the financial year.

Strategies Promoting Sustainability

The Board views the commitment to sustainability as part of its broader responsibility to shareholders covering the marketplace, workplace, environment and communities in which it operates.

The Company's Sustainability Statement for the financial year under review are disclosed in this 2025 Annual Report.

Corporate Governance Overview Statement

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

Committees Established by the Board

The Board has delegated certain functions to the Committees it established to assist with the execution of its responsibilities to the Group. The Committees operate under clearly defined Terms of Reference and are consistent with the recommendations and practices of the MCCG. The functions and Terms of Reference of the Committees, as well as authority delegated by the Board to these Committees, are reviewed from time to time to ensure that they remain relevant and are up-to-date. The Chairman of the respective Committees reports to the Board the outcome of deliberations of the Committee meetings.

1. Executive Committee

The Executive Committee was established on 24 November 2001 and its current members consist of:

- Soon Cheng Hai (the CEO as Chairman of the Committee)
- Soon Cheng Boon (Deputy CEO/Executive Director)
- Soon Seong Koon (Executive Director) (Appointed on 18 March 2026)

The Executive Committee meets quarterly to review the financial and sales performance, operational matters, risk management, sustainability risks management and audit issues. The respective heads of operating units are invited to attend the Executive Committee meetings as and when required.

The Non-Executive Directors are not represented in the Executive Committee. However, minutes of Executive Committee meetings are distributed to all Directors prior to the Board Meetings. Queries from the Non-Executive Directors are discussed at the Board meetings.

2. ARMC

The Audit Committee was established on 6 July 1994 and subsequently changed to ARMC (as approved by the Board on 25 May 2018) to better reflect its responsibilities.

The ARMC comprises two (2) Independent Non-Executive Directors as well as a Non-Independent Non-Executive Director and provides a forum for effective communication between the Board, Internal Auditors and External Auditors which meets every quarter or when necessary. None of the ARMC were former audit partners who are required to observe a cooling-off period of at least three years before being appointed in accordance with the TOR of the ARMC.

Quarterly and annual financial statements are reviewed by the ARMC prior to Board's approval. During the financial year end, the ARMC also reviewed the effectiveness of systems of internal control and risk management practices, as well as the efficiency and effectiveness of the external and internal audit functions.

Other detailed information on the ARMC is presented in the ARMC Report.

3. Nomination and Remuneration Committee ("NRC")

The Nomination and Remuneration Committee were both established on 24 November 2001 and subsequently combined during the year as a single committee known as the Nomination and Remuneration Committee ("NRC") (approved by the Board on 24 March 2022) to lessen administrative and regulatory burdens and to enhance the efficiency of the Board Committees in discharging their duties and responsibilities.

Remuneration policies are developed to ensure that the remuneration given to the Directors, Key Group Management and staff are fair and commensurate to their level of contributions and are appropriate to attract, retain and motivate them.

The role of the NRC is set out in its Terms of Reference and is available for reference on the Company's website at www.choobee.com

Corporate Governance Overview Statement

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

3. Nomination and Remuneration Committee ("NRC") (Cont'd)

The members of the NRC during the FY 2025, comprised 2/3 of Independent Non-Executive Directors, are as follows:

Name of member

Ng Leong Teck	Chairman, Independent Non-Executive Director
Puan Sri Shahrizan Binti Abdullah	Member, Senior Independent Non-Executive Director
Ng Poh Tat	Member, Non-Independent Non-Executive Director

The NRC meets when necessary. Three (3) meetings were held during the FY 2025 and undertook the following activities in the discharge of its duties:

1) Board and Board Committees Evaluation

- Conducted the annual assessment of the performance and effectiveness of the Board, Board Committees and individual Directors, including the evaluation of the independence of the Independent Non-Executive Directors ("INEDs").
- Reviewed the performance of the Chief Executive Officer ("CEO") and assessed the leadership, strategic direction and overall effectiveness in managing the Group.

2) Board Composition and Succession Planning

- Reviewed the size, composition and effectiveness of the Board, ensuring the balance between Executive Directors, Non-Executive Directors and Independent Directors remained appropriate and in compliance with Bursa Malaysia's Listing Requirements.
- Deliberated on the retirement of Directors, namely Mr Ng Poh Tat and Puan Sri Shahrizan Binti Abdullah, and recommended the payments of gratuity in accordance with the Company's policy for shareholders' approval.
- Reviewed and recommended the appointment of new Directors, namely Mr Ng Lai Chiek and Madam Lee Kam Foong as Independent Non-Executive Directors, and Mr Soon Seong Koon as Executive Director, to support the Board's succession planning.

3) Fit and Proper Assessment of Directors

- Reviewed the qualifications, experience, integrity and independence of proposed Directors, including their curriculum vitae, fit and proper declarations and conflict of interest declarations, prior to recommending their appointment to the Board.

4) Directors' Tenure and Multiple Directorships

- Reviewed the tenure of Independent Directors and directorships held in other listed companies, ensuring compliance with the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

5) Re-election of Directors

- Evaluated and recommended the re-election of Directors retiring by rotation at the forthcoming Annual General Meeting ("AGM") in accordance with the Company's Constitution.

6) Succession Planning for Senior Management

- Reviewed the succession planning for Executive Directors, the CEO, Chief Financial Officer ("CFO") and Key Group Management, and noted that the Group had established plans to ensure continuity in leadership and management of the Group.
- Evaluated and recommended the appointment of Chief Financial Officer ("CFO"), including reviewing her qualifications, experience and remuneration package prior to recommending the appointment to the Board. Following the CFO's resignation, deliberated on the interim appointment of the Financial Controller as Acting CFO until a suitable candidate is appointed.

Corporate Governance Overview Statement

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

3. Nomination and Remuneration Committee ("NRC") (Cont'd)

7) Remuneration Matters

- Reviewed the remuneration package for newly appointed Directors and recommended the remuneration structure to the Board.
- Reviewed and recommended the quantum of salary increments, Directors' fees and bonus structure for employees and Executive Directors.

All deliberations, assessments and evaluations carried out by the NRC in discharging its functions were properly documented as well.

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

Financial Reporting

In presenting the annual financial statements and quarterly financial statements to shareholders, the Directors aim to present a balanced, clear and understandable assessment of the Group's position and prospects. The Audit and Risk Management Committee ("ARMC") assists the Board in reviewing information to be disclosed to ensure accuracy, adequacy and quality of reporting for the Group's annual and quarterly financial statements. It also reviews the appropriateness of the Group's accounting policies and the changes to these policies as well as ensures these financial statements comply and are prepared in accordance to applicable Malaysian Financial Reporting Standards ("MFRSs") and other regulatory/statutory requirements. Additionally, the Chief Financial Officer ("CFO") and/or Financial Controller presents to the ARMC and the Board details of revenues and expenditures in the form of tables for review of quarter-to-quarter and year-to-date financial performances. The Management Discussion and Analysis of this Annual Report provides additional analysis and commentary on the Group's financial performance.

In reviewing the quarterly and yearly financial statements by the ARMC, the CEO and Deputy CEO also provides assurance to the ARMC that appropriate accounting policies had been adopted and applied consistently, that the going concern basis has been applied in the Condensed Consolidated Financial Statements and that prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs.

Assessment of Suitability and Independence of External Auditors

The ARMC is responsible for the annual assessment of the competency and independence of the External Auditors. In its assessment, the ARMC considers several factors, which includes the caliber, reputation and resources of the firm, staff experience and professionalism, audit scope, communication, independence (which includes the review of the External Auditors Annual Transparency Report) and the level of non-audit services to be rendered. Having assessed their performance and independence, the ARMC will recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the AGM.

The External Auditors are required to declare their independence annually to the ARMC as specified by the By-Laws issued by the MIA. The External Auditors have provided the declaration in their annual audit plan presented to the ARMC of the Company.

Corporate Disclosure Policy

The Group is committed to provide accurate, timely, consistent and fair disclosure of corporate information to enable informed and orderly market decisions as well as compliance with the MMLRs and Corporate Governance Guide issued by Bursa Malaysia Securities Berhad. This is facilitated by the Corporate Disclosure Committee and our Corporate Disclosure Policy which sets out the policies and procedures for all level of employees, including the CEO. The policy also serves as a guide to enhance awareness among employees of corporate disclosure requirements. Clear roles and responsibilities of Directors, management and employees are provided together with levels of authority, to be accorded to 'designated person(s)', spokespersons and committees in the handling and disclosure of material information. Persons responsible for preparing the disclosure will conduct due diligence and proper verification, as well as coordinate the efficient disclosure of material information to the investing public.

The policy also covers confidentiality to ensure that confidential information is handled properly by Directors, employees and relevant parties to avoid leakage and improper use of such information. The Board is mindful that information which is expected to be material must be announced immediately.

Corporate Governance Overview Statement

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

Leverage on Information Technology for Effective Dissemination of Information

The Company's website includes a Corporate section which provides all relevant information on the Company and is accessible publicly. Investor Relations function is further supported by the Investors Relations section of our website, and includes among others announcements made by Bursa Malaysia, changes in shareholdings, listing circulars, annual reports, AGM/ Extraordinary General Meeting ("EGM") key notes and circulars to shareholders.

Statement of Directors' Responsibilities

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia and give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows of the Group and of the Company for that year.

In preparing the financial statements for the FY 2025, the Directors have:

- Adopted appropriate accounting policies and applied them consistently
- Made judgements and estimates that are prudent and reasonable
- Ensured applicable accounting standards have been followed
- Prepared the financial statements on the going concern basis

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the Companies Act 2016 and applicable financial reporting standards in Malaysia. The Directors are also responsible for safeguarding the assets of the Company.

Relationship with the Auditors

The Company has established transparent and appropriate relationships with the Company's auditors through the ARMC. The role of the ARMC in relation to both the external and internal auditors is described in the ARMC Report.

Risk Management and Internal Control Framework

The Board has established a sound risk management and internal control framework to manage risks and to safeguard shareholders' investment and the Company's assets, as presented in the Statement on Risk Management and Internal Control.

Internal Audit Function

The Internal Audit Function of the Group is outsourced to a professional internal audit service provider firm which undertakes independent, objective and systematic reviews of the risk management, internal controls system and corporate governance. The outsourced internal auditors report directly to the ARMC and assist the Board in reviewing the adequacy and integrity of the internal control systems to manage risks exposures over key processes within the Group. The functions and responsibilities of the Internal Audit Function are embodied in the Internal Audit Charter. The costs incurred by the Group in relation to the Internal Audit Function for the FY 2025 amounted to approximately RM50,000.

During the FY 2025, the following works were carried out by the Internal Audit Function:

- Reviewed the adequacy and effectiveness of the Group's internal control systems, in the audit areas reported in the Statement on Risk Management and Internal Control.
- Presented Internal Audit Reports to the ARMC, highlighting key audit findings, associated risks and implications, and providing recommendations for improvements to strengthen the internal control environment.
- Monitored and reported to the ARMC on the implementation status of corrective actions taken by Management in addressing issues raised in previous internal audit reports.
- Conducted independent risk assessments of risks identified and managed by the respective Heads of Department through the review of Risk Management Forms ("RMF"), and presented the Risk Assessment Reports to the ARMC for deliberation.

Corporate Governance Overview Statement

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

Communication with Stakeholders

The Board recognises the importance of shareholders communication as it is a key component to upholding the principles and best practices of corporate governance for the Group. The Company views that timely dissemination of information is important, therefore such communication is done through various disclosures and announcements to Bursa Malaysia Securities Berhad, the annual report and circular to shareholders. The financial results of the Group and the Company and other corporate announcements are accessible via the Bursa Malaysia Securities Berhad's website and the Company's website at www.choobee.com. General corporate information and product information are also available on the Company's website.

During the financial year under review, the Company has been involved in investor relations activities to keep shareholders duly informed on the performance of the Company. There were conference calls with local fund managers and analysts to provide insights on the operations, financial performance and latest developments of the Group.

The Company appreciates feedback from their valued shareholders and in this regard, investor relations aim to serve as a channel for shareholders to provide such feedback and views on the Company's performance and direction.

Conduct of Annual General Meeting ("AGM")

The AGM serves as an ideal opportunity for dialogue and interaction with both institutional and individual shareholders. The Company dispatches Notice of its AGM to shareholders more than 28 days which is well in advance of the 21 days requirement stipulated in the Companies Act 2016 and MMLRs. The additional time allows shareholders to make the necessary arrangements to attend and participate in person or by proxy or by corporate representative at the AGM.

During the AGM held on 19 June 2025, all the Directors (as well as the Chair of the respective Board Committee), CFO and the External Auditors were in attendance to respond to shareholders' queries. Questions raised by those attending online were duly answered by the Chairman of the Meeting. The Minutes of the AGM (including all the questions raised by shareholders and answers thereto) were published on the Company's website within 30 days after the completion of the meeting.

Poll Voting

In line with the MMLRs, all resolutions set out in the notice of AGM will be voted by poll and a scrutineer will be appointed to validate the votes cast. The poll results were then declared by the Chairman of the Meeting that all the resolutions were carried. The Poll voting more accurately and fairly reflects shareholders' views as every vote is recognised thus enforce greater shareholder rights.

Compliance with the Code

The Group has complied with principles and recommendations of the MCCG except for the following exception that, in the opinion of the Directors, adequately suit the circumstances:

- Practice 1.3 on the positions of Chairman and Chief Executive Officer ("CEO") are held by different individuals.
- Practice 5.2 on the Board comprises at least half of Independent Directors.
- Practice 5.9 on the Board comprises at least 30% women Directors.
- Practice 8.2 on the Board discloses on a named basis the top five (5) senior management's remuneration component including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000.
- Practice 13.3 on Listed companies should leverage technology to facilitate:-
 - voting, including voting in absentia; and
 - remote shareholders' participation at general meetings.

The explanation for departure is also disclosed in the CG Report.

The CG Overview Statement together with the CG Report was approved by the Board of Directors on 18 March 2026.

Additional Compliance Information

Utilisation of Proceeds

There were no proceeds raised from corporate proposals during the financial year.

Audit Fees

	Group RM'000	Company RM'000
Audit fees payable to the external auditors for the financial year	189	85

Non-Audit Fees

	Group RM'000	Company RM'000
Non-audit fees payable to the external auditors for the financial year	5	5

Variation of Results

There was no material variance between the audited results for the financial year ended 31 December 2025 and the unaudited results previously announced for the fourth (4th) financial quarter ended 31 December 2025.

Profit Guarantee

There were no profit guarantees given by the Company during the financial year.

Material Contracts and Contract Relating to Loans awarded to Directors, Chief Executive and Major Shareholders

There were no material contracts and contracts relating to loans entered into by the Company and its subsidiaries which involved the Directors, Chief Executive who is not a Director and Major Shareholders entered into since the end of the previous financial year.

Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

The information on RRPT for the financial year is presented in the Audited Financial Statements in this Annual Report.

Disclosure of Financial Data for Shariah Screening

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

(a) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 RM'000	2024 RM'000
Revenue		372,376	396,352
Other Income		5,364	1,766
Total		377,740	398,118
Total Assets		600,417	630,098

Additional Compliance Information

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

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 RM'000	2024 RM'000
Interest income		1,397	678
Total		1,397	678

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 RM'000	2024 RM'000
N/A		N/A	N/A
Total Cash		N/A	N/A
Conventional Account/Instruments			
Cash and bank balances (exclude cash in hand)		23,742	23,936
Deposits with licensed bank		23,426	4,009
Total Cash		47,168	27,945

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 RM'000	2024 RM'000
Current		N/A	N/A
Non-Current		N/A	N/A
Total Financing		N/A	N/A
Conventional Borrowing			
Current			
Bankers' acceptance		N/A	3,300
Non-Current		N/A	N/A
Total Debt		N/A	3,300

Audit and Risk Management Committee Report

Composition and Meetings

The Audit and Risk Management Committee (“ARMC”) comprises three (3) members, of whom majority are Independent Non-Executive Directors. The ARMC shall be appointed by the Board upon recommendation by the Nomination and Remuneration Committee (“NRC”). The ARMC meets the requirements of paragraph 15.09 (1) (a) and (b) of the MMLRs.

The ARMC and its members have discharged their functions, duties and responsibilities in accordance with its Terms of Reference (“TOR”) which is available on the Company’s website at www.choobee.com, to support the Board in ensuring the Group practises good corporate governance. The TOR of the ARMC was reviewed and updated by the Board on 22 February 2024.

The Chairman of the ARMC, Ng Leong Teck is a member of the MIA and the ACCA, which complies with paragraph 15.09 (1) (c) (i) of the MMLRs. He is not the Chairman of the Board pursuant to Practice 9.1 of the Malaysian Code on Corporate Governance 2021 (“MCCG”).

No Alternate Director is appointed as a member of the ARMC.

During the FY 2025, the ARMC convened five (5) meetings. The ARMC members’ attendance records are outlined in the Corporate Governance Overview Statement.

The members of the ARMC as at FY 2025 are as follows:

Name of Member

Ng Leong Teck	Chairman, Independent Non-Executive Director
Puan Sri Shahrizan Binti Abdullah	Member, Senior Independent Non-Executive Director
Ng Poh Tat	Member, Non-Independent Non-Executive Director

The detailed profiles of all the members of the ARMC are shown in the Directors’ Profiles.

The Chief Financial Officer (“CFO”) and/or Financial Controller were invited to all ARMC meetings to facilitate direct communication as well as to provide clarification on financial/audit issues, the Group’s operations and sustainability matters respectively. The Chief Risk Officer (“CRO”) and outsourced Internal Audit also attended all the ARMC meetings to table the respective Risk Assessment and Internal Audit reports.

Other Board members and employees may attend any particular meeting only when their attendance are requested by the ARMC. The Company Secretary acts as the Secretary of the ARMC. Minutes of each ARMC meeting were recorded and tabled for confirmation at the following meeting and subsequently presented to the Board for notation. The ARMC Chairman presented the Board with the ARMC’s recommendations to approve the quarterly and annual financial statements. The ARMC Chairman also conveyed to the Board matters of significant concern as and when raised by the External Auditors (“EA”) or Internal Auditors (“IA”).

The NRC reviewed the terms of office of the ARMC members and assesses the performance of the ARMC and its members through an annual effectiveness evaluation. The NRC is satisfied that the ARMC and its members discharged their functions, duties and responsibilities in accordance with the ARMC’s TOR, supporting the Board in ensuring the Group upholds appropriate corporate governance standards.

Summary of Work of Audit and Risk Management Committee

In line with the TOR of the ARMC, the following works were carried out by the ARMC during the FY 2025 in the discharge of its duties and responsibilities:

(a) Financial Reporting and External Audit

- reviewed the Audit Planning Memorandum, which includes reporting responsibilities and deliverables, audit approach, scope and audit and non-audit fees for the statutory audits of the Group accounts for the financial year ended 31 December 2025 with the EA and CFO prior to recommending to the Board for approval;
- reviewed and discussed the results of their audit report and management letter together with Management’s response to their findings;
- reviewed the annual audited financial statements of the Group for financial year ended 31 December 2024 to ensure compliance with the Companies Act 2016, MMLRs, applicable accounting standards and other legal and regulatory requirements, prior to submission to the Board for consideration and approval;

Audit and Risk Management Committee Report

Summary of Work of Audit and Risk Management Committee (Cont'd)

In line with the TOR of the ARMC, the following works were carried out by the ARMC during the FY 2025 in the discharge of its duties and responsibilities: (Cont'd)

(a) Financial Reporting and External Audit (Cont'd)

- carried out an annual assessment of the performance of the EA, including assessment of their suitability and independence in performing their obligations, which is performed via a formal evaluation form with criteria set by the ARMC. Assessment criteria includes the caliber, reputation and resources of the firm, staff experience and qualification, audit scope, communication, ability to perform work within the Group's timeline, review of the EA Annual Transparency Report and the level of non-audit services to be rendered. The ARMC also engaged the Financial Controller for her feedback as part of the assessment process. With regard to the assessment of the EA's independence, the Board's EA independence policy requires that the engagement audit partner who is responsible for the financial statements of the Group be subject to a seven-year rotation with a three-year cooling-off period. Being satisfied with the EA's performance, technical competency and audit independence as per the auditor independence policy and EA Annual Transparency Report, the ARMC then recommended to the Board for approval of the reappointment of BDO PLT as EA for the financial year ended 31 December 2025. The Board at its meeting held on 27 March 2025 approved the ARMC's recommendation to reappoint BDO PLT for the financial year ending 2025 and was approved by the shareholders during the AGM held on 19 June 2025; and
- had 2 private meetings with the EA in 2025 without the presence of the CEO/CFO/Financial Controller, Management and IA. The purposes of such meetings were to enquire about Management's cooperation with the EA, their sharing of information and the proficiency and adequacy of resources in financial reporting functions, particularly in relation to the compliance with applicable MFRSs as well as other areas of concern that is needed to be escalated to the Board and Management for their further consideration and action. The ARMC Chairman also permitted the EA to contact him at any time that they became aware of incidents or matters in the course of their audits or reviews that needed his attention or that of the ARMC or Board.

The EA provided assurance that they were and had been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements, including the By-Laws (on Professional Ethics, Conduct and Practice) of the MIA.

(b) Internal audit

- reviewed the Internal Audit Reports presented on a quarterly basis during the financial year under review, where these reports were prepared based on the audit activities conducted according to the approved Internal Audit Plan. The CEO/CFO/Financial Controller and CRO facilitated the review process by providing clarification to the ARMC on any specific issues raised in the IA Reports including the Management's response to the audit findings. The IA Reports highlighted the significance of the audit issues raised and recommendations by the IA. The IA reports also provided status updates on the implementation of management action plans on the audit findings reported in the IA Reports presented to the ARMC;
- reviewed the corrective actions taken on the audit findings to ensure that actions have been taken in a timely and effective manner. The ARMC was satisfied with the IA performance for the financial year ended 31 December 2025 covering the business processes/audit areas as detailed in the Statement on Risk Management and Internal Control; and
- carried out an annual review of the performance of the IA, including assessment of their suitability and independence in performing their obligations, which is performed via a formal evaluation form. In its assessment, the ARMC considered several factors, which includes the caliber, reputation and resources of the firm, staff experience and professionalism and audit scope.

The IA provided written assurance to the ARMC that in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement for 2025.

(c) Risk Management

- reviewed the results of the IA independent assessment of the risks identified, evaluated and managed by risk owners which are detailed in the Risk Assessment Report which is prepared by the IA on a quarterly basis;
- considered newly identified risks and revisions to existing risks within the Group's Risk Management Framework;
- reviewed the risk profiles of the Group, including action plan and strategies to address these risks identified; and
- reviewed the risk policy and risk appetite of the Group and recommended to the Board for approval and inclusion in the Statement on Risk Management and Internal Control.

Audit and Risk Management Committee Report

Summary of Work of Audit and Risk Management Committee (Cont'd)

In line with the TOR of the ARMC, the following works were carried out by the ARMC during the FY 2025 in the discharge of its duties and responsibilities: (Cont'd)

(d) Financial Reporting

- reviewed the unaudited quarterly reports and ensured they were prepared in accordance with the MFRS 134: Interim Financial Reporting and paragraph 9.22 of the MMLRs before recommending to the Board for approval;
- reviewed the annual audited financial statements for FY 2024 and recommended to the Board for approval and subsequent tabling at the upcoming AGM; and
- deliberated on significant matters highlighted including financial reporting issues, significant judgements made by management, and how these matters are addressed.

(e) Related Party Transactions and Conflict of Interest

- reviewed the related party transactions to ensure they were transacted within the limits prescribed under the MMLRs and also conflict of interest situations which arose, persist or may arise within the Group during the year.

(f) Annual Report

- reviewed the Statement on Risk Management and Internal Control and recommended to the Board for approval and inclusion in the Annual Report; and
- presented the Audit and Risk Management Committee Report to the Board for approval and inclusion in the Annual Report.

(g) Sustainability Management and Reporting

- reviewed the Group's sustainability strategy and targets, policies, materiality assessment process and outcome as well as sustainability statement;
- ensured the integration of sustainability risks and opportunities within the Group's ERM;
- oversaw the management of material sustainability matters and opportunities; and
- monitored the implementation of sustainability strategies and policies and performance against targets.

(h) Whistleblowing Policy/Anti-Bribery and Corruption ("ABC") cases

- ensured that the Group's Whistleblowing Policy and ABC Policy are actively implemented with appropriate actions taken whenever reports are received. To note that for the year 2025, there were no reports of whistleblowing nor bribery and corruption cases.
- the Whistleblowing Policy and Procedures was reviewed and updated by the Board on 22 February 2024.

(i) Others

(a) Guideline for raw risk, control effectiveness and residual audit risk rating

- ensured that the guideline is reviewed annually and serves as a proper guide for risk owners to rate the raw risks on their impact and likelihood of occurrences, the effectiveness of the current control in place and the residual audit risk.

(b) Group Summary of Authority Limits

- reviewed revisions to the Group Summary of Authority Limits.

Summary of Conflict of Interest or Potential Conflict of Interest

In line with the TOR of the ARMC and MMLRs, there were no conflict of interest nor potential conflict of interest situations which arose during the year that required the ARMC to resolve, eliminate or mitigate such conflicts.

Internal Audit Function

The Internal Audit Function of the Group are disclosed under "Effective Audit and Risk Management" in the Corporate Governance Overview Statement.

Statement on Risk Management and Internal Control

Introduction

The Board of Directors (“the Board”) is pleased to present our Group’s Statement on Risk Management and Internal Control for the financial year ended 31 December 2025. This Statement which outlines the Group’s risk management and internal control system is made in compliance with paragraph 15.26 (b) of the Main Market Listing Requirements (“MMLRs”) and is guided by the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” issued by Bursa Malaysia Securities Berhad (“Bursa Securities”).

Responsibility

The Board acknowledges its overall responsibility in reviewing the effectiveness and adequacy of the risk management and internal control system. The Risk Management team which comprises the Chief Executive Officer (“CEO”), Chief Risk Officer (“CRO”) and respective Heads of Department, are responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control as well as taking the appropriate and timely corrective actions.

At each of the Executive Committee meeting in 2025, the Risk Assessment and Internal Audit Reports were presented by the Internal Auditors to the Executive Committee (“EXCO”) for deliberation. The Internal Auditors provided their independent assessment on the adequacy and effectiveness of the controls in place on risk issues raised by the Management Team and also audit findings based on their risk-based audits. The CRO also provided an Enterprise Risk Management Report to the EXCO and Audit and Risk Management Committee (“ARMC”) and discussed on action plans and strategies to mitigate the risks. The minutes of the EXCO and ARMC meetings which record the risk management and internal control issues identified by the Risk Management team, the action plans to mitigate, monitor and manage the risks, the timeline set, the progress and status of the action plans taken are presented to the Board.

The Board ensures that the Group’s key areas of risk are managed within an acceptable risks profile. The system of risk management and internal control is designed to identify, assess, respond and manage risks within tolerable ranges, rather than eliminating all risks to achieve the Group’s objectives. Therefore, this system can only provide reasonable and not absolute assurance against material misstatement or loss and fraud or breach of regulations.

The Board is of the view that the system of risk management and internal control is in place for the financial year ended 31 December 2025 under review and up to the date of approval of this Statement, and is sound and sufficient to safeguard shareholders’ investment, the interests of customers, regulators, employees and other stakeholders, and the Group’s assets.

The Board has received assurance from the CEO and the Deputy Chief Executive Officer (“DCEO”) that the Group’s risk management and internal control system is operating effectively and adequately, in all material aspects. The Board confirms that the Risk Management Team has taken appropriate remedial action in the event that there are any significant weaknesses identified from the risk management and internal control system.

Risk Management Policy

The Board recognises that its primary responsibility is to ensure the long-term viability of the Group. One of our key tasks is to understand the principal risks of all aspects of the business that the Group is engaged in, as all significant business decisions require the incurrance of risks. Our Choo Bee Enterprise Risk Management policy, therefore, is to achieve a proper balance between risks incurred and potential returns to shareholders and stakeholders.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The risk management and internal control framework which is adopted by the Group is based on the Committee of Sponsoring Organisations (COSO) Enterprise Risk Management (ERM) framework. The Board conducts an annual review of the Group’s risk management and internal control framework which comprise the following elements:

- (a) Risk governance;
- (b) Risk appetite;
- (c) Risk management; and
- (d) Key internal control processes

The Board assesses whether if there are any changes required to the Group’s risk management and internal control framework arising from the review.

Statement on Risk Management and Internal Control

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Risk Governance

The Board, through the EXCO and ARMC, maintains an oversight responsibility for risks within the Group. Both the committees are supported by the Internal Audit Function as detailed below. Appropriate action is taken by Risk Management Team to implement decisions made by the Committees.

Under the purview of the CEO, the respective Heads of Department of the Group, i.e. risk owners are responsible to implement their own control processes, to identify and manage their risks within the system of risk management and internal control. The CRO is involved in assisting the CEO to drive the risk management process and review the risks identified, internal controls in place and risks ratings assigned by respective risk owners to ensure reflective of the business structure and control environment in the Group.

Risk Appetite

The Group's risk appetite defines the amount and types of risks that the Group is able and willing to accept in pursuit of its business objectives. It also reflects the level of risk tolerance and limits set to govern, manage and control the Group's risk-taking activities. The risk appetite statement of the Group is as follows:

"The Choo Bee Group shall remain focused in its strategic direction to become one of the nation's premier manufacturer, supplier and service centre of steel products. In its pursuit for growth in business and formulating of strategies, the Group recognises the need to consider associated risk exposure by continuously reviewing its risk profiles, reinforce its prudent risk management practices and risk tolerance, uphold its corporate governance culture and practices. This is also to ensure regulatory compliance and to preserve its reputation in the market.

For capital management purposes, the Group monitors capital using the gearing ratio. The Group shall maintain a low gearing ratio of below 15% to safeguard the operations as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders as well as to maintain the optimal capital structure."

Risk Management

The Group has established an on-going risk management process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies.

a) Process for Identifying Risk

The Risk Management Team will identify the risks which affect the business or operations in meeting the objectives of the Group and the root causes of the risks. Based on a risk rating guideline which is reviewed and approved by the ARMC on a yearly basis, the risks will be assessed on their impact and likelihood of occurrence as well as the current control effectiveness based on past history, knowledge of the existing controls in place and understanding of the risk aspects or problems faced during operation. All these will be recorded in the Risk Management Form ("RMF").

The RMF will be submitted to Internal Auditors for their independent assessment to ensure that the risks and controls were correctly recorded and in practice as such.

b) Process for Evaluating Risk

The risk rating guideline provides a basis for determining the rating of the residual audit risks, whether it is low, moderate or high. This takes into account the raw risks rating which is based on the impact and significance assessment and the control effectiveness rating as follows:

Raw risk rating	Control Effectiveness Rating		
	High	Moderate	Low
Low	Low	Low	Moderate
Moderate	Low	Moderate	High
High	Low	Moderate	High

If the risk is assessed to be moderate or high, then there is a need to come up with a mitigation plan.

Statement on Risk Management and Internal Control

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Risk Management (Cont'd)

c) Process for Managing Risk

The risks identified within the Group are managed by the Risk Management Team and Sustainability Working Group ("SWG") for sustainability related risk, the progress of the action plans to mitigate the risks are monitored and reported by the Internal Auditors and CRO to the EXCO and ARMC.

A Risk Register is maintained by the CRO to record all risks by department so that review can be performed regularly and status of the action plans can be monitored and updated. The Risk Register is communicated to the Risk Management Team on quarterly basis via emails.

The Group Risk Profiles with strategies to address these risks are continually reviewed, updated and reported to the ARMC by the CRO on a quarterly basis.

The key risk management processes for the main risk areas of the Group are as follows:

Risk Areas	Risk Management Processes
Business/Operational Risks (including Supply Risk, Human Resource Risk, Information Technology Risk, Production Risk, Quality Assurance/Quality Control Risk and Administration Risk)	<ul style="list-style-type: none"> • Day-to-day management of operational risks through an effective system of internal controls and monitoring measures. • Maintain the Quality Management System in compliance with international quality standard ISO 9001 : 2015 and BC1 : 2012. • Review of economic conditions and implications to business operations. • Review of regulatory compliance, reputation, cyber security and sustainability.
Inventory Management Risk	<ul style="list-style-type: none"> • Implementation of controls in inventory handling, movement and documentation. • Review and awareness of market information, price trend and changing business environment in making purchases and sales decisions as well as managing inventory levels. • Periodic internal stock counts on sampling basis and annual stock take.
Credit Risk	<ul style="list-style-type: none"> • Implementation of policies and procedures on invoicing, opening of new accounts of customers, overdue debts, doubtful debts, cash receipts and collections as well as credit controls. • Clearly defined authorities of Credit Committee in credit approving process.
Financial Risk	<ul style="list-style-type: none"> • Check and review processes in documents submitted to Finance Department and financial reports. • Implementation of applicable financial reporting standards and keeping abreast with new changes to ensure compliance. • Review and enhancement of existing accounting procedures manual.
Sustainability Risk (including Climate Related Risk)	<ul style="list-style-type: none"> • Reviews the sustainability implementation and performance indicators set. • Evaluates sustainability risks and opportunities. • Reviews and monitor disclosure requirements for identified material sustainability matters with targeted deadline set, person in-charge and progress reported.

Statement on Risk Management and Internal Control

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Key Internal Control Processes

The Group maintains a strong control structure whereby internal control is embedded in its business processes. The Group's internal control system comprises the following key processes:

1. Control Environment

a) Organisation Structure, Authorisation Procedures and Segregation of Duties

The Group maintains a structured line of reporting which includes definition of responsibilities and delegation of authority which are defined in the Organisation Charts and the Group's Summary of Authority Limits which reflects the authority and authorisation limit of the Board, EXCO, Management and other key officers. There are segregation of duties over verification, authorisation and reconciliation processes to reduce the scope of errors and mitigate the risk of fraud in the organisation.

b) Active Involvement by Executive Directors

The Executive Directors are actively involved in the running of the business and operations and they report to the Board on significant changes in the business and external environment, if any which affect the operations of the Group.

c) Board Committees

Board Committees such as EXCO, ARMC, Nomination and Remuneration Committee ("NRC") are established with clearly defined Terms of Reference ("TOR") outlining their functions and duties delegated by the Board. The Board Committees assist the Board to review the effectiveness of the ongoing monitoring processes on risk and control matters for areas within their scope of work. The TOR are reviewed regularly and updated when there are changes.

d) Policies and Procedures

Operational policies and procedures form an integral part of the internal control system to safeguard the Group's assets against material losses. These include standard operating practices, memorandum, manuals and handbooks which are updated, reviewed and revised periodically to meet changing business and operational requirements and statutory reporting needs.

e) External Certification

The effectiveness of the system of internal control is also reviewed in our Quality Management System (ISO 9001 : 2015 and BC1 : 2012). Regular review and periodic audits are conducted internally as well as by external auditors from accredited certification bodies. Results of these audits are reported to the Management.

2. Information and Communication

Appropriate internal and external communication processes have been established. Information critical to the achievement of the Group's business objectives are communicated through established reporting lines during the various meetings held and documentation such as operational guidelines, policies and procedures and in the form of reports, memorandum, staff and customer satisfaction surveys etc. Matters that require the Board and Management's attention are highlighted for review, deliberation and decision on a timely basis.

3. Review, Monitoring and Reporting

Scheduled operational and management meetings are held to discuss and review the business plans, financial and operational performances of the Group. All the meetings held are minuted to record the issues highlighted and discussed, action required and decisions made by the Management.

The Board is updated on the Group's performance at the scheduled quarterly meetings. The CFO provides assurance to the Board through the ARMC that appropriate accounting policies have been adopted and applied consistently, and that adequate processes and controls are in place for effective and appropriate financial reporting and disclosures under the Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and MMLRs of Bursa Securities.

Statement on Risk Management and Internal Control

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Key Internal Control Processes (Cont'd)

3. Review, Monitoring and Reporting (Cont'd)

There is also close review and monitoring on the significant assets of the Group by the Management such as Trade Receivables and Inventories. During the monthly Group Sales Meeting, review is performed on highlighted customers' long overdue debts, debts more than credit limit allowed and customers with credit limit more than guarantee amount, temporary accounts opened for customers, customers without guarantee amount owing more than the set threshold and debts of customers under same management group or are related. This is to ensure that the customers' debts are effectively monitored and to mitigate credit default risk. During the EXCO meeting, review is also performed on Inventories ageing and net write down/back of inventories which has impact to Profit and Loss of the Group for the financial period. There are also full inventory counts conducted in all the locations of the Group at each financial year end and periodic internal inventory counts throughout the year to identify any inventory variances for adjustments in system. This is to ensure that our inventory balances are accurate and values are reflective in our financial statement. The results of all the inventory counts performed and inventory variances, if any, are reported to the Management and adjusted in the system accordingly.

The SWG performs materiality assessment of sustainability matters of the Group's sustainability framework, i.e. economic, environment, social and governance which is detailed in the Sustainability Statement of this Annual Report. Besides this, the SWG also drives implementation, evaluates sustainability risks and opportunities, and reports sustainability initiatives by the stipulated deadline required by Bursa Securities.

4. Internal Audit Function

The Group outsourced its Internal Audit Function to an independent professional internal audit service provider firm to review the adequacy and integrity of the internal control system of the Group and to perform testing of the internal control on a quarterly basis. The Internal Audit function reports to the ARMC and is guided by an approved Internal Audit Charter. The internal audit is guided by the International Professional Practices Framework and the Global Internal Audit Standards issued by the Institute of Internal Auditors Inc. which contains the international standards for internal auditing. The Internal Audit Function, performed reviews on key processes within the Group according to the Internal Audit Plan which have been approved by the ARMC and assessed the effectiveness of the internal control system, based on their procedures. They will also ensure compliance to the relevant accounting policies and financial reporting standards relating to their auditable areas. Their audit report which highlights non-compliance or weaknesses, risks and implications, and management responses will be presented at the EXCO and ARMC Meetings. The Management is responsible for ensuring that corrective actions are taken within the stipulated time frame. Subsequent review on the implementation of corrective actions taken for previous audit findings raised will also be performed by the Internal Audit Function and reported to the ARMC.

The Internal Audit Function also performed independent assessment of the risks identified, evaluated and managed by the risk owners. Such assessment provides guidance in determining the risk-based audit plan and scope of work as well as preparation of audit programme for a more effective audit to be conducted.

The Internal Audit plan which is prepared based on areas of higher risk exposure has been approved by the ARMC. The business processes/audit areas, as well as the subsidiaries covered for the financial year ended 31 December 2025 were as follows:

Quarter	Audit Areas	Companies Reviewed
1	Conversion and Production, Quality Control	Choo Bee Metal Industries Berhad (Kapar Factory)
2	Cash Management	Choo Bee Metal Industries Berhad and Choo Bee Hardwares Sdn. Bhd.
3	Inventory Management, General Safety and Security	Choo Bee Hardwares Sdn. Bhd. (Kapar Warehouse)
4	Credit Control	Choo Bee Metal Industries Berhad, Choo Bee Hardwares Sdn. Bhd. and Taik Bee Hardware Sdn. Bhd.

Statement on Risk Management and Internal Control

REVIEW OF THE STATEMENT

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control, their review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants which does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Directors' Report

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the processing of steel coils into steel products, fabrication of steel products and trading of hardware products. All the subsidiaries are wholly owned and are mainly involved in dealing and trading of hardware and construction materials. The subsidiaries are all operating in Malaysia. There have been no significant changes in the nature of these principal activities of the Company and its subsidiaries during the financial year.

RESULTS

	Group RM'000	Company RM'000
Loss for the financial year	6,608	7,661
Attributable to:		
Owners of the parent	6,608	7,661

DIVIDEND

No dividend has been paid, declared or proposed since the end of the previous financial year. The Directors do not recommend any payment of dividend in respect of the current financial year ended 31 December 2025.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

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

Choo Bee Metal Industries Berhad

Soon Cheng Hai
 Soon Cheng Boon
 Puan Sri Shahrizan Binti Abdullah
 Ng Leong Teck
 Soon Seong Koon (Appointed on 1 January 2026)
 Ng Lai Chiek (Appointed on 1 January 2026)
 Ng Poh Tat (Retired on 28 February 2026)

Subsidiaries of Choo Bee Metal Industries Berhad

Soon Cheng Hai
 Soon Cheng Boon
 Soon Siew Hoon
 Chua Hian Hock
 Soon Seong Koon (Appointed on 1 January 2026)

Directors' Report

DIRECTORS' INTERESTS

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

	← Number of ordinary shares →			
	Balance as at 1.1.2025	Bought	Sold	
Shares in the Company				
Direct interests				
Soon Cheng Hai	2,400,000	-	-	2,400,000
Soon Cheng Boon	2,316,600	-	-	2,316,600
Puan Sri Shahrizan Binti Abdullah	86,112	-	-	86,112
Deemed interests by virtue of shares held by companies in which the Directors have interests				
Soon Cheng Hai	106,506,087	-	-	106,506,087
Soon Cheng Boon	106,506,087	-	-	106,506,087
Deemed interests by virtue of shares held by immediate family members of the Directors				
Soon Cheng Boon #	58,080	-	-	58,080
Shares in the ultimate holding company, Soon Lian Huat Holdings Sdn. Berhad				
Direct interests				
Soon Cheng Hai	1,226,667	-	-	1,226,667
Soon Cheng Boon	1,226,667	-	-	1,226,667
Shares in a related company, Choo Bee Holdings Sdn. Bhd.				
Direct interests				
Soon Cheng Hai	161,829	-	-	161,829
Soon Cheng Boon	161,829	-	-	161,829
Deemed interests by virtue of shares held by companies in which the Directors have interest				
Soon Cheng Hai	1,973,900	-	-	1,973,900
Soon Cheng Boon	1,973,900	-	-	1,973,900

Deemed interests through children's and/or spouse's shareholdings pursuant to Section 59 (11) (c) of the Companies Act 2016 in Malaysia.

Directors' Report

DIRECTORS' INTERESTS (CONT'D)

By virtue of their interests in the ordinary shares of the Company and of its ultimate holding company, Soon Cheng Hai, Soon Cheng Boon and Puan Sri Shahrizan Binti Abdullah are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company and the holding company have interests.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the following:

- i) remuneration received by certain Directors as Directors/executives of the holding company, related companies and its subsidiaries; and
- ii) deemed benefits arising from related party transactions.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

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

	Group RM'000	Company RM'000
Executive Directors:		
Fees	70	40
Other emoluments	2,447	1,243
	2,517	1,283
Non-executive Directors:		
Fees	188	186
Other emoluments	94	46
	2,799	1,515

The estimated monetary value of benefits-in-kind received and receivable by Executive Directors otherwise than in cash from the Group and the Company amounted to RM56,000 and RM28,000 respectively.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company maintain a corporate liability insurance, which provides appropriate insurance cover for the Directors and officers of the Group throughout the financial year.

During the financial year, the total amount of insurance premium paid for the Directors and officers of the Group and of the Company was RM12,880.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

Directors' Report

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 have satisfied themselves that there are 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 provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;

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

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

(III) AS AT THE DATE OF THIS REPORT

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

ULTIMATE HOLDING COMPANY

The Directors regard Soon Lian Huat Holdings Sdn. Berhad, which is incorporated in Malaysia as the ultimate holding company.

Directors' Report

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 December 2025 were as follows:

	Group RM'000	Company RM'000
Statutory audit	189	85
Other services	5	5
	194	90

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

.....
Soon Cheng Hai
 Director

Ipoh
 18 March 2026

.....
Soon Cheng Boon
 Director

Statement By Directors

In the opinion of the Directors, the financial statements set out on pages 92 to 151 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....
Soon Cheng Hai
Director

.....
Soon Cheng Boon
Director

Ipoh
18 March 2026

Statutory Declaration

I, Chong Choy Har (CA 31863), being the officer primarily responsible for the financial management of Choo Bee Metal Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 92 to 151 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)
Johor Bahru this)
18 March 2026)

Chong Choy Har

Before me:

Serena Kaur
No. J252
Commissioner for Oaths

Independent Auditors' Report

To The Members Of Choo Bee Metal Industries Berhad (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Choo Bee Metal Industries Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 92 to 151.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Carrying amount of inventories at lower of cost and net realisable value

As at 31 December 2025, the carrying amount of inventories of the Group and of the Company, which were generally steel products, were RM165.5 million and RM99.3 million respectively. Details of the inventories have been disclosed in Note 10 to the financial statements.

We have focused on the audit 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 is mainly based on management estimates, which have been derived from estimates of selling prices that are subject to price volatility of steel, and if not accounted for properly, may lead to the valuation of inventories being misstated.

Audit response

Our audit procedures included the following:

- (a) Evaluated the design and implementation over the control of identification of slow-moving inventories and tested their effectiveness;
- (b) Checked selected inventories samples to sales subsequent to the financial year end to determine that these were sold at more than its cost; and
- (c) Assessed the appropriateness of inventories written down by verifying selling prices subsequent to the end of the reporting period.

We have determined that there is no key audit matter to be communicated in our auditors' report of the audit of the separate financial statements of the Company.

Independent Auditors' Report

To The Members Of Choo Bee Metal Industries 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.
- (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.

Independent Auditors' Report

To The Members Of Choo Bee Metal Industries Berhad (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (CONT'D)

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

- (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.

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

Sia Yeak Hong
03413/02/2027 J
Chartered Accountant

Johor Bahru
18 March 2026

Statements of Financial Position

As At 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	249,174	255,195	180,749	186,146
Investment properties	6	9,820	9,820	71,000	71,000
Right-of-use assets	7	19,986	21,588	5,139	6,306
Investments in subsidiaries	8	-	-	26,673	26,673
Goodwill on consolidation	9	-	-	-	-
		278,980	286,603	283,561	290,125
Current assets					
Inventories	10	165,508	200,953	99,281	124,681
Trade and other receivables	11	89,336	100,296	51,732	61,908
Derivative assets	12	-	1	-	-
Current tax assets		10,481	14,226	9,285	12,583
Other investments	13	8,868	-	-	-
Cash and bank balances	14	47,244	28,019	3,088	1,899
		321,437	343,495	163,386	201,071
TOTAL ASSETS		600,417	630,098	446,947	491,196
EQUITY AND LIABILITIES					
Equity attributable to the owners of the parent					
Share capital	15	131,691	131,691	131,691	131,691
Treasury shares	15	(1,462)	(1,462)	(1,462)	(1,462)
Reserves	16	457,131	463,739	240,189	247,850
TOTAL EQUITY		587,360	593,968	370,418	378,079

Statements of Financial Position

As At 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
LIABILITIES					
Non-current liabilities					
Lease liabilities	7	1,554	3,126	1,412	2,748
Deferred tax liabilities	17	625	945	1,943	1,943
		2,179	4,071	3,355	4,691
Current liabilities					
Trade and other payables	18	8,979	26,902	71,513	103,676
Borrowings	19	-	3,300	-	3,300
Lease liabilities	7	1,685	1,661	1,449	1,433
Derivative liabilities	12	212	17	212	17
Current tax liabilities		2	179	-	-
		10,878	32,059	73,174	108,426
TOTAL LIABILITIES		13,057	36,130	76,529	113,117
TOTAL EQUITY AND LIABILITIES		600,417	630,098	446,947	491,196

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

Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	22	372,376	396,352	207,098	206,855
Cost of sales		(356,884)	(399,230)	(205,329)	(226,568)
Gross profit/(loss)		15,492	(2,878)	1,769	(19,713)
Other income		5,364	1,766	6,258	3,773
Administrative expenses		(12,921)	(14,047)	(7,331)	(8,025)
Selling and distribution expenses		(13,911)	(14,542)	(5,194)	(4,878)
Finance costs	26	(32)	(442)	(3,166)	(3,292)
Net impairment (loss)/gain on financial assets	23(b)	(134)	92	3	3
Loss before taxation	23	(6,142)	(30,051)	(7,661)	(32,132)
Taxation	27	(466)	4,311	-	5,142
Loss for the financial year		(6,608)	(25,740)	(7,661)	(26,990)
Other comprehensive income					
Item that will not be reclassified subsequently to profit or loss					
Fair value adjustment on revaluation of properties, net of tax		-	-	-	17,485
Total comprehensive loss		(6,608)	(25,740)	(7,661)	(9,505)
Loss attributable to:					
Owners of the parent		(6,608)	(25,740)	(7,661)	(9,505)
Total comprehensive loss attributable to:					
Owners of the parent		(6,608)	(25,740)	(7,661)	(9,505)
Loss per share attributable to the equity holders of the Company (sen)					
Basic and diluted	28	(3.37)	(13.13)		

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

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 December 2025

Group	Note	Share capital RM'000	Treasury shares RM'000	General reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2025		131,691	(1,462)	1,186	6,707	455,846	593,968
Loss for the financial year		-	-	-	-	(6,608)	(6,608)
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive loss		-	-	-	-	(6,608)	(6,608)
Balance as at 31 December 2025		131,691	(1,462)	1,186	6,707	449,238	587,360
Balance as at 1 January 2024		131,691	(1,462)	1,186	6,707	482,566	620,688
Loss for the financial year		-	-	-	-	(25,740)	(25,740)
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive loss		-	-	-	-	(25,740)	(25,740)
Transaction with owners							
Dividend	29	-	-	-	-	(980)	(980)
Total transaction with owners		-	-	-	-	(980)	(980)
Balance as at 31 December 2024		131,691	(1,462)	1,186	6,707	455,846	593,968

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

Statement of Changes in Equity

For The Financial Year Ended 31 December 2025

Company	Note	Share capital RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2025		131,691	(1,462)	17,485	230,365	378,079
Loss for the financial year		-	-	-	(7,661)	(7,661)
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive loss		-	-	-	(7,661)	(7,661)
Balance as at 31 December 2025		131,691	(1,462)	17,485	222,704	370,418
Balance as at 1 January 2024		131,691	(1,462)	-	258,335	388,564
Loss for the financial year		-	-	-	(26,990)	(26,990)
Other comprehensive income, net of tax	27(c)	-	-	17,485	-	17,485
Total comprehensive income/(loss)		-	-	17,485	(26,990)	(9,505)
Transaction with owners						
Dividend	29	-	-	-	(980)	(980)
Total transaction with owners		-	-	-	(980)	(980)
Balance as at 31 December 2024		131,691	(1,462)	17,485	230,365	378,079

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

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before taxation		(6,142)	(30,051)	(7,661)	(32,132)
Adjustments for:					
Bad debt recovered	23	(3)	(5)	(2)	-
Depreciation of property, plant and equipment	5	10,209	9,625	9,318	8,719
Depreciation of right-of-use assets	7	1,957	1,981	1,522	1,533
Dividend income received from:					
- a subsidiary	23	-	-	-	(495)
Fair value (gain)/loss on:					
- investment properties	6	-	(70)	-	-
- derivative financial instruments	12(c)	196	4	195	5
Loss on disposals of property, plant and equipment	23	204	52	99	39
Gain on lease modification		-	(3)	-	(3)
Impairment losses on:					
- property, plant and equipment		2,240	-	2,121	-
- trade receivables	23(b)	137	15	-	-
Reversal of impairment loss on trade receivables	23(b)	(3)	(107)	(3)	(3)
Interest expense	26	32	442	3,166	3,292
Interest on lease liabilities	7	113	79	95	66
Interest income on overdue accounts	23	(325)	(296)	(15)	(3)
Interest income		(1,072)	(381)	(257)	(157)
Net inventories written (back)/down	10	(2,095)	2,874	(2,622)	2,323
Net unrealised loss/(gain) on foreign exchange transactions	23	346	226	459	(54)
Property, plant and equipment written off	5	15	41	15	39
Operating profit/(loss) before changes in working capital					
- carried forward		5,809	(15,574)	6,430	(16,831)

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Operating profit/(loss) before changes in working capital					
- brought forward		5,809	(15,574)	6,430	(16,831)
Changes in working capital					
Inventories		37,540	12,502	28,023	(23,144)
Trade and other receivables		10,825	7,935	10,159	3,064
Trade and other payables		(18,304)	15,251	(9,037)	11,644
Cash flows generated from/(used in) operations		35,870	20,114	35,575	(25,267)
Interest received		325	296	15	3
Tax refunded		3,506	-	3,297	-
Tax paid		(724)	(1,430)	-	(335)
Net cash from/(used in) operating activities		38,977	18,980	38,887	(25,599)
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received from a subsidiary	23(a)	-	-	-	495
Increase in deposits pledged to a licensed bank		(6)	(7)	(5)	(6)
Interest received		1,072	381	257	157
Purchase of right-of-use assets	7	(159)	(78)	(159)	(78)
Purchase of property, plant and equipment	5	(7,214)	(14,064)	(6,372)	(13,477)
Purchase of other investments		(8,868)	-	-	-
Proceeds from disposals of property, plant and equipment		483	379	133	20
Net (repayments to)/advances from subsidiaries		-	-	(23,490)	42,680
Net cash (used in)/from investing activities		(14,692)	(13,389)	(29,636)	29,791

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	29	-	(980)	-	(980)
Interest paid		(32)	(442)	(3,166)	(3,292)
Trust receipts:					
- Repayments		(3,000)	(45,400)	-	(40,600)
- Drawdowns		3,000	40,400	-	35,600
Bankers' acceptance:					
- Repayments		(12,300)	(46,100)	(12,300)	(41,500)
- Drawdowns		9,000	46,400	9,000	41,800
Trade loan:					
- Repayments		-	(397)	-	-
- Drawdowns		-	397	-	-
Repayment of lease interests		(113)	(79)	(95)	(66)
Repayment of lease liabilities		(1,660)	(1,707)	(1,432)	(1,477)
Net cash used in financing activities		(5,105)	(7,908)	(7,993)	(10,515)
Net increase/(decrease) in cash and cash equivalents		19,180	(2,317)	1,258	(6,323)
Effect of exchange rate changes on cash and cash equivalents		39	(331)	(74)	(42)
Cash and cash equivalents at beginning of financial year		27,783	30,431	1,692	8,057
Cash and cash equivalents at end of financial year	14(f)	47,002	27,783	2,876	1,692

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 7)		Bankers' acceptance (Note 19)		Trust receipts (Note 19)	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000	Group RM'000	Company RM'000
At 1 January 2025	4,787	4,181	3,300	3,300	-	-
Cash flows	(1,773)	(1,527)	(3,300)	(3,300)	-	-
Non-cash flows:						
- Unwinding of interest	113	95	-	-	-	-
- Additions	112	112	-	-	-	-
At 31 December 2025	3,239	2,861	-	-	-	-
At 1 January 2024	4,764	3,928	3,000	3,000	5,000	5,000
Cash flows	(1,786)	(1,543)	300	300	(5,000)	(5,000)
Non-cash flows:						
- Unwinding of interest	79	66	-	-	-	-
- Modification	3	3	-	-	-	-
- Additions	1,727	1,727	-	-	-	-
At 31 December 2024	4,787	4,181	3,300	3,300	-	-

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

Notes to Financial Statements

31 December 2025

1. CORPORATE INFORMATION

Choo Bee Metal Industries 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.

During the financial year, the registered office of the Company has changed from Wisma Soon Teik Aun, Jalan Bendahara, 31650 Ipoh, Perak Darul Ridzuan to No. 37B, Jalan Basco Kepayang 1, Basco Avenue @ Kepayang, 31400 Ipoh, Perak Darul Ridzuan.

The principal place of business of the Company is located at Wisma Soon Teik Aun, Jalan Bendahara, 31650 Ipoh, Perak Darul Ridzuan.

The ultimate holding company of the Company is Soon Lian Huat Holdings Sdn. Berhad, which is incorporated in Malaysia.

The consolidated financial statements for the financial year ended 31 December 2025 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand (“RM’000”), unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 18 March 2026.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the processing of steel coils into steel products, fabrication of steel products and trading of hardware products. All the subsidiaries are wholly owned and are mainly involved in dealing and trading of hardware and construction materials. The subsidiaries are all operating in Malaysia. There have been no significant changes in the nature of these principal activities of the Company and its subsidiaries during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standard 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 has arrived at two reportable operating segments that are based on information reported internally to the Management and the Board of Directors. The reportable segments are summarised as follows:

(i) Trading

Dealing in hardware and construction materials

(ii) Manufacturing

Processing of steel coils into steel products and fabrication of steel products

The Group evaluates performance on the basis of profit or loss from operations before taxation not including non-recurring losses, such as goodwill impairment.

Inter-segment revenue is priced along the similar 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 Financial Statements

31 December 2025

4. OPERATING SEGMENTS (CONT'D)

Segment assets exclude derivative assets, cash and bank balances, assets used primarily for corporate purposes and items that cannot be reasonably allocated to individual segments.

Segment liabilities exclude deferred tax liabilities and derivative liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirement). Details are provided in the reconciliations from segment assets and liabilities to the position of the Group.

Group 2025	Trading RM'000	Manufacturing RM'000	Total RM'000
Revenue			
Total revenue	220,082	202,162	422,244
Inter-segment sales	(9,698)	(40,170)	(49,868)
Revenue from external customers	210,384	161,992	372,376
Depreciation of property, plant and equipment	(993)	(9,216)	(10,209)
Depreciation of right-of-use assets	(472)	(1,485)	(1,957)
Segment profit/(loss) before taxation	448	(4,079)	(3,631)
Fair value loss on derivative financial instruments	(6)	(190)	(196)
Loss on disposals of property, plant and equipment	(108)	(96)	(204)
Impairment loss on:			
- trade receivables	(137)	-	(137)
- property, plant and equipment	-	(2,240)	(2,240)
Inventories written (down)/back	(465)	2,560	2,095
Property, plant and equipment written off	(1)	(14)	(15)
Reversal of impairment loss on trade receivables	-	3	3
Additions to non-current assets other than financial instruments and deferred tax assets	1,000	6,485	7,485
Segment assets	172,358	380,815	553,173
Segment liabilities	6,598	5,622	12,220

Notes to Financial Statements

31 December 2025

4. OPERATING SEGMENTS (CONT'D)

Group 2024	Trading RM'000	Manufacturing RM'000	Total RM'000
Revenue			
Total revenue	268,700	202,156	470,856
Inter-segment sales	(10,005)	(64,499)	(74,504)
Revenue from external customers	<u>258,695</u>	<u>137,657</u>	<u>396,352</u>
Depreciation of property, plant and equipment	(1,014)	(8,611)	(9,625)
Depreciation of right-of-use assets	(483)	(1,498)	(1,981)
Segment profit/(loss) before taxation	755	(28,425)	(27,670)
Fair value gain/(loss) on:			
- derivative financial instruments	1	(5)	(4)
- investment properties	70	-	70
Loss on disposals of property, plant and equipment	(14)	(38)	(52)
Net reversal of impairment losses on trade receivables	89	3	92
Inventories written down	(604)	(2,270)	(2,874)
Property, plant and equipment written off	(3)	(38)	(41)
Additions to non-current assets other than financial instruments and deferred tax assets	934	14,935	15,869
Segment assets	<u>180,859</u>	<u>406,993</u>	<u>587,852</u>
Segment liabilities	<u>13,222</u>	<u>21,946</u>	<u>35,168</u>

Notes to Financial Statements

31 December 2025

4. OPERATING SEGMENTS (CONT'D)

(a) Reconciliations

Reconciliations of reportable segment profit or loss, assets and liabilities to the Group's corresponding amounts are as follows:

Group 2025	Trading RM'000	Manufacturing RM'000	Total RM'000
Loss for the financial year			
Total profit/(loss) for reportable segments	448	(4,079)	(3,631)
Elimination of inter-segment loss	(2,479)	-	(2,479)
Finance costs	(3)	(29)	(32)
Loss before taxation	(2,034)	(4,108)	(6,142)
Taxation	(466)	-	(466)
Loss for the financial year	<u>(2,500)</u>	<u>(4,108)</u>	<u>(6,608)</u>
Assets			
Total assets for reportable segments	172,358	380,815	553,173
<u>Unallocated assets</u>			
Cash and bank balances			<u>47,244</u>
Assets of the Group per consolidated statement of financial position			<u>600,417</u>
Liabilities			
Total liabilities for reportable segments	6,598	5,622	12,220
<u>Unallocated liabilities</u>			
Derivative liabilities			212
Deferred tax liabilities			<u>625</u>
Liabilities of the Group per consolidated statement of financial position			<u>13,057</u>

Notes to Financial Statements

31 December 2025

4. OPERATING SEGMENTS (CONT'D)

(a) Reconciliations (Cont'd)

Reconciliations of reportable segment profit or loss, assets and liabilities to the Group's corresponding amounts are as follows: (continued)

Group 2024	Trading RM'000	Manufacturing RM'000	Total RM'000
Loss for the financial year			
Total profit/(loss) for reportable segments	755	(28,425)	(27,670)
Elimination of inter-segment profit	(1,455)	(484)	(1,939)
Finance costs	(41)	(401)	(442)
Loss before taxation	(741)	(29,310)	(30,051)
Taxation	(714)	5,025	4,311
Loss for the financial year	(1,455)	(24,285)	(25,740)
Assets			
Total assets for reportable segments	180,859	406,993	587,852
<u>Unallocated assets</u>			
Current tax assets			14,226
Cash and bank balances			28,019
Derivative assets			1
Assets of the Group per consolidated statement of financial position			630,098
Liabilities			
Total liabilities for reportable segments	13,222	21,946	35,168
<u>Unallocated liabilities</u>			
Derivative liabilities			17
Deferred tax liabilities			945
Liabilities of the Group per consolidated statement of financial position			36,130

Notes to Financial Statements

31 December 2025

4. OPERATING SEGMENTS (CONT'D)

(b) Geographical information

The analysis of the Group's segment revenue from external customers by geographical area based on the region in which the customer is located is as follows:

	Group	
	2025 RM'000	2024 RM'000
Malaysia	334,118	347,669
Asia, other than Malaysia	38,258	48,683
Total revenue	372,376	396,352

Information on the carrying amount of segment assets by geographical market and cost to acquire property, plant and equipment by location of assets has not been disclosed as the Group operates principally in Malaysia.

Major customers

There are no major customers with revenue equal or more than ten percent (10%) of the Group revenue. As such, information on major customers is not presented.

Notes to Financial Statements

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5. PROPERTY, PLANT AND EQUIPMENT

Group 2025	Balance as at 1.1.2025 RM'000	Additions RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Written off RM'000	Impairment RM'000	Reclassi- fications RM'000	Transfer to right-of- use assets (Note 7) RM'000	Balance as at 31.12.2025 RM'000
Carrying amount									
Freehold land	36,766	-	-	-	-	-	-	-	36,766
Buildings	100,743	14	-	(1,852)	-	-	99	-	99,004
Plant and machinery	90,889	3,307	(21)	(6,587)	(10)	(2,240)	1,629	-	86,967
Electrical installation	4,512	116	-	(655)	-	-	5,437	-	9,410
Furniture, fittings, equipment and vehicles	8,792	1,193	(666)	(1,084)	(5)	-	222	-	8,452
Renovation	1,170	-	-	(31)	-	-	54	-	1,193
Construction-in-progress	12,323	2,584	-	-	-	-	(7,441)	(84)	7,382
	255,195	7,214	(687)	(10,209)	(15)	(2,240)	-	(84)	249,174

	<----- At 31.12.2025 ----->			
	Cost RM'000	Accumulated depreciation and impairment RM'000		Carrying amount RM'000
Freehold land	36,766	-		36,766
Buildings	122,002	(22,998)		99,004
Plant and machinery	190,036	(103,069)		86,967
Electrical installation	14,782	(5,372)		9,410
Furniture, fittings, equipment and vehicles	16,354	(7,902)		8,452
Renovation	2,280	(1,087)		1,193
Construction-in-progress	7,382	-		7,382
	389,602	(140,428)		249,174

Notes to Financial Statements

31 December 2025

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

Group 2024	Balance as at 1.1.2024 RM'000	Additions RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Written off RM'000	Reclassifications RM'000	Balance as at 31.12.2024 RM'000
Carrying amount							
Freehold land	36,766	-	-	-	-	-	36,766
Buildings	76,834	3	(3)	(2,294)	-	26,203	100,743
Plant and machinery	31,801	768	(333)	(5,875)	-	64,528	90,889
Electrical installation	3,298	12	-	(366)	-	1,568	4,512
Furniture, fittings, equipment and vehicles	8,270	1,638	(95)	(1,074)	(41)	94	8,792
Renovation	699	4	-	(16)	-	483	1,170
Construction-in-progress	93,560	11,639	-	-	-	(92,876)	12,323
	251,228	14,064	(431)	(9,625)	(41)	-	255,195

	At 31.12.2024		
	Cost RM'000	Accumulated depreciation and impairment RM'000	
	Carrying amount RM'000		
Freehold land	36,766	-	36,766
Buildings	121,889	(21,146)	100,743
Plant and machinery	185,234	(94,345)	90,889
Electrical installation	9,230	(4,718)	4,512
Furniture, fittings, equipment and vehicles	16,514	(7,722)	8,792
Renovation	2,225	(1,055)	1,170
Construction-in-progress	12,323	-	12,323
	384,181	(128,986)	255,195

Notes to Financial Statements

31 December 2025

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

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation is calculated to write off the cost or valuation of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation period and annual rates are as follows:

Buildings	1% - 2%
Plant and machinery	2% - 20%
Electrical installation	5%
Furniture, fittings, equipment and vehicles	5% - 20%
Renovation	2% - 20%

Freehold land has an unlimited useful life and is not depreciated. Construction-in-progress represents machinery under installation and renovation in progress and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised.

- (c) Impairment assessment

The Group assesses impairment of assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use.

6. INVESTMENT PROPERTIES

Group	Balance as at 1.1.2025 RM'000	Fair value adjustments RM'000	Balance as at 31.12.2025 RM'000
At fair value			
Freehold land and buildings	1,490	-	1,490
Leasehold land and buildings	8,330	-	8,330
	9,820	-	9,820

	Balance as at 1.1.2024 RM'000	Fair value adjustments RM'000	Balance as at 31.12.2024 RM'000
At fair value			
Freehold land and buildings	1,420	70	1,490
Leasehold land and buildings	8,330	-	8,330
	9,750	70	9,820

Notes to Financial Statements

31 December 2025

6. INVESTMENT PROPERTIES (CONT'D)

Company	Balance as at 1.1.2025 RM'000	Fair value adjustments RM'000	Balance as at 31.12.2025 RM'000
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At fair value

Freehold land and buildings	71,000	-	71,000
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	Balance as at 1.1.2024 RM'000	Transfer from property, plant and equipment (Note 5) RM'000	Fair value adjustments RM'000	Balance as at 31.12.2024 RM'000
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At fair value

Freehold land and buildings	-	51,572	19,428	71,000
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- (a) Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value.
- (b) Investment properties at Level 3 fair values were recommended by the Directors as at the end of reporting period.

On 31 December 2025, the carrying amount of the investment properties of the Group and of the Company were based on assessment by the Directors (2024: valuation by independent valuers). The fair value measurement of the properties were based on comparison method that makes reference and adjustments of similar properties in the vicinity. The price per square foot of the properties adopted, ranged from RM50 to RM225 (2024: RM50 to RM225) and RM120 (2024: RM120) for the Group and Company respectively. Any changes in the price per square foot will result in a reasonable change in the fair value of the investment properties.

The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use. The investment properties of the Group and of the Company are used to generate rental income. There is no transfer between levels in the hierarchy during the financial year.

- (c) The leasehold land has a remaining lease period of 17 years to 54 years (2024: 18 years to 55 years).
- (d) Rental income generated from rental of investment properties which generated rental income to the Group and the Company during the financial year amounted to RM467,000 (2024: RM464,000) and RM2,710,000 (2024: RM2,652,000) respectively.
- (e) Direct operating expenses arising from investment properties generating rental income during the financial year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Insurance	38	39	32	33
Quit rent and assessment	162	141	117	101

- (f) Fair value of the investment properties of the Group and of the Company are categorised as Level 3 of the fair value hierarchy.

Notes to Financial Statements

31 December 2025

6. INVESTMENT PROPERTIES (CONT'D)

(g) The aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Less than one (1) year	303	459	3,000	2,710
One (1) to two (2) years	32	270	3,000	3,000
Two (2) to three (3) years	24	-	2,500	3,000
Three (3) to four (4) years	-	-	-	2,500
	359	729	8,500	11,210

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

Group	Balance as at 1.1.2025 RM'000	Additions RM'000	Transfer from property, plant and equipment (Note 5) RM'000	Depreciation charged for the financial year RM'000	Balance as at 31.12.2025 RM'000
Carrying amount					
Leasehold land	16,850	159	84	(275)	16,818
Buildings	4,738	112	-	(1,682)	3,168
	21,588	271	84	(1,957)	19,986

Group	Balance as at 1.1.2024 RM'000	Additions RM'000	Modification RM'000	Depreciation charged for the financial year RM'000	Balance as at 31.12.2024 RM'000
Carrying amount					
Leasehold land	17,042	78	-	(270)	16,850
Buildings	4,716	1,727	6	(1,711)	4,738
	21,758	1,805	6	(1,981)	21,588

Notes to Financial Statements

31 December 2025

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

(a) Right-of-use assets (Cont'd)

Company	Balance as at 1.1.2025 RM'000	Additions RM'000	Transfer from property, plant and machinery (Note 5) RM'000	Depreciation charged for the financial year RM'000	Balance as at 31.12.2025 RM'000
Carrying amount					
Leasehold land	2,155	159	84	(72)	2,326
Buildings	4,151	112	-	(1,450)	2,813
	6,306	271	84	(1,522)	5,139

Company	Balance as at 1.1.2024 RM'000	Additions RM'000	Modification RM'000	Depreciation charged for the financial year RM'000	Balance as at 31.12.2024 RM'000
Carrying amount					
Leasehold land	2,143	78	-	(66)	2,155
Buildings	3,885	1,727	6	(1,467)	4,151
	6,028	1,805	6	(1,533)	6,306

- (i) The right-of-use assets comprise industrial land and building and they are initially recorded at cost.

After initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

- (ii) 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 principal depreciation periods used are as follows:

Leasehold land	60 - 84 years
Buildings	3 years

Notes to Financial Statements

31 December 2025

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

(a) Right-of-use assets (Cont'd)

(iii) The following are the amounts recognised in profit or loss:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Depreciation charge of right-of-use assets				
- cost of sales	894	914	706	725
- administrative expenses	983	988	816	808
- selling and distribution expenses	80	79	-	-
Interest expense on lease liabilities				
- cost of sales	28	24	29	23
- administrative expenses	78	51	66	43
- selling and distribution expenses	7	4	-	-
Expenses relating to low-value leases				
- cost of sales	-	3	-	3
- administrative expenses	1	1	-	-
	2,071	2,064	1,617	1,602

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the financial year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As at 1 January	4,787	4,764	4,181	3,928
Additions	112	1,727	112	1,727
Accretion of interest	113	79	95	66
Payments	(1,773)	(1,786)	(1,527)	(1,543)
Modification	-	3	-	3
As at 31 December	3,239	4,787	2,861	4,181
Represented by:				
Non-current liabilities	1,554	3,126	1,412	2,748
Current liabilities	1,685	1,661	1,449	1,433
Lease liabilities owing to non-financial institutions	3,239	4,787	2,861	4,181

Notes to Financial Statements

31 December 2025

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

(b) Lease liabilities (Cont'd)

- (i) The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the Group and the Company measure the lease liabilities by increasing the carrying amount to reflect interest on the lease liabilities, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.
- (ii) The Group and the Company have certain low-value of leases of RM5,000 and below. The Group and the Company apply the 'lease of low-value assets' exemptions for these leases.
- (iii) The following are total cash outflows for leases of the Group and of the Company:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Included in net cash from operating activities:				
Payments relating to low value assets	1	4	-	3
Included in net cash used in financing activities:				
Payments of lease liabilities	1,660	1,707	1,432	1,477
Interest paid in relation to lease liabilities	113	79	95	66
	<u>1,774</u>	<u>1,790</u>	<u>1,527</u>	<u>1,546</u>

Notes to Financial Statements

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

(b) Lease liabilities (Cont'd)

(iv) The following table sets out the carrying amounts, the incremental borrowing rates and the remaining maturities of the lease liabilities of the Group and of the Company that are exposed to interest rate risk:

Group	Incremental borrowing rates per annum %	Within 1 year RM'000	1 - 2 years RM'000	More than 2 years RM'000	Total RM'000
At 31 December 2025					
Lease liabilities					
Fixed rates	3.42 - 3.92	1,685	1,229	325	3,239
At 31 December 2024					
Lease liabilities					
Fixed rates	3.36 - 3.92	1,661	1,669	1,457	4,787
At 31 December 2025					
Lease liabilities					
Fixed rates	3.42 - 3.92	1,449	1,087	325	2,861
At 31 December 2024					
Lease liabilities					
Fixed rates	3.36 - 3.92	1,433	1,433	1,315	4,181

(v) The maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is disclosed in Note 32(ii) to the financial statements.

(vi) Management exercises judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use assets in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

Notes to Financial Statements

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

(c) The Group as lessor

The Group has entered into irrevocable lease agreements on certain properties for terms of between one (1) to three (3) years and renewable at the end of the lease period subject to an increase clause.

The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group	
	2025 RM'000	2024 RM'000
Less than one (1) year	162	360
One (1) to two (2) years	-	90
	162	450

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost	26,673	26,673

(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.

Non-controlling interests are measured at the proportionate share of net assets of subsidiaries, unless another measurement basis is required by MFRSs.

(b) Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of company	Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
Choo Bee Hardwares Sdn. Bhd.	Malaysia	100	100	Dealer in hardware and construction materials
Taik Bee Hardware Sdn. Bhd.	Malaysia	100	100	Trading of steel products, hardware products and construction materials
Subsidiary of Choo Bee Hardwares Sdn. Bhd.				
Choo Bee Hardware (Sabah) Sdn. Bhd.	Malaysia	100	100	Dealer in hardware and construction materials

All subsidiaries are audited by BDO PLT in Malaysia.

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9. GOODWILL ON CONSOLIDATION

	Group	
	2025 RM'000	2024 RM'000
Goodwill on consolidation	87	87
Less: Impairment loss	<u>(87)</u>	<u>(87)</u>
	<u>-</u>	<u>-</u>

Goodwill is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

10. INVENTORIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At cost				
Raw materials	44,812	50,601	44,812	50,601
Work-in-progress	11,573	6,758	11,573	6,758
Consumables	1,602	1,601	1,602	1,601
Trading goods	46,840	51,557	41	42
Manufactured goods	30,549	22,927	30,549	22,927
	135,376	133,444	88,577	81,929
At net realisable value				
Raw materials	2,507	18,293	2,393	18,155
Work-in-progress	1,741	5,781	1,741	5,780
Trading goods	18,734	23,913	61	66
Manufactured goods	7,150	19,522	6,509	18,751
	30,132	67,509	10,704	42,752
	165,508	200,953	99,281	124,681
Recognised in profit or loss				
Inventories recognised as cost of sales	329,681	377,580	178,125	204,919
Inventories written down	(830)	(2,874)	-	(2,323)
Inventories written back	2,925	-	2,622	-

Notes to Financial Statements

31 December 2025

10. INVENTORIES (CONT'D)

(a) Inventories are stated at the lower of cost and net realisable value.

The cost of raw materials, consumables and trading goods are determined on a weighted average basis and comprises the original cost of purchase plus the cost of acquiring the inventories and other costs incurred (including import duties and other taxes) in bringing them to their present location and condition.

The cost of work-in-progress and manufactured goods includes the cost of raw materials, direct labour, and an appropriate share of production overheads based on normal operating capacity of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

The Group writes down obsolete or slow moving inventories based on assessment of their estimated net selling prices. Management exercises judgement in evaluating circumstances which may indicate that the carrying amounts could not be recovered and in assessing the adequacy of the write down for obsolete or slow moving inventories.

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade receivables				
- Third parties	81,133	94,857	33,179	39,382
- Related parties	159	206	-	-
- Subsidiaries	-	-	12,024	18,808
- Immediate holding company	-	-	-	-
	81,292	95,063	45,203	58,190
Less: Impairment losses	(459)	(325)	(82)	(85)
Total trade receivables	80,833	94,738	45,121	58,105
Other receivables				
Amount owing by ultimate holding company	1	1	-	-
Third parties	4,681	1,267	4,035	68
Deposits	2,425	2,011	1,687	1,868
Total other receivables	7,107	3,279	5,722	1,936
Total receivables	87,940	98,017	50,843	60,041
Prepayments	1,396	2,279	889	1,867
	89,336	100,296	51,732	61,908

Notes to Financial Statements

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11. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are interest bearing and the normal trade credit terms granted by the Group and the Company range from 7 to 60 days (2024: 7 to 60 days). They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) Amount owing by ultimate holding company is non-trade advance in nature, which is interest-free and receivable within the next twelve (12) months.
- (d) The currency exposure profile of receivables are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	83,699	87,991	49,715	58,879
Singapore Dollar	4,241	8,864	1,128	-
United States Dollar	-	1,017	-	1,017
Euro	-	145	-	145
	87,940	98,017	50,843	60,041

- (e) The ageing analysis of trade receivables of the Group and of the Company are as follows:

Group 2025	Gross carrying amount RM'000	Lifetime ECL allowance RM'000	Net carrying amount RM'000
Current (not past due)	64,038	(33)	64,005
1 to 30 days past due	12,987	(83)	12,904
31 to 60 days past due	1,524	(84)	1,440
61 to 90 days past due	2,452	(109)	2,343
91 to 120 days past due	-	-	-
More than 121 days past due	159	(18)	141
	81,160	(327)	80,833
Credit impaired			
Individually impaired	132	(132)	-
	81,292	(459)	80,833

Notes to Financial Statements

31 December 2025

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) The ageing analysis of trade receivables of the Group and of the Company are as follows: (Cont'd)

Group 2024	Gross carrying amount RM'000	Lifetime ECL allowance RM'000	Net carrying amount RM'000
Current (not past due)	80,684	(21)	80,663
1 to 30 days past due	10,556	(41)	10,515
31 to 60 days past due	2,517	(62)	2,455
61 to 90 days past due	975	(56)	919
91 to 120 days past due	-	-	-
More than 121 days past due	199	(13)	186
	94,931	(193)	94,738
Credit impaired			
Individually impaired	132	(132)	-
	<u>95,063</u>	<u>(325)</u>	<u>94,738</u>
Company 2025	Gross carrying amount RM'000	Lifetime ECL allowance RM'000	Net carrying amount RM'000
Current (not past due)	38,756	(6)	38,750
1 to 30 days past due	6,400	(29)	6,371
31 to 60 days past due	3	(3)	-
	45,159	(38)	45,121
Credit impaired			
Individually impaired	44	(44)	-
	<u>45,203</u>	<u>(82)</u>	<u>45,121</u>
2024	Gross carrying amount RM'000	Lifetime ECL allowance RM'000	Net carrying amount RM'000
Current (not past due)	52,988	(7)	52,981
1 to 30 days past due	5,059	(14)	5,045
31 to 60 days past due	99	(20)	79
	58,146	(41)	58,105
Credit impaired			
Individually impaired	44	(44)	-
	<u>58,190</u>	<u>(85)</u>	<u>58,105</u>

Notes to Financial Statements

31 December 2025

11. TRADE AND OTHER RECEIVABLES (CONT'D)

- (e) The ageing analysis of trade receivables of the Group and of the Company are as follows: (Cont'd)

The collective assessment of impairment of trade receivables shares similar credit risk characteristics and industries. Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

- (f) Impairment for trade receivables is recognised based on the simplified approach using the lifetime expected credit losses.

The Group and the Company consider credit loss experience and observable data such as current changes and future forecasts in economic conditions by market segment of the Group as identified in Note 4 to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

A financial asset is categorised as 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- (i) Significant financial difficulties of the debtor;
- (ii) A breach of contract such as a default or being more than 90 days past due; or
- (iii) It is probable that the debtor will enter bankruptcy or other financial reorganisation.

The Group and the Company consider that default has occurred when a financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information (such as overnight policy rate) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss 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 within net gain on impairment of financial assets in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment. As at the end of the reporting period, the Group and the Company are of the view that the expected credit losses of trade receivables are adequate based on the analysis of probability of default by trade receivables.

- (g) Movements in the impairment allowance for trade receivables are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade receivables				
At 1 January	325	417	85	88
Charge for the financial year	137	15	-	-
Reversal of impairment losses	(3)	(107)	(3)	(3)
At 31 December	459	325	82	85

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11. TRADE AND OTHER RECEIVABLES (CONT'D)

- (h) Impairment for other receivables is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss 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 expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses 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 receivables, changes to contractual terms, payment delays and past due information.

It requires management to exercise significant judgement in determining the probability of default by other receivables, appropriate forward looking information and significant increase in credit risk.

- (i) No expected credit loss is recognised from other receivables as it is negligible.
- (j) Information on financial risks of trade and other receivables is disclosed in Note 32 to the financial statements.

12. DERIVATIVE ASSETS/(LIABILITIES)

	2025			2024		
	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
Group						
Forward currency contracts	<u>9,942</u>	<u>-</u>	<u>(212)</u>	<u>11,636</u>	<u>1</u>	<u>(17)</u>
Company						
Forward currency contracts	<u>9,942</u>	<u>-</u>	<u>(212)</u>	<u>11,311</u>	<u>-</u>	<u>(17)</u>

- (a) The Group and the Company use forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.
- (b) Forward currency contracts are used to hedge the purchases of the Group and the Company denominated in USD for which firm commitments existed at the reporting date, extending to January 2026 (2024: January 2025).
- (c) During the financial year, the Group and the Company recognised a loss of RM196,000 (2024: RM4,000) and loss of RM195,000 (2024: RM5,000) respectively arising from fair value changes of derivatives. The fair value changes are attributable to changes in foreign exchange spot and forward rates.
- (d) Information on the fair value hierarchy is disclosed in Note 31 to the financial statements.

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13. OTHER INVESTMENTS

	Group	
	2025 RM'000	2024 RM'000
Fair value through other comprehensive income		
Unquoted bonds	8,868	-

(a) Other investments are denominated in RM.

(b) Unquoted bonds of the Group are measured at Level 2 in the fair value hierarchy. Information on the fair value hierarchy is disclosed in Note 31 to the financial statements.

14. CASH AND BANK BALANCES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	23,818	24,010	2,399	1,677
Deposits with licensed banks	23,426	4,009	689	222
	47,244	28,019	3,088	1,899

(a) Cash and bank balances are classified as financial assets measured at amortised cost.

(b) Deposits of the Group and of the Company have a range of maturity period of 1 day to 182 days (2024: 1 day to 181 days).

(c) Deposits placed with licensed banks of the Group, with a carrying amount of RM23,426,000 (2024: RM4,009,000), are subject to fixed weighted average effective interest rate of 2.59% per annum (2024: 2.46% per annum).

(d) Deposits placed with licensed banks of the Company, with a carrying amount of RM689,000 (2024: RM222,000), are subject to fixed weighted average effective interest rate of 1.75% per annum (2024: 2.74% per annum).

(e) Included in deposits with licensed banks of the Group and of the Company are amounts of RM242,000 (2024: RM236,000) and RM212,000 (2024: RM207,000) pledged to a licensed bank as securities for banking facilities granted to the Group and the Company respectively.

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	23,818	24,010	2,399	1,677
Deposits with licensed banks	23,426	4,009	689	222
	47,244	28,019	3,088	1,899
Less: Deposits pledged to a licensed bank	(242)	(236)	(212)	(207)
	47,002	27,783	2,876	1,692

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14. CASH AND BANK BALANCES (CONT'D)

(g) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	45,258	25,034	1,687	1,502
Singapore Dollar	1,540	2,531	1,108	49
United States Dollar	445	453	293	348
Indonesia Rupiah	1	1	-	-
	47,244	28,019	3,088	1,899

(h) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

(i) Information on financial risks of cash and bank balances is disclosed in Note 32 to the financial statements.

15. SHARE CAPITAL AND TREASURY SHARES

(a) Share capital

	Group and Company			
	2025		2024	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid up ordinary shares with no par value				
At beginning/end of financial year	197,536	131,691	197,536	131,691

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 Company's residual assets.

(b) Treasury shares

	Group and Company			
	2025		2024	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Ordinary shares				
At beginning/end of financial year	1,443	1,462	1,443	1,462

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15. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(b) Treasury shares (Cont'd)

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting ("AGM") held on 19 June 2025, renewed the approval for the Company to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Group and of the Company.

The mandate given by the shareholders will expire at the forthcoming AGM and an ordinary resolution will be tabled at the AGM for shareholders to grant a fresh mandate for another year.

None of the treasury shares held were resold or cancelled during the financial year. Treasury shares have no rights to voting, dividends or participation in other distribution.

16. RESERVES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
General reserve	1,186	1,186	-	-
Revaluation reserve	6,707	6,707	17,485	17,485
Retained earnings	449,238	455,846	222,704	230,365
	457,131	463,739	240,189	247,850

General reserve

The general reserve of the Group arose from the capitalisation of bonus issuance undertaken by certain subsidiaries in the previous years.

Revaluation reserve

Revaluation reserve represents revaluation adjustment arising from transfer of owner-occupied property and right-of-use assets to investment properties.

17. DEFERRED TAX LIABILITIES

(a) The deferred tax liabilities are made up of the following:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	945	5,974	1,943	5,142
Recognised in profit or loss (Note 27)	(320)	(5,029)	-	(5,142)
Recognised in other comprehensive income (Note 27)	-	-	-	1,943
At 31 December	625	945	1,943	1,943

Notes to Financial Statements

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17. DEFERRED TAX LIABILITIES (CONT'D)

- (a) The deferred tax liabilities are made up of the following: (Cont'd)

Presented after appropriate offsetting:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax liabilities, net	<u>625</u>	<u>945</u>	<u>1,943</u>	<u>1,943</u>

- (b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Others RM'000	Tax benefits RM'000	Total RM'000
At 1 January 2025	10,288	971	(10,314)	945
Recognised in profit or loss	<u>1,709</u>	<u>9</u>	<u>(2,038)</u>	<u>(320)</u>
At 31 December 2025	<u>11,997</u>	<u>980</u>	<u>(12,352)</u>	<u>625</u>
At 1 January 2024	7,202	973	(2,201)	5,974
Recognised in profit or loss	<u>3,086</u>	<u>(2)</u>	<u>(8,113)</u>	<u>(5,029)</u>
At 31 December 2024	<u>10,288</u>	<u>971</u>	<u>(10,314)</u>	<u>945</u>

Deferred tax assets of the Group

	Unabsorbed capital allowances RM'000	Others RM'000	Tax benefits RM'000	Total RM'000
At 1 January 2025	(343)	(9,971)	10,314	-
Recognised in profit or loss	<u>(258)</u>	<u>(1,780)</u>	<u>2,038</u>	<u>-</u>
At 31 December 2025	<u>(601)</u>	<u>(11,751)</u>	<u>12,352</u>	<u>-</u>
At 1 January 2024	(423)	(1,778)	2,201	-
Recognised in profit or loss	<u>80</u>	<u>(8,193)</u>	<u>8,113</u>	<u>-</u>
At 31 December 2024	<u>(343)</u>	<u>(9,971)</u>	<u>10,314</u>	<u>-</u>

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17. DEFERRED TAX LIABILITIES (CONT'D)

- (b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (Cont'd)

Deferred tax liabilities of the Company

	Property, plant and equipment RM'000	Investment property RM'000	Tax benefits RM'000	Total RM'000
At 1 January 2025	9,921	1,943	(9,921)	1,943
Recognised in profit or loss	1,802	-	(1,802)	-
Recognised in other comprehensive income	-	-	-	-
At 31 December 2025	11,723	1,943	(11,723)	1,943
At 1 January 2024	7,321	-	(2,179)	5,142
Recognised in profit or loss	2,600	-	(7,742)	(5,142)
Recognised in other comprehensive income	-	1,943	-	1,943
At 31 December 2024	9,921	1,943	(9,921)	1,943

Deferred tax assets of the Company

	Others RM'000	Tax benefits RM'000	Total RM'000
At 1 January 2025	(9,921)	9,921	-
Recognised in profit or loss	(1,802)	1,802	-
At 31 December 2025	(11,723)	11,723	-
At 1 January 2024	(2,173)	2,173	-
Recognised in profit or loss	(7,748)	7,748	-
At 31 December 2024	(9,921)	9,921	-

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

	Group and Company	
	2025 RM'000	2024 RM'000
Unutilised tax losses - Expiring by 31 December 2034	8,518	8,518
Unutilised reinvestment allowance - Expiring by 31 December 2039	36,423	36,423
Unabsorbed capital allowances	9,319	-
	54,260	44,941

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17. DEFERRED TAX LIABILITIES (CONT'D)

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

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

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities. Unutilised tax losses of the Group and of the Company incorporated in Malaysia can be carried forward up to 10 consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade payables				
Third parties	3,587	21,377	-	11,510
Other payables				
Net amounts owing to subsidiaries	-	-	68,621	88,712
Third parties	1,535	2,198	532	1,449
Accruals and deposits	3,857	3,327	2,360	2,005
	5,392	5,525	71,513	92,166
	8,979	26,902	71,513	103,676

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade and other payables are interest bearing and the normal credit terms granted to the Group and the Company ranged from 14 to 120 days (2024: 14 to 120 days). Interest on overdue trade balances are charged at a rate of 16% to 18% (2024: 16% to 18%) per annum. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) Non-trade amounts owing to the subsidiaries represent advances and payments made on behalf, which are unsecured and payable within next twelve (12) months in cash and cash equivalents. These amounts are interest-free except for advances are subject to interest of 3.6% (2024: 3.6%) per annum.
- (d) The currency exposure profile of payables are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	8,979	9,979	71,513	92,167
United States Dollar	-	16,923	-	11,509
	8,979	26,902	71,513	103,676

- (e) Information on financial risks of trade and other payables are disclosed in Note 32 to the financial statements.

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19. BORROWINGS

	Group and Company	
	2025 RM'000	2024 RM'000
Bankers' acceptance	-	3,300

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) Borrowings are denominated in RM.
- (c) In previous financial year, the weighted average effective interest rates of bankers' acceptance of the Group and of the Company as at the end of the reporting period were 3.50% and 3.50% per annum respectively.
- (d) Information on financial risks of borrowings is disclosed in Note 32 to the financial statements.

20. CAPITAL COMMITMENTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Capital expenditure				
Property, plant and equipment				
Contracted but not provided for	608	880	608	880
Approved but not contracted for	106	164	106	164
	714	1,044	714	1,044

21. CONTINGENT LIABILITIES

	Company	
	2025 RM'000	2024 RM'000
Corporate guarantees given to financial institutions in respect of credit facilities granted to subsidiaries		
- Limit of guarantee	79,850	79,850
- Amount utilised	-	-

The fair value of such financial corporate guarantees is negligible as the likelihood of subsidiaries defaulting on the financial facilities is not probable.

The Company designate corporate guarantees given to financial institutions for banking facilities given to subsidiaries as financial liabilities at the time the guarantees are issued. The maturity profile of these financial guarantees amounting to Nil (2024: Nil) are deemed to be on demand.

No expected credit loss is recognised arising from financial guarantee as it is negligible.

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22. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contracts with customers				
- Trading sales	210,384	258,695	4,936	4,699
- Manufacturing sales	161,992	137,657	202,162	202,156
	372,376	396,352	207,098	206,855
Timing of revenue recognition				
Transferred at a point in time	372,376	396,352	207,098	206,855

(a) Sale of goods

Revenue from sale of goods is 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 twelve months.

(b) Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 4 to the financial statements. No revenue was recognised over time.

23. LOSS BEFORE TAXATION

(a) Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at loss before taxation:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
After charging:				
Auditors' remuneration:				
- current year	189	189	85	85
- other services	5	5	5	5
Fair value loss on derivative financial instruments	196	4	195	5
Net loss on disposals of property, plant and equipment	204	52	99	39
Net realised loss on foreign exchange transactions	1,017	1,787	767	1,630
Net unrealised loss on foreign exchange transactions	346	226	459	-
Property, plant and equipment written off	15	41	15	39

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23. LOSS BEFORE TAXATION (CONT'D)

- (a) Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at loss before taxation: (Cont'd)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
And crediting:				
Bad debts recovered	3	5	2	-
Dividend income received from a subsidiary	-	-	-	495
Fair value gain on investment properties	-	70	-	-
Interest income on:				
- fixed deposits	534	32	93	7
- interest on bond	45	-	-	-
- overdue accounts	325	296	15	3
- short term deposits	493	349	164	150
Net unrealised gain on foreign exchange transactions	-	-	-	54
Rental income	<u>899</u>	<u>794</u>	<u>3,112</u>	<u>3,049</u>

- (i) Dividend income

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

- (ii) Interest income

Interest income is recognised as it accrues, using the effective interest method.

- (iii) Rental income

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

- (b) Net impairment (loss)/gain on financial assets recognised in profit or loss were as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Impairment losses on trade receivables (Note 11):				
- Addition	(137)	(15)	-	-
- Reversal	3	107	3	3
	<u>(134)</u>	<u>92</u>	<u>3</u>	<u>3</u>

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24. DIRECTORS' REMUNERATION

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive Directors:				
Fees				
- current financial year	70	92	40	60
- over provision in prior year	-	(2)	-	-
	70	90	40	60
Other emoluments:				
- current financial year	2,447	3,445	1,243	1,827
- under provision in prior year	-	-	-	-
	2,447	3,445	1,243	1,827
	2,517	3,535	1,283	1,887
Non-executive Directors:				
Fees	188	188	186	186
Other emoluments	94	92	46	44
	2,799	3,815	1,515	2,117

Included in Directors' other emoluments are contributions made by the Group and by the Company to the Employees Provident Fund of RM393,000 (2024: RM402,000) and RM203,000 (2024: RM215,000) respectively.

Directors' remuneration of the Group also includes remuneration for the Directors of subsidiaries as follows:

	Group	
	2025 RM'000	2024 RM'000
Fees	2	4
Other emoluments	-	1
	2	5

The estimated monetary value of benefits-in-kind received and receivable by Executive Directors otherwise than in cash from the Group and the Company amounted to RM56,000 (2024: RM56,000) and RM28,000 (2024: RM28,000) respectively.

Notes to Financial Statements

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25. EMPLOYEE SALARIES AND BENEFITS EXPENSES (EXCLUDING DIRECTORS' REMUNERATION)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Wages, salaries and bonuses	13,895	13,463	8,343	7,928
Contribution to defined contribution plan	1,283	1,204	668	611
Social security contributions	207	192	126	114
Other employee benefits	1,106	1,196	679	817
	16,491	16,055	9,816	9,470

26. FINANCE COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expenses on:				
- bankers' acceptances	30	261	30	244
- trust receipts	2	180	-	166
- trade loan	-	1	-	-
- advances from subsidiaries	-	-	3,136	2,882
	32	442	3,166	3,292

27. TAXATION

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax:				
Relating to profit for the financial year	777	653	-	-
Under provision in prior years	9	65	-	-
	786	718	-	-
Deferred tax (Note 17):				
Relating to origination and reversal of temporary differences	(227)	(5,149)	-	(5,142)
(Over)/Under provision in prior years	(93)	120	-	-
	(320)	(5,029)	-	(5,142)
	466	(4,311)	-	(5,142)

Notes to Financial Statements

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27. TAXATION (CONT'D)

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated taxable profits for the fiscal year.
- (b) The numerical reconciliations between the taxation and the product of accounting (loss)/profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Loss before taxation	(6,142)	(30,051)	(7,661)	(32,132)
Tax at applicable statutory tax rate at 24% (2024: 24%)	(1,474)	(7,212)	(1,839)	(7,712)
Tax effects in respect of:				
Non-allowable expenses	833	938	724	956
Non-taxable income	(1,045)	(495)	(1,121)	(659)
Tax incentive and allowance	-	(8,734)	-	(8,734)
Deferred tax assets not recognised	2,236	11,007	2,236	11,007
	550	(4,496)	-	(5,142)
Under/(Over) provision in prior years				
- current tax	9	65	-	-
- deferred tax	(93)	120	-	-
	466	(4,311)	-	(5,142)

- (c) Tax on each component of other comprehensive income is as follows:

Company	Before tax RM'000	Tax effect RM'000	After tax RM'000
2024			
Items that will not be reclassified subsequently to profit or loss			
Fair value adjustment on revaluation of freehold land and building	19,428	(1,943)	17,485

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28. LOSS PER SHARE

(a) Basic loss per ordinary share

Basic loss per ordinary share for the financial year is calculated by dividing the loss for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year after deducting treasury shares.

	Group	
	2025 RM'000	2024 RM'000
Loss attributable to equity holders of the parent	<u>(6,608)</u>	<u>(25,740)</u>
Weighted average number of ordinary shares		
Weighted average number of ordinary shares applicable to basic earnings per ordinary share	<u>196,093</u>	<u>196,093</u>
Basic loss per ordinary share (sen)	<u>(3.37)</u>	<u>(13.13)</u>

(b) Diluted loss per ordinary share

There are no potential dilutive ordinary shares during the financial year. Accordingly, the diluted loss per ordinary share is not presented.

29. DIVIDENDS

	Group and Company			
	2025		2024	
	Dividend per share Sen	Amount of dividend RM'000	Dividend per share Sen	Amount of dividend RM'000
In respect of the financial year ended 31 December 2023				
Final single tier dividend	-	-	0.5	980
	<u>-</u>	<u>-</u>	<u>0.5</u>	<u>980</u>

The Directors do not recommend any payment of dividend in respect of the current financial year ended 31 December 2025.

30. 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.

The Company has controlling related party relationship with its direct and indirect subsidiaries and its ultimate holding company.

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30. RELATED PARTY DISCLOSURES (CONT'D)

(a) Identities of related parties (Cont'd)

The related parties and their relationship with the Group are as follows:

Names of related parties	Relationship
AJS Bersatu Sabah Sdn. Bhd.	A company in which Chua Hian Hock is a Director.
Hock Seng Hardware Sdn. Bhd.	A company in which the immediate family member of Chua Hian Hock, a Director of the subsidiary is a Director.
K.P.M.W. Sdn. Bhd.	A company in which the immediate family member of Chua Hian Hock, a Director of the subsidiary is a Director.
Soon Lian Huat Holdings Sdn. Berhad	A company in which Soon Cheng Hai and Soon Cheng Boon are Directors.

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Subsidiaries				
Trade sales	-	-	45,068	69,192
Rental income received	-	-	3,112	3,049
Net dividend received	-	-	-	495
Net interest paid on advances	-	-	(3,136)	(2,882)
Trade purchases	-	-	(109)	(139)
Related parties				
Purchase of hardware products				
- K.P.M.W. Sdn. Bhd.	(6)	(3)	-	-
Trade sales				
- AJS Bersatu Sabah Sdn. Bhd.	121	18	-	-
- K.P.M.W. Sdn. Bhd.	133	115	-	-
Ultimate holding company				
Rental of land and buildings				
- Soon Lian Huat Holdings Sdn. Berhad	(1,626)	(1,612)	(1,380)	(1,370)

The related party transactions described above were carried out on negotiated terms and conditions and mutually agreed with the related parties.

Notes to Financial Statements

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30. RELATED PARTY DISCLOSURES (CONT'D)

(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 and indirectly, including any Director (whether executive or otherwise) of the Group and the Company.

The remuneration of Executive Directors and other members of Key Management Personnel of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Short term employee benefits	2,760	2,965	1,471	1,585
Post-employment benefits	432	1,379	220	692
	3,192	4,344	1,691	2,277

The estimated monetary value of benefits-in-kind received and receivable by Executive Directors and the Key Management Personnel otherwise than in cash from the Group and the Company amounted to RM68,000 (2024: RM70,000) and RM33,000 (2024: RM29,000) respectively.

31. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is calculated as net debt divided by total equity plus net debts. The Group includes within net debt, trade and other payables, borrowings, less cash and bank balances.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade and other payables	8,979	26,902	71,513	103,676
Borrowings	-	3,300	-	3,300
Less: Cash and bank balances	(47,244)	(28,019)	(3,088)	(1,899)
Net (cash)/debt	(38,265)	2,183	68,425	105,077
Total equity	587,360	593,968	370,418	378,079
Net (cash)/debt	(38,265)	2,183	68,425	105,077
	549,095	596,151	438,843	483,156
Gearing ratio (%)	*	0.4%	15.6%	21.7%

* Gearing ratio is not presented as the Group is in net cash position as at the applicable reporting dates.

Notes to Financial Statements

31 December 2025

31. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT'D)

The Group is not subject to any other externally imposed capital requirements.

(b) Financial instruments

	Amortised cost RM'000	Fair value through profit or loss RM'000	Total RM'000
Group			
31 December 2025			
Financial assets			
Trade and other receivables, net of prepayments	87,940	-	87,940
Other investments	-	8,868	8,868
Cash and bank balances	47,244	-	47,244
	135,184	8,868	144,052
Financial liabilities			
Trade and other payables	8,979	-	8,979
Derivative liabilities	-	212	212
Lease liabilities	3,239	-	3,239
	12,218	212	12,430
31 December 2024			
Financial assets			
Trade and other receivables, net of prepayments	98,017	-	98,017
Derivative assets	-	1	1
Cash and bank balances	28,019	-	28,019
	126,036	1	126,037

Notes to Financial Statements

31 December 2025

31. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments (Cont'd)

	Amortised cost RM'000	Fair value through profit or loss RM'000	Total RM'000
Group			
31 December 2024			
Financial liabilities			
Trade and other payables	26,902	-	26,902
Borrowings	3,300	-	3,300
Derivative liabilities	-	17	17
Lease liabilities	4,787	-	4,787
	34,989	17	35,006
Company			
31 December 2025			
Financial assets			
Financial assets net of prepayments	50,843	-	50,843
Cash and bank balances	3,088	-	3,088
	53,931	-	53,931
Financial liabilities			
Trade and other payables	71,513	-	71,513
Derivative liabilities	-	212	212
Lease liabilities	2,861	-	2,861
	74,374	212	74,586
Company			
31 December 2024			
Financial assets			
Trade and other receivables, net of prepayments	60,041	-	60,041
Cash and bank balances	1,899	-	1,899
	61,940	-	61,940

Notes to Financial Statements

31 December 2025

31. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments (Cont'd)

	Amortised cost RM'000	Fair value through profit or loss RM'000	Total RM'000
Company			
31 December 2024			
Financial liabilities			
Trade and other payables	103,676	-	103,676
Borrowings	3,300	-	3,300
Derivative liabilities	-	17	17
Lease liabilities	4,181	-	4,181
	111,157	17	111,174

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

- i. Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and liabilities, such as trade and other receivables, cash and bank balances, trade and other payables and borrowings, are reasonable approximation of fair value due to their short-term nature.

The fair values of the fixed rate lease liabilities are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowings or leasing arrangements at the end of each reporting period.

- ii. Derivatives

The fair value of a forward foreign exchange contract is the amount that would be payable or receivable upon termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and the forward exchange rate as at the end of the reporting period applied to a contract of similar amount and maturity profile.

- iii. Unquoted bonds

The fair value of unquoted bonds is determined by reference to published market bid price of unquoted fixed income securities based on information provided by Bond Pricing Agency Malaysia Sdn. Bhd.

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to Financial Statements

31 December 2025

31. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value hierarchy

Derivatives

The fair value of forward exchange contracts is estimated by using mark-to-market values at the end of the reporting date and changes in the fair value are recognised in profit or loss.

The fair value of investment properties is categorised as Level 3 in the fair value hierarchy. The fair value of both forward exchange contracts and unquoted bonds are categorised as Level 2 in the fair value hierarchy. There were no transfers between Level 1, Level 2 and Level 3 fair value measurements of the Group and of the Company during the financial years ended 31 December 2025 and 31 December 2024.

(e) Level 3 fair value

The following table shows a reconciliation of balances of investment properties whose fair values have been classified in Level 3 of the fair value hierarchy:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Balance as at 1 January	9,820	9,750	71,000	-
Transferred from property, plant and equipment (Note 5)	-	-	-	51,572
Fair value gain	-	70	-	19,428
Balance as at 31 December	<u>9,820</u>	<u>9,820</u>	<u>71,000</u>	<u>71,000</u>

The following table shows the sensitivity analysis for the Level 2 fair value measurements.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Loss after tax and equity				
Foreign currency rate				
- Increase by 10% (2024: 10%)	(16)	(1)	(16)	(1)
- Decrease by 10% (2024: 10%)	<u>16</u>	<u>1</u>	<u>16</u>	<u>1</u>

32. FINANCIAL RISK MANAGEMENT OBJECTIVE

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer and Credit Committee. The Audit and Risk Management Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial years, the policy of the Group that no derivatives shall be undertaken except for the use as hedging instruments, where appropriate. The Group and the Company do not apply hedge accounting.

Notes to Financial Statements

31 December 2025

32. FINANCIAL RISK MANAGEMENT OBJECTIVE (CONT'D)

The following sections provide details regarding the exposure of the Group and the Company to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The exposure of the Group and the Company to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit standing counterparties.

The objective of the Group is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the policy of the Group that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the exposure of the Group to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the Credit Committee.

Exposure to credit risk

At the end of the reporting period, the maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each of the financial assets recognised in the statements of financial position, including derivatives with positive fair values.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 11 to the financial statements.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group and of the Company's trade receivables at the end of the reporting period are as follows:

	2025		2024	
	RM'000	% of total	RM'000	% of total
Group				
By country				
Malaysia	76,592	95%	85,874	91%
Asia, other than Malaysia	4,241	5%	8,864	9%
	80,833	100%	94,738	100%
Company				
By country				
Malaysia	43,993	98%	58,105	100%
Asia, other than Malaysia	1,128	2%	-	-
	45,121	100%	58,105	100%

Notes to Financial Statements

31 December 2025

32. FINANCIAL RISK MANAGEMENT OBJECTIVE (CONT'D)

(i) Credit risk

Credit risk concentration profile (Cont'd)

At the end of the reporting period, approximately:

81% (2024: 80%) and 42% (2024: 58%) of the Group's and the Company's trade receivables respectively were due from five (2024: five) major customers who are hardware trading and construction companies located in Malaysia.

27% (2024: 32%) of the Company's trade receivables were balances with subsidiaries.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The exposure of the Group and the Company to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The objective of the Group and the Company is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The liquidity risk management policy of the Group and the Company is that to maintain sufficient liquid financial assets and stand-by credit facilities with five different banks.

The table below summarises the maturity profile of the liabilities of the Group and the Company at the reporting date based on contractual undiscounted repayment obligations.

	Within 1 year RM'000	1 - 5 years RM'000	Total RM'000
Group			
31 December 2025			
Financial liabilities			
Trade and other payables	8,979	-	8,979
Derivative liabilities	212	-	212
Lease liabilities	1,770	1,668	3,438
Total undiscounted financial liabilities	10,961	1,668	12,629
31 December 2024			
Financial liabilities			
Trade and other payables	26,902	-	26,902
Borrowings	3,300	-	3,300
Derivative liabilities	17	-	17
Lease liabilities	1,772	3,840	5,612
Total undiscounted financial liabilities	31,991	3,840	35,831

Notes to Financial Statements

31 December 2025

32. FINANCIAL RISK MANAGEMENT OBJECTIVE (CONT'D)

(ii) Liquidity risk (Cont'd)

	Within 1 year RM'000	1 - 5 years RM'000	Total RM'000
Company			
31 December 2025			
Financial liabilities			
Trade and other payables	71,513	-	71,513
Derivative liabilities	212	-	212
Lease liabilities	1,524	1,524	3,048
Total undiscounted financial liabilities	<u>73,249</u>	<u>1,524</u>	<u>74,773</u>
31 December 2024			
Financial liabilities			
Trade and other payables	103,676	-	103,676
Borrowings	3,300	-	3,300
Derivative liabilities	17	-	17
Lease liabilities	1,527	3,420	4,947
Total undiscounted financial liabilities	<u>108,520</u>	<u>3,420</u>	<u>111,940</u>

(iii) 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 the Company will fluctuate because of changes in market interest rates.

The exposure of the Group to changes in interest rates relates primarily to the interest bearing debt obligations and deposits with banks of the Group. The Group finances its operations by a mixture of internal funds, bank and other borrowings. The Group regularly reviews the interest rate profile of borrowings against prevailing and anticipated market rates. The repayment and maturity profiles of borrowings are structured after taking into consideration the cash inflows expected to be generated from the underlying assets or operations and the economic life of the assets or operations being financed.

The policy of the Group is to borrow both on the fixed and floating rate basis. The objective for the mix between fixed and floating rate borrowings is set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

The deposits of the Group are placed at fixed rates and management endeavours to obtain the best rate available in the market.

Notes to Financial Statements

31 December 2025

32. FINANCIAL RISK MANAGEMENT OBJECTIVE (CONT'D)

(iii) Interest rate risk

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity of the loss net of taxation and equity of the Group and the Company to a reasonably possible change in RM interest rate, with all other variables held constant.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Loss after taxation and equity				
- Increase by 30 (2024: 30) basis point	-	(8)	(168)	(229)
- Decrease by 30 (2024: 30) basis point	-	8	168	229

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to the interest rate risk:

	Note	Weighted average effective interest rate %	Within	1 - 2	More	Total
			1 year	years	than	
			RM'000	RM'000	2 years	RM'000
					RM'000	
Group						
At 31 December 2025						
Fixed rate instrument						
Deposits with licensed banks	14	2.59	23,426	-	-	23,426
At 31 December 2024						
Fixed rate instrument						
Deposits with licensed banks	14	2.46	4,009	-	-	4,009
Floating rate instruments						
Bankers' acceptance	19	3.50	3,300	-	-	3,300

Notes to Financial Statements

31 December 2025

32. FINANCIAL RISK MANAGEMENT OBJECTIVE (CONT'D)

(iii) Interest rate risk

Sensitivity analysis for interest rate risk (Cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to the interest rate risk: (Cont'd)

	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	More than 2 years RM'000	Total RM'000
Company						
At 31 December 2025						
Fixed rate instruments						
Deposits with licensed banks	14	1.75	689	-	-	689
At 31 December 2024						
Fixed rate instruments						
Deposits with licensed banks	14	2.74	222	-	-	222
Floating rate instruments						
Bankers' acceptance	19	3.50	3,300	-	-	3,300

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Transactional currency exposures mainly arise from transactions that are denominated in currencies other than functional currencies of the operating entities.

The Group and the Company also hold cash and bank balances denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances amounted to RM1,986,000 (2024: RM2,985,000) and RM1,401,000 (2024: RM397,000) for the Group and the Company respectively.

The Group and the Company enter into forward foreign currency contracts for its foreign currency exposures and the management monitors these exposures on an ongoing basis.

During the financial year, the Group entered into forward foreign currency contracts to manage exposures to currency risk of its trade receivables and trade payables which are denominated in currencies other than the functional currency of the Group and of the Company.

Notes to Financial Statements

31 December 2025

32. FINANCIAL RISK MANAGEMENT OBJECTIVE (CONT'D)

(iv) Foreign currency risk

The notional amount and maturity date of the forward foreign currency contracts outstanding of the Group and of the Company as at 31 December 2025 and 31 December 2024 are as follows:

	Currency	Contract amount in foreign currency '000	RM'000 equivalent	Maturities within
Group				
31 December 2025				
Forward currency contracts used to hedge trade payables	USD	<u>2,398</u>	<u>9,942</u>	<u>One month</u>
31 December 2024				
Forward currency contracts used to hedge trade payables	USD	<u>2,605</u>	<u>11,652</u>	<u>One month</u>
Company				
31 December 2025				
Forward currency contracts used to hedge trade payables	USD	<u>2,398</u>	<u>9,942</u>	<u>One month</u>
31 December 2024				
Forward currency contracts used to hedge trade payables	USD	<u>2,532</u>	<u>11,328</u>	<u>One month</u>

Notes to Financial Statements

31 December 2025

32. FINANCIAL RISK MANAGEMENT OBJECTIVE (CONT'D)

(iv) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the loss net of taxation and equity of the Group and the Company to a reasonably possible change in the USD, SGD and EUR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group	
	2025	2024
	RM'000	RM'000
Loss after taxation and equity		
USD/RM- strengthened 10% (2024: 10%)	34	(1,174)
- weakened 10% (2024: 10%)	(34)	1,174
	<hr/>	<hr/>
SGD/RM- strengthened 10% (2024: 10%)	354	886
- weakened 10% (2024: 10%)	(354)	(886)
	<hr/>	<hr/>
EUR/RM - strengthened 10% (2024: 10%)	-	11
- weakened 10% (2024: 10%)	-	(11)
	<hr/>	<hr/>
	Company	
	2025	2024
	RM'000	RM'000
Loss after taxation and equity		
USD/RM- strengthened 10% (2024: 10%)	22	(771)
- weakened 10% (2024: 10%)	(22)	771
	<hr/>	<hr/>
SGD/RM- strengthened 10% (2024: 10%)	84	4
- weakened 10% (2024: 10%)	(84)	(4)
	<hr/>	<hr/>
EUR/RM - strengthened 10% (2024: 10%)	-	6
- weakened 10% (2024: 10%)	-	(6)
	<hr/>	<hr/>

Notes to Financial Statements

31 December 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 121 <i>Lack of Exchangeability</i>	1 January 2025

(a) Amendments to MFRS 121 *Lack of Exchangeability*

The Amendments introduce guidance on determining the appropriate exchange rate when a currency lacks exchangeability and require disclosures on the nature of the restrictions, the basis for estimating the exchange rate and the resulting effects on the entity’s financial position, financial performance and cash flows.

This Amendment had no impact on the consolidated financial statements of the Group as the Group was not exposed to any non-exchangeable currencies as at the reporting date.

33.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2026

The following are Standards and Amendments of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement to Financial Instruments</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
<i>Annual Improvements to MFRS Accounting Standards - Volume 11</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
Amendment to MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendment to MFRS 121 <i>Translation to a Hyperinflationary Presentation Currency</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 the future financial years.

List of Group's Properties

As at 31 December 2025

LOCATION	YEAR OF ACQUISITION/ REVALUATION*	DESCRIPTION	AREA	TENURE	AGE OF BUILDING (YEARS)	NET BOOK VALUE RM	USAGE	
Choo Bee Metal Industries Berhad								
1) Lot 328197 No. hakmilik: PN 258237 Kawasan Perusahaan Pengkalan 1, 31500 Lahat Perak Darul Ridzuan	1996	Pengkalan Factory	Industrial land with single-storey factory	74,160 sq. mtr	Leasehold 60 years expiring on 25.04.2061	32.5	23,762,699	Factory
Lot 361995 No. hakmilik: PN 378151 Kawasan Perusahaan Pengkalan 1, 31500 Lahat Perak Darul Ridzuan	1996	Pengkalan Factory	Industrial land with single-storey factory	6,087 sq. mtr	Leasehold 60 years expiring on 13.02.2056			
2) PT 64386 Mukim of Kapar, District of Klang, State of Selangor	*2010	Kapar Warehouse	Industrial land with single-storey warehouse	37,885 sq. mtr.	Freehold	16	25,348,747	Warehouse
3) Kapar 1 (Phase3) PT 64386 Lot no.Lama: PT 50788, PT50787, PT50790 & PT50791) 18 Jalan Wawasan 3/KU7. Taman Perindustrian Sungai Kapar Indah, 42200 Kapar, Selangor	2024	Kapar Factory	Industrial land with single-storey factory		Freehold	1.83	24,562,965	Factory
4) Lot 14787 Mukim Damansara, Daerah Petaling, Selangor	2011	Laman Baiduri Condominium	Condominium	152 sq. mtr.	Leasehold 99 years expiring on 28.10.2108	15	435,400	Staff use

* The freehold land was revalued partially in 2010 where area occupied by warehouse

List of Group's Properties

As at 31 December 2025

LOCATION	YEAR OF ACQUISITION/ REVALUATION		DESCRIPTION	AREA	TENURE	AGE OF BUILDING (YEARS)	NET BOOK VALUE RM	USAGE	
Choo Bee Metal Industries Berhad									
5) Parcel no. N-5-1 Geran no.122177 Lot no. 11899S Ipoh, Perak	2017	Polo Residence	Condominium	141.1 sq. mtr.	Freehold	9	660,049	Staff use	
6) Medium Industrial land Jalan SK1 1/ KU7. Kawasan Perindustrian Sungai Kapar Indah 42200 Kapar, Selangor	2019 Valuation wef 2024 Last valuation: 2024	Kapar (II) Warehouse	Freehold land	31,021 sq. mtr.	Freehold	7	71,000,000	Warehouse Rented out to CBH	
H.S.(D)153042, PT 72788			Freehold land	11,944 sq. mtr.					
H.S.(D)153043, PT 72789			Freehold land	10,050 sq. mtr.					
H.S.(D)153044, PT 72790			Freehold land	9,027 sq. mtr.					
7) B-09-09, Setia City Residences, Geran no.323447 Lot no. 91251 Shah Alam, Selangor	2021	Setia City Residences	Condominium	91.51 sq. mtr	Freehold	5	562,055	Staff use	
8) 11, Jalan Gamelan 7, Bandar Bukit Raja, 41050 Klang Selangor	2023	Kapar Hostel	One & a half storey terrace house	121 sq. mtr	Freehold	2.25	442,710	Staff use	
9) Sunsuria Forum (Phase 2) -Service apartment RS-48-12 P.T.(D/M) No:86616	2024	Sunsuria Forum service apartment	Service apartment	82 sq. mtr	Freehold	1.67	508,786	Staff use	
							147,283,411		

List of Group's Properties

As at 31 December 2025

LOCATION	YEAR OF ACQUISITION/ REVALUATION	DESCRIPTION	AREA	TENURE	AGE OF BUILDING (YEARS)	NET BOOK VALUE RM	USAGE	
Choo Bee Hardware Sdn. Bhd.								
1) Lots 18001 and 22970, Mukim of Ulu Kinta, District of Ulu Kinta, Perak Darul Ridzuan	1972	Kuan Woh Yuen Warehouse	Land with no specific zoning; has a steel portal frame-work building used as a warehouse on Lot 18001 and a single-storey detached house which is owner occupied on Lot 22970	Lot 18001 12,216.26 sq. mtr. Lot 22970 10,952.00 sq. mtr.	Long-term leasehold 999 years expiring on 5.8.2895	54	3,604,398	Warehouse
2) Lot No.90633 Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan (619 & 619A Jalan Tasek, Taman Seri Tasek, Ipoh)	2006 Valuation wef 2011 Last valuation: 2024	Tasek Shophouse	Commercial land with two-storey shophouse	143 sq. mtr.	Leasehold 99 years expiring on 11.3.2079			
3) Lots 5592S and 5593S, Town of Ipoh, District of Kinta, Perak Darul Ridzuan (No.46 and 48 Lebuh Bendahara 31650 Ipoh)	1981	Jalan Bendahara Old Office	Commercial land with three-storey shophouse	Lot 5592S 180.09 sq. mtr. Lot 5593S 171.59 sq. mtr.	Freehold	45	147,864	Office
4) Lot 5594S Town of Ipoh, District of Kinta, Perak Darul Ridzuan (44A & B Lebuh Bendahara 31650 Ipoh)	1981	Jalan Bendahara Old Office	Commercial land with three-storey shophouse	171.59 sq. mtr.	Freehold			

List of Group's Properties

As at 31 December 2025

LOCATION	YEAR OF ACQUISITION/ REVALUATION	DESCRIPTION	AREA	TENURE	AGE OF BUILDING (YEARS)	NET BOOK VALUE RM	USAGE	
Choo Bee Hardwares Sdn. Bhd.								
5) Lots 2874S and 2875S, Town of Ipoh, District of Kinta, Perak Darul Ridzuan (42-44 Jalan Bendahara, 31650 Ipoh)	1962 Valuation wef 2011 Last valuation: 2024	Jalan Bendahara Old Office	Commercial land with double-storey shophouse	Lot 2874S	Freehold	64	Let out	
				208.10 sq. mtr.				
				Lot 2875S	Freehold	1,490,000	Let out	
				161.84 sq. mtr.				
6) Lot 5595S Town of Ipoh District of Kinta, Perak Darul Ridzuan (44 Lebuhraya Bendahara 31650 Ipoh)	1962	HQ Carpark	Commercial land with a temporary shed constructed on the land for cars and motorcycles	171.59 sq. mtr.	Freehold	N/A	12,500	Car Park
7) Lot 19493 and Lot 6969 Mukim of Kinta, Perak Darul Ridzuan	1993	Kuan Woh Yuen Stockyard	Commercial land	Lot 19493	Freehold	N/A	Stockyard	
				404.68 sq. mtr.				
				Lot 6969	Freehold	67,027		
				1,947.55 sq. mtr.				
8) Lot 13A/13B, Industrial Zone 13, Jalan 4 KKIP Timur, KKIP, KM 25, Jalan Tuaran, 88460 Tuaran, Sabah	2016	Sabah warehouse	Industrial lot leasehold	Lot 13A 25,190 sq. mtr. Lot 13B 18,150 sq. mtr.	Leasehold 99 years effective 1/1/2000 to 31/12/2098	26	14,823,037	Warehouse

LOCATION	YEAR OF ACQUISITION/ REVALUATION		DESCRIPTION	AREA	TENURE	AGE OF BUILDING (YEARS)	NET BOOK VALUE RM	USAGE	
Choo Bee Hardwares Sdn. Bhd.									
<u>RENTED PROPERTY (LANDLORD - CHOO BEE METAL INDUSTRIES BHD)</u>									
9)	Medium Industrial land Jalan SKI 1/ KU7. Kawasan Perindustrian Sungai Kapar Indah 42200 Klang, Selangor	Dec 2022	Kapar (II) Warehouse	Freehold land	31,021 sq. mtr.	Freehold	527,794	Warehouse & office Tenant	
				H.S.(D)153042, PT 72788	Freehold land	11,944 sq. mtr.			
				H.S.(D)153043, PT 72789	Freehold land	10,050 sq. mtr.			
				H.S.(D)153044, PT 72790	Freehold land	9,027 sq. mtr.			
							21,029,410		
Choo Bee Hardware (Sabah) Sdn. Bhd.									
1)	Country Lease No 045324141 KM 25, Jalan Tuaran District of Tuaran Sabah	2007	Sabah Warehouse	Industrial land with single-storey factory	11,938.23 sq. mtr.	Leasehold 99 years expiring on 31.12.2090	29	5,552,242	Warehouse
								5,552,242	
Taik Bee Hardware Sdn. Bhd. ("TBH")									
1)	PT 38826 H.S.(D): 6233/82 Mukim Hulu Kinta Perak Darul Ridzuan	2011 Valuation wef 2022 Last valuation: 2024	Menglembu Factory & office	Industrial land with single-storey factory	9,288.05 sq. mtr.	Leasehold 60 years expiring on 25.8.2042	34	8,000,000	Let out
								8,000,000	
								181,865,063	
						Grand total			

Statement of Shareholdings

As at 31 March 2026

Total Number of Issued Shares : 196,093,413 (excluding 1,442,887 Treasury Shares)
 Class of Shares : Ordinary shares
 Voting Rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Holders	% of Holders	No. of Shares	% of Issued Capital
Less than 100	281	8.160	12,555	0.007
100 - 1,000	316	9.175	135,849	0.069
1,001 - 10,000	1,958	56.852	8,088,971	4.125
10,001 - 100,000	760	22.067	21,734,873	11.084
100,001 - 9,804,670 (*)	126	3.659	49,390,078	25.187
9,804,671 and above (**)	3	0.087	116,731,087	59.528
Total	3,444	100	196,093,413	100

Notes: * - Less than 5% of issued holdings
 ** - 5% and above of issued holdings

TOP 30 HOLDERS AS AT 31 MARCH 2026

No.	Name of Holders	Holdings	% of Issued Capital
1	CHOO BEE HOLDINGS SDN. BHD.	80,896,500	41.254
2	SOON LIAN HUAT HOLDINGS SDN. BERHAD	25,609,587	13.060
3	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE FOR YEOMAN 3-RIGHTS VALUE ASIA FUND	10,225,000	5.214
4	TAN EWE SEONG	3,060,000	1.560
5	SOON CHENG HAI	2,400,000	1.224
6	SOON CHENG BOON	2,316,600	1.181
7	YEO LEE HONG BETTY	1,982,448	1.011
8	SOON SIEW LEH	1,404,000	0.716
9	TAN AIK CHOON	1,329,170	0.678
10	TAN BENG GUAN	1,277,300	0.651
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR CHEONG JOO KHIM	1,255,300	0.640
12	AFFIN HWANG NOMINEES (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR LIM MEE HWA	1,237,500	0.631
13	THEN YOON YIN	1,170,000	0.597
14	SOON SIEW HOON	1,044,360	0.533
15	SOON AH KHUN @ SOON LIAN HUAT	841,650	0.429
16	SOON SEONG KEAT	800,000	0.408
17	YEOH GUAN LIEW	776,000	0.396
18	TEO KWEE HOCK	772,901	0.394

Statement of Shareholdings

As at 31 March 2026

TOP 30 HOLDERS AS AT 31 MARCH 2026 (CONT'D)

No.	Name of Holders	Holdings	% of Issued Capital
19	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM CHEN YIK	769,500	0.392
20	TAN PENG SOON	728,208	0.371
21	TEOH CHIN TEK @ TEOH CHIN LEONG	711,288	0.363
22	LEE SIENG TZI @ VINCENT LEE	603,000	0.308
23	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM PAY KAON	600,000	0.306
24	TAN POH GUAN	600,000	0.306
25	LAW HEE LING	587,100	0.299
26	CGS INTERNATIONAL NOMINEES MALAYSIA (ASING) SDN. BHD. EXEMPT AN FOR CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	579,000	0.295
27	TAN PENG NAM	561,600	0.286
28	TAN PENG SUM	561,600	0.286
29	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND	557,450	0.284
30	LEE CHEE BENG	542,244	0.277
Total		145,799,306	74.350

SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2026

According to the Register of Substantial Shareholders required to be kept under Section 144 of the Companies Act 2016, the following are the substantial shareholders of the Company:

Name of Substantial Shareholders	Direct Interest (A)		Deemed Interest (B)		Total Interest (A+B)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Choo Bee Holdings Sdn. Bhd.	80,896,500	41.25	-	-	80,896,500	41.25
Soon Lian Huat Holdings Sdn. Berhad	25,609,587	13.06	80,896,500 ²	41.25	106,506,087	54.31
Soon Cheng Hai	2,400,000	1.22	106,506,087 ³	54.31	108,906,087	55.53
Soon Cheng Boon	2,316,600	1.18	106,564,167 ⁴	54.34	108,880,767	55.52
Cheah Lee Yen	-	-	106,506,087 ³	54.31	106,506,087	54.31
Yeoman 3-Rights Value Asia Fund VCC	10,225,000	5.21	-	-	10,225,000	5.21
Yeoman Capital Management Pte Ltd	225,000	0.11	10,225,000 ⁵	5.21	10,450,000	5.32
Lim Mee Hwa	1,237,500	0.63	10,450,000 ⁶	5.33	11,687,500	5.96
Yeo Seng Chong	-	-	11,687,500 ⁷	5.96	11,687,000	5.96

Notes:

- (1) Calculated based on the total number of ordinary shares in issue of 196,093,413 (excluding 1,442,887 treasury shares held).
- (2) Deemed interested by virtue of its interest in Choo Bee Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- (3) Deemed interested by virtue of his interests in Soon Lian Huat Holdings Sdn. Berhad and Choo Bee Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- (4) Deemed interested by virtue of his interests in Soon Lian Huat Holdings Sdn. Berhad and Choo Bee Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and the shareholdings of his spouse in Choo Bee Metal Industries Berhad pursuant to Section 59(11)(c) of the Companies Act 2016.
- (5) Deemed interested by virtue of its interest as investment manager for its clients under Yeoman 3-Rights Value Asia Fund and its voting control over the Shares held under Yeoman 3-Rights Value Asia Fund.
- (6) Deemed interested by virtue of her interest in Yeoman Capital Management Pte Ltd pursuant to Section 8 of the Companies Act 2016.
- (7) Deemed interested by virtue of his interest in Yeoman Capital Management Pte Ltd as well as the shareholdings of his spouse pursuant to Section 8 of the Companies Act 2016.

Statement of Shareholdings

AS AT 31 MARCH 2026

DIRECTORS' INTEREST AS AT 31 MARCH 2026

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 the Directors' interests in the ordinary shares capital of the Company and its subsidiary companies are as follows:

Shares in the Company

Name of Directors	Direct Interest (A)		Deemed Interest (B)		Total Interest (A+B)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Soon Cheng Hai	2,400,000	1.22	106,506,087 ¹	54.31	108,906,087	55.53
Soon Cheng Boon	2,316,600	1.18	106,564,167 ²	54.34	108,880,767	55.52
Soon Seong Koon	-	-	-	-	-	-
Puan Sri Shahrizan Binti Abdullah	86,112	0.04	-	-	86,112	0.04
Ng Leong Teck	-	-	-	-	-	-
Ng Lai Chiek	-	-	-	-	-	-
Lee Kam Foong	-	-	-	-	-	-

Notes:

- (1) Deemed interested by virtue of his interests in Soon Lian Huat Holdings Sdn. Berhad and Choo Bee Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- (2) Deemed interested by virtue of his interests in Soon Lian Huat Holdings Sdn. Berhad and Choo Bee Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and the shareholdings of his spouse in Choo Bee Metal Industries Berhad pursuant to Section 59 (11) (c) of the Companies Act 2016.

Shares in the ultimate holding company, Soon Lian Huat Holdings Sdn. Berhad

Name of Directors	Direct Interest (A)		Deemed Interest (B)		Total Interest (A+B)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Soon Cheng Hai	1,226,667	32.35	-	-	1,226,667	32.35
Soon Cheng Boon	1,226,667	32.35	-	-	1,226,667	32.35

Shares in related company, Choo Bee Holdings Sdn. Bhd.

Name of Directors	Direct Interest (A)		Deemed Interest (B)		Total Interest (A+B)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Soon Cheng Hai	161,829	4.91	1,973,900	59.94	2,135,729	64.85
Soon Cheng Boon	161,829	4.91	1,973,900	59.94	2,135,729	64.85

By virtue of their interests in the Company and in the holding company, Soon Cheng Hai and Soon Cheng Boon are also deemed to have an interest in shares of all the subsidiaries to the extent that the Company and the holding company have interests.

Other than as disclosed above, none of the other Directors had any interest in shares in the Company or its related companies.

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Form of Proxy



聚美

CHOO BEE
CHOO BEE METAL
INDUSTRIES BERHAD
[197101000234 (10587-A)]
(Incorporated in Malaysia)

No. of shares held	
CDS A/C No.	
Telephone No.	

I/We _____ (FULL NAME IN BLOCK CAPITALS)
NRIC No./Company No. _____ of _____
_____ (FULL ADDRESS) being a member of

Choo Bee Metal Industries Berhad hereby appoint the following person(s):

Proxy	Full Name (in Block Letters) NRIC/Passport No.	Tel. No.	NRIC/Passport No.	No. of shares	%
1					
	Email Address:				
2					
	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 2026 Annual General Meeting of the Company to be held on 23 June 2026 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Business	Ordinary Resolution	For	Against
The payment of Directors' Fees	1		
The payment of Non-Executive Directors' Benefits	2		
The re-election of Directors:			
- Soon Cheng Hai	3		
- Ng Leong Teck	4		
- Ng Lai Chiek	5		
- Soon Seong Koon	6		
- Lee Kam Foong	7		
The re-appointment of Messrs BDO PLT as Auditors and authority to Directors to fix their remuneration	8		
Special Business			
Proposed Renewal of Share Buy-Back Authority	9		
Proposed Authority to Allot and Issue Shares	10		
Proposed Gratuity Payment to Former Director, Ng Poh Tat	11		
Proposed Gratuity Payment to Former Director, Puan Sri Shahrizan Binti Abdullah	12		

Please indicate with (✓) and (X) how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Date:

Signature of Shareholder
(Common Seal & Signature)

NOTES:

- Pursuant to Paragraph 8.29A of the Listing Requirements, voting at general meeting will be conducted by poll rather than show of hands. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
- Only members whose names appear on the Record of Depositors as at 15 June 2026 shall be entitled to attend the Annual General Meeting or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.
- A member entitled to attend and vote at the Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him. A proxy must be 18 years and above and may but need not be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an 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 but the proportion of holdings to be represented by each proxy must be specified.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.
- The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for the holding of the Meeting or any adjournment Meeting thereof either by hand, post, courier or electronic mail to bsr.proxy@boardroomlimited.com before the Form of Proxy lodgement cut-off time as mentioned above.
- Alternatively, the proxy form can be submitted by electronic means through the Share Registrar's website, Boardroom Smart Investor Online Portal. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit your proxy form electronically, also forty-eight (48) hours before the Meeting.
- For verification purposes, members and proxies are required to produce their original identity card at the registration counter. No person will be allowed to register on behalf of another person even with the original identity card of that other person.
- Personal Data Privacy – By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company hereby agrees and consents that any of your personal data in our possession shall be processed by us in accordance with the Personal Data Protection Act 2010. Further, you hereby warrant that relevant consent has been obtained by you for us to process any third party's personal data in accordance with the said Act.



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AFFIX STAMP
(within Malaysia)

The Share Registrar
CHOO BEE METAL INDUSTRIES BERHAD
[Registration No.: 197101000234 (10587-A)]
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.

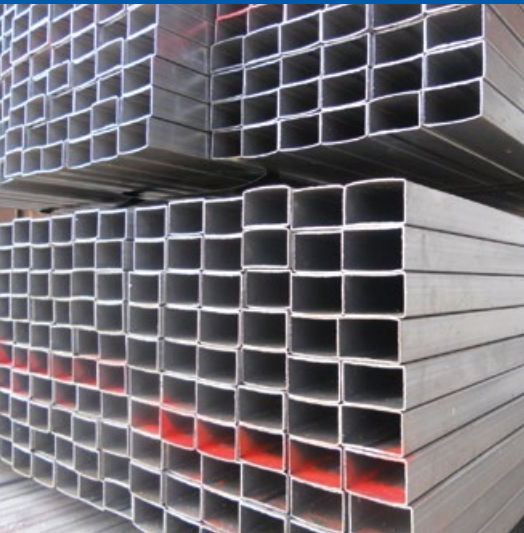
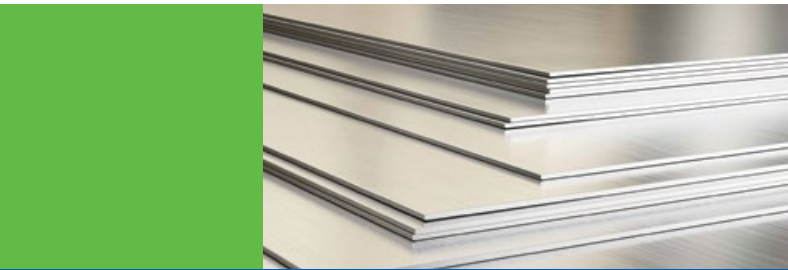
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聚美鋼鐵工業有限公司
CHOO BEE METAL INDUSTRIES BERHAD

[Registration No. 197101000234 (10587-A)]
(Incorporated in Malaysia)

Wisma Soon Teik Aun, Jalan Bendahara,
31650 Ipoh, Perak Darul Ridzuan, Malaysia.
Email: enquiries@choobee.com.my
Tel: +6(05) 255 8111



www.choobee.com