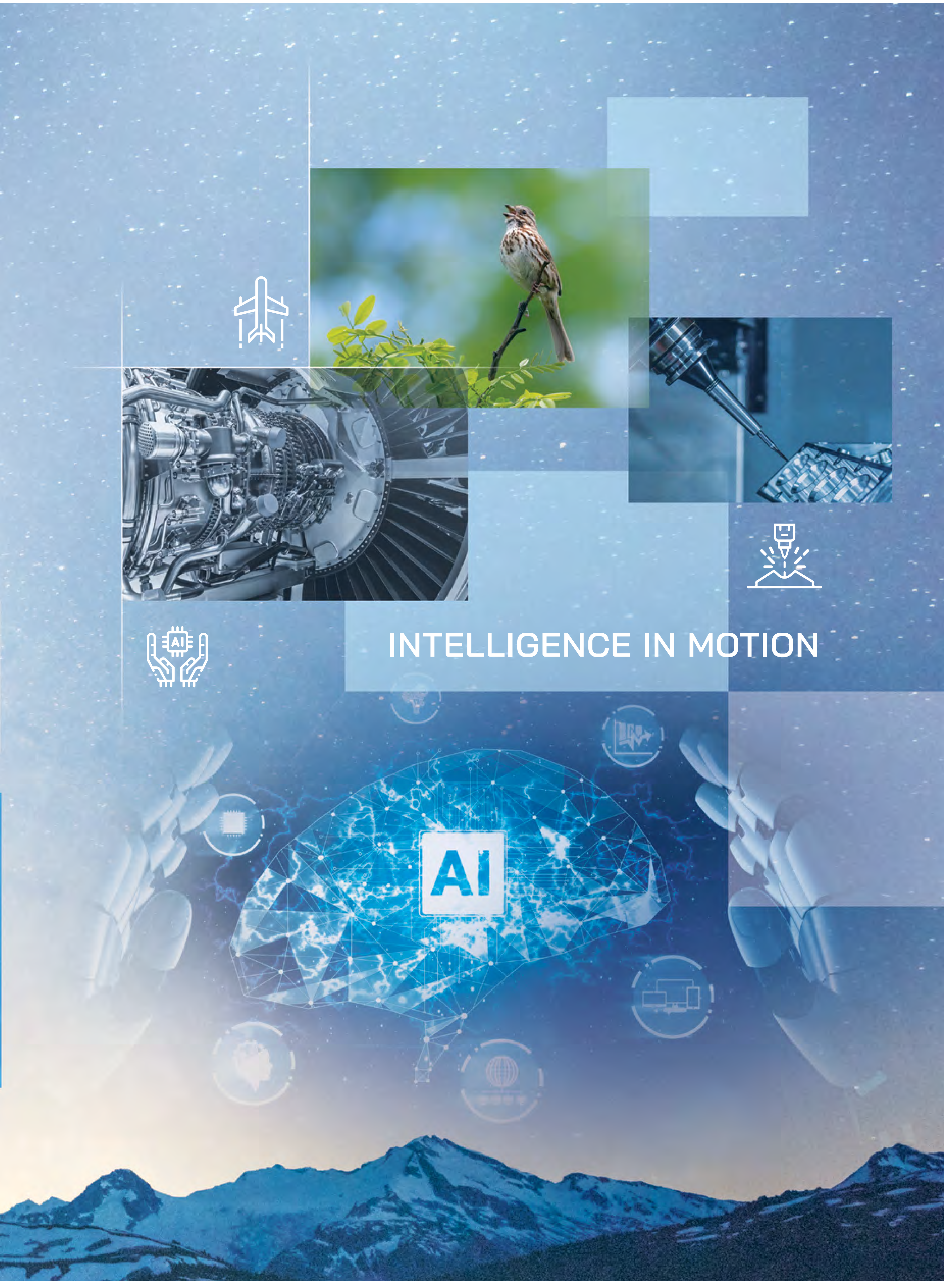
Powering Possibilities with Next-Gen Intelligence

Insight Meets Intelligent, Adaptive Performance

ANNUAL REPORT 2026

SUCCESS ALWAYS MATTERS

SCALING INTELLIGENCE
ACCELERATING GROWTH


INTELLIGENCE IN MOTION
AI

THIS IS WHO WE ARE

7 CORE VALUES

VALUE CREATION

We embrace a continuous improvement culture and formulate solutions through collective efforts to achieve extraordinary results.

SERVING OTHERS

This demands that we are not only fulfilled and enriched by what we do but also that others benefit from it.

INTEGRITY

Our pillar of long-term success that encompasses honesty, dedication and responsibility.

COMMITMENT

We will go the extra mile to achieve our objectives and strive for higher standards in our endeavours.

COMPASSION

We care for others and offer support in times of difficulty in the community.

COURAGE

We will accept change to take up challenges and seize opportunities that may arise.

RIGHTEOUSNESS

Righteousness is characterised by accepted standards of morality, justice, virtue or uprightness. Our every action will be consistent with these standards.

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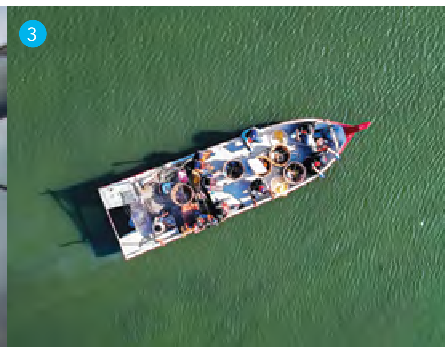
BUILDING A **SUSTAINABLE** FUTURE

1 *Solar PV system* 2 *EV charging station* 3 *River cleaning*



CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Independent
Non-Executive Chairman

Mr. Tan Kai Hoe

Executive Director and
Chief Executive Officer

Mr. Ng Boon Keat

Non-Independent
Non-Executive Director

Mr. Shum Sze Keong
Mr. Chan Tai Heng, Jeremy

Independent
Non-Executive Directors

YM Tunku Afwida Binti Dato' Tunku Abdul Malek
Datuk Dr. Wong Lai Sum
Mr. Suresh Natarajan
Mr. Ng Chee Kiet
Mr. Piroon Saengpakdee
Dato' Lim Bee Vian

AUDIT COMMITTEE

Chairman

YM Tunku Afwida Binti Dato' Tunku Abdul Malek

Members

Mr. Ng Chee Kiet
Mr. Piroon Saengpakdee
Dato' Lim Bee Vian

RISK & SUSTAINABILITY COMMITTEE

Chairman

Mr. Ng Chee Kiet

Members

Mr. Shum Sze Keong
Datuk Dr. Wong Lai Sum
Mr. Piroon Saengpakdee
Mr. Chan Tai Heng, Jeremy

NOMINATING & REMUNERATION COMMITTEE

Chairman

Mr. Suresh Natarajan

Members

Mr. Shum Sze Keong
Dato' Lim Bee Vian

COMPANY SECRETARIES

Ms. Yeow Sze Min
(SSM PC No. 201908003120,
MAICSA 7065735)

Ms. Poh Ming Yi
(SSM PC No. 202408000861,
LS 0010863)

REGISTERED OFFICE

Suite 18.05, MWE Plaza,
No. 8, Lebuh Farquhar,
10200 George Town, Penang.
Tel : 604 - 263 1966
Fax : 604 - 262 8544
Email : info@sshsb.com.my

AUDITORS

KPMG PLT
(LLP0010081 – LCA & AF 0758)
Level 18, Hunza Tower,
163E, Jalan Kelawai,
10250 Penang.
Tel : 604 - 375 1800
Fax : 604 - 238 2222

PRINCIPAL PLACE OF BUSINESS

Plot 17, Hilir Sungai Keluang Tiga,
Bayan Lepas Free Industrial Zone,
Phase IV, 11900 Penang.
Tel : 604 - 643 6789
Fax : 604 - 644 7017

PRINCIPAL BANKERS

Citibank Berhad
Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Bhd
United Overseas Bank (Thai) Public Company Limited

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
197701005827 (36869-T)
Suite 18.05, MWE Plaza,
No. 8, Lebuh Farquhar,
10200 George Town, Penang.
Tel : 604 - 263 1966
Fax : 604 - 262 8544
Email : info@sshsb.com.my

ISSUED AND PAID-UP CAPITAL

(As at 31 March 2026)
RM702,214,501

COMPANY WEBSITE

www.sam-malaysia.com

OUR BOARD OF DIRECTORS

TAN KAI HOE

Non-Independent Non-Executive Chairman

Age 60 **Gender** Male
Nationality Singaporean

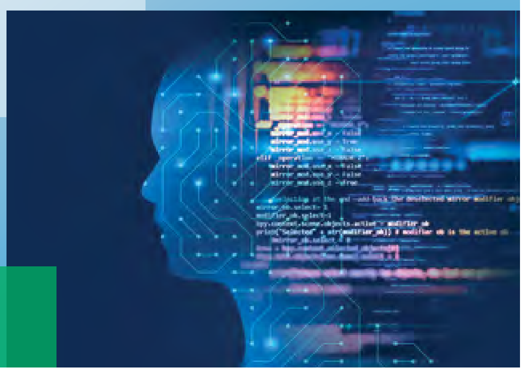
Date of Appointment 26 August 2015

Academic/Professional Qualification(s)

- Master of Science (Management) Stanford University, USA
- Bachelor of Arts (Physics) University of Cambridge, UK

Present Directorship(s) and/or Appointment(s)

- Deputy Chairman & Director, Singapore Aerospace Manufacturing Pte. Ltd.
- President & Chief Executive Officer/Director, Accuron Technologies Limited
- Chairman, Singapore Red Cross Council
- Chairman, Lifelong Learning Endowment Fund



OUR BOARD OF DIRECTORS (Cont'd)

NG BOON KEAT

Executive Director and Chief Executive Officer

Age 58 **Gender** Male
Nationality Malaysian

Date of Appointment 1 April 2025

Academic/Professional Qualification(s)

- Master of Mechatronics Engineering (Science), De Montfort University, Leicester, UK

Present Directorship(s) and/or Appointment(s)

- Director of subsidiaries of SAM Engineering & Equipment (M) Berhad

OUR BOARD OF DIRECTORS (Cont'd)

SHUM SZE KEONG

Non-Independent Non-Executive Director

Age 64 **Gender** Male
Nationality Singaporean

Date of Appointment 4 March 2008

Board Committee Membership(s)
- Nominating & Remuneration Committee
- Risk & Sustainability Committee

Academic/Professional Qualification(s)

- Bachelor of Science in Aeronautical Engineering, Embry Riddle Aeronautical University, USA

Present Directorship(s) and/or Appointment(s)

- General Manager, Shum Enterprises Pte. Ltd.
- Director, Singapore Aerospace Manufacturing Pte. Ltd.

Past Directorship(s) and/or Appointment(s)

- Head Aerospace, Industry Development Division, Singapore Economic Development Board
- Executive Director, Grande Holdings Ltd.
- Consultant, Grande Group Limited
- Independent Non-Executive Director, Lafe Corporation Limited

OUR BOARD OF DIRECTORS (Cont'd)

YM TUNKU AFWIDA BINTI DATO' TUNKU ABDUL MALEK

Independent Non-Executive Director

Age 61 **Gender** Female
Nationality Malaysian

Date of Appointment 1 January 2020

Board Committee Membership(s)
- Audit Committee (Chairman)

Academic/Professional Qualification(s)

- Bachelor of Science (Honours) in Economics and Accountancy, City University London, UK
- Member, Malaysian Institute of Accountants (MIA)
- Qualified Chartered Accountant, ICAEW

Present Directorship(s) and/or Appointment(s)

- Independent Non-Executive Director, DXN Holdings Berhad
- Independent Non-Executive Director, ENRA Group Berhad
- Independent Non-Executive Director, RHB Investment Bank Berhad, RHB Asset Management Sdn. Bhd. & RHB Islamic International Asset Management Berhad
- Member of Investment Panel, Kumpulan Wang Persaraan (Diperbadankan) (KWAP)
- Member of Securities Commission Audit Oversight Board

Past Directorship(s) and/or Appointment(s)

- Independent Non-Executive Director, Gamuda Berhad
- Independent Non-Executive Chairman, Affin Hwang Investment Bank Berhad
- Independent Non-Executive Director, Telekom Malaysia Berhad

OUR BOARD OF DIRECTORS (Cont'd)

DATUK DR. WONG LAI SUM

Independent Non-Executive Director

Age 71 **Gender** Female
Nationality Malaysian

Date of Appointment 1 October 2016

Board Committee Membership(s)
- Risk & Sustainability Committee

Academic/Professional Qualification(s)

- PhD Business, University Malaya
- Master in Public Administration (MPA), University Malaya
- Bachelor of Science (Hons) Biochemistry, University Malaya

Present Directorship(s) and/or Appointment(s)

- Independent Non-Executive Director, Tasco Berhad
- Independent Non-Executive Director, Linbaq Holding Sdn. Bhd.

Past Directorship(s) and/or Appointment(s)

- Chief Executive Officer of Malaysia External Trade Development Corporation (MATRADE)
- Director, Malaysia Petroleum Resources Council (MPRC)
- Director & Trustee, Malaysia Furniture Promotion Council (MFPC)
- Director, MyCEB (Tourism)
- Co-Chairman, Professional Services Development Council, Malaysia (PSDC)
- Adviser, National Export Council (MATRADE)
- Director, Port Klang Authority
- Economic Adviser, Minister of Transport, Ministry of Transport Malaysia
- Conjoint Professor (Practice), Faculty of Business, University of Newcastle, Australia
- Associate Professor, Faculty of Business, Tunku Abdul Rahman University of Management & Technology
- Singapore Business Advisory Group, University of Newcastle
- Research Fellow, Tunku Abdul Rahman University of Management & Technology
- Director, PRG Holdings Berhad
- Adviser, Faculty of Business and Accountancy, University Malaya
- Independent Non-Executive Chairman, Milux Corporation Berhad

OUR BOARD OF DIRECTORS (Cont'd)

SURESH NATARAJAN

Independent Non-Executive Director

Age 65 **Gender** Male
Nationality Singaporean

Date of Appointment 1 July 2020

Board Committee Membership(s):
- Nominating & Remuneration Committee (Chairman)

Academic/Professional Qualification(s)

- Master of Science in Electrical Engineering, University of Illinois, Urbana-Champaign
- Bachelor of Science in Electrical Engineering, University of Illinois, Urbana-Champaign
- Business Administration and Management, General from University of Michigan – Stephen M. Ross School of Business
- Business Administration and Management, General from Nanyang Technological University/University of California, Berkeley

Present Directorship(s) and/or Appointment(s)

- CEO, ITE Education Services Pte. Ltd. (ITEES)

Past Directorship(s) and/or Appointment(s)

- Principal for the Central Campus, Institute of Technical Education (ITE), Singapore
- Strategy Officer, Applied Materials Worldwide Operations, Singapore
- Deputy Director, Singapore Economic Development Board

OUR BOARD OF DIRECTORS (Cont'd)

NG CHEE KIET

Independent Non-Executive Director

Age 56 **Gender** Male
Nationality Malaysian

Date of Appointment 1 March 2022

Board Committee membership(s):
- Audit Committee
- Risk & Sustainability Committee (Chairman)

Academic/Professional Qualification(s)

- Bachelor of Economics (Accounting), Monash University, Australia
- Chartered Accountant, Malaysian Institute of Accountants (MIA)

Present Directorship(s) and/or Appointment(s)

- Independent Non-Executive Director, New Hoong Fatt Holdings Berhad
- Director, FinServe Advisory Sdn. Bhd.
- Director, Lynck Partners Sdn. Bhd.

OUR BOARD OF DIRECTORS (Cont'd)

PIROON SAENGPAKDEE

Independent Non-Executive Director

Age 56 **Gender** Male
Nationality Thai

Date of Appointment 27 March 2024

Board Committee Membership(s):
- Audit Committee
- Risk & Sustainability Committee

Academic/Professional Qualification(s)

- Master of Law (LL.M.), Southern Methodist University, USA
- Bachelor of Law (LL.B.), Thammasat University, Thailand
- Barrister-at-Law, Thai Bar Association

Present Directorship(s) and/or Appointment(s)

- Executive Director, Rajah & Tann (Thailand) Limited

OUR BOARD OF DIRECTORS (Cont'd)

DATO' LIM BEE VIAN

Independent Non-Executive Director

Age 62 **Gender** Female
Nationality Malaysian

Date of Appointment 1 April 2025

Board Committee Membership(s)
- Audit Committee
- Nominating & Remuneration Committee

Academic/Professional Qualification(s)

- Bachelor of Economics (Honours), Universiti Utara Malaysia
- 9th ASEAN Senior Management Development Program, Harvard Business School
- Positive Strategic Leadership, Michigan Ross School of Business, Hong Kong

Present Directorship(s) and/or Appointment(s)

- Independent Non-Executive Chairman, Icents Group Holdings Berhad
- Non-Independent Non-Executive Director, Technology Depository Agency Berhad*
- Independent Non-Executive Director, PMB Technology Berhad
- Director, Malaysia-China Business Council*
- Member of Business Development, Collaboration and Internationalisation Advisory Committee, Tunku Abdul Rahman University of Management and Technology (TAR UMT)
- Senior Independent Non-Executive Director, SQ Advanced Interconnect Berhad*

*Non-listed

OUR BOARD OF DIRECTORS (Cont'd)

CHAN TAI HENG, JEREMY

Non-Independent Non-Executive Director

Age 69 **Gender** Male
Nationality Singaporean

Date of Appointment 18 December 2025

Board Committee Membership(s):
- Risk & Sustainability Committee

Academic/Professional Qualification(s)

- Master of Science (Management), Stanford University, USA
- Bachelor of Aeronautical Engineering (First Class Honours), Manchester University, UK

Present Directorship(s) and/or Appointment(s)

- Chairman, TransFingo Aviation Solutions Pte. Ltd.
- Chairman, Singapore Space & Technology Ltd.
- Innovation Advisor, Innovation Partner for Impact (IPI) Singapore

** Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholder of SAM Engineering & Equipment (M) Berhad ("SAMEE"), have no conflict of interest or potential conflict of interest, including interest in any competing business with SAMEE, have not been convicted for any offences within the past five years and have no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2026. Details of the Directors' attendance at Board Meetings for the financial year ended 31 March 2026 are set out in the Corporate Governance Overview Statement on page 90 of this Annual Report.*

OUR MANAGEMENT TEAM

NG BOON KEAT

Executive Director and Chief Executive Officer

Details are disclosed in the profile of Directors on page 07

TEH MUN LING

Chief Financial Officer, SAMEE Group

Age
55

Gender
Female

Nationality
Malaysian

Academic/Professional Qualification(s)

- Bachelor of Accountancy (Honours), Northern University of Malaysia, Malaysia
- Chartered Accountant, Malaysian Institute of Accountants (MIA)

Working Experience

- Joined SAMEE on 21 August 2017

Present Directorship(s) and/or Appointment(s)

- Listed entity: Nil
- Other public company(ies): Nil

OUR MANAGEMENT TEAM (Cont'd)

KONG SUH CHIN, ERIC

Chief Operating Officer

Age
51

Gender
Male

Nationality
Malaysian

Academic/Professional Qualification(s)

- Master of Science (Mechanical Engineering), University Science of Malaysia, Malaysia

Working Experience

- Joined SAMEE on 2 October 2006

Present Directorship(s) and/or Appointment(s)

- Listed entity: Nil
- Other public company(ies): Nil

TUNG KIN HOE, TIMOTHY

Senior VP, Corporate Development

Age
51

Gender
Male

Nationality
Singaporean

Academic/Professional Qualification(s)

- Bachelor of Engineering (Mechanical), University of Malaya, Malaysia
- Master of Science (Applied Finance), Nanyang Technological University, Singapore

Working Experience

- Joined SAMEE on 1 August 2021

Present Directorship(s) and/or Appointment(s)

- Listed entity: Nil
- Other public company(ies): Nil

OUR MANAGEMENT TEAM (Cont'd)

TAN SANG HUAT, VINCENT

General Manager, Metal Fabrication and Equipment Integration

Age
58

Gender
Male

Nationality
Malaysian

Academic/Professional Qualification(s)

- Bachelor of Engineering in Electronic Engineering and Computer Science, University of Berkeley California

Working Experience

- Joined SAMEE on 7 September 2020

Present Directorship(s) and/or Appointment(s)

- Listed entity: Nil
- Other public company(ies): Nil

FOO WAH JIN, LARRY

General Manager, Thailand Operations

Age
51

Gender
Male

Nationality
Singaporean

Academic/Professional Qualification(s)

- Bachelor of Engineering (Mechanical Engineering), Nanyang Technological University
- Post Graduate Diploma in Financial Management, Singapore Institute of Management

Working Experience

- Joined SAMEE on 14 February 2022

Present Directorship(s) and/or Appointment(s)

- Listed entity: Nil
- Other public company(ies): Nil

** Save as disclosed, the management team has no family relationship with any Director and/or major shareholder of SAM Engineering & Equipment (M) Berhad ("SAMEE"), has no conflict of interest or potential conflict of interest, including interest in any competing business with SAMEE, has not been convicted for any offences within the past five years and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2026.*

GROUP STRUCTURE AND ACTIVITIES

SAM ENGINEERING & EQUIPMENT (M) BERHAD
(199401012509 (298188-A))

AVIATRON (M) SDN. BHD.
(201101000773 (928907-P))

Manufacturing of aircraft structure parts and precision and engineering components.

ACTIVE

AVITRON PRIVATE LIMITED
(201116715M)

Manufacture and assembly of aircraft equipment, spares, components and precision engineering parts.

ACTIVE

MEERKAT PRECISION SDN. BHD.
(199301010852 (265589-V))

Manufacture of aircraft and other related equipment parts, spares, components and precision engineering parts, precision and engineering components.

ACTIVE

SAM MEERKAT (M) SDN. BHD.
(199501035687 (364889-X))

Design and assembly of modular or complete machine and equipment.

ACTIVE

SAM TOOLING TECHNOLOGY SDN. BHD.
(199301011085 (265822-D))

Design, development and manufacture of trim and form dies and suspension tooling for hard disk drive parts.

ACTIVE

SAM PRECISION (THAILAND) LIMITED
(0145543000048)

Manufacture of dies, jigs and parts and cutting tools for disk drives, electronics, semi-conductor and assembly of modular or complete machine and equipment, manufacture and assembly of aircraft equipment spares,components and precision engineering parts.

ACTIVE

SAM TECHNOLOGIES (M) SDN. BHD.
(201201023397 (1007889-D))

Design and manufacture of engineering equipment and automation solutions ranging from process test handlers, material handling systems, vision inspection systems and factory automation.

DORMANT

SAM PRECISION (M) SDN. BHD.
(197801006200 (43230-K))

Fabrication of precision tools and machinery parts and manufacture of aircraft and other equipment parts, spares, components and precision engineering parts.

ACTIVE

LKT AUTOMATION SDN. BHD.
(198101009607 (75724-W))

Design and assembly of automation equipment complete with equipment control software.

DORMANT

MEERKAT TECHNOLOGY PTE. LTD.
(200008724 Z)

Sales of electronic components.

DORMANT

LKT TECHNOLOGY SDN. BHD.
(199701002612 (418108-T))

Design and manufacture of precision tools and machinery parts.

DORMANT

LKT INTEGRATION SDN. BHD.
(199701039756 (455256-X))

Development and production of computer process control system for printed circuit board handling system and component assembly line.

DORMANT

SAM ENGINEERING & EQUIPMENT (USA), INC.
(6429431)

Provision of support services related to manufacturing and international procurement.

NOT YET COMMENCE OPERATION

PARTICULARS OF PROPERTIES

held as at 31 March 2026

Location	Tenure	Area (sq. ft.)	Build-up area (sq. ft.)	Description	Approximate age of building	Expiry date	Date of revaluation	Net Book Value at 31 March 2026 (RM'000)
1 **SAM PRECISION (M) SDN. BHD.** Plots 31-34 Lengkok Kampung Jawa 2, Bayan Lepas Non-Free Industrial Zone, Phase 3, 11900 Penang, Malaysia.	Leasehold 60 years	54,013	33,500	Office & Factory	42 years	22 November 2041	14 August 2009	1,523
2 **SAM PRECISION (M) SDN. BHD./ SAM TOOLING TECHNOLOGY SDN. BHD.** Plot 77, Lintang Bayan Lepas, Bayan Lepas Industrial Park, Phase IV, Non-Free Industrial Zone, 11900 Penang, Malaysia.	Leasehold 60 years	131,104	67,500	Office & Factory	26 years	16 June 2057	14 August 2009	4,839
3 **MEERKAT PRECISION SDN. BHD./ CORPORATE OFFICE** Plot 17, Hilir Sungai Keluang Tiga, Bayan Lepas Free Industrial Zone, Phase IV, 11900 Penang, Malaysia.	Leasehold 60 years	131,406	92,000	Office & Factory	30 years	14 May 2051	14 August 2009	8,415
4 **SAM MEERKAT (M) SDN. BHD.** Plot 103, Hilir Sungai Keluang Lima, Taman Perindustrian Bayan Lepas 4, 11900 Penang, Malaysia.	Leasehold 60 years	176,629	92,500	Office & Factory	20 years	18 December 2074	17 August 2009	6,558
Plot 104, Hilir Sungai Keluang Lima, Taman Perindustrian Bayan Lepas 4, 11900 Penang, Malaysia.	Leasehold 60 years	148,218	134,000	Office & Factory	19 years	23 April 2068	17 August 2009	6,865
5 **SAM PRECISION (THAILAND) LIMITED** 40/34 Moo. 5 Tambol U-Thai, Amphur U-Thai, Ayutthaya Province, 13210 Thailand.	Freehold	106,955	51,236	Office & Factory	20 years	NA	NA	13,996
6 **SAM PRECISION (THAILAND) LIMITED** No. 88/22 Moo. 2 Tambol Nong Chak, Amphur Ban Bueng, Chonburi Province, 20170 Thailand.	Freehold	995,316	77,629	Office & Factory (Building 1)	8 years	NA	NA	108,585
			77,629	Office & Factory (Building 2)	8 years	NA	NA	
			133,299	Office & Factory (Building 3)	1 year	NA	NA	
7 **AVIATRON (M) SDN. BHD.** Plot 309a, Jalan Perindustrian, Bukit Minyak 18, Penang Science Park, 14100 Bukit Mertajam, Pulau Pinang.	Leasehold 40 years	262,317	172,497	Office & Factory	16 years	17 April 2051	13 October 2023	32,797
Plot 309, Jalan Perindustrian, Bukit Minyak 18, Penang Science Park, 14100 Bukit Mertajam, Pulau Pinang.	Leasehold 40 years	176,291	143,297	Office & Factory	13 years	2 July 2053	13 October 2023	35,039

SAM Precision (M) Sdn. Bhd.

SAM Precision (M) Sdn. Bhd./ SAM Tooling Technology Sdn. Bhd.

Meerkat Precision Sdn. Bhd./ Corporate Office

SAM Meerkat (M) Sdn. Bhd.

SAM Precision (Thailand) Limited (Ayutthaya Province)

SAM Precision (Thailand) Limited (Chonburi Province) - Buildings 1 & 2

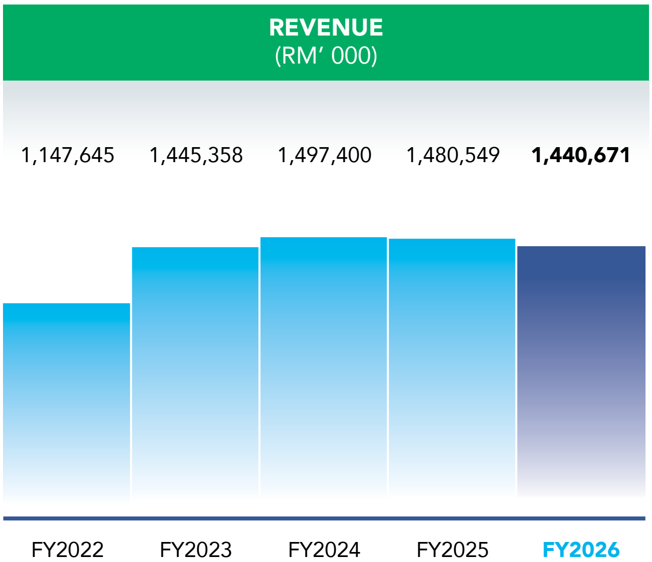
SAM Precision (Thailand) Limited (Chonburi Province) - Building 3

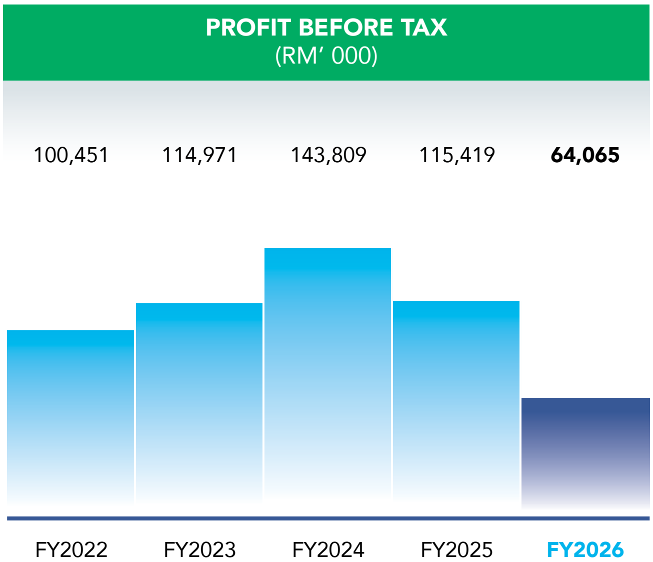
Aviatron (M) Sdn. Bhd.

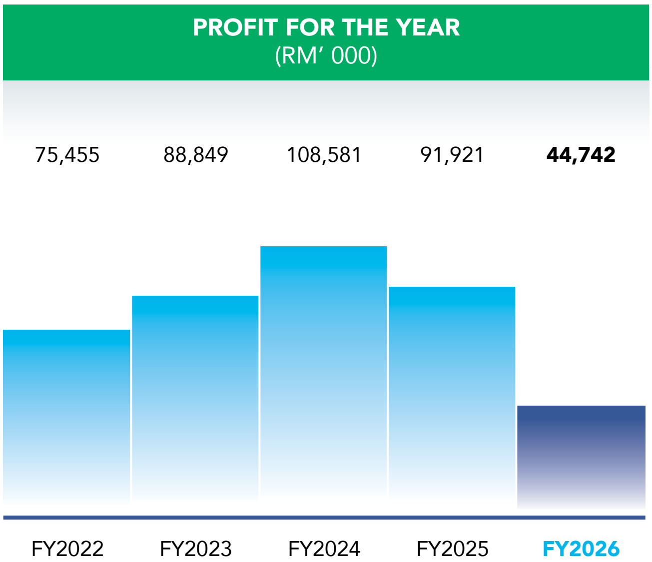
FINANCIAL HIGHLIGHTS

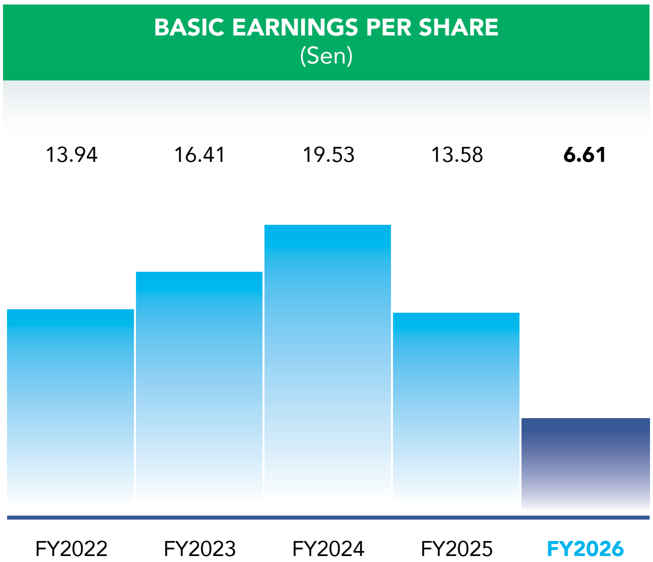
	Financial Year Ended				
	2022	2023	2024	2025	2026
REVENUE (RM' 000)	1,147,645	1,445,358	1,497,400	1,480,549	**1,440,671**
PROFIT BEFORE TAX (RM' 000)	100,451	114,971	143,809	115,419	**64,065**
PROFIT FOR THE YEAR (RM' 000)	75,455	88,849	108,581	91,921	**44,742**
BASIC EARNINGS PER SHARE (Sen)*	13.94	16.41	19.53	13.58	**6.61**
DILUTED EARNINGS PER SHARE (Sen)*	13.94	16.41	19.53	13.58	**6.61**

* Adjusted to reflect the bonus issue which was completed on 3 March 2022.





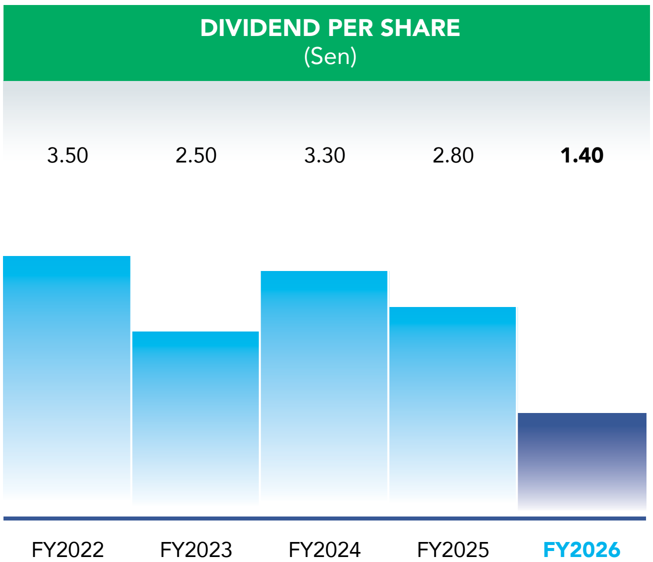


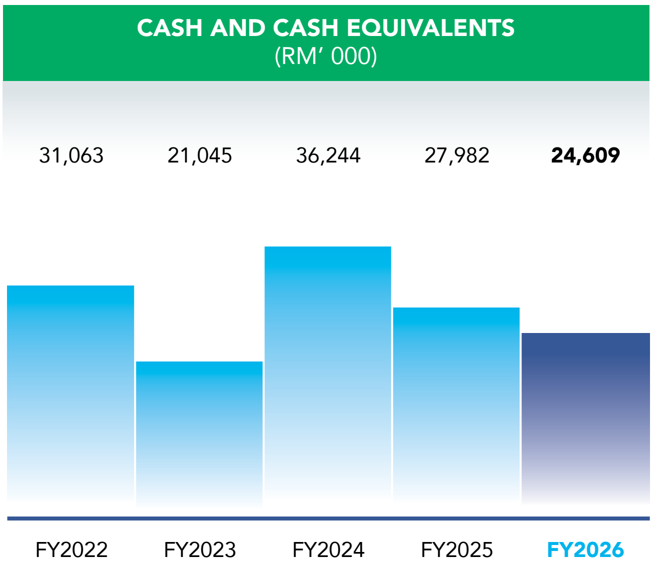


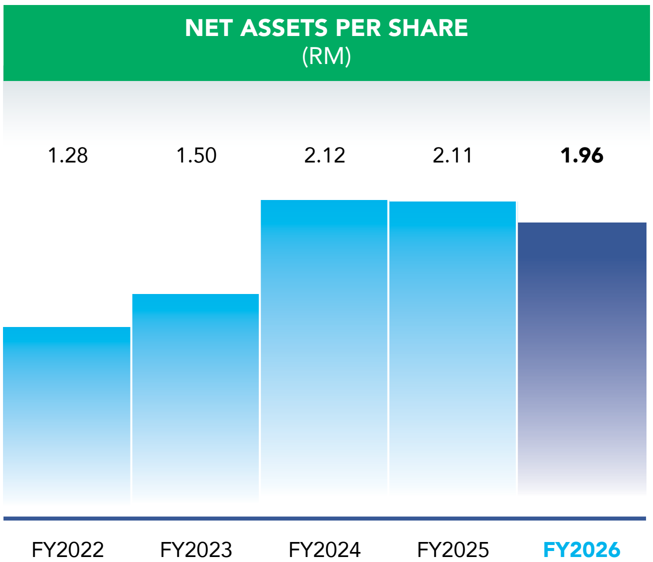
FINANCIAL HIGHLIGHTS (Cont'd)

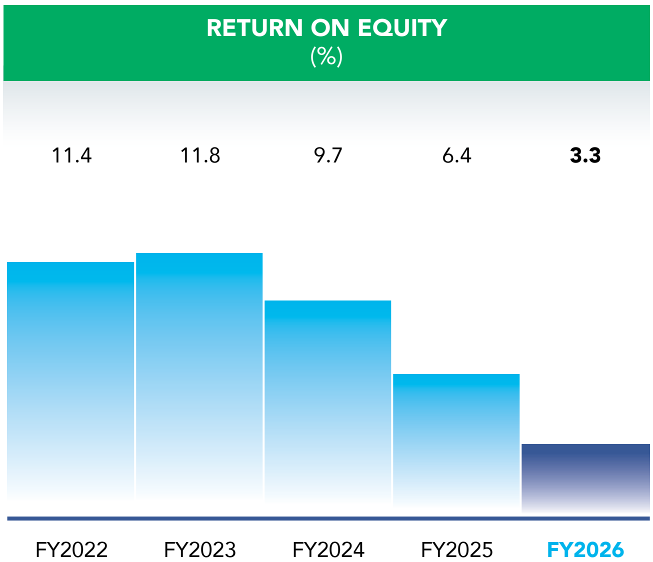
	Financial Year Ended				
	2022	2023	2024	2025	2026
DIVIDEND PER SHARE (Sen)*	3.50	2.50	3.30	2.80	**1.40**
CASH AND CASH EQUIVALENTS (RM' 000)	31,063	21,045	36,244	27,982	**24,609**
NET ASSETS PER SHARE (RM)*	1.28	1.50	2.12	2.11	**1.96**
RETURN ON EQUITY (%)	11.4	11.8	9.7	6.4	**3.3**

* Adjusted to reflect the bonus issue which was completed on 3 March 2022.









MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE OVERVIEW

For the financial year ended 31 March 2026 ("FY2026"), the Group recorded total revenue of RM1,440.7 million and profit before tax ("PBT") of RM64.1 million.

Business Segment Review

Aerospace

The Aerospace business recorded revenue of RM545.4 million, representing an increase of 4.0% over the preceding financial year. The improvement was mainly driven by higher sales of casing and structure products, partially offset by unfavourable foreign exchange movements arising from the weakening of the United States Dollar ("USD") against the Malaysian Ringgit ("RM").

Despite the higher revenue, the Aerospace business recorded a loss before tax ("LBT") of RM13.1 million, compared with a profit before tax of RM3.9 million in the preceding financial year. The weaker performance was mainly attributable to higher start-up costs in Thailand, transitional costs arising from the relocation of casing operations from Singapore to Thailand, and unfavourable foreign exchange impact resulting from the weakening of the USD. In addition, compensation received for defective materials in the preceding financial year did not recur in FY2026.

Equipment

The Equipment business recorded revenue of RM895.3 million, representing a decrease of 6.4% from the preceding financial year, mainly attributable to unfavourable foreign exchange translation arising from the weakening of the USD.

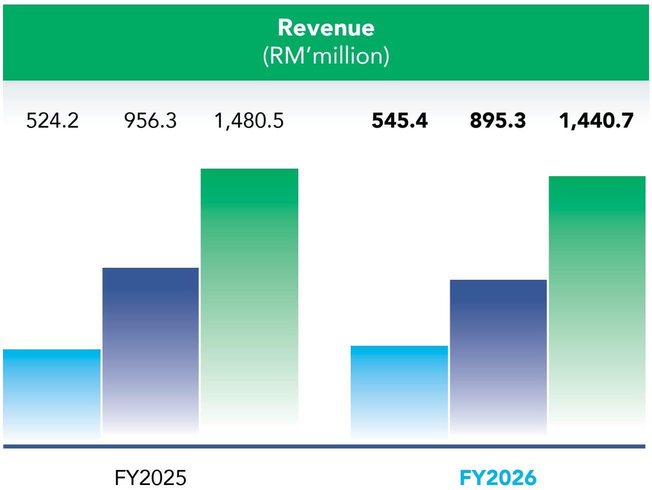
PBT for the Equipment segment declined by 30.8% to RM77.2 million, primarily due to unfavourable foreign exchange impact arising from the weakening of the USD and under-recovery of costs resulting from lower capacity utilisation.

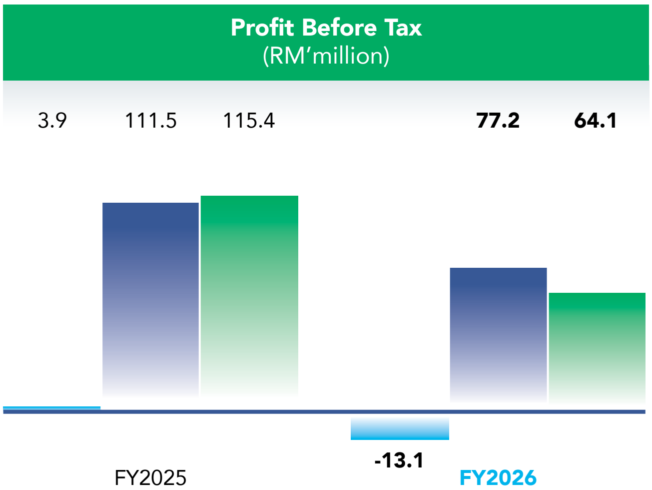
Group Performance

The Group's total revenue declined by 2.7% to RM1,440.7 million. PBT decreased by 44.5% to RM64.1 million, while profit after tax declined by 51.4% to RM44.7 million.

During FY2026, the Group invested RM103.1 million, primarily to support the relocation of casing operations from Singapore to Thailand, as well as its ongoing expansion in Thailand.

As at year-end, the Group's projected order book stood at RM5.3 billion.





● Aerospace ● Equipment ● Group

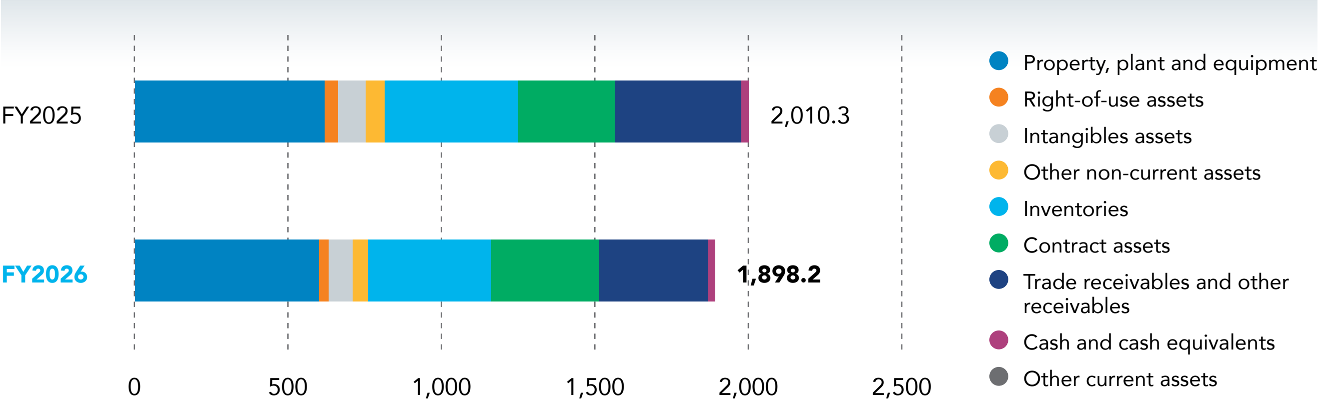
MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

FINANCIAL POSITION

TOTAL ASSETS

As at 31 March 2026, the Group's total assets stood at RM1,898.2 million, representing a decrease of 5.6% from the preceding financial year. The decline was mainly attributable to the lower carrying value of USD-denominated assets following the weakening of the USD against the RM. This was partially offset by higher inventory in anticipation of stronger customer demand.

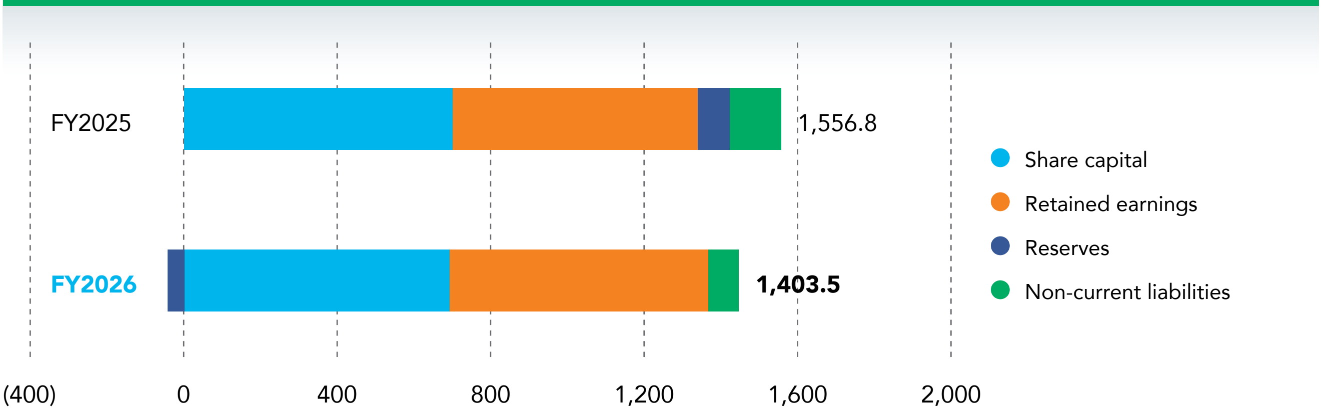
Total Assets Employed
(RM'million)



CAPITAL EMPLOYED AND SOURCE OF FUNDS

As at 31 March 2026, the Group's capital employed stood at RM1,403.5 million, a decrease of RM153.3 million from RM1,556.8 million as at 31 March 2025. The reduction was mainly due to lower translation reserves resulting from the weaker USD against the RM, as well as lower long-term borrowings following repayments made during the year. This was partially offset by higher retained earnings arising from the current year's profit.

Capital Employed
(RM'million)



CAPITAL EXPENDITURE

The Group invested RM103.1 million in FY2026 to support its long-term growth initiatives, primarily for the relocation of casing operations from Singapore to Thailand, as well as its ongoing expansion in Thailand.

BANKING FACILITIES

As at 31 March 2026, the Group had utilised RM280.4 million, representing 39.2% of available banking facilities.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

DEBT RATIO

Net Gearing and Interest Coverage Ratio

The Group's net gearing ratio stood at 0.19 times as at 31 March 2026 and interest coverage ratio remained healthy at 8.4 times.

Total borrowings increased to RM271.5 million as at 31 March 2026 (31 March 2025: RM253.0 million), mainly due to higher utilisation of banking facilities to finance the purchase of property, plant and equipment, as well as working capital requirements.

CASH FLOWS

Operating Activities

The Group generated net cash from operating activities of RM98.1 million in FY2026, compared with RM171.4 million in the preceding financial year. The decline was mainly attributable to lower PBT and higher working capital requirements.

(RM'million)	FY2025	FY2026
Operating activities before changes in working capital	226.9	**176.1**
Changes in working capital	(4.5)	**(50.1)**
Income tax paid	(51.0)	**(27.9)**
Net cash generated from Operating Activities	171.4	**98.1**

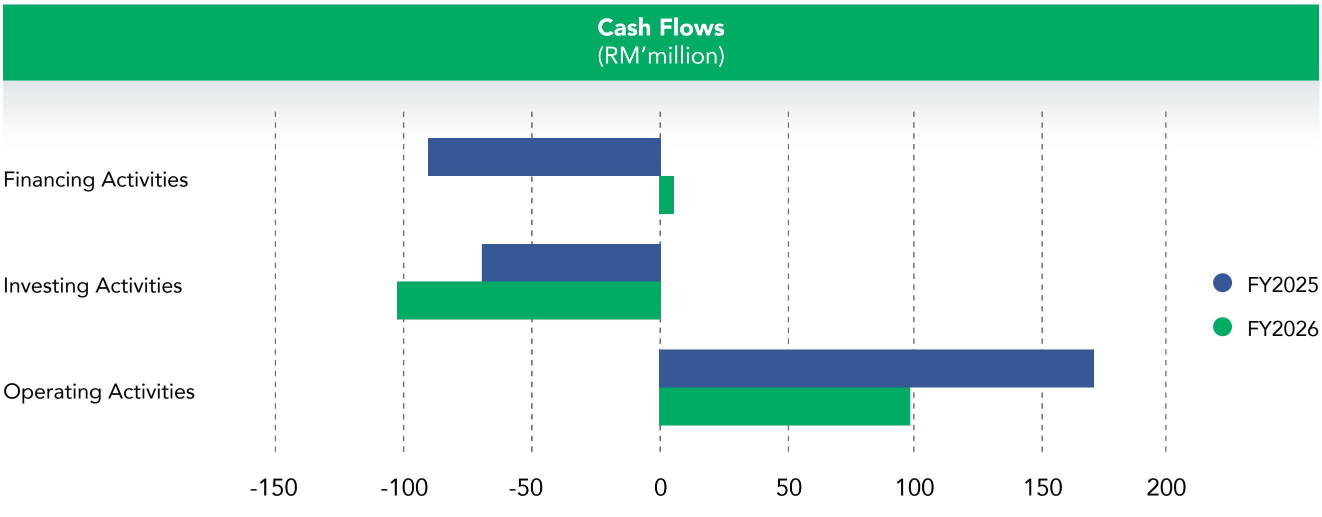
Investing Activities

Net cash used in investing activities amounted to RM102.7 million, mainly for the purchase of property, plant and equipment to support the relocation of casing operations from Singapore to Thailand, as well as the Group's ongoing expansion in Thailand.

Financing Activities

Net cash generated from financing activities was RM5.7 million, mainly due to net drawdown of bank borrowings amounting to RM45.1 million, offset by dividend payments of RM19.0 million and interest payments of RM14.8 million.

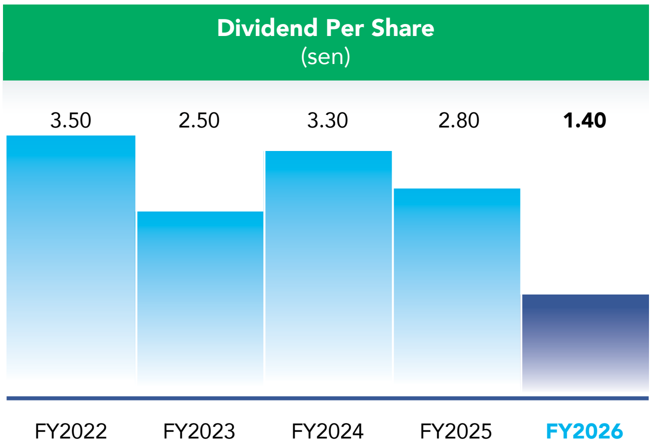
The Group ended the financial year with cash and cash equivalents of RM24.6 million, a decrease of RM3.4 million from the preceding financial year.



MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

DIVIDEND

An interim single-tier dividend of 1.40 sen per ordinary share was declared in May 2026, representing 20% of the Group's net profit. Based on the average share price for June 2026 of RM4.70, the dividend of 1.40 sen per share translates into a dividend yield of 0.30%.



CUSTOMERS AND PROGRAMS

Aerospace

In FY2026, the Aerospace segment generated RM 545.4 million in revenue, representing a 4.0% increase compared to the previous financial year. The increase was attributable to the expected aerospace supply chain ramp-up across Airbus and Boeing programs for all aerospace products. However, growth was moderated by the strengthening of Malaysian Ringgit against the US Dollar, as contracts are denominated in US Dollar.

Our Thailand facility began volume production of engine cases in January 2026, and started delivering to customers in FY2026, compared with the prior financial year, which primarily focused on customer and product qualifications.

In November 2025, SAMEE was honoured with the prestigious Risk Mitigation Award at the RTX Supplier Conference 2025. This recognition reflects SAMEE's strong commitment to reliability and supply chain excellence. Through the successful ramp-up of production to address a critical supply chain gap, SAMEE enabled Collins Aerospace, one of RTX's major business segments, to maintain smooth supply chain operations and achieve its production targets. SAMEE is proud of this accomplishment and remains committed to being a trusted partner to its aerospace customers.

The Group continues to be well-positioned with sufficient capacity to support future production rate increases in the aerospace industry.

Equipment

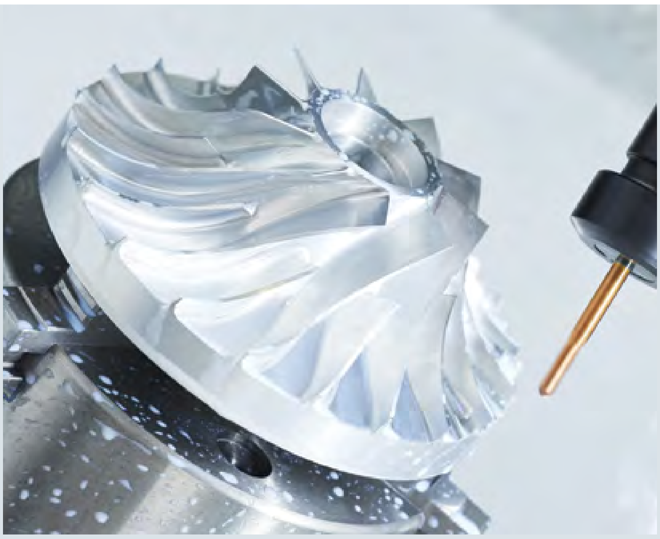
In FY2026, the Equipment segment recorded revenue of RM895.3 million, representing a 6.4% decline from the previous financial year. The decrease was primarily attributable to the strengthening of the Malaysian Ringgit against the US dollar, as the majority of orders in this segment are denominated in USD. Excluding the impact of foreign exchange movements, customer demand in the Equipment segment remained stable in FY2026 compared with FY2025.

During the financial year, the Group secured several new projects and New Product Introduction ("NPI") programmes as customers expanded their production activities in Asia. These projects are expected to contribute to future production volumes and further strengthen the Group's long-term business position. Historically, the Group's front-end semiconductor equipment business has been more US-centric. In FY2026, the Group was added to the Approved Vendor List ("AVL") of new customers outside the United States after meeting stringent qualification and selection requirements. This development is strategically important as it supports the diversification of the Group's customer base beyond regional concentration and broadens its exposure beyond semiconductor front-end product segments. Nevertheless, contributions from these newly secured projects are expected to be gradual, but they are anticipated to support the Group's longer-term growth.

In February 2026, SAMEE was honoured to receive the Supplier Excellence Award 2026 from Applied Materials Inc., a global leader in materials engineering solutions for the semiconductor front-end equipment industry. The award recognises Applied Materials' global suppliers for outstanding technical and operational achievements across key areas including quality, service, sustainability, lead time, delivery, and competitiveness. SAMEE was recognised for Best-in-Class Performance in contract manufacturing.

The Group remains cautiously optimistic on the outlook of the semiconductor equipment segment and has added capacity in Thailand ready to support future growth opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)



OPERATIONS INITIATIVES

Aerospace

During the financial year, the Group continued to advance its aerospace strategy, with significant progress in Thailand, reinforcing its position in high-value engine casing manufacturing.

A key milestone achieved was the successful completion of customer site qualification for the Thailand aerospace operations. This enables the Group to transition into the next phase of ramp-up and volume production, marking a critical step in establishing Thailand as a core aerospace manufacturing hub.

In parallel, the Group made substantial progress in expanding aerospace capabilities and capacity in Thailand. To support increasing demand and enhance manufacturing capability, new Computer Numerical Control (CNC) machines and special process facilities were installed and commissioned during the year. These investments strengthen operational capacity and position the Group to support highly complex aerospace programs.

In line with the Group's strategy to consolidate aerospace operations and optimise cost competitiveness, our manufacturing facility in Jurong, Singapore was closed during the year following the successful relocation of its operations to Thailand. This marks a strategic transition towards a more centralised and efficient aerospace manufacturing base.

Another major milestone was the completion of the third building at the Ban Bueng facility, Thailand (BB3), which significantly expands the Group's aerospace footprint. The facility is designed with scalability in mind, enabling future capacity expansion and supporting long-term growth in aerospace demand.

Equipment

The Equipment business continued to strengthen its core capabilities and operational efficiency, in line with the Group's long-term strategy to enhance competitiveness in semiconductor and industrial equipment manufacturing.

During the year, the Group expanded its advanced manufacturing capabilities, with a focus on improving process complexity, precision, and overall customer value-add. These enhancements support the Group's ability to secure higher-value programs and deepen customer engagement.

In line with its automation roadmap, the Group increased the adoption of automation technologies across manufacturing operations. This includes the scaling of automated and semi-automated processes to improve productivity, consistency, and labour efficiency, while reducing reliance on manual operations.

In addition, the Group enhanced operational visibility through the implementation of a real-time manufacturing dashboard system. This provides improved monitoring of production performance, machine utilisation, and key operational metrics, enabling faster decision-making, better resource allocation, and more proactive issue resolution across facilities.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

OUTLOOK

Aerospace

Air passenger travel has continued its strong growth momentum through 2025 and into early 2026. According to the International Air Transport Association (IATA), total passenger traffic measured by Revenue Passenger Kilometers (RPKs) reached 2.2 trillion RPK in Q1 2026, up 4% year-on-year[1].

The commercial aerospace sector remains underpinned by robust long-term fundamentals, as the global airline fleet is expected to almost double in the next 20 years[2], with an even proportion of new deliveries meant to replace older less fuel-efficient aircraft[2]. Driven by this sustained demand for fleet growth and renewal, Airbus and Boeing maintain historically high order backlogs, with a combined total of 15,750 aircraft as of March 2026. These backlogs represent 10.4[3] years of future deliveries for Airbus, and 10.1[3] years for Boeing, reflecting multiple years of production visibility while also driven by persistent supply chain bottlenecks. To support the supply chain ramp-up, OEMs and their suppliers continue to actively invest in capacity expansion.

Near-term uncertainty in global travel demand remains due to the ongoing Middle East conflict, particularly as rising jet fuel prices translate to higher costs for airlines and passengers. Meanwhile, geopolitical uncertainties resulting in trade restrictions and cost inflation pressures present continued risks to the aerospace supply chain. In response, OEMs are accelerating efforts in supply chain diversification to derisk and enhance resilience.

Against this backdrop, we will continue to strengthen our workforce capability, operational capacity, and production readiness to support our customers' production ramp-ups. By investing in our manufacturing footprint, we position ourselves as a strategic partner to improve supply chain resilience for our customers, driving long-term value creation in this dynamic global environment.

1 *International Air Transport Association (IATA)'s Quarterly Air Transport Chartbook Q1 2026. IATA represents over 360 airlines comprising 85% of global air traffic.*
2 *Airbus Global Market Forecast 2025. Boeing Commercial Market Outlook 2025-2044.*
3 *Forecast International: Airbus and Boeing Report March 2026 Commercial Aircraft Orders and Deliveries.*

Equipment

According to SEMI's Worldwide Semiconductor Equipment Market Statistics (WWSEMS) Report released on April 7, 2026, global semiconductor equipment billings increased by 15% year-on-year to USD135.1 billion in 2025, supported by investments in advanced logic, high-bandwidth memory ("HBM"), and advanced packaging driven by demand from artificial intelligence ("AI") and high-performance computing ("HPC"). Front-end and back-end segments recorded growth, with test and assembly equipment benefiting from increasing device complexity.

In 2026, equipment spending is expected to remain supported by AI-related demand and investments in leading-edge technologies. However, capital spending remains selective, with continued focus on advanced nodes and advanced packaging, while mature node investments remain cautious. Industry utilisation levels also remain mixed due to ongoing inventory normalisation and varying demand across end markets. As the Group supports customers in the front-end semiconductor equipment segment, the Group is well positioned to benefit from the ongoing industry upcycle and continued investments in advanced semiconductor manufacturing and technology upgrades.

Over the medium to long term, structural trends such as digitalisation, electrification, and increasing semiconductor content are expected to continue underpinning industry growth. Nevertheless, geopolitical developments, ongoing supply chain regionalisation, and uncertainties arising from global trade policies and conflicts in the Middle East may continue to influence investment decisions and market conditions.

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

This Sustainability Statement ("the Report" or "SS2026") presents SAM Engineering and Equipment (M) Berhad ("SAMEE") and its subsidiaries' ("SAMEE Group" or "the Group") approach to managing sustainability-related risks and opportunities, as well as our performance across key Economic, Environmental, Social and Governance ("EESG") matters for the financial year ended 31 March 2026.

At SAMEE Group, sustainability reflects our commitment to responsible business practices that support long-term value creation. We integrate sustainability considerations into our operational management, risk oversight, and strategic planning to strengthen resilience, support responsible resource management, and respond to evolving stakeholder expectations across the markets in which we operate.

This Report should be read in conjunction with the Group's Annual Report FY2026 to provide a comprehensive understanding of our financial and non-financial performance.

REPORTING PERIOD, SCOPE AND BOUNDARY

This Sustainability Statement covers SAMEE Group's sustainability performance for the financial year from 1 April 2025 to 31 March 2026 ("FY2026"), unless otherwise specified. Where relevant, disclosures are presented on a rolling three-year basis to support trend analysis.

The reporting scope, unchanged from the previous year, is based on the operational control approach, covering entities where SAMEE Group exercises operational control over management and sustainability-related activities. The reporting boundary includes active operating entities within the Aerospace and Equipment Divisions across Malaysia, Singapore and Thailand, covering the Group's principal operations and owned properties as detailed in the Particulars of Properties and Group Structure and Activities sections of AR2026.

SUSTAINABILITY STATEMENT (Cont'd)

REPORTING FRAMEWORKS AND STANDARDS

This Statement has been prepared in accordance with the sustainability reporting requirements of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR"), with reference to recognised sustainability frameworks, standards, and index criteria relevant to SAMEE Group's regulatory obligations and operational context.

The Group's disclosures are guided by the following frameworks and standards:

Bursa Malaysia Sustainability Reporting Guide (3rd Edition)	Global Reporting Initiative ("GRI") Universal Standards 2021 (Core Option)	FTSE4Good Bursa Malaysia ("F4GBM") Index Criteria
IN ACCORDANCE	WITH REFERENCE	WITH REFERENCE
Sustainability Accounting Standards Board ("SASB") Sector Specific Disclosures	International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards	Task Force on Climate-related Financial Disclosures ("TCFD")
WITH REFERENCE	IN ALIGNMENT	IN ALIGNMENT

As a Group 1 company under Malaysia's National Sustainability Reporting Framework ("NSRF"), the Group is progressively aligning with IFRS Sustainability Disclosure Standards, beginning with TCFD- and IFRS S2-aligned climate disclosures in SS2026. In line with this transition, the Group has adopted relevant SASB sector-specific metrics to support industry-aligned performance disclosures and enhance comparability of sustainability information.

SAMEE Group also references the FTSE4Good Bursa Malaysia Index criteria to support continuous improvement in ESG benchmarking following the Group's inclusion in the FTSE4Good Bursa Malaysia Index in June 2025.

DATA QUALITY AND ASSURANCE

Disclosures are prepared in line with GRI principles and internal materiality judgements, supported by structured internal reporting processes across operating entities.

Certain disclosures, particularly in emerging areas, may be refined as data, methodologies and regulatory expectations evolve. Where estimates are used, recognised methodologies and assumptions are disclosed. Changes in scope, coverage or prior-year restatements are indicated to ensure transparency and comparability. Minor variances may occur due to rounding.

The FY2026 Sustainability Statement has not been externally assured but has undergone internal review involving corporate functions and data owners, and was subsequently reviewed and endorsed by Senior Management and the Board.

REPORTING LIMITATIONS AND REFERENCES

This Report contains forward-looking statements regarding SAMEE Group's strategic intent, operational projections and anticipated outcomes made based on reasonable assumptions and information available at the time of publication. Actual results may differ due to inherent risks and uncertainties.

Unless otherwise stated:

- "Company", "Organisation" or "SAMEE" refers to SAM Engineering and Equipment (M) Berhad as the investment holding entity.
- "Group" or "SAMEE Group" refers collectively to SAM Engineering and Equipment (M) Berhad and its active subsidiaries included within the reporting scope.
- "we", "us", or "our" refer to SAMEE Group as defined above.

ACCESSIBILITY AND FEEDBACK

For enquiries or feedback, please contact investorrelations@sam-malaysia.com.

SUSTAINABILITY STATEMENT (Cont'd)

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

DEAR STAKEHOLDERS,

In FY2026, SAMEE Group continues to strengthen its sustainability practices through the integration of responsible business principles into operations, supported by established policies, governance structures and performance initiatives. These efforts have progressed from foundational governance and reporting to targeted operational initiatives, including renewable energy deployment, resource efficiency and responsible manufacturing, supporting safe, efficient and environmentally responsible operations.

NG BOON KEAT
Executive Director and Chief Executive Officer

Our Sustainability Journey and Key Milestones:

FY2015-2018	**Establishing Sustainability Foundations** • Sustainability Policy integrated into the Group's corporate strategies in 2015 • Initial sustainability strategies developed to promote responsible business practices • First Sustainability Report published in 2017, covering Economic, Environmental and Social ("EES") pillars
FY2019-2020	**Strengthening Governance and ESG Alignment** • Identification and formalisation of the Group's initial 15 material sustainability topics • Establishment of Sustainability Governance Structure • Alignment of sustainability initiatives with the United Nations Sustainable Development Goals ("UNSDGs")
FY2021-2022	**Sustaining ESG Commitments Amid Challenges** • Sustaining Environmental, Social and Governance ("ESG") and UNSDGs agendas during COVID-19 pandemic • Expanded material sustainability topics to 16 in line with evolving priorities
FY2023-2024	**Advancing Climate Mitigation and Adaptation** • Established GHG emissions intensity reduction target • Installed solar energy systems and transitioned to zirconium production line utilising environmentally responsible processes
FY2025	**ESG Recognition and Benchmarking** • Included in the FTSE4Good Bursa Malaysia ("F4GBM") Index
FY2026	**Advancing NSRF Adoption** • Conducted a Group-wide climate risk assessment • Undertook an SASB sector applicability clinic to identify relevant industry-aligned sustainability performance indicators • Published IFRS S2-aligned climate-related disclosures

A significant milestone achieved during FY2026 was the adoption of IFRS S2-aligned climate-related disclosures, in line with Malaysia's NSRF requirements for Group 1 companies.

SUSTAINABILITY STATEMENT (Cont'd)

The Group conducted cross-functional climate risk assessments across Malaysia, Singapore and Thailand to evaluate physical and transition risks over short-, medium- and long-term horizons. This structured assessment strengthens our understanding of the Group's climate-related exposures and supports the integration of climate considerations into risk management and operational planning processes. ISSB-aligned disclosures were also initiated, including financial quantification of climate risks and scenario-based projections (refer to ISSB Statement).

The Group undertook an SASB applicability assessment across Aerospace and Defence, Electrical and Electronic Equipment, Industrial Machinery and Goods, and Semiconductors standards. Given that SAMEE Group does not fall exclusively within a single sector classification, the assessment was conducted across these four standards to identify the most pertinent to our operations. While certain metrics may not be applicable to the Group's operations, data collection processes have already commenced for those identified as material. This supports improved comparability and relevance of disclosures, reinforced by ongoing data collection for identified material metrics.

FY2026 Sustainability Performance Highlights

During FY2026, SAMEE Group recorded measurable progress across key Economic, Environmental, Social and Governance ("EESG") areas. Our performance reflects the continued implementation of sustainability initiatives across our Aerospace and Equipment divisions, supported by structured monitoring of operational performance indicators and stakeholder engagement efforts.

We strengthened our emissions disclosure this year by enhancing transparency in both emissions coverage and methodology. Scope 1 and Scope 2 GHG emissions declined, primarily due to expanded solar deployment. Solar power generation reached 6,240 MWh, with 4,617 tCO_2e emissions avoided. Water disclosures were enhanced to include source breakdown and water-stress indicators.

Detailed performance is presented in the sections that follow.

ECONOMIC AND GOVERNANCE

- Achieved **4-star** ESG ranking under **FTSE4GOOD**
- **100%** operations assessed for corruption-related risks
- **0** complaints on data breaches
- **0** identified leaks, thefts, or losses of customer data
- **100%** of employees received anti-bribery and anti-corruption training

SOCIAL

- **0** workplace fatalities
- **30 HOURS** of training per employee
- **0** incidents of discrimination
- **0.41** Lost Time Incident Rate
- **0** substantiated cases of human rights violations
- **263** benefitted individuals directly
- **32%** women in management roles
- **RM150,200** in contributions to the community

ENVIRONMENT

- **0** cases of environmental regulatory non-compliance
- **4,617 tCO_2e** emissions avoided from solar energy usage
- **6,240 MWh** total solar energy generated
- **1,017 kL** of rainwater harvested

Looking Ahead

SAMEE Group will continue to strengthen climate risk management, resource efficiency, workforce well-being, governance practices and data quality, while enhancing disclosure alignment with evolving regulatory and industry expectations as we continue to build a resilient and responsible organisation.

SUSTAINABILITY STATEMENT (Cont'd)

APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

SAMEE Group adopts a structured, tiered sustainability governance framework to integrate sustainability into strategic decision-making, risk management and operational execution. This framework is supported by policies, terms of reference and governance instruments that define commitments, roles and procedures for effective implementation and monitoring.

The following governance structure enables clear accountability at all levels, supporting the effective management of sustainability-related risks and opportunities while reinforcing long-term value creation:

Roles	Responsibilities	Composition
Board of Directors *Provide oversight as highest governing body of SAMEE Group*	• Provide overall oversight of the Group's sustainability direction and performance. • Ensure sustainability considerations are integrated into strategic planning, risk management, and business decision-making processes. • Oversee key economic, environmental, and social matters relevant to the Group. • Approve the Group's sustainability and risk management frameworks. • Deliberate on sustainability-related governance matters. • Ensure alignment of sustainability priorities with the Group's long-term business objectives.	Executive and Non-Executive Directors of SAMEE
Risk & Sustainability Committee ("RSC") *Report directly to the Board of Directors*	• Support the Board in overseeing sustainability-related risks and opportunities at the Group level. • Review and recommend sustainability strategies and policies for Board approval. • Review and recommend sustainability performance targets at the Group level. • Monitor progress against sustainability priorities and performance indicators. • Ensure sustainability considerations remain integrated within the Group's broader risk management framework.	Board-level committee comprising appointed members of the Board
Sustainability Committee Working Group ("SCWG") *Strategic management of sustainability matters*	• Drive the implementation and monitoring of sustainability initiatives across the Group. • Oversee the implementation of sustainability initiatives across operating entities. • Coordinate sustainability-related data collection and reporting processes. • Monitor performance against sustainability targets and initiatives. • Facilitate cross-functional collaboration to ensure consistent programme execution. • Communicate sustainability performance updates to senior management and relevant committees.	Comprises C-suite executives, Chief Sustainability Officer, business heads and designated representatives responsible for sustainability-related implementation at operational level from key business units and functional departments across the Group
Site Sustainability Committees *Drive day-to-day implementation of sustainability initiatives at the site level*	• Identify and implement site-specific sustainability initiatives aligned with Group priorities. • Monitor sustainability-related activities and performance at the site level. • Promote environmental best practices and responsible resource management. • Engage employees to strengthen awareness and participation in sustainability initiatives. • Provide performance updates to the Sustainability Committee Working Group.	Comprises site-level personnel of major operating locations, responsible for operational execution of sustainability initiatives

SUSTAINABILITY STATEMENT (Cont'd)

Board Governance on Sustainability

Sustainability oversight is led by the Board of Directors, which sets the tone from the top. They are supported by Board-level and operational committees that collectively drive the implementation, monitoring, and continuous improvement of sustainability initiatives across the Group. Sustainability performance, progress, and evolving risks and opportunities are communicated up the chain of command to facilitate informed decision-making.

The following illustrates the key governance functions undertaken by the Board and the progressive stages through which sustainability initiatives are implemented, evaluated, and monitored across the organisation.

Board Governance on EESG

Strategy
- EESG risks and opportunities are integrated into SAMEE's long-term strategy
- Monitoring EESG performance against milestones and goals

Risk Assessment
- Oversight on sustainability materiality
- Allocation of oversight of the risks to full Board/ individual committees

Messaging
- Ensure alignment of EESG messaging and activities with the company's purpose and shareholders' interests

Reporting
- Communication platform for the company's EESG disclosure

1	2	3	4	5	6
Awareness	Comprehension	Commitment	Action	Evaluation	Monitoring

Policies and Governance Instruments

The Group's sustainability governance is supported by policies and governance instruments that define expectations for ethical conduct, operational responsibility and regulatory compliance:

Sustainability Policy	Code of Business Conduct & Ethics	Anti-Bribery and Anti-Corruption Policy	Whistleblowing Policy	Environmental, Health and Safety ("EHS") Policy
Occupational Safety & Health ("OSH") Policy	Environmental Policy	Conflict of Interest Policy	Anti-Fraud Policy	Supplier Code of Conduct
Supplier Sustainability Policy	Quality Policy	Legal/Privacy Notices	Board Charter	Terms of Reference of Audit Committee
Terms of Reference of Nominating & Remuneration Committee	Terms of Reference of Risk & Sustainability Committee	Directors' Fit and Proper Policy	Corporate Disclosure Policy	

SUSTAINABILITY STATEMENT (Cont'd)

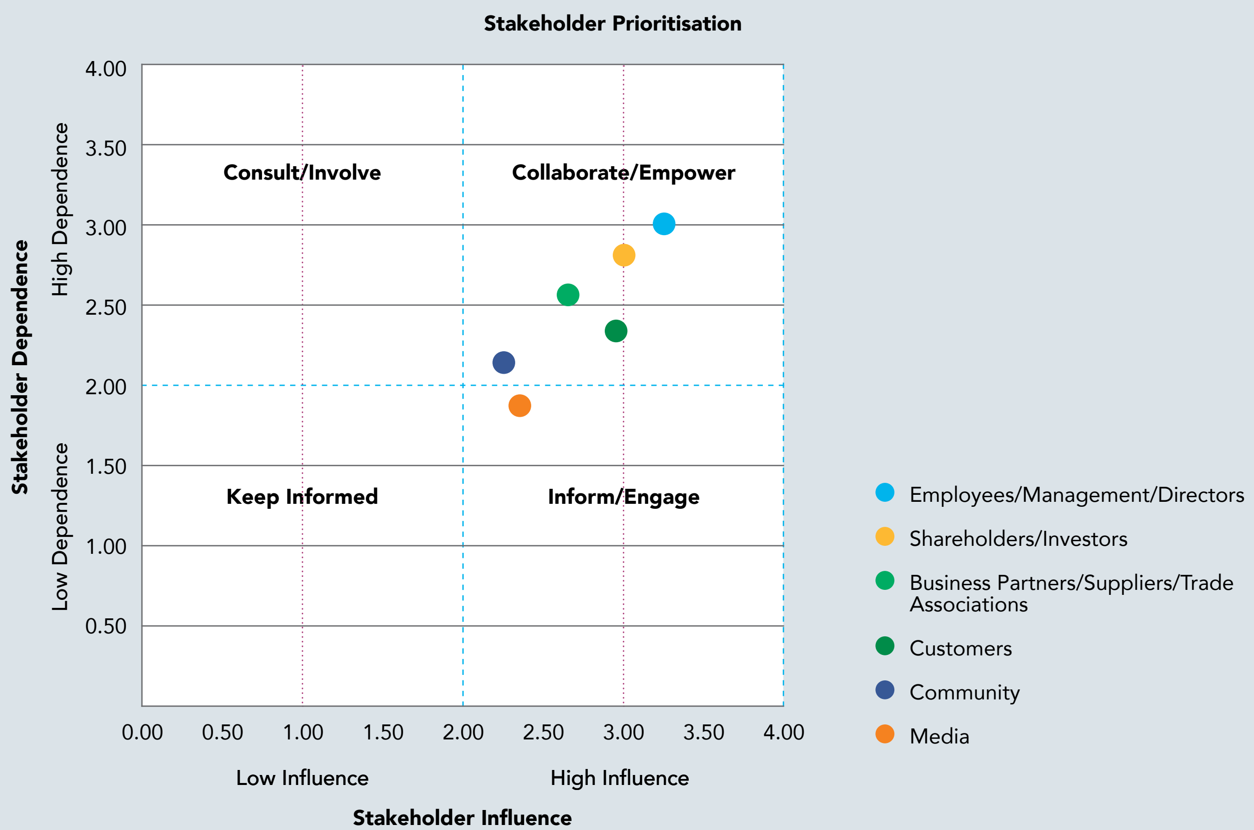
These policies guide decision-making processes, reinforce accountability, and support the consistent implementation of sustainability practices throughout the Group. They can be found on our corporate website at https://www.sam-malaysia.com/ and are updated periodically to ensure their continued efficacy.

In FY2026, the Group undertook a review of the Board Charter and the Terms of Reference ("TORs") of the respective Board Committees to strengthen governance alignment with evolving sustainability-related expectations, including those set out under the IFRS Sustainability Disclosure Standards.

STAKEHOLDER ENGAGEMENT

The Group engages with a diverse range of stakeholders who are impacted by or have the ability to impact the Group's operations in the regular course of its business activities. The Group's key stakeholders have been identified as Employees, Management and Directors, Shareholders and Investors, Customers, Business Partners and Suppliers, Regulators, Communities, and Media.

Stakeholders are prioritised based on their level of influence on, and dependence on, the Group. This supports targeted engagement, effective communication and structured response to stakeholder concerns. The prioritisation matrix, derived from the FY2025 materiality assessment, provides the basis for identifying engagement priorities and validating material sustainability matters.



Ongoing engagement enables the Group to understand stakeholder expectations, concerns and emerging issues, providing insights into sustainability-related risks and opportunities. Feedback from these engagements informs the materiality assessment process, supporting Management and the Board in identifying, prioritising and responding to key sustainability matters.

SUSTAINABILITY STATEMENT (Cont'd)

The table below summarises the Group's key stakeholder groups, engagement channels, areas of interest, and frequency of engagement.

STAKEHOLDER GROUP COMPOSITION AND MANAGEMENT APPROACH	ENGAGEMENT CHANNEL	FREQUENCY	AREA OF INTEREST/CONCERN
Shareholders/Investors • Shareholders • Investors • Financial Institutions *Approach:* Collaborate/Empower	Bursa announcements	Ad-hoc	• Current and projected growth opportunities and threats • Funding needs • Risk management • Corporate governance • Sustainability compliance and initiatives • Board representation and diversity
	Analysts/fund managers presentations and briefings	Quarterly	
	Analyst reports on SAMEE	Ad-hoc	
	Annual General Meeting	Annually	
	SAMEE Group Annual Report	Annually	
Employees/Management/ Directors • Directors • Management • Permanent staff • Contract staff *Approach:* Collaborate/Empower	Meetings and interactions	Ongoing	• Update on the current and future directions of SAMEE • Update on the current and projected performance of SAMEE • Opportunities for healthy career growth, upskilling, and learning and development • Update on the current and future working environment, especially on job security, health and safety • Safeguarding human rights and a humane and respectful workplace environment
	Workshop discussions	Ad-hoc	
	Coordination and operations meetings	Weekly/ Monthly	
	Employee communication session	Quarterly	
	Management meeting	Weekly	
	Board and Board Committee meetings	Quarterly	
	Plant/Factory visits	Ad-hoc	
	Learning and development programmes	Ongoing	
	Performance appraisal	Annually	
	Employee Engagement Surveys	Annually	
	Value Creation Programme	Ad-hoc	
	Corporate volunteering programmes	Ad-hoc	
	SAMEE Group eHub App	Ongoing	
	Management Retreat/ Conference	Annually	
Customers • Customer representatives *Approach:* Collaborate/Empower	Meetings and interactions	Ongoing	• Product and technology development and collaboration • Quality and reliability of products and services with assurances • Projected orders and commitments • Timeline and timeliness in delivery • Warranties and claims • Customer service • Pricing issues and trends • International and specific standards and sustainability-compliant practices • Human/labour rights and safety • Business Continuity Planning for Delivery Scheduling and Collection Ageing
	Quality control and audit by customers	Periodic/ Surprise	
	Operation Review	Monthly	
	Business Review	Quarterly	
	Customer Satisfaction Survey	Annually	

SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDER GROUP COMPOSITION AND MANAGEMENT APPROACH	ENGAGEMENT CHANNEL	FREQUENCY	AREA OF INTEREST/CONCERN
Business Partners/Suppliers /Trade Associations • Business Partners • Consultants • Suppliers • Trade associations *Approach:* Collaborate/Empower	Meetings and interactions	Ad-hoc	• Product and technology development and collaboration • Quality and reliability of products and services with assurances • Projected orders and commitments • Timeline and timeliness of delivery • Warranties and claims • Customer service support • Pricing issues and trends • International and specific standards and sustainability compliance • Human/labour rights and safety • Business Continuity Planning for supply chain • Payment aging/schedule
	Quality control and audit on suppliers	Periodic/ Surprise	
	Business Review	Ad-hoc	
	Participation in suppliers' Customer Enjoyment Survey	Periodic	
	Trade association participation and meetings	Periodic	
Regulators • Department of Occupational Safety and Health ("DOSH") • Department of Environment ("DOE") • Labour Relations Department • Bursa Malaysia • Securities Commission *Approach:* Collaborate/Empower	On-site inspection	Ad-hoc	• Meeting all required operating licenses and regulatory requirements • Compliance of all requirements from local councils and authorities • Anti-Bribery and Corruption • Human rights • Ensuring all employees are protected by all relevant labour laws and requirements • Hiring of only legitimate foreign workers • Fair treatment of all employees • Availability of whistleblowing channels and protection for whistleblowers
	Safekeeping and availability of records for audit	Ongoing	
	Correspondences with regulators	Ongoing	
	Dialogues with regulators	Ongoing	
	Participation of dialogues and forums	Ad-hoc	
Community • Local surrounding community • Local town councils • Charities and NGOs • Conference organisers *Approach:* Collaborate/Empower	Initiatives and partnerships with NGOs	Ad-hoc	• Volunteering projects • In-kind and monetary donations • Health, safety and environmental initiatives • Educating communities through discussions and experience sharing
	Institution/University internship programme	Ongoing	
	Corporate volunteering programmes (blood donations, orphanage visits, cleaning and painting events)	Ongoing	
	Roundtable discussions	Periodic	
Media • Social media • Newspapers *Approach:* Inform/Engage	Media release	Ongoing	• Financial reporting • Transparency • Business continuity
	Media interview	Ongoing	
	Press conference	Ad-hoc	

SUSTAINABILITY STATEMENT (Cont'd)

Associations and Memberships

SAMEE Group recognises the value of participating in industry associations as an important channel for engagement with sector stakeholders and staying informed of evolving best practices, regulatory developments, and industry trends. Through these affiliations, the Group benchmarks its practices, exchanges insights with industry peers, and strengthens its ability to respond to sector developments related to technology, sustainability, and workforce needs. Key memberships include:

- **Malaysian Semiconductor Industry Association ("MSIA")**
  A national platform representing the semiconductor and electronics manufacturing sectors. MSIA facilitates dialogue with government agencies, regulators, and industry players on matters such as regulatory compliance, trade facilitation, industrial policy, talent development, and ESG practices, including climate-related disclosures.

- **Free Industrial Zone Penang Companies' Association ("FREPENCA")**
  A collective of companies operating within Penang's Free Industrial Zones that fosters industrial collaboration, infrastructure advocacy, and regulatory engagement to support operational efficiency and business continuity.

- **Penang Skills Development Centre ("PSDC")**
  An industry-led skills training and talent development centre focused on upskilling and reskilling the local workforce, particularly in technical and high-technology domains.

- **Malaysian Employers Federation ("MEF")**
  A national employer organisation that provides guidance on labour law compliance, employment practices, and workforce management, while representing employer interests in policy dialogue.

MATERIALITY ASSESSMENT

SAMEE conducts full materiality assessments every 3 to 5 years, with interim desktop reviews, to identify and prioritise key Economic, Environmental, Social and Governance ("EESG") matters. This process supports Management and the Board in focusing on the most significant impacts, risks and opportunities aligned with stakeholder expectations and operational priorities.

In FY2025, the Group conducted a comprehensive materiality assessment incorporating stakeholder engagement and internal evaluation to confirm the continued relevance of its material topics.

Materiality Assessment Methodology

The materiality assessment process comprises four key stages designed to ensure a structured and transparent evaluation of sustainability matters.

1	**Review of Material Topics**	• A review of previously identified material topics to evaluate their continued relevance to the Group's operations and sustainability priorities. • Confirmed that the existing 14 material topics remain applicable and aligned with the Group's operational activities and stakeholder expectations.
2	**Stakeholder Engagement**	• Engaged both internal and external stakeholders through a structured survey to gather feedback on the importance of the identified 14 material topics. • Stakeholders were invited to assess the relative importance of each material topic to SAMEE Group's EESG pillars. • Each material topic was assessed and prioritised using a defined methodology that categorised them into Highly Critical, Critical, Moderate, Low, or Very Low importance levels.
3	**Prioritisation of Material Topics**	• An impact rating methodology was applied to assess the relative importance of each topic. • Stakeholder responses and internal impact assessments were compiled and plotted to form the materiality matrix, illustrating the relative priority of each sustainability matter.
4	**Validation**	• The results of the materiality assessment, including the materiality matrix and prioritised topics, were reviewed and validated by the RSC and Board of Directors in FY2025. • During the SS2026 report preparation process limited-scale desktop review of the FY2025 materiality assessment, the following materiality matrix has been found to remain relevant for FY2026.

SUSTAINABILITY STATEMENT (Cont'd)

Materiality Matrix

The following materiality matrix has been approved by the Board for disclosure in this report.

Note: The materiality matrix omits the Very Low and Low quadrants as no material topics fall within these quadrants.

Economic and Governance		Environmental		Social	
Customer Satisfaction and Relationship	1	Waste and Hazardous Materials Management	12	Employee Well-being, Health and Safety	3
Product and Service Quality	2	Energy Management	13	Labour Practices and Rights	4
Ethics and Compliance	5	Climate Change and Environmental Issues	14	Employee Learning and Development	6
Economic Performance	8			Attracting, Developing, Rewarding and Retaining Employees	7
Technology, Innovation and Development	9				
Cybersecurity and IT Resource Management	10				
Supply Chain Management	11				

Validated material topics guide the Group's sustainability priorities, including target-setting, initiative implementation and performance monitoring. These topics also inform the structure of disclosures in alignment with applicable frameworks and regulatory requirements.

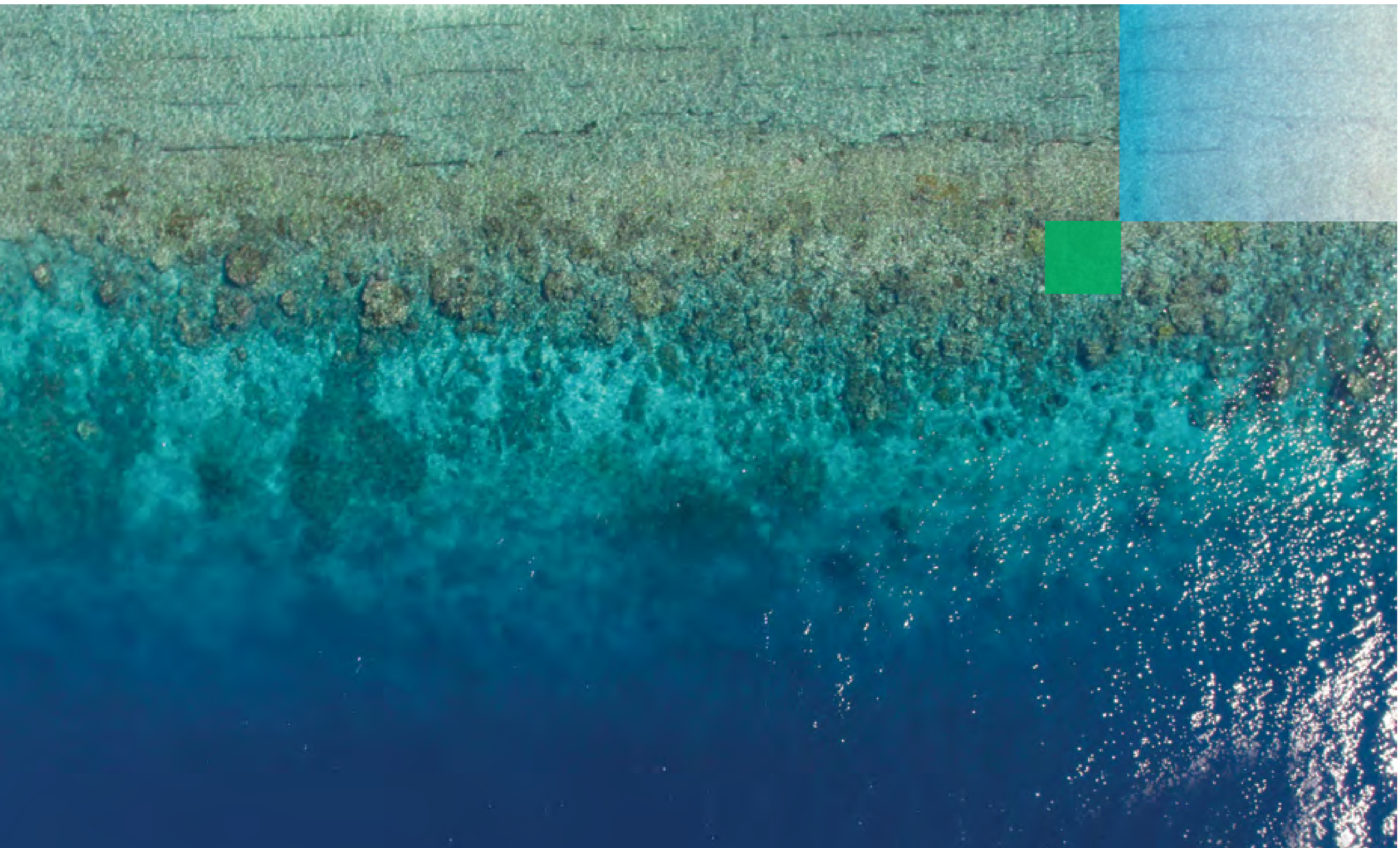
SUSTAINABILITY STATEMENT (Cont'd)

EESG Scorecard

Material Topic	KPIs and Targets	FY2026 Progress and Performance
Environment		
Energy Management	Achieve 10% annual reduction in Scope 2 GHG emissions intensity relative to FY2023 baseline (14.12 tCO_2e/RM'mil).	Not Achieved.
	Generate 10,000 MWh of renewable energy annually by FY2030.	In progress. The Group recorded 6,240 MWh in FY2026.
Social		
Employee Well-Being, Health and Safety	Achieve a 30% reduction in man-hour loss per employee by FY2030.	Achieved. The Group recorded a man-hour loss per employee of 0.33 in FY2026, representing a decrease of 54% from the FY2023 baseline (0.72).
	Maintain zero fatalities at all sites annually.	Achieved. The Group recorded zero fatalities across all operational sites during the reporting year.
Labour Practices and Rights	Achieve 30% female representation at the management level.	Achieved. Female representation at management level reached 32%, exceeding the 30% target.
Employee Learning and Development	Achieve an average training hours per employee of a minimum of 25 hours per annum.	Achieved. The Group attained an average of 30 training hours per employee, exceeding the minimum target.
Economic and Governance		
Cybersecurity and IT Resource Management	Maintain zero major cybersecurity incidents annually.	Achieved. The Group maintained zero substantiated complaints relating to customer privacy breaches or data loss incidents from external parties, regulatory bodies, or internal investigations.
Environmental Compliance	Maintain zero non-compliance related to environmental matters annually.	Achieved. The Group recorded no incidents of non-compliance with environmental regulations during the reporting year.
Anti-bribery and Corruption	Maintain zero confirmed cases of non-compliance related to bribery and corruption across the operations annually.	Achieved. No incidents of bribery or corruption were identified or substantiated across the Group's operations.

Note: Limited to ESG targets explicitly disclosed by the Group as internal targets or benchmarking indicators. Certain environmental metrics, including energy, water and waste-related data, are tracked as internal benchmarking indicators for performance monitoring purposes and are not defined as formal Group targets.

SUSTAINABILITY STATEMENT (Cont'd)



Environment

At SAMEE, we believe that protecting the environment is a responsibility that we all share. We are committed to reducing our environmental impact, conserving natural resources, and embedding sustainability across our business. The Group adopts an integrated approach to manage its climate change and environmental impacts, aligning operational practices with regulatory requirements and broader sustainability objectives. This includes a focus on resource efficiency, emissions management and responsible use of natural resources across all sites, while supporting alignment with Malaysia's national sustainability priorities.

This approach is implemented through four core areas:

1. Emissions Measurement and Reduction	2. Environmental Monitoring and Performance Tracking	3. Energy Transition and Efficiency	4. Stakeholder Engagement and Transparency
Ongoing tracking of Scope 1 and Scope 2 greenhouse gas ("GHG") emissions, with gradual expansion into relevant Scope 3 categories where data is material and reliable.	Monthly monitoring of key indicators, including energy consumption, water use and waste generation, to support performance evaluation and compliance.	Deployment of solar photovoltaic ("PV") systems and site-level energy efficiency improvements to reduce operational emissions.	Strengthening disclosures in line with Bursa Malaysia requirements and alignment with IFRS S2 and Global Reporting Initiative ("GRI") standards.

SUSTAINABILITY STATEMENT (Cont'd)

CLIMATE CHANGE AND ENVIRONMENTAL ISSUES

Climate-related and environmental considerations are integrated into SAMEE Group's operational management framework, guiding the management of emissions, energy, water, waste, and natural resources.

Climate Management

Guided by our Environmental Policy, climate-related and broader environmental risks, including resource constraints, regulatory changes, and ecosystem impacts, are integrated into the Group's annual Enterprise Risk Management ("ERM") process. This enables a structured approach to identifying, assessing, and monitoring physical and transition risks while supporting proactive environmental management.

SAMEE continues to strengthen its climate-related disclosures by progressively in alignment with TCFD recommendations, while maintaining IFRS S2 and GRI reporting requirements. Through this, we aim to provide stakeholders with clear, consistent, and decision-useful insights into how we identify, manage, and respond to climate- and environment-related challenges. For more details, please refer to the *ISSB Sustainability Statement* section on page 76.

The Group's environmental approach is also supported by participation in key industry associations, including MSIA, FREPENCA, PSDC and MEF, which facilitate engagement on EESG matters, regulatory developments and disclosure practices. The Group reviews alignment between its environmental commitments and the positions of these industry bodies and will take appropriate action should any misalignment arise. For more details, please refer to the *Associations and Memberships* section on page 38.

In addition, SAMEE Group actively supports public policy initiatives related to environmental management, such as the Penang2030 framework. This commitment is demonstrated through ongoing solar panel installation projects and the gradual rollout of electric vehicle ("EV") charging infrastructure.

Emissions Scope and Boundary

The Group measures GHG emissions in accordance with the GHG Protocol, covering Scope 1, Scope 2 and selected Scope 3 categories. This supports the Group's long-term strategy, carbon management efforts and preparedness for potential regulatory developments, including future carbon taxation.

Scope 1: Direct Emissions

Scope 1 emissions arise from sources directly owned or controlled by SAMEE, primarily from on-site fuel use.

Data Sources: Fuel purchase records for process heating, equipment, and vehicle fleets, including receipts and invoices for diesel, petrol, and LPG used in company-owned vehicles.

Calculation Methodology: Fuel-based methodology where fuel consumption was multiplied by the corresponding greenhouse gas emission factors provided by UK's Department for Environment, Food & Rural Affairs ("DEFRA") (2025/2026).

Data Coverage:
FY2024 – 2026: All sites across the Group were covered, representing 100% data coverage across the Group.

SUSTAINABILITY STATEMENT (Cont'd)

Scope 2: Indirect Emissions

Scope 2 emissions result from the electricity purchased and consumed in SAMEE operations.

Data Sources: Monthly electricity bills from utility providers.

Calculation Methodology: Electricity consumption data was multiplied by the corresponding greenhouse gas emission factors for the Malaysia region provided by the Malaysia Energy Information Hub ("MEIH") (2024), while emission factors for the Singapore and Thailand regions were sourced from Enerdata (2023).

Data Coverage:
FY2024 – 2026: All sites across the Group were covered, representing 100% data coverage across the Group.

Scope 3: Other Indirect Emissions

Scope 3 emissions occur from indirect sources across the value chain. The following categories were captured:

Category 6: Business Travel

Data Sources: Flight travel and overnight stay records.
Note: Land-based travel is currently excluded as it represents a minimal portion of the Group's travel footprint.

Calculation Methodology: Distance-based and "stay-in" methodology where travel records were multiplied by the corresponding greenhouse gas emission factors provided by DEFRA 2025 for air travel and country-specific hotel stay factors for overnight stays.

Data Coverage:
FY2024 – 2026: All sites across the Group were covered, representing 100% data coverage across the Group.

Category 7: Employee Commuting

Data Sources: Employee survey capturing transportation modes and travel distances.

Calculation Methodology: Distance-based methodology where travel records were standardised to distance travelled and multiplied by the corresponding greenhouse gas emission factors provided by DEFRA 2025 based on the mode of transportation.

Data Coverage:
FY2024 – 2026: All sites across the Group were covered, representing 100% data coverage across the Group.

Emissions Performance and Tracking

Scope 2 GHG emissions constitute the largest share of our total emissions, reflecting the energy-intensive nature of our operations. Variations in GHG emissions levels and intensity across reporting periods are due to changes in production activity, operational expansion, energy consumption patterns, and revenue performance, as emissions intensity is calculated relative to revenue.

The Group has established long-term targets to reduce Scope 2 GHG emissions intensity relative to the FY2023 baseline and to generate 10,000 MWh of renewable energy annually by FY2030. Progress towards the renewable energy target may be influenced by factors such as solar irradiance, weather conditions, system availability, and operational efficiency.

To enhance reporting accuracy and alignment with industry practices, SAMEE refined its Scope 1 and Scope 2 GHG emissions calculation methodology by updating the selection and application of emission factors based on prevailing methodologies adopted by listed utilities and infrastructure companies in Malaysia and comparable regulated markets.

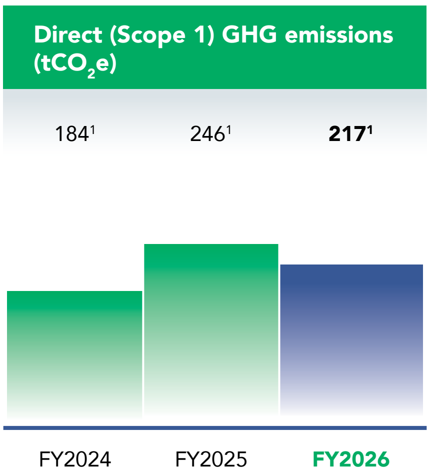
To enable meaningful year-on-year comparison, the Group performed a like-for-like analysis using the prior-year emissions calculation basis. On this comparable basis, Scope 1 GHG emissions decreased by 12% from 246 tCO_2e in FY2025 to 217 tCO_2e in FY2026, while Scope 2 GHG emissions decreased by 7% from 36,810 tCO_2e to 34,111 tCO_2e. The FY2026 Scope 2 emissions figure reported in the table differs as it applies the updated FY2026 emission factor methodology disclosed above. These improvements demonstrate the Group's continued progress in managing emissions while transitioning towards more comprehensive reporting practices.

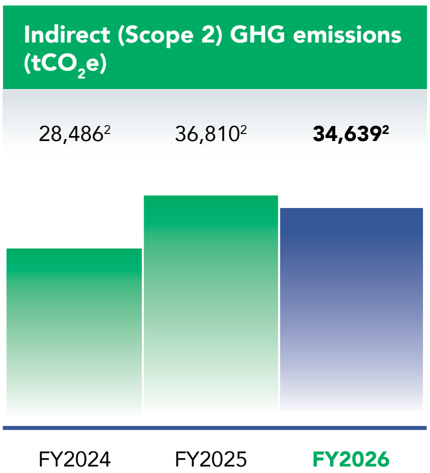
SUSTAINABILITY STATEMENT (Cont'd)

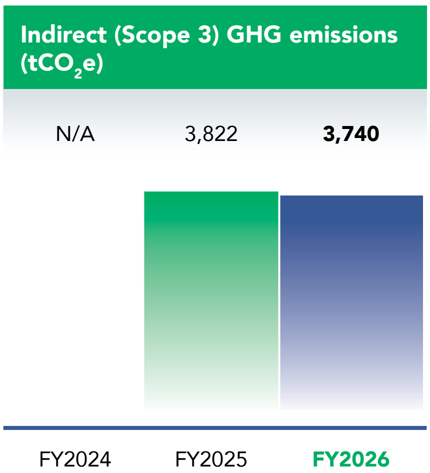
The table below provides an overview of SAMEE Group's Scope 1, Scope 2, and Scope 3 GHG emissions and intensity metrics for FY2024-2026:

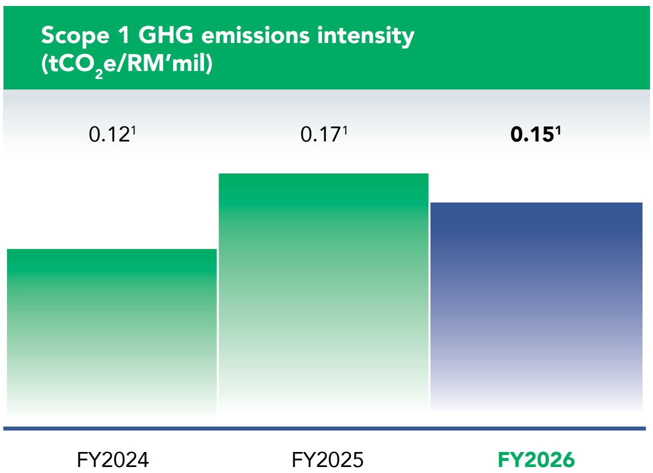
Emissions Data	FY2024	FY2025	FY2026
Direct (Scope 1) GHG emissions (tCO_2e)	184[1]	246[1]	**217[1]**
Indirect (Scope 2) GHG emissions (tCO_2e)	28,486[2]	36,810[2]	**34,639[2]**
Indirect (Scope 3) GHG emissions (tCO_2e):	N/A	3,822	**3,740**
Business travel	N/A	756	**712**
Employee commuting	N/A	3,066	**3,028**
Scope 1 GHG emissions intensity (tCO_2e/RM'mil)	0.12[1]	0.17[1]	**0.15[1]**
Scope 2 GHG emissions intensity (tCO_2e/RM'mil)	19.19[2]	24.86[2]	**24.04[2]**

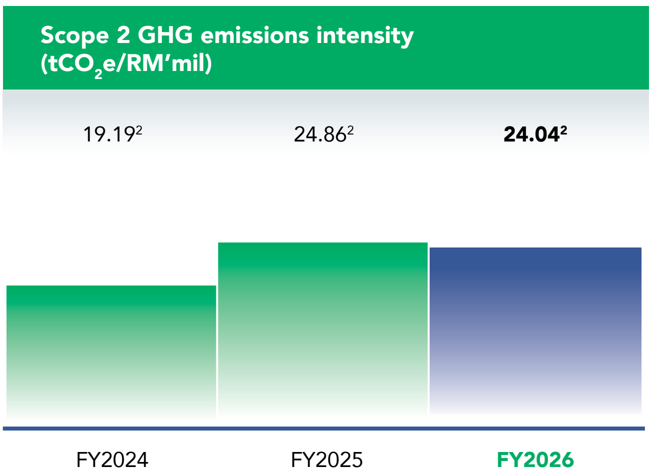
Note:
1. For FY2024 and FY2025, Scope 1 emissions were calculated using emission factors from the Intergovernmental Panel on Climate Change ("IPCC") Fifth Assessment Report (AR5), the WRI GHG Emission Factors Compilation (2017), and the Greenhouse Gas Protocol Emission Factors for Cross-Sector Tool (Version 2.0). For FY2026, please refer to the updated Scope 1 emissions calculation methodology disclosed above.
2. For FY2024 and FY2025, Scope 2 emissions were calculated using the GHG Protocol Cross-Sector Tool for Malaysia, the Energy Market Authority ("EMA") emission factors for Singapore, and regional grid emission factors published by the Institute for Global Environmental Strategies ("IGES") for Thailand. For FY2026, please refer to the updated Scope 2 emissions calculation methodology disclosed above. The 34,111 tCO_2e Scope 2 emissions figure referenced in the narrative reflects a like-for-like comparison using the prior-year calculation basis.











SUSTAINABILITY STATEMENT (Cont'd)

The reduction in emissions, particularly Scope 2 emissions, was mainly driven by continued expansion of solar energy installation projects. The Group continues to pursue emissions intensity reduction and renewable energy generation targets to reduce its operational carbon footprint and support broader climate objectives. These strategic initiatives are pivotal in mitigating the operational carbon footprint and aligning with global climate objectives for sustainable industrial development.

Progress against these key environmental targets is outlined in the table below:

Indicator	Target	Timeline	Status
Scope 2 GHG emissions intensity	10% annual reduction compared to the FY2023 baseline (14.12 tCO_2e/RM'mil).	FY2024 – FY2026	Not Achieved

GHG Emissions Reduction Initiatives

To advance its climate ambitions, SAMEE Group implements emissions reduction initiatives combining operational controls, infrastructure upgrades and engagement programmes. Scope 1 emissions are managed through operational controls across all sites, with particular focus on direct fuel use in manufacturing and facilities operations.

Short-Term Strategy: Operational Control and Variance Management	Long-Term Strategy: Structural Reduction Through Efficiency and Fuel Optimisation
Routine monitoring of fuel consumption, reasonability checks, and review of variances against operational drivers such as process changes, facility upgrades or commissioning activities to maintain emissions within expected ranges and identify improvement opportunities.	Reduction of emissions through process efficiency improvements, fuel optimisation and evaluation of opportunities to reduce direct fossil fuel combustion where feasible. Performance is assessed through trend analysis against operational drivers rather than fixed quantitative targets.

The Group also implements site-level initiatives to improve efficiency and support the energy transition, including solar PV installations, energy efficiency upgrades and process optimisation measures, supported by ongoing monitoring and performance reviews.

ENERGY MANAGEMENT

At SAMEE Group, we are committed to minimising environmental impacts via robust conservation measures and renewable energy integration. We strategically prioritise improving energy efficiency and advance this commitment with energy audits, energy-efficient technologies, and ongoing optimisation of facility designs.

Energy Sources and Operational Footprint

Our business operations, particularly precision manufacturing, are energy-intensive and rely primarily on purchased grid electricity to support manufacturing lines, utilities and office operations. Key uses include machining, thermal processes, HVAC, compressed air, general utilities and lighting.

To enhance energy resilience and diversify our energy mix, we are progressively integrating on-site solar energy generation across selected facilities. In addition, the Group utilises direct fossil fuels, such as diesel, petrol, and liquefied petroleum gas ("LPG"), to support process heating, heavy equipment operations, and logistics vehicle fleets.

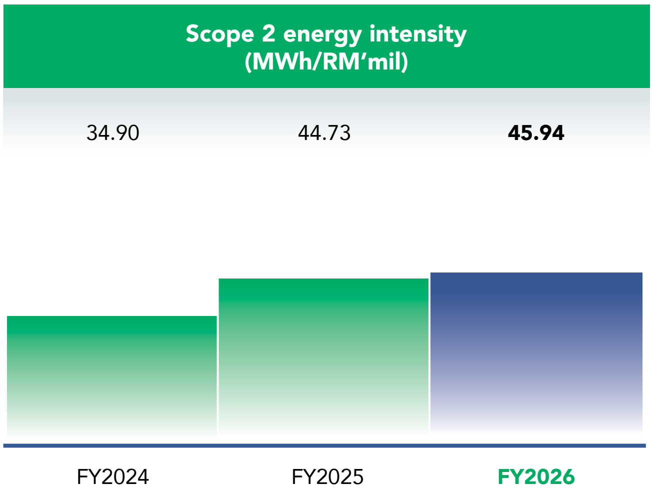
SUSTAINABILITY STATEMENT (Cont'd)

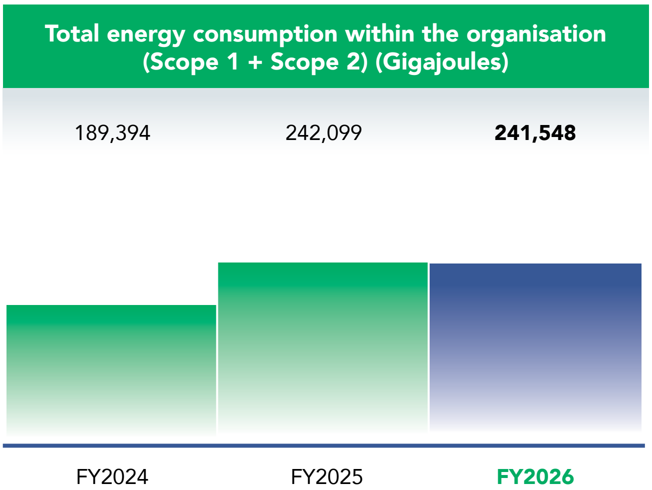
Energy Consumption

Our energy consumption and intensity are monitored across operations to support investment decisions and performance tracking. Intensity metrics are influenced by production activity and revenue volatility in addition to consumption changes.

Energy Data	FY2024	FY2025	FY2026
Total Scope 1 energy consumption by type:			
Diesel (Litres)	22,184	27,025	**21,640**
Petrol (Litres)	754	6,076	**6,838**
LPG (Litres)	1,115	3,341	**2,786**
LPG (Kilograms)	44,190	52,448	**47,396**
Total Scope 1 energy consumption (Gigajoules)	2,939	3,697	**3,269**
Total Scope 2 energy consumption by type (MWh):	51,793	66,223	**66,189**
I. Grid electricity	51,793	64,142	**59,949**
II. Renewable energy (solar etc.)	N/A	2,082	**6,240**
Percentage of grid electricity usage (%)	100	97	**91**
Percentage of renewable energy usage (%)	N/A	3	**9**
Total Scope 2 energy consumption (Gigajoules)	186,455	238,402	**238,279**
Scope 2 energy intensity (MWh/RM'mil)	34.90	44.73	**45.94**
Total energy consumption within the organisation (Scope 1 + Scope 2) (Gigajoules)	189,394	242,099	**241,548**

Note:
1. Energy data is compiled based on site-level utility bills and meter readings, supported by internal tracking templates aligned with sustainability reporting requirements. Where necessary, normalisation assumptions are applied to ensure consistency across reporting periods. No estimation models are used unless data gaps arise.





In FY2026, SAMEE Group advanced its solar energy integration by expanding installations, which accounted for 9% of total Scope 2 energy consumption, a key step in reducing reliance on grid electricity. This progress aligns with our ambitious target of reaching a 10,000 MWh/year solar contribution baseline by FY2030.

SUSTAINABILITY STATEMENT (Cont'd)

Indicator	Target	Timeline	Status
Renewable Energy Target	10,000 MWh/year	By FY2030	In progress – 6,240 MWh

Note:
1. Annual renewable energy generation target of 10,000 MWh is based on the expected performance of the installed solar PV capacity under typical solar irradiance conditions (estimated at 4.5–5.0 kWh/m²/day). Actual generation may vary year-to-year due to uncontrollable factors such as weather patterns, solar irradiance levels, system downtime, and operational efficiency.

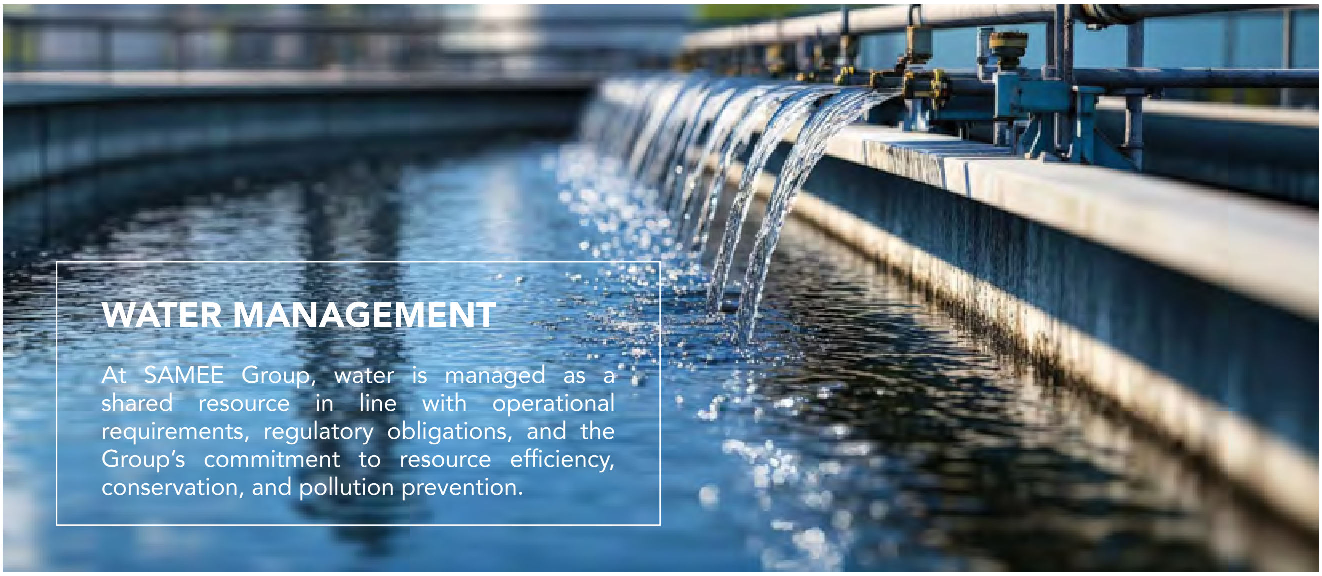
Energy Saving Initiatives and Performance

The Group's approach to energy optimisation is guided by operational feasibility and site-specific regulatory contexts. Ongoing and planned initiatives include:

Renewable Energy Integration	Energy Audits	Equipment and Infrastructure Upgrades	Technology Monitoring
Expansion of solar PV installations at selected manufacturing sites.	Site-level audits to identify efficiency opportunities.	LED lighting, HVAC upgrades, air compressor upgrades and facility design improvements.	Evaluation of emerging technologies and regulatory developments to support future optimisation projects.

Energy consumption may vary year-to-year due to changes in production volume, commissioning of new equipment, and site expansions. Increases in energy demand have been partially mitigated through energy efficiency measures such as LED retrofits, HVAC optimisation, facility insulation improvements, and the gradual integration of renewable energy systems.

Performance is primarily assessed through energy efficiency improvements and intensity-based indicators rather than absolute reduction targets aligned with Scope 2 emissions intensity reduction objectives and renewable energy integration efforts.



WATER MANAGEMENT

At SAMEE Group, water is managed as a shared resource in line with operational requirements, regulatory obligations, and the Group's commitment to resource efficiency, conservation, and pollution prevention.

Water Consumption

As part of our commitment to resource efficiency, we track water usage across all operational sites using meter readings and utility data, enabling continuous monitoring of consumption trends and the effectiveness of water efficiency initiatives.

In FY2026, the Group recorded municipal potable water withdrawal of 277.5 megalitres and a water withdrawal intensity of 0.19 megalitres/RM'mil, no change compared to FY2025. This improvement was primarily driven by ongoing site-specific water efficiency initiatives, which continue to be expanded to further optimise consumption.

SUSTAINABILITY STATEMENT (Cont'd)

Water Saving Initiatives and Performance

SAMEE Group periodically reviews its water consumption performance through internal reporting mechanisms. While absolute usage is influenced by production levels, operational demand, and equipment commissioning, the Group has achieved measurable efficiency gains at sites with operational water reuse systems. This is reflected in reduced dependence on potable water and increased integration of recycled water across manufacturing processes.

Key initiatives to improve water efficiency and reduce freshwater withdrawal include:

Rainwater Harvesting	Water Recycling	Efficiency Fixtures	Operational Monitoring
Capturing and reusing rainwater for non-potable uses such as cleaning, gardening, and toilet flushing.	Recycling reverse-osmosis ("RO") reject water for non-potable applications including toilet flushing, scrubber systems, gardening, and wastewater treatment processes.	Installing water-saving fittings, such as faucet nozzle filters, to reduce daily domestic usage across our facilities.	Daily monitoring of water withdrawal and consumption through meters and utility billing records.

The Group ensures the reliability and effectiveness of its water management practices through internal oversight mechanisms. These include data monitoring, operational controls, and site-level initiatives. Focus is on tracking consumption, managing industrial effluent in accordance with regulatory requirements, and, where feasible, reducing reliance on freshwater sources.

Water Risks Management

Water-related risks are assessed through the Group's Climate Risk Assessment ("CRA"), which considers risks such as water scarcity, drought, and competition for freshwater resources. While most manufacturing sites are located in low water-stress areas, facilities in Thailand face higher regional water stress, reflecting basin-level vulnerability rather than immediate supply disruption risk.

These risks are integrated into the Group's ERM framework, with oversight from Environmental, Health and Safety ("EHS") and site sustainability teams to ensure ongoing monitoring and timely mitigation actions where necessary.

Stakeholder Engagement and Collaboration

The Group engages with key stakeholders to support effective water management across the value chain:

Regulators and Authorities	Internal Teams	Service Providers	Suppliers
We ensure compliance with water, effluent, and environmental regulations.	Our site sustainability and EHS teams collaborate closely with employees and site management to identify opportunities for improvement, implement initiatives, and share best practices across sites.	We work alongside local utilities, contractors, wastewater service providers, and technology experts to support infrastructure implementation, including rainwater harvesting systems, RO recycling, and wastewater treatment solutions.	We communicate environmental expectations through corporate sustainability policies.

Industrial Effluent and Water Quality

Manufacturing operations generate industrial effluent containing contaminants from machining, cleaning, surface treatment, and utility processes. All effluent is treated in on-site wastewater treatment facilities and discharged in compliance with the Department of Environment ("DOE") Standard B under the Environmental Quality Regulations 2009, supplemented by internal controls to ensure discharge levels remain well within regulatory limits.

Where local requirements are not specified, DOE standards and industry best practices are used as benchmarks. Treated water is reused where feasible to reduce freshwater demand and improve operational efficiency while ensuring protection of receiving environments.

SUSTAINABILITY STATEMENT (Cont'd)

Water Data	FY2024	FY2025	FY2026
Water withdrawal by source (Megalitres):			
Surface water withdrawal (lakes, rivers, natural ponds)	0.0	0.0	**0.0**
Groundwater withdrawal (wells, boreholes)	0.0	0.0	**0.0**
Used quarry water withdrawal	0.0	0.0	**0.0**
Municipal potable water withdrawal	213.0	283.5	**277.5**
External wastewater withdrawal	0.0	0.0	**0.0**
Harvested rainwater withdrawal	0.0	0.5	**1.0**
Ocean/seawater withdrawal	0.0	0.0	**0.0**
Total water withdrawal (Megalitres)	213.0	283.9	**278.5**
Water withdrawal from water-stressed region (Megalitres)	37.2	50.3	**54.2**
Percentage of water withdrawn in regions with high or extremely high baseline water stress (%)	17	18	**19**
Total volume of water used/consumed (Megalitres)	130.1[2]	178.6[2]	**197.7**
Percentage of water consumed in regions with high or extremely high baseline water stress (%)	6	6	**5**
Water intensity (Megalitres/RM'mil)	0.14	0.19	**0.19**
Percentage of water recycled (non-potable) for use in own operations (%)	0.62	2.22	**2.29**
Water discharged to all areas, and breakdown of the total by destination (Megalitres):			
Ocean	0.0	0.0	**0.0**
Surface water	82.9	105.4	**80.8**
Subsurface water/well	0.0	0.0	**0.0**
Off-site water treatment	0.0	0.0	**0.0**
Beneficial/other use	0.0	0.0	**0.0**
Total water discharge (Megalitres)	82.9	105.4	**80.8**
Number of incidents of non-compliance with discharge limits, water quality permits, standards, and regulations	0	0	**0**

Note:
1. Water-use and effluent data are compiled using site-level meter readings, utility billing records, and operational logs across all Group-owned operational sites. Data collection follows internal procedures aligned with environmental reporting requirements. Assumptions are limited to normalisation for reporting periods where required, and no modelling or estimation techniques are used unless data gaps arise. The process is guided by applicable regulatory requirements for water and effluent management.
2. Total volume of water used/consumed data for FY2024–FY2025 has been restated due to a revision in the calculation methodology in FY2026 to better align with international framework guidelines.

SUSTAINABILITY STATEMENT (Cont'd)

WASTE AND HAZARDOUS MATERIALS MANAGEMENT

Waste and hazardous materials management is an integral part of SAMEE Group's environmental stewardship approach. The Group is committed to minimising environmental impact through waste reduction at source, process optimisation, and compliance with applicable regulations across Malaysia, Singapore, and Thailand.

Operational teams implement site-specific procedures aligned with local regulatory requirements, with emphasis on waste segregation, controlled handling of scheduled waste, and disposal through licensed contractors. These controls ensure full traceability and safeguard environmental and human health.

The Group's waste management approach is supported by four core pillars:

- Waste minimisation and source reduction through frontline system upgrades and process redesign;
- Compliant hazardous waste handling with full traceability;
- Recycling and resource recovery in collaboration with licensed partners;
- Employee training and behavioural programmes to strengthen environmental awareness.

The Group also acknowledges that increasing material consumption and production activity can contribute to broader environmental pressures, including resource depletion, waste generation, and associated upstream emissions. These considerations are embedded in our operational decision-making, particularly in process design, material selection, and waste handling strategies.

Waste Management Performance

Waste management performance is monitored across all key operational sites through periodic audits covering documentation accuracy, container conditions, and employee compliance with established procedures. In addition to regulatory compliance, the Group focuses on operational oversight, risk mitigation, process optimisation, resource recovery, and employee engagement to minimise waste generation and maintain environmental integrity.

Waste volumes fluctuate mainly in line with production activity rather than operational inefficiencies. However, targeted process improvements, including the replacement of phosphating processes in selected applications, have contributed to reductions in hazardous material use.

While the Group does not set time-bound waste reduction targets, internal performance indicators are used to track trends and support continuous improvement. These indicators serve as operational tools rather than public targets, with overall performance assessed through compliance, internal controls, and cross-site benchmarking.

Waste Data	FY2024	FY2025	FY2026
Scheduled waste (Tonnes)	609	934	**910**
Total waste generated (Tonnes)	N/A	N/A[2]	**1,898**[2]
Total waste diverted from landfill/recycled (Tonnes)	N/A	N/A[2]	**1,592**[2]
Total waste directed to landfill/non-recycled (Tonnes)	N/A	N/A[2]	**306**[2]

Note:
1. Waste data is collected through site-level records, third-party contractor documentation, and internal reporting systems, and consolidated centrally for sustainability disclosure. Data validation is performed through internal review and consistency checks.
2. To ensure higher data granularity, the Group improved its waste data collection process in FY2026. Consequently, as this year is the first reporting year, and historical data are not available, therefore, FY2025 data has been restated as N/A to ensure accurate reporting.

SUSTAINABILITY STATEMENT (Cont'd)

Waste Impacts Across the Value Chain

Waste-related impacts are assessed across the value chain to manage the Group's environmental footprint.

Upstream	Upstream impacts may arise from supplier activities, packaging, and logistics, and are addressed through supplier engagement, packaging optimisation, and responsible procurement practices where feasible.
Own Operations	Waste is primarily generated from manufacturing activities and managed under strict compliance controls through licensed contractors.
Downstream	Downstream impacts are limited, as products are supplied to industrial customers who manage end-of-life treatment in accordance with local regulations.

Responsible Waste and Materials Management

The Group's waste strategy is structured around four key pillars, supported by employee training, behavioural programmes, and community engagement:

Waste Minimisation	Responsible Waste Management	Circular Economy and Resource Efficiency	Environmental Culture & Awareness
Enhancing segregation and source reduction through frontline system upgrades and process redesign.	Maintaining strict compliance in the handling of hazardous and scheduled waste with full traceability of transport and disposal.	Promoting recycling and resource efficiency in collaboration with certified recovery partners.	Cultivating a strong internal culture of environmental accountability through training and behavioural change programmes.

Regulatory Compliance and Operational Controls

The Group complies with applicable environmental regulations, including Malaysia's Environmental Quality Act 1974 and relevant legislation in Singapore and Thailand covering industrial effluent, waste management, and pollution control. Environmental impacts are managed through routine site inspections, monitoring, and operational controls supported by infrastructure investments. All scheduled and hazardous waste is handled by licensed contractors under approved containment and documentation systems. Air and noise impacts are controlled through preventive maintenance and process controls in line with regulatory requirements. These measures have supported consistent regulatory compliance, with no material non-compliance incidents, fines, or penalties recorded during the reporting period.

Community Initiatives

During the reporting period, the Group participated in beach clean-ups, plogging activities, and food waste composting programmes. We also supported local initiatives, including the Komuniti Mampan programme with the Seberang Perai City Council ("MBSP") and used cooking oil recycling campaigns in collaboration with MBSP and Junior Chamber International ("JCI").

Circularity Measures to Prevent Waste Generation

Waste Repurposing and Prevention - Pallet and metal waste repurposed into benches for staff - Cooking oil recycling - Waste prevention through coreless wrapping	**Reuse and Recycling** - Segregation of waste streams to enable recycling where infrastructure exists - Internal reuse of packaging materials where safe and appropriate - Engagement with licensed recyclers and waste contractors
Process Optimisation - Process optimisation to reduce scrap and rework - Improved material handling and inventory management - Preventive maintenance to minimise off-spec production	**Hazardous Waste Control** - Substitution of materials where feasible - Proper storage, labelling, and disposal of scheduled waste - Training and procedures to prevent spills and contamination

SUSTAINABILITY STATEMENT (Cont'd)

Management of Scheduled Waste

SAMEE Group manages hazardous and scheduled waste with strict operational discipline and compliance controls across all manufacturing sites. All scheduled waste is handled through licensed contractors, ensuring full traceability from storage to transport and final disposal. Hazardous materials are securely stored in designated compliant facilities and transported using approved containment systems, supported by comprehensive documentation to ensure adherence to applicable environmental regulations. This approach safeguards environmental integrity and minimises risks to ecosystems and human health.

Key measures and best practices for scheduled waste management across the Group are summarised in the figure below.

Licensed waste contractors	Only licensed waste contractors are engaged in the collection and disposal of hazardous waste, as authorised by local regulators.
Appropriate waste storage on-site	All hazardous waste is stored and appropriately labelled on-site to prevent waste contamination and leakage.
Trained and experienced personnel	Our facility team is experienced and appropriately skilled. Our facility officer for Scheduled Waste Management attended the following course: Certified Environmental Professional in Scheduled Waste Management ("CePSWaM").
On-site inspections	Regular inspections are performed by facility personnel on waste storage and other facilities to ensure the appropriate handling of scheduled waste.
Waste Reduction	Wastewater generated from our chemical line is fully treated through our wastewater treatment plant and minimum waste is generated.
Lowering consumption of coolant used	We lower the consumption of coolant through machinery and process optimisation, coolant is recycled on time, thus lowering the volume of spent coolant.

Materials and Resource Impacts Management

Negative and Positive Impacts

SAMEE Group's material and resource use is closely linked to production activity, resulting in both environmental and operational impacts. Higher production increases raw material consumption and scheduled waste generation, which in turn raises handling and disposal costs. While this creates inherent regulatory and environmental risks, no material non-compliance incidents were recorded during the reporting period.

Hazardous and scheduled waste, including sludge, used coolant, and contaminated materials, may pose pollution risks if not properly managed. In addition, material throughput contributes indirectly to resource depletion and upstream climate impacts associated with raw material extraction and processing.

At the same time, the Group continues to realise positive outcomes through improved material efficiency, recycling, and process optimisation. Initiatives such as replacing phosphating with zirconium-based processes have reduced hazardous material use, while enhanced segregation and recovery practices have reduced landfill disposal and improved operational efficiency.

Impacts Management Approach and Effectiveness

The Group adopts a structured approach to managing material and resource impacts, focusing on prevention, optimisation, and continuous improvement. Key initiatives include recycling and resource efficiency measures such as recycled packaging and paperless operations, as well as process optimisation to reduce hazardous inputs.

Operational controls are supported through centralised monitoring of scheduled waste via the eSWIS system, complemented by routine site inspections and internal reviews. Periodic reporting on waste trends is also submitted to RSC to support governance oversight.

Operational experience has highlighted the importance of early planning for waste treatment capacity and licensing, particularly for new or expanded processes. Insights from waste trend analysis have informed process redesign, improved operational procedures, enhanced employee training, and more informed material selection decisions.

SUSTAINABILITY STATEMENT (Cont'd)

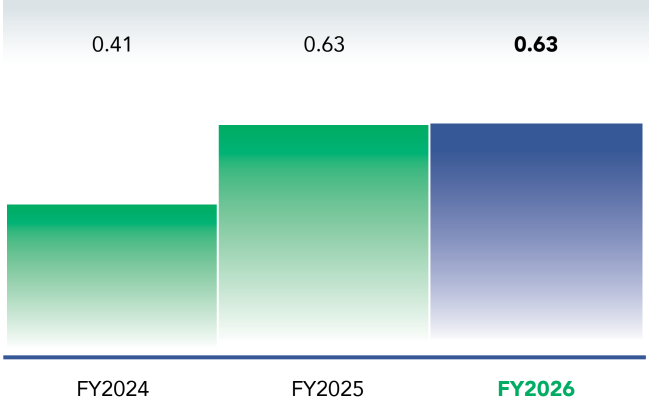
Effluent Monitoring and Environmental Compliance

The Group manages effluent and pollution through robust infrastructure and continuous monitoring. All industrial effluent and wastewater are treated at on-site facilities prior to discharge, with recent upgrades enhancing treatment reliability and capacity to meet regulatory requirements. System effectiveness is verified through routine testing, site inspections, and compliance checks, with no material environmental fines or penalties recorded during the reporting period.

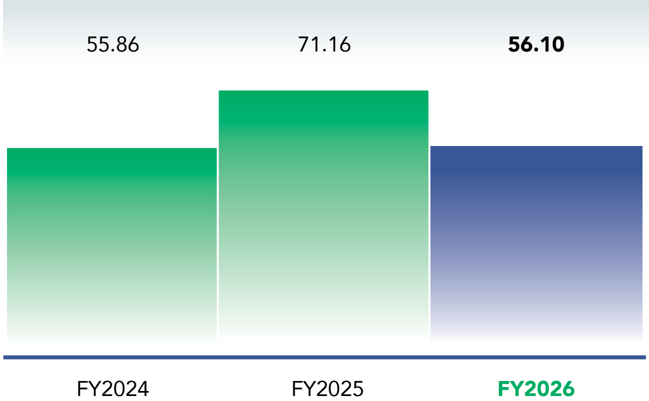
Waste/Effluent Data	FY2024	FY2025	FY2026
Scheduled waste (Metric tonnes)	609	934	**910**
Number and aggregate quantity of reportable spills	0	0	**0**
Quantity recovered of reportable spills	0	0	**0**
Waste intensity (Metric tonne/RM'mil)	0.41	0.63	**0.63**
Total volume of effluents/discharge (m^3)	82,896	105,359	**80,827**
Effluent intensity (m^3/RM'mil)	55.86	71.16	**56.10**

Note:
1. Waste data is collected through site-level records, third-party contractor documentation, and internal reporting systems, and consolidated centrally for sustainability disclosure. Data validation is performed through internal review and consistency checks.

Waste intensity (Metric tonne/RM'mil)



Effluent intensity (m^3/RM'mil)



Environmental performance indicators, including waste generation and effluent discharge, vary in line with operational activity and process changes. The Group continues to focus on operational improvements and targeted initiatives to enhance efficiency and support regulatory compliance.

Empowering Employees and Communities

EMPLOYEE WELL-BEING, HEALTH AND SAFETY

SAMEE Group is committed to providing a safe, healthy, and supportive working environment for employees and contractors. Occupational safety and employee well-being are integral to operational resilience, regulatory compliance, and workforce sustainability. The Group's Occupational Safety and Health ("OSH") Policy applies across all operations and external parties, establishing requirements to prevent work-related injuries and ill health while ensuring compliance with applicable legislation and industry practices.

Oversight of OSH is provided by RSC, which regularly reviews safety performance indicators, including incident rates and training coverage. This governance structure reinforces accountability and supports the Group's objective of achieving a zero-harm workplace culture. The Group has also established quantitative safety improvement targets to drive continuous performance enhancement.

SUSTAINABILITY STATEMENT (Cont'd)

UNSDG-aligned Target:	
8 DECENT WORK AND ECONOMIC GROWTH	Reduce man-hour loss per employee by 20% by FY2025 30% by FY2030 Against the FY2023 baseline

SAMEE Group's health and safety strategy is led by the Chief Operating Officer ("COO") and guided by five key principles:

- Full compliance with applicable occupational safety legislation across Malaysia, Singapore, and Thailand;
- Group-wide adoption of standardised EHS procedures supported by regular audits;
- Periodic review and refinement of Hazard Identification, Risk Assessment and Risk Control ("HIRARC") documentation and Job Safety Analyses ("JSAs") to reflect evolving operational risks;
- Development of competent safety committees and EHS officers to support effective site-level implementation; and
- Continuous improvement of leading safety indicators, including near-miss reporting and safety engagement metrics, to proactively address hazards before they result in incidents.

This OSH framework is implemented through a formal Occupational Health and Safety Management System ("OHSMS") guided by legal requirements, recognised standards, and best practices, including ISO 45001 and the Occupational Safety and Health Act ("OSHA") 1994. The OHSMS is supported by internal EHS procedures that establish consistent roles, responsibilities, and processes across operations in Malaysia, Singapore, and Thailand to enable proactive hazard identification, assessment, and mitigation.

The framework emphasises continuous improvement through regular review of incident trends, corrective and preventive actions, ongoing training, and measurable performance targets.

Risk Management and Incident Response

Occupational risks are managed using a structured, risk-based framework anchored on the HIRARC methodology. Risk assessments are conducted across all operational activities, including new and existing projects, to identify hazards and implement control measures in line with the hierarchy of controls. Safety requirements are reinforced through mandatory inductions, targeted training programmes (including fire safety, first aid, forklift, and crane operations), and ongoing safety communications across all sites.

Incident management follows a formal protocol covering immediate reporting and containment, root-cause analysis, and the implementation of corrective and preventive actions ("CAPA"), supported by follow-up monitoring to prevent recurrence. Investigation outcomes are escalated to management and periodically reported to the Board via RSC, with lessons integrated into procedures and training programmes.

Certain roles are exposed to occupational hazards such as noise, chemicals, ergonomic strain, and manual handling risks. These are managed through targeted control measures and risk mitigation programmes across operational sites, such as:

Chemical Health Risk Assessments ("CHRA")	Noise Risk Assessments and Hearing Conservation Programmes	Ergonomic risk assessments	Engineering controls and appropriate personal protective equipment ("PPE")

Employees are empowered to report hazards through confidential whistleblowing channels, supported by the Group's zero-reprisal policy. Any form of retaliation is subject to disciplinary action. Employees also have the right to refuse or withdraw from work they reasonably consider unsafe. In such cases, affected areas are secured immediately, and corrective actions are implemented before operations resume.

SUSTAINABILITY STATEMENT (Cont'd)

Worker Participation and Engagement Across the Value Chain

SAMEE Group promotes a strong safety culture through structured worker participation mechanisms embedded within its Occupational Health and Safety ("OHS") framework. Health and safety matters are regularly discussed through Joint Health and Safety Committees ("JHSCs"), EHS Committees, and OSHE meetings established in line with legal requirements. These platforms enable employees to raise concerns, contribute to safety planning, and support continuous improvement. Where required by regulation, 100% of workers are represented through formal joint health and safety committees.

The Group extends its occupational safety standards to contractors and external service providers to ensure consistent safety performance across the value chain. Contractors are required to comply with SAMEE Group's OSH requirements and complete safety inductions prior to commencing work.

Employee and contractor engagement in safety practices includes:

	Regular toolbox meetings, safety briefings, and Gemba Walks to reinforce safe work practices;
	Participation in HIRARC risk assessments for new and existing operations, as well as contractor activities;
	Development and implementation of Safe Work Procedures ("SWPs") and Emergency Response Plans to support consistent operational safety;
	Compliance monitoring through site supervision, inspections, safety alerts and reporting of unsafe practices; and
	Organising themed safety awareness initiatives to promote continuous safety engagement.

Safety considerations are integrated across all project phases, from planning to execution and operations. Non-compliance issues, including PPE violations or unsafe practices, are addressed through investigation, corrective actions, retraining, and, where necessary, disciplinary measures to ensure alignment with Group safety standards.

Employee Health and Wellness

SAMEE Group adopts a holistic approach to employee health and well-being that extends beyond injury prevention, incorporating preventive healthcare and wellness initiatives to support long-term workforce health.

During FY2026, key initiatives included:

- **PERKESO Health Screening Programme (June 2025)** to promote preventive care and early detection of health conditions;
- **Hand Safety Campaign** under the Group's EHS Safety Campaign ("Toward Zero Incidents"), featuring awareness videos, workplace briefings, and targeted safety engagements; and
- **Safety Awareness Talks** conducted in collaboration with DOSH to reinforce safe work practices and strengthen awareness of occupational health and safety risks.

The Group monitors occupational safety performance against applicable regulatory requirements and recognised industry practices, including DOSH guidelines and the National Occupational Injury and Disease Statistics 2023. Our OSH data is subject to internal verification through audits and committee reviews to ensure accuracy and reliability.

SUSTAINABILITY STATEMENT (Cont'd)

OSH Performance Data	FY2024	FY2025	FY2026
No. of Employees Trained on Health and Safety Standards	2,040	2,359	**2,441**
Lost Time Incidents ("LTIs") (No.)[1]	8	12	**10**
Lost Time Incident Rate ("LTIR") (Rate)[2]	0.35	0.49	**0.41**
Man-hour loss per employee[3]	0.15	0.19	**0.33**
Work-related Fatalities (No.)	0	0	**0**

Note:
1. Lost Time Incident ("LTI") refers to a work-related injury or occupational illness that results in an employee or contractor being unable to return to their normal duties on the next scheduled workday following the incident.
2. Lost Time Incident Rate ("LTIR") is calculated as the number of LTIs multiplied by 200,000 and divided by the total man-hours worked during the reporting period, based on a standardised workforce exposure of 200,000 hours.
3. FY2023 baseline for man-hour loss per employee was 0.72, which serves as the reference point for the Group's safety improvement targets and performance assessment.

The Group recorded an LTIR of 0.41 in FY2026, a 16.32% improvement from 0.49 in FY2025, while maintaining zero fatalities. Man-hour loss per employee decreased to 0.33, representing a 54% reduction from the FY2023 baseline of 0.72 and exceeding the Group's FY2030 target of a 30% reduction.

LABOUR PRACTICES AND RIGHTS

SAMEE Group upholds fair labour practices, respect for human rights and responsible workforce management as essential to operational resilience and long-term value creation. Across Malaysia, Singapore and Thailand, the Group maintains policies, procedures and governance oversight aligned with local labour laws and internationally recognised standards, with the Responsible Business Alliance ("RBA") Code of Conduct serving as a key reference framework. The provisions of the RBA Code draw upon internationally recognised standards, including the United Nations ("UN") Guiding Principles on Business and Human Rights.

Human rights principles are embedded within the Group's Code of Conduct, Labour & Ethics Policy, and related Human Resources policies, covering:

- Prohibition of child labour
- Prohibition of forced or compulsory labour
- Provision of fair wages in accordance with applicable laws
- Reasonable working hours aligned with statutory requirements
- Safe and healthy workplace conditions
- Humane treatment of all employees
- Zero tolerance for workplace discrimination

These policies are communicated annually and made available in relevant local languages to support workforce understanding, including among migrant and expatriate employees. For more details, please visit: https://www.sam-malaysia.com/sustainability-labour-practices.html.

Human rights and labour matters are championed by the Human Resources function, supported by site leadership and senior management, with oversight reinforced through internal governance and sustainability reporting processes that provide visibility to senior management and the Board.

Ethical Labour Practices

SAMEE Group maintains comprehensive policies and procedures to ensure that all employees are treated fairly and with dignity. Our ethical labour framework is guided by RBA Code of Conduct and supported by internal policies, including the Labour and Ethics Policy and Child Labour Prohibition Policy. These standards apply across all operating locations and are reinforced through recruitment control, strict documentation procedures, monitoring of working hours and wages, and ongoing employee training on labour standards and workplace ethics.

Labour-related risks are managed as part of SAMEE Group's broader enterprise risk management and Human Resources governance processes. Where risks or issues are identified, corrective actions are implemented in accordance with established internal procedures. To reinforce accountability, SAMEE Group maintains transparent grievance mechanisms supported by strict non-retaliation policies. Employees and stakeholders are provided with safe and confidential channels to report concerns, which are investigated in accordance with established escalation protocols.

Prevention of Child and Forced Labour

SAMEE Group strictly prohibits child labour, forced labour, bonded labour, and unethical recruitment practices. Compliance is supported through age verification during recruitment, workforce monitoring, and risk assessments conducted across operations and supplier networks.

FY2026 Performance Highlights

- No workers below the legal minimum age were employed across SAMEE Group operations or supplier sites in FY2026.
- No young workers were exposed to hazardous work conditions.
- No instances of bonded, trafficked, or coercively employed labour were identified across geographic or operational segments.
- No operations or suppliers were identified as being at risk of incidents involving child or forced labour.

These outcomes reflect the effectiveness of our labour governance, due diligence, and monitoring processes.

Responsible Labour Practices Across Operations and Supply Chains

SAMEE Group extends its labour standards to contractors and suppliers through its Supplier Code of Conduct, Supplier Sustainability Policy, and structured procurement screening and vendor onboarding processes. Suppliers are required to comply with the Group's labour and human rights requirements and are subject to screening during the onboarding process.

Ongoing monitoring includes supplier self-assessments, periodic audits, and targeted reviews for higher-risk suppliers. These measures strengthen transparency, mitigate labour-related risks, and promote responsible labour practices across the value chain, supporting alignment with internationally recognised labour standards.

Workforce Metrics and Human Rights Performance

SAMEE Group monitors workforce trends and labour-related indicators annually to strengthen transparency and accountability. The following metrics provide an overview of workforce stability and human rights performance. Where material changes or trends are identified, appropriate actions are taken to address underlying drivers and enhance workforce stability.

Labour Practices and Human Rights Performance	FY2024	FY2025	FY2026
Number of substantiated complaints concerning human rights violations	0	0	**0**

Security Personnel Trained in Human Rights Policies or Procedures

All security personnel, including in-house and outsourced security service providers, receive training on human rights and appropriate conduct aligned with company policies, local regulatory requirements, and RBA principles, equipping them with the necessary framework to uphold human rights and ethical conduct across all operational sites. In FY2026, a 100% training rate was achieved through annual in-person sessions.

Equality and Diversity

SAMEE Group recognises equality and diversity as essential to workforce sustainability, operational continuity, and long-term business performance. As a manufacturing- and engineering-driven organisation operating across multiple jurisdictions, a diverse and capable workforce supports productivity, stability, regulatory compliance, and resilience, while reducing risks associated with talent shortages and reputational exposure.

Equal employment opportunities are upheld through the Group's Code of Conduct and Human Resources policies, with employment decisions based on merit, capability, and suitability without discrimination based on personal characteristics. Structured recruitment processes, competitive remuneration, performance management systems, and ongoing training and development programmes further support workforce capability and engagement.

Equality and diversity matters are overseen by senior management, with Board-level visibility through governance and sustainability reporting processes. Implementation is led by Human Resources, supported by site leadership. Key enablers include recruitment and performance systems, grievance mechanisms, and employee engagement initiatives such as workplace cultural awareness programmes.

SUSTAINABILITY STATEMENT (Cont'd)

The Group maintains a zero-tolerance approach to discrimination and harassment. Policies explicitly prohibit discrimination based on race, religion, gender, age, nationality, disability, sexual orientation, and other protected characteristics. These requirements are embedded in the Code of Conduct and Human Resources policies and communicated through onboarding and periodic policy updates.

Key initiatives to promote equality and diversity include:

- Fair and transparent recruitment and promotion processes.
- Youth employment through internships, apprenticeships, and graduate programmes.
- Prioritisation of local employment for operational, technical, supervisory, and administrative roles.
- Reasonable accommodations for religious practices where applicable.
- Workplace adjustments to support employees with disabilities.
- Structured disciplinary and grievance procedures addressing discrimination and harassment.

Gender diversity is tracked internally to support balanced representation. In FY2026, female representation at the management level reached approximately 32%, exceeding the Group's internal benchmark of 30%. The workforce also reflects a balanced age profile, with around 78% of employees aged 40 and below, indicating strong youth participation across operations.

Foreign, migrant, and expatriate employees are treated equitably in accordance with formal Human Resources policies, including the Employment of Foreign Workers Policy. Employment decisions for non-local workers are governed by documented procedures that ensure compliance with applicable labour regulations and provide equal access to wages, benefits, working conditions, training, and grievance mechanisms. Policies are communicated in accessible formats and relevant languages.

Employee feedback mechanisms, including engagement sessions, employee satisfaction surveys, and exit interviews, support ongoing monitoring of workplace culture and workforce satisfaction, enabling early identification of issues and continuous improvement. Through these measures, SAMEE Group fosters an inclusive workplace culture grounded in respect, collaboration, and long-term organisational resilience.

Board of Directors Composition	FY2024	FY2025	FY2026
Gender (%):			
Male	75	70	**70**
Female	25	30	**30**

Workforce Diversity Data	FY2024	FY2025	FY2026
Gender diversity (%):			
Male	81	80	**79**
Female	19	20	**21**
Global staff with a disability (%)	N/A	N/A	**0.04**
Gender group by employee category (%):			
Management male	63	66	**68**
Management female	37	34	**32**

Incidents of Discrimination and Corrective Actions Taken

SAMEE Group maintains a zero-tolerance stance toward workplace discrimination and ensures that all reported concerns are managed through formal investigation and remediation processes. Employees and stakeholders have access to grievance and whistleblowing mechanisms that allow confidential reporting of discrimination or human-rights-related concerns without fear of retaliation. Where incidents occur, they are formally reviewed by the relevant internal committee, and if the concerns are substantiated, corrective actions may include disciplinary measures, policy enhancements, and targeted training interventions.

No incidents of discrimination were reported or substantiated during FY2026.

SUSTAINABILITY STATEMENT (Cont'd)

EMPLOYEE LEARNING AND DEVELOPMENT

SAMEE Group recognises employee learning and development as a key enabler of workforce capability, operational resilience, and long-term business sustainability. As a manufacturing and engineering-driven organisation operating across multiple jurisdictions, workforce competency directly supports operational quality, safety performance, regulatory compliance, productivity, and employee retention, while strengthening long-term competitiveness.

The Group adopts a structured approach to training and development under formal Human Resources governance processes. Programmes are designed to enhance role-specific competencies, strengthen leadership capability, and support operational readiness across all job categories.

Learning initiatives are delivered through a combination of on-the-job training ("OJT"), internal programmes, external courses, and digital learning platforms, including SAM University, which provides accessible learning pathways across functional and technical areas.

Training Governance and Implementation

Training and development fall under the purview of senior management, with oversight provided through governance reporting mechanisms to RSC. Training performance indicators, including total and average training hours, are periodically reported to support management oversight. Minimum training hour targets are established to promote consistent workforce development, and training progress is monitored throughout the year.

Implementation is led by the Learning and Development function, supported by line managers and site leadership. Resources include dedicated Human Resources personnel, annual training budgets (including national training support funds where applicable) and digital learning platforms for programme delivery and tracking.

Training activities are managed through a structured process incorporating Training Needs Analysis ("TNA"), annual planning, and performance and career development reviews. This process considers role-specific competency requirements, appraisal outcomes, regulatory and safety training needs, and evolving business requirements.

Learning initiatives include:

- OJT to strengthen job-specific competencies
- technical capability development to support engineering and operational functions
- leadership and supervisory training to enhance workforce management capability
- digital learning modules to support continuous learning and skills development

SUSTAINABILITY STATEMENT (Cont'd)

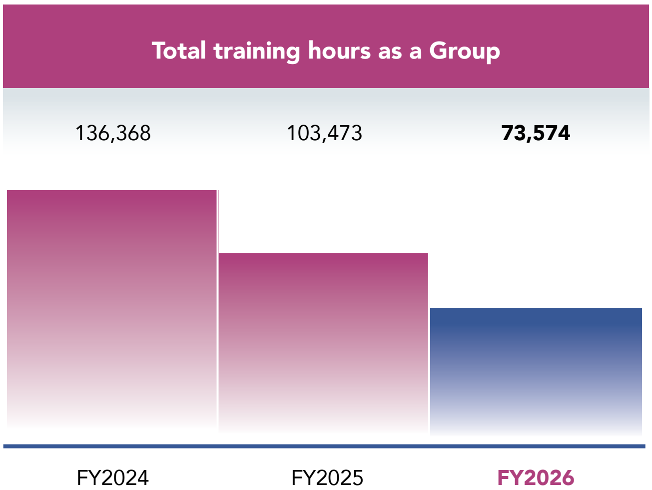
FY2026 training programmes covered technical skills, safety, quality and compliance, productivity and continuous improvement, role-specific competencies, and leadership development.

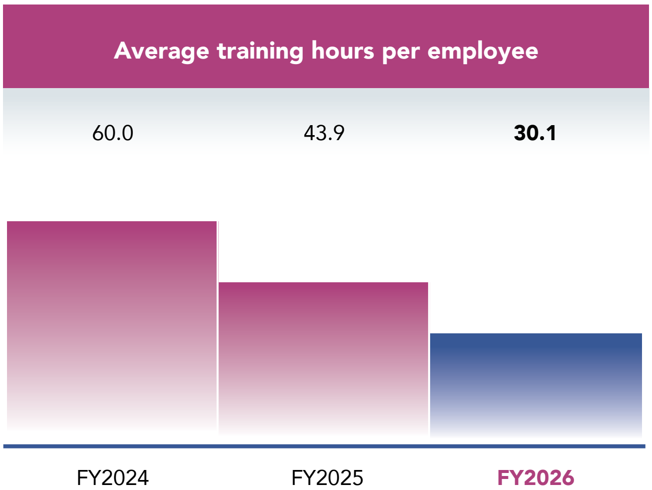
Training delivery incorporates both instructor-led and self-directed learning approaches, supported by monitoring mechanisms including:

- Tracking total and average training hours per employee
- Monitoring compliance with mandatory training requirements
- Evaluating participation rates across employee categories
- Reviewing training outcomes against competency development targets

In FY2026, employees received an average of 30 training hours per person (approximately 3.8 training days), above the Group's internal minimum target of 25 hours per employee annually. Training across Malaysia, Singapore and Thailand is tracked through the Group's learning management system, providing visibility over participation, compliance and outcomes. Programmes are reviewed and adjusted where necessary to reflect evolving operational, regulatory, and workforce needs.

Training Hours	FY2024	FY2025	FY2026
Total training hours as a Group	136,368	103,473	**73,574**
Average training hours per employee	60.0	43.9	**30.1**





Cultural Development and Leadership Mindset

SAMEE continues to strengthen organisational culture through structured leadership and personal effectiveness programmes. As part of this effort, the Group implemented the "7 Habits of Highly Effective People™" Cultural Transformation programme, aimed at reinforcing leadership behaviours and strengthening collaboration across the organisation.

The programme is supported by a Train-the-Trainer ("TTT") approach, with selected senior management trained as internal facilitators to cascade learning across the organisation. In FY2026, 703 employees were trained under this programme by 10 certified facilitators.

SUSTAINABILITY STATEMENT (Cont'd)

Attracting, Developing, Rewarding and Retaining Employees

SAMEE Group recognises that a capable and motivated workforce is fundamental to sustaining operational excellence and long-term business performance. Our human capital strategy is anchored on fairness, transparency, and merit-based development to attract, develop and retain talent across Malaysia, Singapore and Thailand.

Talent Attraction and Recruitment

SAMEE Group adopts structured, merit-based recruitment practices to support workforce planning and ensure access to qualified talent across operational, technical, and professional roles. Hiring processes are guided by ethical employment standards to ensure fair and consistent practices across all jurisdictions.

To strengthen talent pipelines and support workforce renewal, the Group collaborates with educational institutions, vocational bodies and government agencies to support internships, apprenticeships and graduate programmes, strengthening technical talent pipelines.

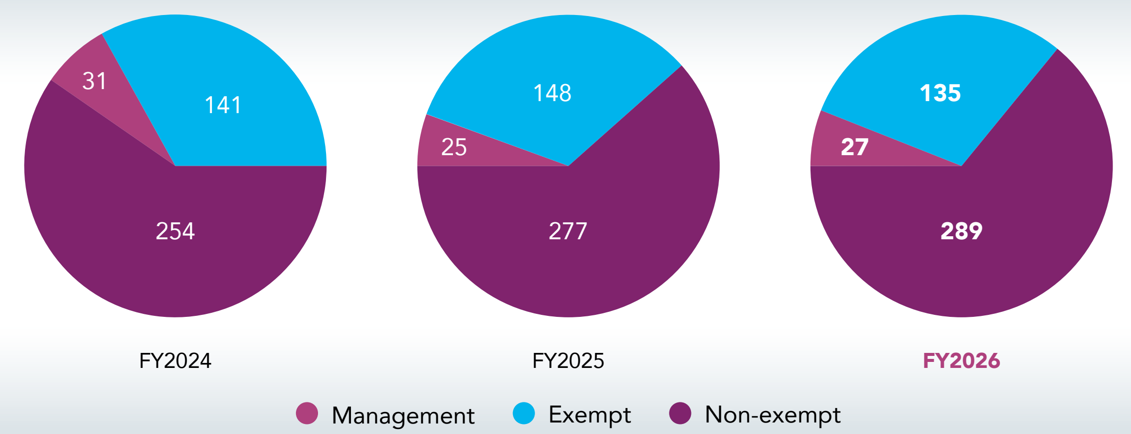
Structured onboarding programmes support role readiness and alignment with organisational expectations. Internal mobility and performance reviews further support career progression and workforce capability development.

Employee Turnover

The Group monitors employee turnover to support workforce planning and retention strategies. Insights from engagement activities and exit interviews are used to identify trends, strengthen employee satisfaction and address operational challenges. Through continuous feedback and targeted interventions, the Group seeks to build a supportive work environment that encourages long-term career development and workforce stability.

Employment Data	FY2024	FY2025	FY2026
Employment type (%):			
Permanent staff	84	84	**80**
Contractor/temporary staff	16	16	**20**
Total turnover by employee category (No.)	426	450	**451**
Management	31	25	**27**
Exempt	141	148	**135**
Non-exempt	254	277	**289**

Total turnover by employee category (No.)



SUSTAINABILITY STATEMENT (Cont'd)

Benefits Provided to Full-time Employees

SAMEE Group offers a comprehensive range of employee benefits to support well-being, work-life balance, and long-term retention, reflecting responsible employment practices across various life and career stages.

Types of Benefits	Description
Leave	Annual Leave, Marriage Leave, Maternity Leave, Paternity Leave, Compassionate Leave, Sick Leave
Allowances	Travelling Allowance
Insurance	Group Personal Accident Insurance; Group Hospitalisation and Surgical Insurance
Other Benefits	13th Month Annual Wage Supplement; Long Service Award

Parental leave policies provide maternity and paternity benefits for confirmed employees, including reassignment where required to support health and safety.

Employee & Community Engagement Initiatives

SAMEE Group recognises that strong engagement with employees and surrounding communities supports workforce cohesion, operational resilience and long-term business sustainability. Guided by its Corporate Social Responsibility ("CSR") Policy, the Group implements structured engagement initiatives aligned with its values, operational priorities and business strategy. Community investments are governed through defined approval and monitoring processes to ensure effective allocation and measurable social impact.

Employee Engagement Initiatives

The Group promotes employee engagement through structured programmes designed to strengthen workplace relationships, support well-being and reinforce organisational culture across manufacturing sites and offices.

In FY2026, initiatives included team-building and employee appreciation activities aimed at enhancing cohesion and morale, such as annual team-building sessions, quarterly bonding activities, long-service recognition, festive celebrations and employee appreciation programmes across multiple locations.

FY2026 Employee Engagement: Fostering Culture and Well-being

Spotlight on Well-being and Recognition

April 2025
Long Service Awards at Eastin Hotel, Penang

June 2025
Health Screening – PERKESO

SUSTAINABILITY STATEMENT (Cont'd)

FY2026 Employee Engagement: Fostering Culture and Well-being

Spotlight on Well-being and Recognition

July 2025
Badminton Tournament – SAMEE Sports and Recreational Club

November 2025
Fishing Tournament – SAMEE Sports and Recreational Club

Promoting Diversity, Equity and Inclusion ("DEI")

June 2025
Durian Party

September 2025
Corporate Team Building at DoubleTree by Hilton Damai Laut Resort

October 2025
Deepavali Celebration

March 2026
Hari Raya Celebration

SUSTAINABILITY STATEMENT (Cont'd)

FY2026 Employee Engagement: Fostering Culture and Well-being

Promoting Diversity, Equity and Inclusion ("DEI")

April 2025
World Earth Day Group Wide Tree Sapling Initiative

February 2026
Chinese New Year Celebration

Employee involvement in Corporate Social Responsibility ("CSR") programmes, including charity, environmental and education initiatives, further supports engagement while reinforcing a culture of shared responsibility. These efforts contribute to workforce stability, collaboration and sustained engagement across operations.

Community Engagement Initiatives

Community engagement is guided by the CSR Policy, which defines principles for programme selection, funding and monitoring. Community programmes are aligned with defined focus areas, including:

- Education
- Youth Development
- Community Well-being
- Environmental Stewardship
- Employee-supported Social Initiatives

These initiatives support the Group's long-term strategy by strengthening talent pipelines, enhancing community relationships, and maintaining its social licence to operate.

Education and youth development remain a key priority. In FY2026, SAMEE Group supported underprivileged students through the Titian Harapan (Bridge of Hope) Programme, providing academic assistance, scholarships, and back-to-school support. The Group also supported vocational and diploma-level students through sponsorships aimed at strengthening technical education pathways and workforce readiness.

FY2026 Community Engagement: Building a Sustainable Future

Environmental Stewardship

April 2025
Program Lestari Hijau at Anjung Indah Balik Pulau – Collaboration with the Penang State Forestry Department to commemorate World Earth Day

SUSTAINABILITY STATEMENT (Cont'd)

FY2026 Community Engagement: Building a Sustainable Future

Environmental Stewardship

March 2026
Gopeng River Cleaning

April 2026
Juru River Cleaning

Social Responsibilities and Advocacy

July 2025
Blood Donation Campaign

August 2025
Seberang Perai Sustainable Community Awards 2025 (Main Sponsor & Co-organiser)

February 2026
Titian Harapan

Engagement with schools, educational institutions, government agencies, and community partners further supported initiatives such as career talks, educational workshops, and hands-on learning sessions to enhance student exposure to technical and engineering-related fields. Continued collaboration with academic institutions also enabled knowledge sharing, research partnerships, and long-term talent development.

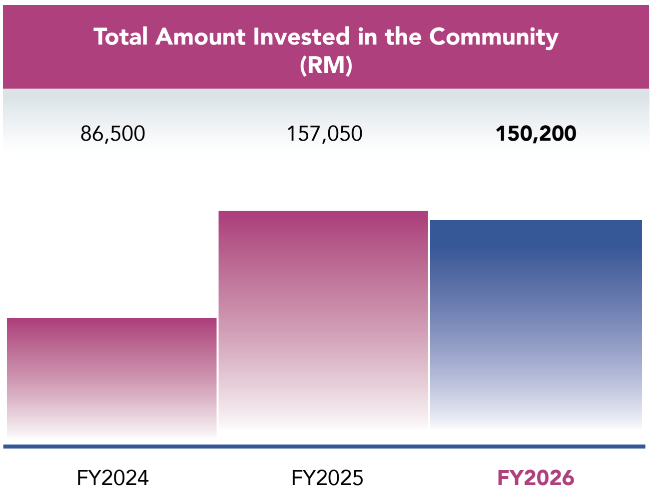
Beyond education initiatives, SAMEE Group contributed to community well-being and environmental awareness through programmes such as environmental restoration activities, sustainability awareness campaigns, and community volunteer programmes, contributing to improved educational access, environmental awareness and community well-being.

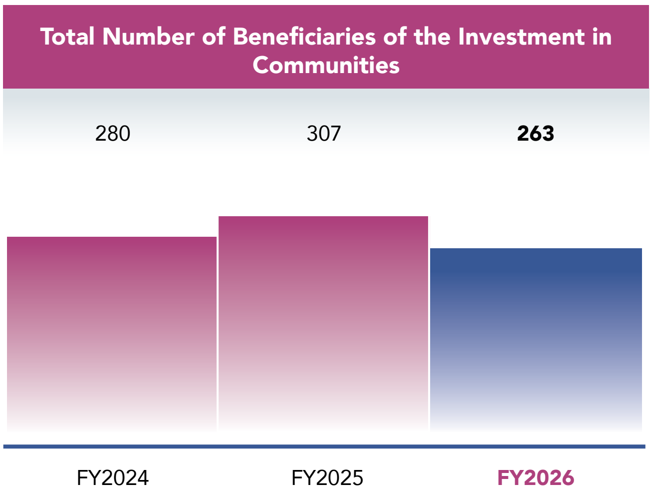
SUSTAINABILITY STATEMENT (Cont'd)

Employee participation in CSR activities is tracked through reporting mechanisms to monitor participation levels and programme outcomes, supporting continuous improvement and effective resource allocation.

Through sustained community engagement, SAMEE Group supports inclusive development, strengthens community partnerships and contributes to long-term social value creation.

Community Engagement	FY2024	FY2025	FY2026
Total Amount Invested in the Community (RM)	86,500	157,050	**150,200**
Total Number of Beneficiaries of the Investment in Communities	280	307	**263**





SUSTAINABILITY STATEMENT (Cont'd)

Ensuring Equitable Economic Growth

ECONOMIC PERFORMANCE

SAMEE Group manages economic performance through financial discipline, operational efficiency, and responsible governance to support long-term value creation, and accountability to shareholders, employees, suppliers, and the wider economy.

Oversight rests with the Board of Directors, supported by the RSC, which reviews key financial and sustainability-related risks. Economic considerations are integrated into the ERM framework to align capital allocation, operational priorities and investment decisions with the Group's risk appetite and strategic objectives.

The Group's economic strategy focuses on operational efficiency, supply chain flexibility and sustainable revenue growth through high-value manufacturing and precision engineering capabilities. Performance indicators and market conditions are monitored to respond to cost volatility, regulatory developments and changes in global demand. Initiatives to improve productivity, optimise resource allocation and strengthen financial discipline are assessed based on return on investment, scalability and alignment with sustainability priorities.

SUSTAINABILITY STATEMENT (Cont'd)

Direct Economic Impact

In FY2026, SAMEE recorded revenue of RM1,441 million, representing a decrease of 2.7% compared to FY2025, primarily driven by a reduction in the Equipment segment and unfavourable foreign exchange.

Indirect Economic Impact

Beyond direct financial performance, SAMEE Group contributes to socio-economic development through responsible procurement, stable employment and long-term investment in local economies across Malaysia, Singapore and Thailand. These contributions are driven through supplier engagement, workforce development and sustained local operations, supporting job creation, supplier capability development, technology transfer, employability and productivity growth.

Through this approach, the Group seeks to generate sustained economic value while contributing to the resilience and development of the wider economic ecosystem.

PRODUCT AND SERVICE QUALITY

Product and Service Quality remain central to SAMEE Group's operational reliability, customer confidence, and long-term business sustainability. Operating within precision engineering and regulated manufacturing environments, the Group maintains strict adherence to technical specifications, regulatory standards, and customer requirements to ensure product integrity and service reliability.

Failure to maintain quality standards may result in recalls, warranty claims, customer compensation, lost sales, regulatory non-compliance and reputational risk. Conversely, sustained quality performance strengthens customer trust, long-term partnerships and the Group's position as a preferred supplier.

Quality management is embedded across the production lifecycle through structured governance, digital enablement and continuous improvement. The Corporate Quality Assurance Team oversees quality performance across the Group. Each business unit also maintains a quality function led by a Quality Assurance Manager ("QAM"). Ultimate accountability for quality and customer satisfaction rests with Top Management under the Group's Quality Manuals. Group Quality Meetings provide oversight of key performance indicators ("KPIs"), customer complaint trends and Root Cause and Corrective Action ("RCCA") progress.

Product Safety & Regulatory Compliance

SAMEE Group maintains Quality Management Systems ("QMS") aligned with internationally recognised standards, including ISO standards, AS9100, and NADCAP. Conformance is verified through periodic internal and external audits, supported by structured risk assessment tools such as Process Failure Mode and Effects Analysis ("PFMEA"). The Group also monitors evolving regulatory requirements, particularly those governing product safety, materials usage, and environmental compliance.

During FY2026, SAMEE Group maintained full compliance with customer and regulatory requirements, with all third-party audits completed without major non-conformities, reinforcing the Group's adherence to stringent industry standards.

Operational Excellence

Operational excellence is driven through disciplined process control, workforce accountability, and continuous improvement across the Group's operations. Digital tools such as automated inspection systems, visual dashboards, and electronic traceability systems support real-time process monitoring and control, as well as product traceability. These measures reinforce operational discipline and strengthen the Group's quality-first culture.

The Group also implements structured training and incentive programmes, including the Quarterly Quality Incentive Scheme, which recognises teams demonstrating strong adherence to quality standards and continuous improvement efforts.

In FY2026, SAMEE Group received the Supplier Excellence Award – Best in Class Performance from Applied Materials Inc., reflecting its commitment to product quality, operational reliability, and customer satisfaction. The Group also received the Risk Mitigation Award at the RTX Supplier Conference 2025 in recognition of its supply chain resilience and risk management practices. Performance is regularly reviewed through quality indicators and management oversight to support timely decision-making and ongoing process optimisation.

SUSTAINABILITY STATEMENT (Cont'd)

Customer Satisfaction and Relationship

As a precision engineering partner to global clients, SAMEE Group recognises that customer satisfaction is closely linked to product reliability, responsiveness, and the ability to meet evolving technical and delivery expectations. Any lapse in quality, communication, or delivery performance may result in customer dissatisfaction, rework or contractual risks. Conversely, consistent service delivery and responsive engagement strengthen client confidence, support repeat business, and position the Group as a preferred supplier across key industries.

The Group maintains structured engagement channels throughout the product lifecycle. Regular interactions are conducted through operational reviews, technical discussions and collaborative planning sessions, while dedicated account management teams support day-to-day communication, technical coordination and issue resolution.

Customer feedback informs service improvement. Periodic customer satisfaction surveys assess performance across key dimensions, including communication effectiveness, delivery reliability and technical responsiveness. Feedback is analysed and translated into targeted improvement plans to strengthen service delivery.

The Group also participates in customer-led audits, technical visits, joint improvement programmes, and, where applicable, sustainability and supply chain assessments to maintain alignment with evolving customer expectations and industry standards. Customer satisfaction and complaint management indicators continue to be monitored to identify improvement opportunities.

TECHNOLOGY, INNOVATION AND DEVELOPMENT

SAMEE Group adopts a disciplined, fit-for-purpose approach to technology and innovation, focusing on practical, cost-justified improvements that support customer requirements and operational resilience. Innovation investments are guided by operational relevance, measurable outcomes and alignment with the Group's engineering strengths.

The Group's innovation framework is anchored in four strategic priorities: sustaining operational continuity through automation and process stability; enabling collaborative product development through customised tooling and specification alignment; enhancing digital visibility through ERP and planning systems; and improving operational efficiency through smart manufacturing solutions.

In line with these priorities, SAMEE Group continues to strengthen operational resilience through measured automation within high-mix, high-precision manufacturing environments. Integration of ERP platforms across procurement, finance, and production scheduling supports improved traceability, reduced data redundancy, and enhanced forecasting accuracy. Digital visual guidance systems and robotic automation technologies further support production precision, reduce manual handling risks, and improve workflow efficiency.

Collaboration with customers remains central to the Group's innovation approach. Strategic co-design initiatives with customers in the aerospace and semiconductor sectors support the development of customised components and strengthen engineering capabilities. Internally, continuous process audits and quality system reviews reinforce operational consistency and ensure alignment with evolving technical requirements.

In FY2026, SAMEE Group received the National HRD Awards – Excellence in Learning Technology Advancement System Award, recognising the Group's commitment to leveraging technology-enabled learning platforms to strengthen workforce capability and operational readiness.

SUSTAINABILITY STATEMENT (Cont'd)

Initiatives	FY2026 Progress & Developments
Digitalisation of Operational Workflows	Introduced a paperless documentation initiative through the MARS platform, converting production checklists and engineering drawings into digital formats accessible by mobile devices, improving traceability and reducing manual paperwork
Strengthening Information Security Infrastructure	Implementation of ISO/IEC 27001 to strengthen cybersecurity governance and safeguard digital assets
Equipment and Process Efficiency Enhancement	Undertook targeted upgrades to production infrastructure, including compressed air systems, to improve operational efficiency and resource utilisation
Continued ERP and Digital System Optimisation	Upgrading ERP system to a newer version to support consolidation and scalability

ETHICS AND COMPLIANCE

Maintaining high standards of ethical conduct is fundamental to SAMEE Group's long-term sustainability and licence to operate. Ethical integrity strengthens stakeholder confidence, supports sound decision-making, and reduces exposure to regulatory, legal, operational, and reputational risks. Strong corporate governance supports value creation across economic, environmental, and social dimensions by enhancing accountability, ensuring responsible resource management, and reinforcing fair and ethical treatment of stakeholders.

From an ECONOMIC perspective:	From an ENVIRONMENTAL perspective:	From a PEOPLE perspective:
Effective governance enhances accountability, strengthens investor confidence, and supports sustainable financial performance.	Structured oversight enables consistent management of environmental risks and regulatory obligations, supporting responsible resource use and pollution control.	Governance frameworks reinforce ethical conduct and fair treatment, enabling stakeholders to raise concerns through established grievance and whistleblowing channels.

SAMEE Group maintains a structured regulatory compliance and risk governance framework across all jurisdictions in which it operates, including Malaysia, Singapore, and Thailand. Overall responsibility for governance and compliance resides with the Board of Directors, supported by the Audit Committee and RSC. The Chief Risk Officer ("CRO") oversees the ERM framework, supported by the Risk Management Steering Committee ("RMSTC"), while Internal Audit provides independent assurance to the Audit Committee.

The Group's ERM framework is aligned with the COSO Enterprise Risk Management – Integrating with Strategy and Performance (2017) framework and references ISO 31000 principles. ESG-related risks are integrated into the Group's risk register and reviewed annually to support structured risk oversight and decision-making. Material risks are escalated to senior management and the Board for review and resolution. The effectiveness of risk management and regulatory compliance processes is assessed through periodic internal audits, management reviews, and Board-level reporting.

ESG risks have been formally incorporated into the Group's risk register and assessed annually since FY2025, strengthening the integration of sustainability considerations into enterprise-wide risk management.

SUSTAINABILITY STATEMENT (Cont'd)

Regulatory Compliance

Regulatory compliance is embedded within operational and functional processes through established internal controls and recognised management systems:

Environmental and safety compliance is prioritised through adherence to recognised frameworks, regulatory requirements and international environmental directives such as the Restriction of Hazardous Substances ("RoHS") and Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH"), which support responsible material management and environmental stewardship across operations.
Quality and operational compliance are supported through internationally recognised management systems, including Quality Management Systems ("QMS") aligned with ISO standards, ensuring consistent process control and regulatory conformity throughout the manufacturing value chain.
Financial and internal controls are overseen by the Audit Committee to ensure compliance with applicable accounting standards and regulatory requirements.
Data protection and cybersecurity compliance are maintained through structured governance processes designed to safeguard information assets and ensure adherence to applicable data protection laws.

The Group maintains regular engagement with regulators and business partners through inspections, reporting, and regulatory reviews. Compliance expectations are extended across the value chain through supplier governance mechanisms, including Approved Vendor List ("AVL") requirements and supplier sustainability expectations.

Anti-Corruption

SAMEE Group maintains a zero-tolerance approach to bribery and corruption, aligned with applicable regulatory requirements, including Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009. The Group's Anti-Bribery and Anti-Corruption ("ABAC") Policy and Code of Business Conduct establish clear requirements prohibiting bribery and corruption in all forms, including facilitation payments, conflicts of interest, misuse of political influence, and other improper inducements. The Group's anti-corruption framework also encompasses anti-money laundering measures and cooperation with fraud investigations. Oversight is provided by the Board Audit Committee, which monitors implementation of the ABAC Policy and the effectiveness of whistleblowing mechanisms and internal controls.

Anti-corruption risks are systematically identified, assessed, and managed across operations and business relationships. Safeguards supporting anti-corruption risk management include:

- Segregation of duties
- Defined approval hierarchies
- Conflict-of-interest declarations
- Oversight by Internal Audit and Board Committees
- Competitive procurement and vendor evaluation processes

The Group communicates its anti-corruption policies and expectations through structured internal communication channels and annual refresher training programmes. The ABAC Policy and Code of Business Conduct are disseminated across all operations, with training covering bribery prevention, conflicts of interest, ethical conduct, and reporting obligations.

Recognising that corruption risks may arise through business relationships, SAMEE Group implements due diligence controls for new business partners, vendors, and intermediaries, with anti-corruption expectations communicated to external parties and embedded through procurement agreements and supplier documentation. This is supported by a mandatory onboarding process requiring all new suppliers to execute contractual compliance declarations. The process includes structured approval procedures and compliance checks that provide the Group with explicit rights to terminate engagements upon discovery of unethical conduct, while higher-risk intermediaries are subject to enhanced scrutiny prior to engagement.

SUSTAINABILITY STATEMENT (Cont'd)

The Group's corruption risk assessment process evaluates exposure to bribery, conflicts of interest, fraud, and other unethical conduct across operational activities, covering anti-corruption comprehensively. Areas with relatively higher exposure include procurement, contracting activities, interactions with third-party vendors and contractors, and financial approval processes. Enhanced controls are applied to higher-risk operational areas, including strengthened approval thresholds, monitoring procedures, and management oversight.

SAMEE Group maintains a confidential and anonymous whistleblowing mechanism that enables employees and external stakeholders to report suspected misconduct without fear of retaliation. All reports are assessed and investigated by authorised personnel from Legal, Internal Audit, or designated functions. Substantiated cases result in corrective or disciplinary action and escalation to senior management or Board-level committees where appropriate.

Anti-corruption controls are subject to periodic internal audit review. No material corruption-related incidents, enforcement actions, or regulatory penalties were recorded during the reporting period.

ABAC Performance	FY2024	FY2025	FY2026
Corruption Risk Assessment			
Operations assessed for bribery-related risks (%)	100	100	**100**
Corruption/Bribery Incidents			
Total number of confirmed incidents of corruption	0	0	**0**
Training and Communication			
Employees (%)	100	100	**100**

SUPPLY CHAIN MANAGEMENT

Supply chain management is integral to SAMEE Group's operational resilience and long-term sustainability performance. As a precision engineering and contract manufacturing group serving global customers in highly specialised industries, our operations rely on a multi-tier supply chain that includes customer-designated suppliers, specialised subcontractors, and single-source component providers. Effective oversight of this network supports production continuity, product quality, and regulatory compliance, while reducing exposure to operational and reputational risks.

Our supply chain governance framework adopts a structured, risk-informed approach that balances commercial prudence with responsible sourcing practices. Supplier-related risks, including delivery performance, capacity constraints, quality issues, and reliance on single-source suppliers, are formally managed under the Group's ERM framework. Key Risk Indicators ("KRIs"), including Supplier On-Time Delivery performance and supplier dependency risks, are monitored periodically and escalated where thresholds are breached.

All suppliers are required to comply with SAMEE Group's Supplier Sustainability Policy, which establishes expectations across environmental, social, health and safety, and ethical standards. The Policy aligns with recognised international frameworks, including RBA Code of Conduct, and incorporates applicable regulatory requirements such as RoHS compliance. Supplier obligations are reinforced through onboarding processes, contractual requirements, and periodic performance reviews.

Supplier selection and engagement follow a policy-driven, risk-based due diligence process. Screening prioritises suppliers that are critical, customer-designated, single-source, or otherwise assessed as higher risk. Environmental and social expectations are embedded within supplier requirements, including compliance with labour laws, occupational health and safety standards, and responsible environmental management practices. Where gaps are identified, suppliers are required to implement corrective action plans, supported by ongoing engagement and monitoring.

To strengthen supply chain resilience, SAMEE Group conducts regular supplier performance reviews and, where feasible, promotes the development of second-source suppliers to reduce dependency risks. Critical suppliers may also undergo quality and product audits, while supplier engagement channels support continuous communication, issue resolution, and performance improvement.

Traceability efforts are applied on a risk-based basis, focusing on critical or customer-designated suppliers. Suppliers are required to provide timely and accurate information on sourcing and production conditions and may be subject to audits or third-party evaluations where necessary. This targeted approach supports compliance and risk mitigation while reflecting the operational realities of specialised manufacturing supply chains.

SUSTAINABILITY STATEMENT (Cont'd)

Environmental and social expectations are further reinforced through supplier communication and engagement initiatives. The Supplier Sustainability Policy outlines requirements relating to responsible resource use, pollution control, waste management, labour standards, and workplace safety. Social safeguards include prohibitions against child labour, adherence to legal working-hour requirements, respect for freedom of association where permitted by law, and compliance with statutory wage regulations. These expectations are embedded in supplier contracts and procurement practices to ensure alignment across the supply chain lifecycle. For more details, please visit: https://sam-malaysia.com/sustainability-suppliers.html.

SAMEE Group's supply chain composition is often shaped by customer specifications and contractual obligations, limiting full autonomy in supplier selection, although SAMEE Group supports local sourcing where practicable.

CYBERSECURITY AND IT RESOURCE MANAGEMENT

In an increasingly digitalised operating environment, cybersecurity and IT resource management are essential to safeguarding business continuity, protecting sensitive information, and maintaining stakeholder trust. Strong data security supports reliable operations, enables secure digital collaboration, and reinforces confidence among customers and business partners. Conversely, cybersecurity failures may result in operational disruptions, financial losses, regulatory exposure, and reputational harm.

SAMEE Group adopts a structured approach to cybersecurity governance, recognising its role in protecting data integrity, ensuring system availability, and supporting compliance with applicable data protection laws across all jurisdictions in which we operate. Oversight is centralised under the Corporate IT function and supported by external consultants and periodic compliance reviews. IT infrastructure is designed with redundancy and disaster recovery readiness in mind, while access to mission-critical systems is governed through role-based permissions, user activity monitoring, and escalation protocols.

To manage cybersecurity risks effectively, SAMEE Group's cybersecurity and IT governance framework is structured around five focus areas:

1. **Infrastructure Security and System Availability**
   Enterprise systems, servers, and automation platforms are protected through access controls, routine system patching, and performance monitoring to maintain operational stability and reduce exposure to system disruptions.

2. **Data Privacy and Protection**
   Employee, customer, and business data are safeguarded through encryption protocols, secure data retention practices, and compliance with applicable privacy regulations across operating jurisdictions.

3. **User Training and Awareness**
   Cybersecurity briefings, phishing simulations, and IT policy refresher sessions are conducted regularly to strengthen employee awareness and reduce human-related cybersecurity risks.

4. **Disaster Recovery and Business Continuity**
   The Group applies the 3-2-1 backup principle and maintains offsite backups to support system restoration. Disaster recovery readiness is periodically tested to ensure operational continuity in the event of cyber incidents or system failures.

5. **Policy Enforcement and Security Assurance**
   Cybersecurity policies are formalised through structured governance documents, supported by internal audits, defined reporting procedures, and continuous monitoring of security events.

Supporting these measures, SAMEE Group maintains a comprehensive suite of cybersecurity and data protection policies, including Acceptable Use, IT Cybersecurity and Incident Response, Data Classification and Protection, Identity and Access Management, IT Risk Management, and Cloud Security policies. These policies define responsibilities, escalation pathways, and security requirements across all levels of the organisation.

To strengthen cybersecurity resilience, the Group conducts periodic vulnerability assessments, penetration testing, cybersecurity gap analyses, and social engineering simulations across internal systems and third-party interfaces. Identified gaps are addressed through targeted remediation actions, including strengthening endpoint protection controls, enhancing system configurations, and closing legacy system exposures.

Backup and disaster recovery readiness is further supported through extended data retention periods, periodic restoration testing, and validation exercises. Real-time cybersecurity advisories and threat alerts are also communicated internally to maintain workforce awareness of evolving cyber risks.

SUSTAINABILITY STATEMENT (Cont'd)

Cybersecurity awareness remained a key focus area. In FY2026, all new hires completed cybersecurity orientation during onboarding, while existing employees underwent annual compliance training through the Group's internal learning platform. Phishing simulations and behavioural awareness programmes were conducted periodically to reinforce responsible digital practices and strengthen organisational readiness against cyber threats.

During the reporting year, SAMEE Group achieved ISO/IEC 27001 certification for its Malaysia and Singapore operations, demonstrating alignment with internationally recognised information security management standards. The Group is also progressing towards ISO/IEC 27001 certification for its Thailand operations to strengthen enterprise-wide information security governance.

Throughout FY2026, no substantiated complaints from external parties, regulatory bodies, or internal investigations relating to customer privacy breaches or data loss incidents were recorded. This outcome reflects the effectiveness of the Group's cybersecurity controls and supports its commitment to maintaining a target of zero major cybersecurity incidents.

Data Privacy & Cybersecurity	FY2024	FY2025	FY2026
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	**0**
Total number of substantiated complaints received concerning breaches of customer privacy, categorised by:	0	0	**0**
Complaints received from outside parties and substantiated by the organisation	0	0	**0**
Complaints from regulatory bodies	0	0	**0**
Total number of identified incidents of leaks, thefts or losses of customer data	0	0	**0**
Percentage of data breaches involving confidential information (%)	0	0	**0**

ISSB SUSTAINABILITY STATEMENT

Basis of Preparation and Framework Alignment

COMPLIANCE WITH THE IFRS SUSTAINABILITY DISCLOSURE STANDARDS

This ISSB Sustainability Statement for SAMEE is prepared with reference to the IFRS Sustainability Disclosure Standards as issued by the International Sustainability Standards Board ("ISSB"). For the financial year ended 31 March 2026, which is aligned with the reporting period of the related consolidated financial statements, the Group has applied IFRS S2 Climate-related Disclosures and the relevant IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information only insofar as they relate to climate-related disclosures under IFRS S2, taking into account the NSRF and MMLR of Bursa Malaysia Securities Berhad.

Our disclosures are structured around the four core pillars of the ISSB framework: Governance, Strategy, Risk Management, and Metrics and Targets, ensuring a robust and globally comparable account of our climate-related risks and opportunities.

Connectivity with Financial Statements and Reporting Currency

The assessment of climate-related risks and opportunities includes qualitative and quantitative evaluations of their impacts on SAMEE's business model, strategy and financial position. This ensures that climate considerations are integrated into the Group's broader financial and operational planning.

The climate-related financial disclosures are presented in Ringgit Malaysia ("RM"), which aligns with the presentation currency used in the consolidated financial statements.

IFRS SUSTAINABILITY DISCLOSURE STANDARDS AND TRANSITION RELIEFS

The Group has applied available transition reliefs under the IFRS Sustainability Disclosure Standards and Bursa Malaysia's Additional Transition Reliefs ("ATR") to facilitate a phased reporting approach. During the initial adoption phase, disclosures focus on climate-related risks and opportunities under IFRS S2. Certain Scope 3 GHG emission categories have not yet been fully reported, as the Group continues to strengthen its data collection and reporting processes.

Reporting Boundary

The reporting boundary covers SAMEE's operating landscape and subsidiaries across Malaysia, Singapore, and Thailand, which comprises two core divisions, the Aerospace Division and the Equipment Division. This includes a comprehensive assessment of both physical and transition risks and opportunities across the Group's business segments.

For more details, please refer to the *Reporting Period, Scope and Boundary* section on page 29.

SIGNIFICANT JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

The preparation of this Sustainability Statement requires SAMEE to make critical judgements, estimates, and assumptions that affect the reported amounts of metrics, the identification of risks, and the disclosure of anticipated financial effects. These judgements are made based on the best available information and historical experience. However, the inherent complexity of climate modelling and the evolving nature of sustainability data mean that actual results may differ from these estimates.

SIGNIFICANT JUDGEMENTS

Approach to Materiality Assessment

Significant judgement was applied in identifying the climate-related risks and opportunities ("CRROs") that could reasonably be expected to affect SAMEE's prospects. These CRROs are identified through a dedicated Climate Risk Assessment ("CRA") that combines climate science with operational insights, supporting integration of climate considerations into the Group's precision engineering and aerospace manufacturing strategy.

SUSTAINABILITY STATEMENT (Cont'd)

Climate Scenario Selection and Application

Significant judgment was applied in selecting climate scenarios to test the resilience of SAMEE's strategy. The Group has selected two distinct climate scenarios to evaluate the resilience of its strategy against a range of plausible futures.

Shared Socio-economic Pathways ("SSP") 2-4.5

This scenario serves as a foundational basis for estimating realistic future conditions, representing a "Middle of the Road" scenario where social, economic, and technological trends follow historical patterns[1]. Under SSP2-4.5, moderate yet persistent greenhouse gas emissions lead to incremental warming, resulting in gradually intensified climate impacts projected for the years 2035 and 2050.

Network for Greening the Financial System ("NGFS") Net Zero 2050

This scenario provides an orderly transition to align with the global goal of achieving net-zero greenhouse gas emissions by 2050. This initiative is part of a broader global effort to limit global warming to 1.5°C above pre-industrial levels, as outlined in the Paris Agreement, via stringent climate policies and innovation.

Calculation Methods for GHG Emissions

No critical judgment was applied in defining the organisational and operational boundaries, as the Group maintains full operational control over its Aerospace and Equipment divisions. Emissions are quantified using primary data from direct utility billing and fuel records across our regional operations in Malaysia, Singapore, and Thailand.

For more details, please refer to the *Emissions Scope and Boundary* section on page 42.

MEASUREMENT UNCERTAINTY

Quantification of Anticipated Climate-Related Financial Effects

The quantification of anticipated financial effects is subject to high uncertainty due to the long-term horizons of climate change, which render financial modelling inherently sensitive to projected variables such as carbon pricing, energy market volatility, and supply chain disruptions. Estimates regarding potential asset impairment, operational cost increases, or shifts in capital expenditure ("CAPEX") are derived from assumptions within our chosen scenarios and external socio-economic frameworks. Consequently, these figures represent potential outcomes given the evolving nature of global policy and climate science, illustrating strategic resilience rather than guaranteed financial forecasts.

GHG-related Metrics

GHG emissions are calculated with no significant areas of estimation uncertainty or critical judgements, as consumption data is derived from direct utility billing and fuel records across our operational sites. This primary data source ensures a high degree of accuracy and transparency in our GHG emissions reporting.

[1] Scafetta, N. (2024). Impacts and risks of "realistic" global warming projections for the 21st century. Geoscience Frontiers, 15(2), 101774.

Statement of Assurance

While this statement has not been subjected to external assurance, SAMEE acknowledges its responsibility for the integrity and accuracy of this Statement. Integrity is maintained through a multi-tiered internal verification process. The CRROs, as well as the relevant financial disclosures, have been reviewed by the respective business units and Management to ensure data accuracy. Furthermore, the Board of Directors and the Board Sustainability Committee have exercised oversight to confirm that the material risks and opportunities disclosed are aligned with SAMEE's strategic and financial prospects.

In accordance with the NSRF, the Group is currently considering strengthening its internal control systems and data governance in preparation for the transition towards external assurance for Scope 1 and Scope 2 GHG emissions by FY2028.

SUSTAINABILITY STATEMENT (Cont'd)

ABOUT SAMEE

SAMEE is a key player in precision machining, equipment integration, and automation solutions, primarily for the aerospace and equipment/semiconductor industries in the global supply chain. Headquartered in Bayan Lepas, Penang, the Group is a subsidiary of Singapore Aerospace Manufacturing Pte Ltd. Listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the Group's business is structured into Aerospace, Equipment Manufacturing and Precision Engineering.

Aerospace Division

The Aerospace Division operates a vertically integrated value chain focused on precision machining of mission-critical components, including aircraft engine cases and aerostructures, for global aerospace customers. Using advanced machining centres capable of handling complex geometries of up to 3.5 metres, the division processes aluminium, titanium and nickel-based alloys across facilities in Malaysia, Singapore and Thailand, supported by Non-Destructive Testing ("NDT") and specialised processes.

Equipment Division

The Equipment Division provides system integration and customised factory automation solutions for the semiconductor, medical and life sciences industries. Its vertically integrated model includes in-house machining, sheet metal fabrication and surface treatment, supported by Class 100 to 100K cleanroom facilities in Malaysia and Thailand to deliver contamination-controlled, ISO-compliant equipment to global customers.

For more details, please visit https://www.sam-malaysia.com/.

SAMEE'S VALUE CHAIN

The Group's value chain is managed through engagement with suppliers, regulators, employees and customers to address material risks and capture growth opportunities. For a detailed breakdown of how we engage with these groups and address their specific interests, please refer to the *Stakeholder Engagement* section on page 35.

IDENTIFICATION OF FINANCIALLY MATERIAL CRROs

SAMEE identifies CRROs through an integrated process to ensure strategic and financial alignment. The following sections provide a detailed assessment of CRROs, including scenario analysis and financial impact modelling, which were identified through the CRA. This year SAMEE has specifically advanced to the financial quantification of CRROs to estimate their direct impact on our business model and financial position.

For more details, please refer to the *Risk Management* section on page 80.

SUSTAINABILITY STATEMENT (Cont'd)

SUSTAINABILITY GOVERNANCE

SAMEE manages sustainability and climate-related risks through a tiered governance framework. The Board of Directors provides ultimate oversight, with support from the RSC, which evaluates Group-level strategies and risks. The SCWG drives implementation and monitoring, while Site Sustainability Committees execute initiatives at the operational level to ensure alignment with Group priorities.

For more details, please refer to the *Sustainability Governance* section on page 33.

CLIMATE GOVERNANCE

SAMEE maintains governance over its CRROs to ensure the long-term resilience of our precision engineering operations. Throughout 2025, the Board and designated committees held strategic sessions to evaluate the impact of climate factors on our manufacturing capabilities and global supply chain. Key deliberations focused on the technical feasibility of decarbonising high-precision processes, integrating climate risk into our industrial risk management framework, and the necessary trade-offs between immediate capital expenditure and long-term operational sustainability.

Governance Body	Primary Discussion Points & Strategic Trade-offs
Board of Directors Number of meetings: 4	Reviewed enhancements to governance frameworks, including revisions to the Board Charter and Terms of Reference, to strengthen oversight of climate-related risks and opportunities and support more structured integration of sustainability considerations into Board-level decision-making and accountability. In considering major renewable energy investments, the Board assessed trade-offs between upfront capital expenditure and payback, and longer-term emissions reduction and energy cost resilience, to support alignment with capital allocation priorities.
Board Risk & Sustainability Committee ("RSC") Number of meetings: 4	In assessing climate-related risks, the Committee considered scenario-based impacts, including flood exposure and operational disruptions, acknowledging that while mitigation measures and insurance arrangements reduce potential financial impacts, continued monitoring and preparedness remain integral to sustaining operational resilience amid evolving climate conditions. In guiding the Group's transition towards IFRS S2-aligned disclosures, deliberations focused on the timing and robustness of target-setting, with renewable energy targets established while further development of intensity-based targets was aligned with ongoing climate risk assessments and evolving reporting requirements.
Sustainability Committee Working Group ("SCWG") Number of meetings: 10	Operationalised the Group's climate strategy through structured monthly engagement, cross-functional participation and defined site-level accountability. Management deliberations focused on translating strategic climate priorities into actionable initiatives, including implementation and expansion of solar photovoltaic projects, assessment of energy efficiency opportunities such as HVAC optimisation and compressed air management, and rollout of site-level sustainability initiatives to improve environmental performance. In strengthening IFRS S2 readiness, the Working Group prioritised improvements in sustainability data governance and performance management, including target development, enhanced data tracking systems and metric standardisation to support consistent monitoring and external reporting. Climate-related risks and external stakeholder expectations, including supplier decarbonisation requirements, regulatory developments, energy cost exposure and infrastructure capacity constraints, were also assessed, with action plans initiated to evaluate impacts, quantify opportunities and support timely response. The Working Group monitored implementation progress through structured action tracking, periodic review of initiatives, target achievement and site-level execution, enabling timely escalation of issues and reinforcing accountability across business units.

SUSTAINABILITY STATEMENT (Cont'd)

RISK MANAGEMENT

In September 2025, SAMEE conducted a formal CRA involving key personnel from cross-functional departments, including Finance, Human Resources, Facilities, Operations, and Sustainability. To ensure a comprehensive regional perspective, Management representatives from our active operational sites in Malaysia, Singapore, and Thailand participated in the sessions. Facilitated by an external EESG advisory firm, the assessment integrated SAMEE's internal technical expertise with independent climate science to ensure a balanced and robust assessment. This process provides a structured, scenario-based foundation for our strategic climate planning, identifying material CRROs and informing their integration into our capital allocation and long-term business resilience strategies.

The CRA was conducted through a structured four-phase methodology, combining scientific climate projections with operational insights from our regional management teams:

Phase 1: Desktop Analysis Conducted scientific climate hazard mapping using GIS-based flood susceptibility analysis and water stress assessments. This phase involved reviewing climate projection data under the SSP2-4.5 scenario, specifically mapped to SAMEE's divisions and active sites in Malaysia, Singapore, and Thailand, to identify localised physical vulnerabilities.	**Phase 2: Cross-functional workshop** Engaged key personnel and business unit heads through structured assessments to validate the relevance of identified climate hazards. This session focused on assessing operational impact exposure, identifying potential financial sensitivities, and evaluating the status and effectiveness of existing mitigation measures across the Group's Aerospace and Equipment divisions.
Phase 3: Post-assessment Validation and Financial Quantification Integrated site-specific operational realities and historical incident records with desktop findings. Building on our foundational climate assessments, the Group has initiated the financial quantification of identified CRROs to estimate their impact on SAMEE's business model. Where operational evidence diverges from modelled data and site-specific insights take precedence in determining final risk ratings.	**Phase 4: Risk Scoring and Prioritisation** Each risk is rated on the likelihood of occurrence and magnitude of impact across short-, medium-, and long-term horizons. Risks are mapped to a priority matrix and integrated into SAMEE's ERM framework to ensure climate resilience is embedded in the Group's long-term strategy.

STRATEGY

CLIMATE SCENARIO APPLICATION

During the CRA, SAMEE evaluated its strategic resilience by testing its business model against two pathways. We employed the IPCC SSP2-4.5 framework to model physical risk, analysing the evolution of climate hazards like flooding and extreme heat at our manufacturing sites. Simultaneously, the NGFS Net Zero 2050 framework was used to assess transition risk, capturing the potential impacts of global 1.5°C policy shifts and market decarbonisation on our global supply chain.

For more details, please refer to the *Climate Scenario Selection and Application* section on page 77.

CLIMATE-RELATED RISKS AND OPPORTUNITIES PRELIMINARY FINDINGS

The following sections summarise the identified physical risks, transition risks, and strategic opportunities, detailing SAMEE's preliminary assessment of their potential impacts and the Group's corresponding resilience measures across the short, medium, and long-term horizons References to years in the time horizon definitions below are based on calendar years.

Time Horizons

S **Short Term**	M **Medium Term**	L **Long Term**
2025-2027	2027-2035	2035-2050

SUSTAINABILITY STATEMENT (Cont'd)

Physical Risks	Impacts and Resilience Strategies
Extreme Weather Events	S M L While evolving climate patterns and increased rainfall intensity may lead to localised logistical shifts or minor site disruptions across the short- to long-term horizons, especially at the Rojana site in Thailand, SAMEE's exposure to extreme weather is managed through a comprehensive resilience framework. The Group's proactive strategy, comprising resilient infrastructure design, elevated material storage, diversified supply chains, and appropriate insurance coverage, supports both operational continuity and financial risk mitigation, ensuring that potential impacts are addressed through established operational contingencies and emergency preparedness.
Rising Temperature and Heatwaves	S M L While intensifying thermal conditions may increase cooling demands and energy costs, SAMEE's reliance on climate-controlled environments and renewable energy investments ensures operational resilience. The Group's transition toward solar PV systems effectively buffers both precision manufacturing quality and workforce productivity against long-term temperature trends.
Droughts and Water Scarcity	M L SAMEE's water-intensive precision processes are shielded by a multifaceted conservation strategy, including RO wastewater recycling for non-potable uses, such as toilet flushing, scrubber systems, and the wastewater treatment plant, complemented by a rainwater harvesting system and vendor arrangements for emergency supply. While intensifying regional water competition may exert upward pressure on sourcing costs over the long term, the Group's commitment to water audits and infrastructure monitoring ensures sustained operational resilience.

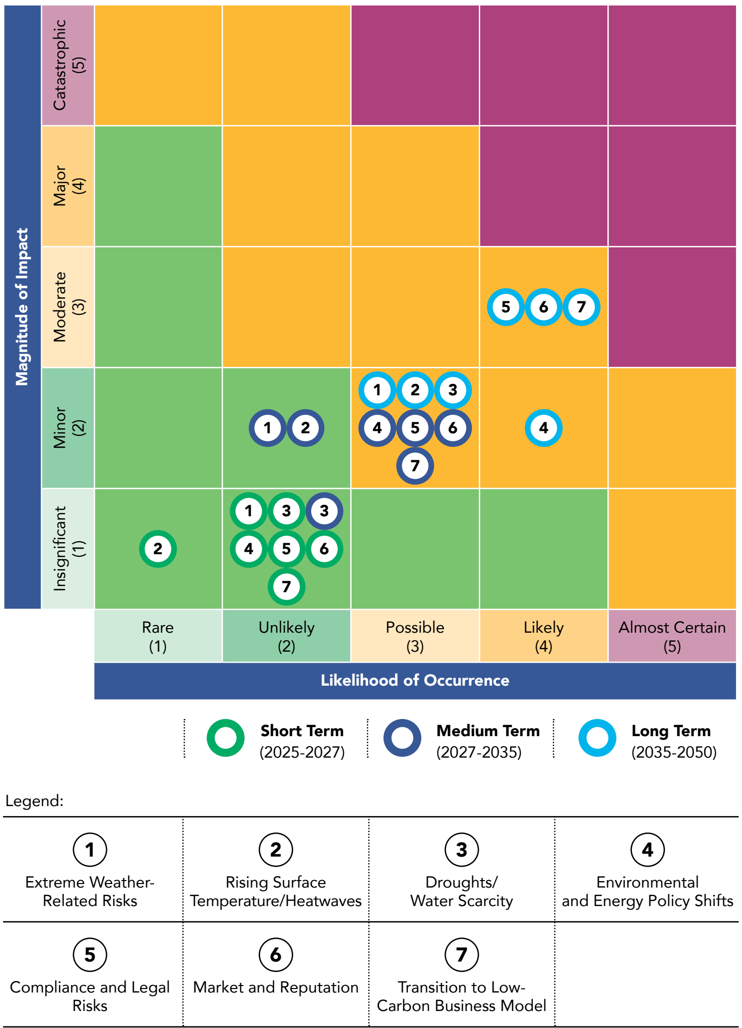
Transition Risks	Preliminary Assessment
Environmental and Energy Policy Shifts	S M L SAMEE is well-positioned to navigate evolving regulatory landscapes, with the anticipated financial impact of a domestic carbon tax projected to be manageable relative to the Group's revenue. While transition pressures are expected to increase across the timeframes, SAMEE's proactive alignment with market-based energy pricing and its foundational sustainability efforts provide a robust buffer against long-term policy shifts.
Compliance and Legal Risks	S M L SAMEE is actively aligning its reporting systems with the NSRF and IFRS S1 and S2 to meet mandatory disclosure requirements starting in FY2026. While the rapid evolution of global standards necessitates ongoing investment in data systems and internal oversight, the Group's proactive governance and focus on operational resilience ensure that compliance-related adjustments remain manageable across all horizons.
Market and Reputation Risks	S M L SAMEE continues to monitor the growing focus on EESG performance and supply chain traceability across the global aerospace and equipment sectors. As sustainability criteria and circularity requirements become more stringent in major markets, the Group recognises that gradually aligning its manufacturing processes and supplier verification systems is important to safeguarding its competitive positioning, ability to retain key contracts, and access to sustainable financing.
Transition to a Low-Carbon Business Model	S M L SAMEE is progressively embedding decarbonisation into its core operations through strategic investments in renewable energy infrastructure, workforce upskilling, and the adoption of low-emission manufacturing technologies, such as the zirconium process, which reduces hazardous waste and energy use. While the transition involves phased operational adjustments and long-term capital considerations, these initiatives strengthen the Group's ability to navigate evolving market demands and maintain long-term industrial resilience.

SUSTAINABILITY STATEMENT (Cont'd)

Opportunities	Preliminary Assessment
Adoption of Renewable Energy Solutions	M L SAMEE is capitalising on the transition to renewable energy through phased solar integration and electrification, which already contribute to operational cost savings and margin improvements. By scaling energy-efficient technologies and exploring broader clean energy alternatives, the Group strengthens its energy self-sufficiency and hedges against price volatility, ultimately positioning itself to access green financing and secure a competitive advantage in the global supply chain.
Purchase of Carbon Credits	M L SAMEE treats carbon offsets as a strategic tool to be utilised only when they offer clear financial or reputational value, prioritising direct decarbonisation of its manufacturing network first. By maintaining this flexible approach, the Group preserves financial agility while preparing to hedge against long-term price volatility and more stringent global carbon pricing regulations.
Diversification of Business Activities/ Access to New Markets	L SAMEE's growth strategy is rooted in a disciplined focus on its specialised operations, where competitive advantage is gained through internal efficiencies, such as the zirconium process, and deep alignment with the sustainability mandates of global aerospace and semiconductor clients. By prioritising customer-led innovation and environmental credibility, the Group secures its position as a high-value partner while maintaining stable long-term market access.

SAMEE's climate-related risk profile is currently concentrated in the Low-to-Medium quadrant, reflecting strong operational resilience. In the short term, both physical and transition risks are managed through effective existing mitigations and the gradual nature of regulatory developments. In the medium term, transition risks are expected to shift as climate policies, carbon pricing, and IFRS S2 disclosure requirements mature. In the long term, physical risks may evolve as cumulative climate impacts materialise, while transition risks are expected to stabilise through sustained investment in emissions reduction. The Group's primary areas of focus include:

- Compliance and Legal
- Market and Reputation
- Transition to Low-Carbon Business Model



ANTICIPATED FINANCIAL IMPACTS AND STRATEGIC RESILIENCE

The following section details the financial quantification of identified climate risks and opportunities, providing a data-driven assessment of how CROs may impact SAMEE's financial position. By modelling various scenarios, ranging from localised operational disruptions to shifting regulatory landscapes, the Group evaluates its strategic resilience and identifies the necessary fiscal adjustments required to safeguard long-term value.

SUSTAINABILITY STATEMENT (Cont'd)

Extreme Weather-related Risks

Even under stretched scenarios of 2, 10, or 20 days of flood-related disruption annually at the Rojana site in Thailand, production and revenue impacts are expected to remain manageable due to SAMEE's efficient site planning and controls.

Rojana Site-Specific Operational Disruption due to Floods	Mild	Moderate	Severe
Estimated revenue loss from lost production due to delayed raw materials/SFG/parts delivery caused by floods under these scenarios	RM2.20 million[1]	RM11.00 million[1]	RM22.00 million[1]
Estimated cost for the replacement of flood-damaged operational equipment, assets, and systems under these scenarios	RM0.09 million[2]	RM24.02 million[2]	RM39.57 million[2]
Potential changes/impacts on business/ strategies	Strengthen controls to ensure smooth production despite minor delays	Maintain milestones via buffer stocks (1 month of raw materials & semi-finished goods), dual sourcing, and insurance coverage	Extend buffer stocks to 2 months, storage at external warehouse or alternate site, and insurance coverage

Note:
1. The estimated production loss due to delays in raw materials, SFG, or parts delivery caused by floods for each scenario was calculated based on an assumed cost of RM1.10 million per day of disruption under 2days/year (Mild), 10days/year (Moderate), and 20days/year (Severe) scenarios. The assessed values represent the gross, unmitigated baseline operational impact and are intended to illustrate the potential financial exposure arising from localised flood events affecting supply chain and logistics continuity.
2. The estimated cost or potential revenue loss associated with the repair or replacement of affected assets, operational equipment, and systems was assessed under 0.3 m (Mild), 1 m (Moderate), and 3 m (Severe) flood height impact scenarios. The assessed values represent the full unmitigated asset replacement cost and are intended to serve as a baseline reference, particularly in scenarios where flood levels exceed the design threshold or protection capacity of existing on-site mitigation measures.

Rising Temperature and Heatwaves

As highlighted in the International Energy Agency's ("IEA") The Future of Cooling in Southeast Asia, cooling-driven energy demand is projected to rise significantly across Malaysia, Singapore and Thailand. SAMEE's current analysis indicates that under a scenario where HVAC electricity costs increase by 50%, the financial impact is approximately 10% of the Group's FY2026 PAT. While these projections show how higher cooling requirements could increase operational expenses, the current impact remains manageable.

Energy Consumption from Grid Electricity in FY2026 (MWh)	Energy Consumption Costs (RM)	Estimated Cost of HVAC in FY2026 (RM)	Anticipated Financial Impacts (RM)		
			30% increase in energy consumption on HVAC	40% increase in energy consumption on HVAC	50% increase in energy consumption on HVAC
59,949	29.97 million	8.99 million	11.69 million (▲ 2.70 million)	12.59 million (▲ 3.60 million)	13.49 million (▲ 4.50 million)

Note:
1. The analysis is based on FY2026 electricity sourced from grid electricity, based on an assumed Malaysian average market price of RM 0.50/kWh. Actual financial outcomes may vary depending on future changes to electricity tariffs
2. The three scenarios were developed based on changes in Cooling Degree Days ("CDD"), estimated 30% share of HVAC in total electricity demand, and potential tariff volatility under Malaysia's AFA mechanism, Thailand's Ft adjustment, and Singapore's carbon-linked pricing trajectory. These scenarios are illustrative rather than predictive; they are intended to demonstrate the potential range of outcomes under varying climate and operational conditions. Actual outcomes will depend on variables such as building envelope efficiency, HVAC set-points, technology upgrades, tariff changes and climate policy interventions.

SUSTAINABILITY STATEMENT (Cont'd)

Environmental and Energy Policy Shifts

Carbon tax simulations for Malaysia were conducted using proposed rates from the Penang Institute and indicative structures from recent reports, as official government mechanisms remain unconfirmed. At a simulated rate of RM75/tCO_2e and based on our Scope 1 and Scope 2 GHG emissions in FY2026, we would have to bear a carbon tax cost of RM2.6 million representing approximately 6% of the Group's FY2026 PAT. These results suggest that the financial impact of a domestic carbon tax is manageable within the Group's current financial framework.

Carbon Tax Projections	RM15/tCO_2e	RM35/tCO_2e	RM50/tCO_2e	RM75/tCO_2e
Based on 34,856 tCO_2e from Scope 1 and Scope 2 emissions in FY2026	RM0.52 million	RM1.22 million	RM1.74 million	RM2.61 million

Adoption of Renewable Energy Solutions

The following table simulates the potential financial benefits of scaling up renewable energy adoption relative to SAMEE's baseline grid electricity consumption. By progressively increasing the share of clean energy toward the FY2030 target of 10,000 MWh per year, the Group anticipates measurable operational cost offsets, potentially reducing total electricity expenditure by over 15% as it transitions away from grid electricity.

Total Electricity Consumption in FY2026 (MWh)	Market Costs (RM)/kWh	Total Cost (RM)	FY2026 Savings (RM)	Projected Financial Savings from Increased Renewable Energy Adoption (RM)	
			Adoption of 6,240 MWh/year	Adoption of 8,000 MWh/year	Adoption of 10,000 MWh/year
66,189[1]	0.50	33.09 million	3.12 million (▼9.4%)	4.00 million (▼12.1%)	5.00 million (▼15.1%)

Note:

1. The analysis assumes electricity is fully sourced from grid electricity, based on a Malaysian average market price of RM 0.50/kWh in FY2026. Actual financial outcomes may vary depending on future changes to electricity tariffs, while the 10,000 MWh/year adoption represents the FY2030 renewable energy target.
2. Figures presented may not sum up precisely due to rounding of decimal points.

METRICS AND TARGETS

For more details, please refer to the *Emissions Performance and Tracking* section on page 43.

SUSTAINABILITY STATEMENT (Cont'd)

Prescribed Table

SAM ENGINEERING & EQUIPMENT
IFRS S2

Date & Time: 2026-07-03_10:32:06
Main Market | Group 1 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Climate	Total energy consumed (SASB RT-IG-130a.1; RT-EE-130a.1; RT-AE-130a.1)	Gigajoules (GJ)	Not Applicable	241,548	—	No assurance
Climate	Percentage of total energy consumption supplied by grid electricity (SASB RT-IG-130a.1; RT-EE-130a.1; RT-AE-130a.1)	Percentage (%)	Not Applicable	91	—	No assurance
Climate	Percentage of total energy consumption supplied by renewable (solar) energy (SASB RT-IG-130a.1; RT-EE-130a.1; RT-AE-130a.1)	Percentage (%)	Not Applicable	9	—	No assurance
Climate	Total Scope 1 emissions (SASB TC-SC-110a.1)	Metric tonnes of carbon dioxide equivalents (tCO2e)	Not Applicable	217	—	No assurance
Climate	Total Scope 2 emissions (location-based)	Metric tonnes of carbon dioxide equivalents (tCO2e)	Not Applicable	34,639	—	No assurance
Climate	Scope 3 emissions from Category 6: Business Travel	Metric tonnes of carbon dioxide equivalents (tCO2e)	Not Applicable	712	—	No assurance
Climate	Scope 3 emissions from Category 7: Employee Commuting category	Metric tonnes of carbon dioxide equivalents (tCO2e)	Not Applicable	3,028	—	No assurance
Climate	Amount of total emissions from perfluorinated compounds (SASB TC-SC-110a.1)	Metric tonnes of carbon dioxide equivalents (tCO2e)	Not Applicable	0	—	No assurance
Climate	Total water withdrawn (SASB TC-SC-110a.2)	Cubic meter (m3)	Not Applicable	278,531	—	No assurance
Climate	Total water consumed (SASB TC-SC-110a.2)	Cubic meter (m3)	Not Applicable	197,704	—	No assurance

SUSTAINABILITY STATEMENT (Cont'd)

Prescribed Table

SAM ENGINEERING & EQUIPMENT
IFRS S2

Date & Time: 2026-07-03_10:32:06
Main Market | Group 1 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Climate	Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress (SASB TC-SC-110a.2)	Percentage (%)	Not Applicable	19	—	No assurance
Climate	Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress (SASB TC-SC-110a.2)	Percentage (%)	Not Applicable	5	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-03_10:32:06

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Note: In accordance with Bursa Malaysia's CSI platform directives for Group 1 issuers adopting IFRS Sustainability Disclosure Standards, historical data for FY2025 are designated as "Not Applicable,"

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of SAM Engineering & Equipment (M) Berhad ("Company" or "SAMEE") is committed to ensuring that the Company upholds the principles and applies the practices of corporate governance as set out in the Malaysian Code on Corporate Governance ("Code") in substance to achieve the intended outcomes of building and supporting a strong corporate governance culture throughout the Company.

The Board firmly believes that such principles and practices of the Code are essential to uphold the business integrity of the Company and its subsidiaries (collectively, the "Group") and to enhance shareholder value.

The Group in their conduct of business and management is guided not only by the Code, but also by the Group's Core Values, which balances commercial and financial success with the interests of all its stakeholders. These Core Values are set out on the Company's website.

During the financial year ended 31 March 2026 ("FY2026"), the Board has, to the best of its ability, adhered to the recommended corporate governance practices and complied with the requirements outlined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") in preparing this statement. Please note that the following statement should be read in conjunction with the Corporate Governance Report, which is available on the Company's website at https://www.sam-malaysia.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART 1 – BOARD RESPONSIBILITIES

Intended Outcome 1.0

- **Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.**

1.1 Strategic aims, values and standards

The Board plays a pivotal role in the stewardship of the Group's direction and operations, and ultimately in enhancing long-term shareholder value.

The Board is tasked with providing leadership and maintaining oversight of the Group's overall operations. During FY2026, the Board comprised a combination of an Executive Director who has intimate knowledge of the business and Non-Executive Directors with diversified industry and business backgrounds, bringing broad business and commercial experience to the Group. The Board has the overall responsibility for corporate governance, including establishing goals, strategies and directions, reviewing the Group's performance and critical business issues and ultimately enhancing long-term shareholder value. It monitors and delegates the implementation of the strategic direction to the Management.

The Board reviews the strategic plan presented by Management during its meetings. The review covers performance targets and long-term plans for the Group to be achieved by Management.

Upon being satisfied with the strategic plan, the Board endorses the implementation thereof by Management. The Board continues to monitor the plan to ensure its effective implementation.

The Board's role is to oversee the performance of the Management to determine whether the Group's business is properly managed. The Board receives updates from Management at the quarterly Board meetings when reviewing the unaudited quarterly results. During these meetings, the Board actively participates in the discussions pertaining to the performance of the Group.

The Board also retains exclusive authority over certain matters. These include approving acquisitions and divestitures, major capital expenditures, projects and budgets, quarterly and annual financial statements, as well as, monitoring of financial and operating performance of the Group.

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions and responsibilities to the following respective Board Committees:

- Audit Committee ("AC")
- Risk & Sustainability Committee ("RSC")
- Nominating & Remuneration Committee ("NRC")

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART 1 – BOARD RESPONSIBILITIES (CONT'D)

1.1 Strategic aims, values and standards (Cont'd)

The Chair of each Board Committee will report to the Board on the matters discussed at the Committee meetings, with emphasis on key issues deliberated during the meetings.

Each Committee operates within specific terms of reference that were drawn up with reference to the Listing Requirements and the Code. During FY2026, the Board Committees had discharged their duties in accordance with their respective Terms of Reference.

Notwithstanding the delegation of specific powers, the Board retains full responsibility for the direction and control of the Group. The ultimate responsibility for decision-making on all matters lies with the Board.

1.2 The Chairman of the Board

Mr. Tan Kai Hoe serves as the Company's Non-Independent Non-Executive Chairman. He provides leadership and guidance to the Board and is tasked with ensuring the effectiveness of the Board's performance. Mr. Tan Kai Hoe works closely with the rest of the Board members to establish and articulate clear policies and strategies, to be implemented by Management, for the benefit of all stakeholders.

1.3 Separation of position of Chairman and Chief Executive Officer ("CEO")

A clear demarcation of responsibilities exists between the roles of the Chairman and the CEO and Executive Director. The Board is presided over by a Non-Independent Non-Executive Chairman, while the CEO is responsible for leading the Management team.

The specific roles and responsibilities of both the Chairman and the CEO are detailed in the Board Charter, which is publicly accessible on the Company's website.

Mr. Lim Hee Seng, Peter, who served as the CEO and Executive Director during FY2025, has retired upon the conclusion of the 31^{st} Annual General Meeting ("AGM"). He was succeeded by Mr. Ng Boon Keat, who holds the positions of CEO and Executive Director for FY2026.

1.4 Chairman of the Board in Board Committees

In order to maintain objectivity in the Board's deliberations on the observations and recommendations put forth by the Board Committees, the Chairman is not involved in any of the Board Committees. This arrangement is expected to promote checks and balances as well as objective review by the Board.

1.5 Qualified and competent Company Secretaries

The Board is supported by suitably qualified and competent Company Secretaries. The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidelines and legislations.

The Board reserves the right to remove any Company Secretary and appoint a suitable replacement, should a Company Secretary fail to fulfil his/her assigned functions.

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

PART 1 – BOARD RESPONSIBILITIES (CONT'D)

1.5 Qualified and competent Company Secretaries (Cont'd)

In performing their duties, the Company Secretaries carry out, amongst others, the following tasks:

- Statutory duties as required under the Companies Act 2016, Listing Requirements, and Capital Markets and Services Act 2007;
- Facilitating and attending Board Meetings and Board Committee Meetings, respectively;
- Facilitating and attending General Meetings;
- Ensuring that Board Meetings and Board Committee Meetings, respectively are properly convened and the proceedings are properly recorded;
- Ensuring that the Board's decisions are communicated to the Management in a timely manner for further action;
- Ensuring that all appointments to the Board and/or Board Committees are properly made in accordance with the relevant regulations and/or legislations;
- Maintaining records for the purpose of meeting statutory obligations of applicable jurisdictions;
- Facilitating the provision of information as may be requested by the Directors from time to time in an expeditious manner and ensuring adherence to Board policies and procedures;
- Facilitating the conduct of the assessments undertaken by the Board and/or Board Committees as well as to compile the results of the assessments for the Board and/or Board Committee's reference;
- Assisting the Company on the lodgement of documents with relevant statutory and regulatory bodies;
- Assisting the Board to prepare announcements for release to Bursa Malaysia Securities Berhad ("Bursa Securities") and Securities Commission Malaysia;
- Briefing the Board on the latest updates/guidelines issued by Bursa Securities and the Securities Commission Malaysia; and
- Rendering other advice and support to the Board and Management.

The Company Secretaries keep the Board abreast with the latest regulatory updates and ensure that deliberations at all Board and/or Board Committee meetings are well documented.

1.6 Access to information and meeting materials

The Board recognises that the decision-making process is highly contingent on the quality of information furnished. All members of the Board have full and unrestricted access to any information pertaining to the Group's business and affairs.

The Board receives information and documents at least seven (7) days prior to the meetings (or a shorter time period when unavoidable) to allow adequate time for understanding the issues under consideration and to facilitate efficient decision-making. All information and documents furnished to the Board are comprehensive and encompass both quantitative and qualitative factors to increase the quality of the Board's understanding and knowledge of the matter.

The Management is invited to attend Board meetings to provide comprehensive explanations and clarifications on matters under discussion. The Board has full and unrestricted access to any information pertaining to the Group and its business affairs, including verbal explanations from the Management on related topics being deliberated, and the services of the Company Secretaries to ensure that procedures are complied with. The Board may, upon approval of the Chairman, seek independent advice on any related matter at the expense of the Group.

All deliberations and decisions made at Board meetings, including any instances of a Director abstaining from voting or deliberating on a particular matter, are recorded by the Company Secretaries. The minutes of each meeting are circulated to the Board and the Management for review and comments in a timely manner, prior to their confirmation at the next Board meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART 1 – BOARD RESPONSIBILITIES (CONT'D)

1.6 Access to information and meeting materials (Cont'd)

The Board ordinarily meets at least four (4) times a year, with additional meetings convened when urgent or important decisions are required between the scheduled meetings. During FY2026, the Board convened four (4) meetings to deliberate and decide on various matters, and all Directors attended all meetings, with the exception of Mr. Chan Tai Heng, Jeremy, who was appointed on 18 December 2025 as set out in the table below:

Directors	Attendance
Tan Kai Hoe	4/4
Ng Boon Keat	4/4
Shum Sze Keong	4/4
Datuk Dr. Wong Lai Sum	4/4
YM Tunku Afwida Binti Tunku Abdul Malek	4/4
Suresh Natarajan	4/4
Ng Chee Kiet	4/4
Piroon Saengpakdee	4/4
Dato' Lim Bee Vian	4/4
Lim Hee Seng, Peter *(Retired on 20 August 2025)*	2/2
Chan Tai Heng, Jeremy *(Appointed on 18 December 2025)*	1/1

Outside Board Meetings, Board approvals would be obtained through circular resolutions. Resolutions passed in this manner are subsequently noted at the next Board Meeting.

Directors are required to devote sufficient time and effort to carry out their responsibilities. This commitment is given to the Board at the time of their appointment.

The Board acknowledges and appreciates the time and effort committed by the Directors in fulfilling their roles and responsibilities towards the Company.

Intended Outcome 2.0

- **There is demarcation of responsibilities between the board, board committees and management.**
- **There is clarity in the authority of the board, its committees and individual directors.**

2.1 Board Charter

The Board Charter, accessible on the Company's website, delineates the distinct functions and roles of the Board, as well as the responsibilities delegated to the Chairman, Board Committees, the CEO, and the Management.

The Board periodically reviews the Board Charter to ensure its continued relevance in assisting the Board in fulfilling its duties and responsibilities in accordance with the prevailing laws and regulations. The Board Charter was last revised on 24 May 2022. The Board Charter can be accessed via the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART 1 – BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome 3.0

- **The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.**
- **The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.**

3.1 Code of Ethics and the Anti-Bribery & Corruption Policy

The Standard Code of Conduct, Business Ethics, and Conflicts of Interest, which delineates the ethical standards and conduct expected from the Board, Management, and employees, is available for review on the Company's official website.

The Anti-Bribery and Corruption Policy, that articulates the Company's uncompromising stance against bribery and corruption, is likewise published on the Company's website.

3.2 Whistleblowing Policy

The Whistleblowing Policy establishes a secure avenue for reporting any concerns or complaints relating to actual or potential corporate fraud or ethical breaches involving employees, Management, or Directors of the Group. The Whistleblowing Policy and the avenue for lodging a whistleblowing report are available on the Company's official website.

Intended Outcome 4.0

- **The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.**

4.1 Strategic management of sustainability matters

The Company commits to embed sustainability in its business through the following measures:

a) the Board, which: (i) provides guidance on key economic, business, environmental, and social issues, ensuring the incorporation of best practices in sustainability in all significant decisions and actions; and (ii) plays a pivotal role in approving the sustainability and risk management framework, and deliberates on sustainability and risk governance issues;
b) the RSC, which supports the Board by reviewing and recommending sustainability strategies and performance targets for the Company on a consolidated basis; and
c) the Sustainability Committee Working Group ("SCWG"), comprising leaders and members from the Company's various business units and divisions, is responsible for implementing, monitoring, and delivering the Company's Environmental, Social and Governance ("ESG") initiatives and performance.

4.2 Communication of sustainability strategies, priorities and targets

The Company practices a holistic and consistent stakeholder engagement with businesses, organisations, and people that have a stake in or influence over the Company's business activities and long-term business planning. Details of the Company's stakeholder engagement approach are as set out in the Sustainability Statement.

4.3 Staying abreast with sustainability issues

The Company and the Board are constantly monitoring the industry trends, and taking steps to overcome operating challenges and meet stakeholder expectations, to produce long-term value to shareholders and stakeholders of the Group, and the community.

The Company had performed a materiality assessment during the previous financial year and the said risks and issues remain relevant for FY2026. Results have been presented in the Sustainability Statement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART 1 – BOARD RESPONSIBILITIES (CONT'D)

4.4 Performance evaluations include a review in addressing the Company's material sustainability risks and opportunities

During the annual Board Evaluation, the NRC had reviewed the Board's performance in formulating and overseeing Management's implementation of the Group's strategic and business plans that promote sustainability.

The Board, supported by the RSC, and Management, through the SCWG, had worked together to: (1) identify the Group's material risks and sustainable development goals; and (2) address them through appropriate measures and strategies, to achieve long-term growth and generate healthy returns for the shareholders.

During the financial year under review, the SCWG had implemented a number of measures to address the Company's sustainability risks, which are further described in the Sustainability Statement of this Annual Report. These measures were designed to monitor, anticipate and prepare appropriate responses and/or actions to tackle challenges to produce long term-value for the shareholders, stakeholders and the wider community.

The RSC reports to the Board on material risks and measures taken to mitigate and manage such risks.

4.5 Designated person to manage sustainability

The Group's Senior Vice President, Mr. Tung Kin Hoe, Timothy, served as the Chief Sustainability Officer during FY2026.

The Chief Sustainability Officer's role includes driving and overseeing the Group's sustainability strategy, as well as establishing ESG structures to ensure appropriate risk consideration. He served as the liaison between Management, shareholders and stakeholders in addressing sustainability matters, and led the SCWG in implementing various initiatives, as described in detail in the Sustainability Statement.

PART 2 – BOARD COMPOSITION

Intended Outcome 5.0

- **Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.**

5.1 Annual assessment of the Directors, Board as a whole and Board Committees

The NRC conducts an annual evaluation, facilitated by the Company Secretaries, to appraise the effectiveness of the Board as a whole, the effectiveness of the Board Committees and the required mix of skills and experience to enhance the Board's effectiveness. The evaluation covers the Board's size, mix and composition, the conduct of Board meetings and the Directors' skill set matrix.

The Board Committees are assessed based on their roles and scope of work, the adequacy and timeliness of information provided to the Board, and their overall effectiveness and efficiency in discharging their duties. The results of the evaluation are then collated, summarised and reported to the Board by the NRC Chairperson, with the aim of supporting the continuous improvement of the Board and the Board Committees.

In addition to the foregoing, the NRC annually assesses the independence of each Independent Non-Executive Director, taking into account the Director's ability to exercise independent judgment at all times and to contribute to the effective functioning of the Board. All findings of the NRC are reported to the Board.

The NRC had conducted an assessment of the Directors who are subject to retirement and seeking re-election at the forthcoming AGM, taking into consideration their character, experience, integrity, competency and time commitment in discharging their roles as Directors of the Company, in accordance with the Directors' Fit and Proper Policy of the Company. The NRC was of the view that these retiring Directors, who are seeking re-election, have met the fit and proper criteria, have discharged their duties effectively and have provided valuable contributions and leadership to the Group.

The Board recommends these retiring Directors for re-election at the forthcoming AGM. Their names are set out in the Corporate Governance Report.

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

PART 2 – BOARD COMPOSITION (CONT'D)

5.2 Board Composition

The following prescribed requirements have been fully complied by the Board:

- Paragraph 3.04(1) of the Listing Requirements, which stipulates that at least 2 directors or 1/3 of the board of directors, whichever is the higher, are independent directors; and
- Practice 5.2 of the Code, which states that at least half of the board comprises Independent Directors.

During FY2026, the Board comprised ten (10) members, out of which, six (6) are Independent Non-Executive Directors. Details are set out below:

Directors	Designation
Tan Kai Hoe	Non-Independent Non-Executive Chairman
Ng Boon Keat	Executive Director and CEO of the Group
Shum Sze Keong	Non-Independent Non-Executive Director
Datuk Dr. Wong Lai Sum	Independent Non-Executive Director
YM Tunku Afwida Binti Tunku Abdul Malek	Independent Non-Executive Director
Suresh Natarajan	Independent Non-Executive Director
Ng Chee Kiet	Independent Non-Executive Director
Piroon Saengpakdee	Independent Non-Executive Director
Dato' Lim Bee Vian	Independent Non-Executive Director
Chan Tai Heng, Jeremy	Non-Independent Non-Executive Director

The profile of each Director is set out at the relevant section of this Annual Report.

The Directors, with diverse backgrounds and specialisations, contribute a wide range of experience and expertise to the Group in areas such as finance, engineering, corporate affairs, legal, marketing and operations.

The Independent Non-Executive Directors bring objective and independent judgment to the decision-making of the Board and provide appropriate checks and balances to the functions of the Executive Director and Management. They contribute significantly in areas such as policy and strategy development, performance monitoring, allocation of resources, as well as improving governance and controls.

Together with the Executive Director, who has intimate knowledge of the business, the Board comprises individuals who are committed to business integrity and professionalism in all its activities, and have proper understanding of, and the competence to address current and emerging business issues.

5.3 Tenure of Independent Directors

All of our Independent Directors continue to comply with the current definition of an Independent Director, as provided in paragraph 1.01 and Practice Note 13 of the Listing Requirements.

The Board is mindful of the Listing Requirements, which provide that a director shall not cumulatively serve as an independent director of the Company for more than twelve (12) years.

The Board also takes cognisance of the practice in the Code, whereby if the Board intends to retain an Independent Director as an independent director beyond a cumulative term limit of nine (9) years, it should justify and seek shareholders' approval annually through a two-tier voting process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART 2 – BOARD COMPOSITION (CONT'D)

5.3 Tenure of Independent Directors (Cont'd)

In ascertaining the independence of the Directors, the Board continues to believe that tenure is not the most important assessment criteria. It is of the view that how a Director discharges its fiduciary duties, is of the primary concern, regardless of their tenure. In fact, the Board is of the view that continued tenure brings consistency and stability to the Board as the Group benefits from their mix of skills, professional and commercial experience, technical expertise in their relevant fields and competencies, as well as familiarity with the Group's business, for an informed and balanced decision-making by the Board.

During FY2026, Datuk Dr. Wong Lai Sum, an Independent Director of the Company, has served a cumulative tenure of more than nine (9) years, having been appointed to the Board as an Independent Non-Executive Director on 1 October 2016.

5.4 Appointment of Board and Senior Management based on objective criteria

The appointment of the Board and Senior Management is based on objective criteria and merits, with due regard to diversity in skills, experience, age, cultural background and gender.

The Company is guided by its "Directors' Fit and Proper Policy" to ensure that the appointment and re-election of the Directors are based on an identified objective criteria, e.g. character, integrity, relevant range of skills, knowledge, experience, competence and time commitment, so that they are able to discharge their roles and responsibilities effectively in the best interest of the Company. The said policy may be accessed at the Company's website.

5.5 Utilisation of various sources in identification of potential candidates

The Board is responsible for the appointment of new Directors. The NRC has been delegated with the task of succession planning and conducting an initial selection, which includes an external search, before making a recommendation to the Board. While the NRC can engage professional recruitment firms or seek independent advice where necessary to identify candidates for directorship, it is not obligatory to do so in every instance. The identification of potential candidates may also be based on recommendations from existing Directors, senior management, or other credible channels, provided that the process remains objective and aligned with the Company's needs.

As part of its role, the NRC had evaluated the suitability of candidates for appointment to the Board during FY2026 based on factors including, but not limited to, experience, commitment (including time commitment), competency, and, where applicable, relevant regulatory criteria for assessing independence. The NRC then recommended the candidates for the Board's approval and appointment.

In line with the Group's continued growth and strategic direction, the Board recognises the value of appointing Mr. Chan Tai Heng, Jeremy, a Non-Independent Non-Executive Director with extensive leadership expertise in global aerospace OEM/MRO companies, which is highly valuable to the Company. His strategic insights and industry expertise align well with the responsibilities of a Non-Independent Non-Executive Director and will strengthen the Board's capability in driving innovation and growth.

5.6 Board statement on the appointment or reappointment of Directors

The performance of retiring Directors who are recommended for re-election at the forthcoming AGM was assessed through the Board's annual evaluation.

A statement by the Board and the NRC on their satisfaction with the performance and effectiveness of the retiring Directors who are offering themselves for re-election is set out in the notes accompanying the Notice of AGM.

The profiles for the aforementioned Directors, including their nature of interest with the Company (if any), are set out in the Directors' Profile section of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART 2 – BOARD COMPOSITION (CONT'D)

5.7 Nominating and Remuneration Committee

The NRC of the Company comprises exclusively Non-Executive Directors, the majority of whom are Independent Directors.

The Chairperson of the NRC is Datuk Dr. Wong Lai Sum, an Independent Non-Executive Director.

The Members of the NRC and their meeting attendance during their tenure in office for the financial year under review are set out below.

Designation	Directors	Attendance
Chairperson	Datuk Dr. Wong Lai Sum	4/4
Members	Mr. Shum Sze Keong	4/4
	Mr. Suresh Natarajan	4/4

During the financial year under review, the NRC has carried out the following activities:

(a) Reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board, contribution of each Director, the effectiveness of the Board and Board Committees as a whole.
(b) Reviewed the Board Evaluation Report for FY2026.
(c) Reviewed the performance of the Directors and key officers of the Company for FY2026.
(d) Identified the Directors due to retire by rotation and recommended the re-election of such Directors at the forthcoming AGM.
(e) Reviewed the independent status of the Independent Non-Executive Directors.
(f) Reviewed the term of office and performance of the Audit Committee.
(g) Reviewed the remuneration package for the CEO and CFO for FY2026.
(h) Reviewed and recommended the Directors' fees and benefit(s) payable to the Directors.
(i) Reviewed the list of trainings attended by the Directors during the financial year.
(j) Reviewed the composition of the Board Committees of the Company.
(k) Reviewed the performance evaluation forms and set key performance indicators for CEO for FY2026.
(l) Reviewed and recommended the appointment of the new Non-Independent Non-Executive Director to the Board for approval.
(m) Reviewed and recommended the proposed Long-Term Incentive Plan of the Group to the Board.

The Terms of Reference of the NRC are available on the Company's website.

5.8 Gender diversity

The Board is of the opinion that there is no need for a written gender diversity policy. The Group is committed to providing fair and equal opportunities and nurturing diversity within the Group.

However, the Board is mindful of the recommendation for Board diversity and the Listing Requirements, where at least one Director shall be a woman. In view of this, the NRC shall ensure that women candidates are identified and considered during recruitment exercises.

During FY2026, Datuk Dr. Wong Lai Sum, YM Tunku Afwida Binti Tunku Abdul Malek and Dato' Lim Bee Vian were the existing women Directors on the Board, representing 30% women representation on the Board.

5.9 Diversity of Board and Senior Management

The Board strongly advocates diversity at the Board and Senior Management level to achieve greater effectiveness, creativity and capacity to thrive in a challenging and uncertain business environment.

The Board strives to ensure that there is no discrimination on any basis, including but not limited to race, age, ethnicity and gender, in determining the composition of the Board and in its hiring policy.

As set out in the Board Charter, the appointment of the Board and Senior Management is based on objective criteria and merits, with due regard to diversity in skills, experience, age, cultural background and gender. The Board Charter can be accessed at the Company's Website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART 2 – BORD COMPOSITION (CONT'D)

Intended Outcome 6.0

- **Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.**

6.1 Assessment on the effectiveness of the Board

As set out at paragraph 5.1, the Board through the NRC, conducts an annual evaluation to appraise the effectiveness of the Board as a whole and the said evaluation of the Board covers board size, mix or composition, conduct of Board meetings and Directors' skill set matrix.

The Board is mindful that it should engage independent experts at least once every three (3) years to facilitate objective and candid board evaluations. Nevertheless, after due consideration, the Board would not be engaging another independent expert to facilitate this on top of the annual evaluation facilitated by the Company Secretaries, which is robust and effective in providing meaningful insights into the Board's performance. The Board is currently satisfied with its overall effectiveness and cohesiveness, and is of the view that the existing dynamics continue to support sound decision-making and effective governance.

The Directors are also fully aware of the importance of keeping abreast with the latest changes and developments in the industries in which the Group operates as well as the economic, financial and governance issues in order to enhance the effectiveness in discharging their responsibilities as Directors.

All Directors in office had attended and completed the Mandatory Accreditation Programme ("MAP") Part II, while Mr. Chan Tai Heng, Jeremy, who was appointed on 18 December 2025 had attended and completed the MAP Part I. During the financial year under review, the Directors attended various briefings, seminars, conferences, and speaking engagements covering areas such as corporate governance, relevant industrial developments, finance, risk management, leadership and global business developments.

Some of the programmes attended by the Directors during the financial year under review include the following:

Directors	Trainings
Tan Kai Hoe	• Boardroom Cybersecurity: From Threat Landscape to Strategic Oversight • Scaling Asia's Renewables: A Value Chain Approach and Building Resilience for a New World • Advancing the Transition Through the Spectrum of Capital and Infrastructure Financing: The Next Big Opportunity • Strategic Doing: See the Future of Work Through Design AI and Innovation • AI Act and Overview and Compliance • Managing Risk: EU's AI Act and AI Compliance • Combating Fraud & Data Breaches – What should you do • Secure Your Email & Managing Your Digital Footprint • BCP, Password Management, Callback Phishing • Seasonal Scams, Internet Security and You • Board Briefing on Malaysia's National Sustainability Reporting Framework (ISSB IFRS S1 & S2)
Ng Boon Keat	• Board Briefing on Malaysia's National Sustainability Reporting Framework (ISSB IFRS S1 & S2) • IFRS Webinar: The Real Deal Addressing Issues and Challenges of IFRS S1 & S2 Reporting in Malaysia • Boardroom Cybersecurity: From Threat Landscape to Strategic Oversight • Microsoft 365 Copilot • Climate Risk Assessment Workshop • Mastering IFRS S1 & S2: Compliance Meets Strategy • EL-Responsible Business Alliance • Business Continuity Management Workshop • From Curiosity to Control: Board Intelligence in the Age of AI • Mandatory Accreditation Programme I • Strategic Doing: See the Future of Work Through Design AI and Innovation

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART 2 – BOARD COMPOSITION (CONT'D)

6.1 Assessment on the effectiveness of the Board (Cont'd)

Some of the programmes attended by the Directors during the financial year under review include the following (Cont'd):

Directors	Trainings
Lim Hee Seng, Peter	• Boardroom Cybersecurity: From Threat Landscape to Strategic Oversight *(Retired on 20 August 2025)*
Shum Sze Keong	• Strategic Doing: See the Future of Work Through Design AI and Innovation • Boardroom Cybersecurity: From Threat Landscape to Strategic Oversight • Board Briefing on Malaysia's National Sustainability Reporting Framework (ISSB IFRS S1 & S2)
Datuk Dr. Wong Lai Sum	• Boardroom Cybersecurity: From Threat Landscape to Strategic Oversight • What Trump's trade war means for Asia supply chains? • The 25th Asia Undercurrent webinar – Decarbonization & Economic Growth in Asia • A strategy-first approach in talent systems and decisions • ASEAN's role in the global economy • The 22nd CSIS/NIKKEI Symposium – a changing world and new choices for Japan • Board Briefing on Malaysia's National Sustainability Reporting Framework (ISSB IFRS S1 & S2)
YM Tunku Afwida Binti Tunku Abdul Malek	• Boardroom Cybersecurity: From Threat Landscape to Strategic Oversight • Cybersecurity & Emerging Technology Risk • Asean Investment Conference 2025 • Board Briefing on Malaysia's National Sustainability Reporting Framework (ISSB IFRS S1 & S2) • Brand Workshop
Suresh Natarajan	• S Rajaratnam lecture by PM Singapore, at SUTD • Advanced Packaging and Heterogeneous Integration Summit, @ SEMICON SE Asia • India-Singapore Semiconductor Ecosystem Partnership Skills Workshop • IPS Lecture Series by Philip Yeo: Lecture 3 • The EU's strategic choices in a turbulent world, organised by EU • ST Engineering Cybersecurity Summit 2025 – Cyber, Quantum & AI • Learning Journey to SERIS @ NUS – Developments in Solar Technology • Semiconductor Business Connect 2025 organised by SSIA – Strengthening Collaboration, Building Resiliency • Boardroom Cybersecurity: From Threat Landscape to Strategic Oversight, conducted by EC Council Global Services • Global Skill Summit, Kerala; Kochi, India • Digital Transformation with Gen AI: Strategic Implications – Webinar organised by Nanyang Business School • Industrial Transformation Asia-Pacific Conference & Exhibition – Singapore Expo • Singapore Week of Innovation and Technology (SWITCH 2025) – organised by ESG, at MBS • Mastering IFRS S1 & S2: Compliance Meets Strategy – organised by JRC – webinar • AI Festival Asia • Electronics Industry Day – SSIA • Singapore Aerospace Technology Leadership Forum – ASTAR • Singapore Air Show • Board Briefing on Malaysia's National Sustainability Reporting Framework (ISSB IFRS S1 & S2)

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART 2 – BOARD COMPOSITION (CONT'D)

6.1 Assessment on the effectiveness of the Board (Cont'd)

Some of the programmes attended by the Directors during the financial year under review include the following (Cont'd):

Directors	Trainings
Ng Chee Kiet	• Boardroom Cybersecurity: From Threat Landscape to Strategic Oversight • ASEAN Investment Conference • Webinar – Burning Tax Issues in 2025 • Webinar – Addressing Issues and Challenges of IFRS S1 and S2 Reporting in Malaysia • Virtual Talk on Tackling Cyber Threats in the Financial Sector • Dialogue – Future-Ready Boards: Implementing Strategies with Skills • AI-Powered Frontiers • Strategic Oversight in Strategy Implementation • Navigating National Sustainability Reporting Framework & Latest Bursa Listing Requirements • Navigating Future of Finance • Factory Futures AI Workshop • The SORMIC Guide 2025 • Independent Directors & Tax Exposure • ASEAN Capital Market Forum • Update on National Budget 2026 by BDO Tax • AOB Conversation with Audit Committee – SORMIC Guide 2025 • Board Briefing on Malaysia's National Sustainability Reporting Framework (ISSB IFRS S1 & S2)
Piroon Saengpakdee	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Boardroom Cybersecurity: From Threat Landscape to Strategic Oversight • Board Briefing on Malaysia's National Sustainability Reporting Framework (ISSB IFRS S1 & S2)
Dato' Lim Bee Vian	• Boardroom Cybersecurity: From Threat Landscape to Strategic Oversight • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Data Centre Nexus: Powering Digital Growth, Connecting Industries • Embedding Sustainability into Strategy and Execution • EY Asean Tax Forum 2025 : New Trade and Tax Reality • Board Briefing on Malaysia's National Sustainability Reporting Framework (ISSB IFRS S1 & S2) • Energy Asia 2025 – Delivering Asia's Energy Transition • Johor-Singapore Special Economic Zone Forum 2025 • Board Simulation – Balancing Risks & Opportunity in Sustainability Leadership • Corporate Finance for Non-Finance Directors • Mastering IFRS S1 & S2: Compliance Meets Strategy • IFRS Sustainability Disclosure Standards Awareness – Gearing Up the Board of Directors
Chan Tai Heng, Jeremy	• Mandatory Accreditation Programme *(Appointed on 18 December 2025)*

The Board has concluded that the Directors' Training sessions for FY2026 were adequate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART 3 – REMUNERATION

Intended Outcome 7.0

- **The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.**
- **Remuneration policies and decisions are made through a transparent and independent process.**

7.1 Remuneration Policy

The NRC is guided by an established Remuneration Policy in determining the remuneration packages applicable to the Directors, the CEO and CFO.

The remuneration packages take into account the scope of duties and responsibilities; the conditions and experience required; the ethical values, internal balances and strategic targets of the Company; the corporate and individual performance; and the prevailing market rate within the industry and comparable companies.

7.2 Remuneration Committee

The NRC also functions as the remuneration committee. Please see paragraph 5.7 for the details.

Intended Outcome 8.0

- **Stakeholders are able to assess whether the remuneration of directors and senior management commensurates with their individual performance, taking into consideration the company's performance.**

8.1 Remuneration of Directors

For FY2026, each Director was paid a Director's fee of RM100,000 per annum for serving as a member of the Board.

The Director serving as the Chairman of the relevant Board Committee received an additional annual remuneration as set out below:

Board Committee	Chairman's Annual Remuneration
AC	RM15,000
NRC	RM10,000
RSC	RM10,000

The Directors who served as ordinary members in the AC received an additional annual remuneration of RM10,000 each, while for NRC & RSC received an additional remuneration of RM7,500 each.

The Directors' fees and remuneration are appropriate for their contribution, taking into consideration effort, commitment and time spent as well as the responsibilities involved.

All Non-Executive Directors would also be paid a meeting allowance of RM2,000 for each meeting attended. The Executive Director is not entitled to any meeting allowance.

The Board had determined that the remuneration for the Non-Executive Directors is appropriate, taking into account the experience as well as the level of responsibilities and contributions, including the number of scheduled meetings of the Board and Board Committees, and is competitive compared with prevailing market practices. Each of the Non-Executive Directors has abstained from deliberating and voting on his or her own remuneration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART 3 – REMUNERATION (CONT'D)

8.1 Remuneration of Directors (Cont'd)

The NRC has also reviewed and deliberated on the Directors' fees and benefits payable to Directors for the period from the conclusion in the upcoming AGM until the next AGM in 2027. The NRC recommended that, subject to shareholders' approval at the upcoming AGM, the fees and benefits payable to the Directors be maintained as set out below:

A.	**Remuneration**	**Amount (RM)**
(i)	Fee for each Director	100,000
(ii)	Fee for the Chairman of the AC	15,000
(iii)	Fee for the Chairman of the NRC and the RSC, respectively	10,000
(iv)	Fee for the member of the AC	10,000
(v)	Fee for the Member of the NRC and the RSC, respectively	7,500
B.	**Allowances / Benefits**	
(i)	Meeting allowance for each Non-Executive Director per meeting	2,000
(ii)	Benefits-in-kind (for all Directors)	70,000 per annum *(for Non-Executive Directors, to allow flexible benefits to be reimbursed up to a sum of RM5,000 per Director)*

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART 3 – REMUNERATION (CONT'D)

8.1 Remuneration of Directors (Cont'd)

A summary of each Director's remuneration (including benefits-in-kind) for FY2026 is provided below and also outlined in the Corporate Governance Report:

No	Name	Directorate	Company (RM'000)							Group (RM'000)						
			Fee	Allowance	Salary	Bonus	Benefits -in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits -in-kind	Other emoluments	Total
1	Tan Kai Hoe	Non-Executive Non-Independent Director	100.0 **Paid to Accuron where he is employed*	10.0	0.0	0.0	0.0	0.0	110.0	100.0	10.0	0.0	0.0	0.0	0.0	110.0
2	Ng Boon Keat	Executive Director	0.0	123.1	951.9	1,312.0	0.1	278.6	2,665.7	0.0	123.1	951.9	1,312.0	0.1	278.6	2,665.7
3	Shum Sze Keong	Non-Executive Non-Independent Director	125.0	34.0	0.0	0.0	0.0	0.0	159.0	125.0	34.0	0.0	0.0	0.0	0.0	159.0
4	Datuk Dr. Wong Lai Sum	Independent Director	120.0	26.0	0.0	0.0	4.0	0.0	150.0	120.0	26.0	0.0	0.0	4.0	0.0	150.0
5	YM Tunku Afwida Binti Tunku Abdul Malek	Independent Director	115.0	18.0	0.0	0.0	5.0	0.0	138.0	115.0	18.0	0.0	0.0	5.0	0.0	138.0
6	Suresh Natarajan	Independent Director	117.5	26.0	0.0	0.0	5.0	0.0	148.5	117.5	26.0	0.0	0.0	5.0	0.0	148.5
7	Ng Chee Kiet	Independent Director	117.5	26.0	0.0	0.0	5.0	0.0	148.5	117.5	26.0	0.0	0.0	5.0	0.0	148.5
8	Piroon Saengpakdee	Independent Director	107.5	18.0	0.0	0.0	5.0	0.0	130.5	107.5	18.0	0.0	0.0	5.0	0.0	130.5
9	Dato' Lim Bee Vian	Independent Director	100.0	8.0	0.0	0.0	5.0	0.0	113.0	100.0	8.0	0.0	0.0	5.0	0.0	113.0
10	Chan Tai Heng, Jeremy	Non-Executive Non-Independent Director	28.8	2.0	0.0	0.0	0.0	0.0	30.8	28.8	2.0	0.0	0.0	0.0	0.0	30.8
11	Lim Hee Seng, Peter	Non-Executive Non-Independent Director	39.0	6.0	0.0	0.0	0.0	0.0	45.0	39.0	6.0	0.0	0.0	0.0	0.0	45.0

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART 3 – REMUNERATION (CONT'D)

8.2 Remuneration of Senior Management

The Company's CEO, Mr. Ng Boon Keat ("Mr. BK Ng") is also an Executive Director of the Company. Mr. BK Ng's remuneration has been disclosed under Practice 8.1 of this Statement and the Corporate Governance Report, pursuant to Appendix 9C(11) of the MMLR. However, the remuneration of the other Senior Management personnel will not be disclosed.

The Company considers the remuneration details of its Senior Management personnel to be sensitive and confidential due to the competitive nature of the human resource market. As such, the Company has decided not to disclose the detailed remuneration of each member of the Senior Management in increments of RM50,000 on an individual basis.

Furthermore, this approach is intended to maintain confidentiality, prevent potential negative consequences arising from such disclosure, and support the broader objective of fostering a stable work environment to achieve long-term strategic goals.

The remuneration packages for the Company's employees are benchmarked against industry standards and remain consistent with prevailing industry practices. Furthermore, their annual salary increases and bonus payouts will be performance-based.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART 1 – AUDIT COMMITTEE

Intended Outcome 9.0

- **There is an effective and independent Audit Committee.**
- **The board is able to objectively review the Audit Committee's findings and recommendations.**
- **The company's financial statement is a reliable source of information.**

9.1 The Chairman of the Audit Committee is not the Chairman of the Board

The Company has adhered to Practice 9.1 of the Code, which stipulates that the Chairman of the AC should not concurrently serve as the Chairman of the Board.

The AC is an independent Board Committee, composed of Independent Non-Executive Directors, which assists the Board in the discharge of its responsibilities for corporate governance, internal controls and financial reporting.

The Terms of Reference for the AC are available on the Company's website.

The members of the AC possess extensive experience and skills in understanding and attending to matters falling under the purview of the AC. They are more than qualified to review the Group's financial statements from various perspectives in view of each member's skills and qualifications prior to recommendation of the same to the Board.

Further details pertaining to the AC are set out in the AC Report contained in this Annual Report.

9.2 Former key audit partner

The Terms of Reference of the AC require any former key audit partner to observe a cooling-off period of at least three (3) years before being considered for appointment as a member of the AC.

The Terms of Reference of the AC are set out in the Company's website.

Currently, none of the members of the AC is a former audit partner overseeing the audit of the financial statements of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART 1 – AUDIT COMMITTEE (CONT'D)

9.3 Suitability, objectivity and independence of the external auditor

In accordance with its Terms of Reference, the AC conducts an annual review and monitoring of the suitability and independence of the External Auditors.

The External Auditors have the obligation to bring to the attention of the Board, the AC and the Management any significant defects or deficiency in the Group's systems of reporting, internal control and compliance with approved accounting standards, as well as legal and regulatory requirements. The External Auditors of the Company are also requested to attend at least two (2) AC meetings per year without the presence of Management.

The AC annually assesses the External Auditors against a set of criteria that has been approved by the Board. The scope of assessment, as outlined in the AC Report, includes, amongst others, the suitability, objectivity and independence of the External Auditors. The AC's findings would be reported to the Board for further action, if any.

The Board, through the AC, has assessed and affirmed the independence, objectivity and suitability of the External Auditors to continue in office.

In compliance with the by-laws of the Malaysian Institute of Accountants ("MIA"), the Audit Partners would be rotated every seven (7) years to ensure objectivity, independence and integrity of the audit opinions. This assurance was provided by the External Auditors in the Audit Planning Memorandum and Audit Finding Report presented to the AC. The Company's Audit Partner was last rotated in last financial year.

The AC is satisfied with the competence and independence of the External Auditors and recommends the re-appointment of the External Auditors for shareholders' consideration at the AGM.

Details on the audit fees payable to External Auditors; the key features of the relationship between the AC and the External Auditors; and a summary of the activities of the AC during the financial year are as set out in the AC Report of this Annual Report.

9.4 Composition of the Audit Committee

For the financial year under review, the AC comprises four (4) Non-Executive Directors, three (3) of whom are Independent Directors.

This is in compliance with Paragraph 15.09(1)(b) of the Listing Requirements, which stipulates that "all the audit committee members must be non-executive directors, with a majority of them being independent directors".

9.5 Qualification of the Audit Committee

All members of the AC are financially literate, competent, with two (2) of them being members of the MIA, which fulfills the paragraph 15.09(1)(c)(i) of the Listing Requirements, whereby at least one (1) of them must be a member of the MIA.

The AC members acknowledge the need for continuous education and training. Details of the training attended by the AC members are set out at the paragraph 6.1 herein.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART 2 – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Intended Outcome 10.0

- **Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.**
- **The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.**

10.1 Establishment of risk management and internal control framework

The Board undertakes the overall responsibility for risk oversight and risk management. In view of this, the Board has in place, a structured enterprise risk management framework to identify, monitor, control and report on significant risks faced by the Group on a regular basis.

10.2 Features of its risk management and internal control framework

Details of the Group's enterprise-wide risk management framework have been outlined in the Statement on Risk Management and Internal Control section of this Annual Report.

10.3 Risk & Sustainability Committee ("RSC")

The members of the RSC, comprise three (3) Non-Executive Directors of which two (2) are Independent Directors and one (1) is a Non-Independent Non-Executive Director. The members of the RSC and their meeting attendance for the financial year under review have been set out below:

Designation	Directors	Attendance
Chairperson	Suresh Natarajan	4/4
Members	Shum Sze Keong	4/4
	Ng Chee Kiet	4/4
	Piroon Saengpakdee	4/4

Mr. Shum Sze Keong and Mr. Ng Chee Kiet are also the representatives of the AC responsible for reporting any identified significant risks to the RSC.

In addition, the AC has included, as part of its regular meeting agenda, the identification of risk areas to be brought to the attention of the RSC. During the financial year under review, there were no significant financial risks identified by the AC that were reported to the RSC.

In line with its Terms of Reference, the RSC has been tasked to assist the Board in its oversight of risk management (i.e. reviewing and recommending the risk management policies and strategies for the Group to manage overall risk exposure) and sustainability (i.e. reviewing and recommending sustainability strategies and performance in advancing the Group's sustainability ambition and direction).

During the financial year under review, the RSC had carried out the following activities:

(a) Reviewed the quarterly report(s) from the Sustainability Management Committee.
(b) Reviewed and approved the Sustainability Statement (in accordance to NSRF IFRS S1 and S2 requirements) for inclusion in FY2026 Annual Report.
(c) Reviewed the Statement of Risk Management and Internal Control ("SORMIC") for disclosure in FY2026 Annual Report
(d) Reviewed the Group Insurance Renewal.
(e) Reviewed the Group's key risks.

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

PART 2 – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Intended Outcome 11.0

- **Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.**

11.1 Internal audit function

An independent Internal Audit function, which reports directly to the AC, has been established in line with the Code and the Listing Requirements. Detailed information on the Internal Audit function has been outlined in the AC Report section of this Annual Report.

11.2 Disclosure pertaining to the audit function

The independent Internal Audit function has provided reasonable assurance that the Group's systems of risk management and internal control are satisfactory and operating efficiently, in line with the Risk Management Framework and the Internal Control Processes as described in the SORMIC of this Annual Report.

None of the Internal Audit personnel has any relationship or conflict of interest that could impair their objectivity or independence in carrying out their duties.

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

PART 1 – COMMUNICATION WITH STAKEHOLDER

Intended Outcome 12.0

- **There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.**
- **Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.**

12.1 Effective, transparent and regular communication with its stakeholders

The Company values its dialogue with shareholders, both individuals and institutions, as a key element of its operations. This dialogue primarily takes place at annual general meetings and extraordinary general meetings, where the Company gathers views, answers questions, and addresses all issues relevant to the Group.

During these general meetings, shareholders are encouraged to seek clarification and provide feedback on the proposed resolutions and the Group's overall operations and prospects. The Board is committed to responding to all queries and considering all suggestions put forth by shareholders. Should there be situations where immediate answers cannot be provided, the Chairman is committed to providing the shareholder with a written response following the meeting.

The Company also conducts briefings for fund managers, institutional investors and investment analysts.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it remains mindful of the legal and regulatory requirements governing the release of material and price-sensitive information. Such material and price-sensitive information will not be released, except to the public through the appropriate channels.

The Board recognises the importance of the role of Independent Directors in safeguarding the interests of shareholders. Shareholders and stakeholders are welcomed to raise their concerns to the Independent Directors. This can be done via mail to the Company's registered address or via the 'Contact' tab on the Company's website.

12.2 Integrated Reporting

The Management and Board had studied the integrated reporting framework and decided not to adopt this for the time being in view of other competing priorities. This matter would be reviewed in the future.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART 2 – CONDUCT OF GENERAL MEETINGS

Intended Outcome 13.0

- **Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at general meetings.**

13.1 Notice of AGM

Annual General Meetings serve as the principal platform for the Board and Management to engage with shareholders on the Group's performance, corporate and business developments, and any other matters affecting shareholders' interests.

The Company had served the notice of the Thirty-first (31st) AGM to all shareholders not less than twenty-eight (28) days prior to the meeting to provide sufficient time for the shareholders to consider the proposed resolutions.

13.2 Attendance at AGM

All members of the Board, the Company Secretary, External Auditors and the senior management had attended the 31st AGM at Aman Room, PE3, Plot 17, Hilir Sungai Keluang Tiga, Bayan Lepas Free Industrial Zone, Phase IV, 11900 Bayan Lepas, Penang.

13.3 Leveraging on technology to facilitate communication with Shareholders

The Company had utilised technology to facilitate voting and participation by shareholders physically present at the 31st AGM held on 20 August 2025. All attendees cast their votes via an electronic voting system.

13.4 Meaningful engagement between Board, Senior Management and Shareholders

During the 31st AGM, the Management had presented, amongst others, the Group's performance, key developments and financial results for the reporting year. The Board expressed satisfaction with the agenda, speakers, and venue arrangements for the AGM, and noted that no major contentious issues were raised.

The Chairman of the Board addressed queries received from the shareholders prior to the 31st AGM. Where appropriate, the Chairman redirected relevant questions to the CEO and other members of the senior management for their responses.

13.5 Conduct of General Meeting

For FY2025, the Company held its 31st AGM at Aman Room, PE3, Plot 17, Hilir Sungai Keluang Tiga, Bayan Lepas Free Industrial Zone, Phase IV, 11900 Bayan Lepas, Penang.

Shareholders were physically present at the AGM and participated in the voting via electronic voting. Upon registration on the attendance list, they were provided a barcode wristband and a keypad voting device for this purpose.

13.6 Publication of the Minutes of General Meeting

The minutes of the AGM is circulated to shareholders and published on the Company's website no later than thirty (30) business days after the said AGM.

COMPLIANCE STATEMENT

The Board confirms that, to the best of its knowledge, the Company is substantially in compliance with the principles and practices set out in the Code, as well as the relevant Listing Requirements for the financial year under review.

This Statement has been approved by the Board of Directors on 29 May 2026.

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") is a Board Committee that assists the Board in discharging its responsibilities for, among others, corporate governance, internal controls and financial reporting.

OBJECTIVES

The key function of the AC is to assist the Board in achieving the following oversight objectives in relation to the Group's activities:

(a) Oversee financial reporting;
(b) Review reports from Internal Auditors to validate the audit scope, evaluate existing policies, assess audit quality and ensure compliance with Group's policies and procedures;
(c) Review reports from the External Auditors to validate the scope of audit and audit plan, and to assess audit quality;
(d) Ensure that appropriate processes and procedures are in place to support compliance with applicable laws, rules and regulations, directives and guidelines issued by the relevant regulatory bodies;
(e) Oversee the implementation of the Group's Whistleblowing Policy and Procedures;
(f) Oversee anti-corruption compliance matters and the implementation of the Group's Anti-Bribery and Corruption Policy;
(g) Investigate concerns received in relation to possible improprieties within the Group; and
(h) Evaluate the internal and external audit processes.

The Board reviews the Terms of Reference ("TOR") of the AC from time to time, as appropriate, to ensure that the AC continues to discharge its functions effectively. The most recent review of the TOR was conducted in September 2023. The TOR is available on the Company's website at https://www.sam-malaysia.com.

COMPOSITION

The AC comprised solely Non-Executive Directors, with Independent Directors forming the majority. Their attendance at the four (4) Committee meetings held during the financial year under review is set out below:

Designation	Directors	Attendance
Chairman	YM Tunku Afwida Binti Dato' Tunku Abdul Malek *(Independent Non-Executive Director)*	4/4
Members	Datuk Dr. Wong Lai Sum *(Independent Non-Executive Director)*	4/4
	Shum Sze Keong *(Non-Independent Non-Executive Director)*	4/4
	Ng Chee Kiet *(Independent Non-Executive Director)*	4/4

YM Tunku Afwida Binti Dato' Tunku Abdul Malek and Ng Chee Kiet are members of the Malaysian Institute of Accountants ("MIA"). The above composition of the AC meets the requirements of paragraph 15.09(1)(c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), which stipulates that at least one member of the AC must be a member of the MIA.

All AC members are financially literate and possess the requisite capabilities to analyse and interpret financial statements, enabling them to discharge their duties and responsibilities effectively.

The Nominating and Remuneration Committee ("NRC") reviewed the terms of office and performance of the AC members for the financial year under review on 28 May 2026. Based on its review, the NRC is satisfied that the AC and its members have effectively discharged their functions, duties and responsibilities in accordance with the TOR and have supported the Board in maintaining high standards of corporate governance and fulfilling its oversight responsibilities in relation to financial reporting and internal controls.

AUDIT COMMITTEE REPORT (Cont'd)

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

In accordance with the TOR, the AC held four (4) meetings during the financial year and carried out the following activities:

Financial results

(a) Reviewed the quarterly interim unaudited financial statements and the annual audited financial statements of the Group, prior to submission to the Board for its consideration and approval, with particular focus on changes in, or implementation of, major accounting policies; significant judgement areas; significant and unusual events; and compliance with applicable accounting standards.
(b) Received verbal assurance from the Chief Financial Officer ("CFO") that adequate processes and controls were in place to support the effective and efficient preparation of the quarterly consolidated financial statements.

External Auditors

(a) Evaluated the scope of work, proposed audit fees and yearly audit plan presented by the External Auditors.
(b) Met with the External Auditors once, in the absence of management, to discuss their feedback and any other matters arising from their interim and final audits. The External Auditors did not raise any major concerns.
(c) Reviewed and assessed the performance of the existing External Auditors of the Group.
(d) Reviewed the External Auditors' report and opinion in relation to the audited financial statements of the Company and the Group, including any significant audit findings.
(e) Reviewed the assistance provided by the Group's employees to the External Auditors and the overall conduct of the audit.
(f) Reviewed and evaluated the suitability and independence of the External Auditors, obtained assurance of independence from the External Auditors, and recommended the re-appointment of the Group's External Auditors to the Board.
(g) Reviewed the non-audit services and fees payable to External Auditors and its affiliates to ensure that the fees were within the threshold approved by the Board and that such services did not have any significant impact on their independence as the External Auditors.

Internal Auditors

(a) Reviewed the adequacy and relevance of the scope, function, competency and resources of the Internal Auditors, and confirmed that they had the necessary authority to carry out their work.
(b) Reviewed and approved the internal audit plan proposed by the Internal Auditors.
(c) Reviewed internal audit reports, recommendations made by the Internal Auditors and Management's responses, as well as actions taken to strengthen the system of internal controls and procedures. Where appropriate, the AC directed Management to rectify and improve control procedures and workflow processes based on the Internal Auditors' recommendations and suggestions for improvement.
(d) Reviewed the implementation of the rectifications and improvements by the Management through follow-up audit reports from the Internal Auditors.
(e) Reported to the Board on the activities of the Internal Auditors and on significant findings and results.
(f) Reviewed the performance of the Internal Auditors and updated the Board accordingly.
(g) Reviewed the FY2027 Internal Audit budget.

Related party transactions ("RPT") and recurrent related party transactions of a revenue and/or trading nature ("RRPT")

(a) Reviewed the reports prepared by an external consultant in relation to the review on the RRPT on a quarterly basis to assess if the actual transacted amounts were within the prescribed approved limits and that such RRPT were undertaken on arm's length and on normal commercial terms, which are consistent with the Group's usual business practices and policies, on transaction prices and terms which are not more favorable to the related parties than those generally available to the public and are not detrimental to the minority shareholders.
(b) Reviewed the reports of RPT and RRPT to ensure that proper processes were carried out to identify and capture all the RPT and RRPT during the financial year under review.
(c) Reviewed the proposed renewal of existing and new shareholders' mandate for RRPT before recommending to the Board for onward tabling of the same for approval by the shareholders.
(d) Reviewed new RRPT entered into during the financial year under review which is in compliance with the Main Market Listing Requirements of Bursa Securities.

AUDIT COMMITTEE REPORT (Cont'd)

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (CONT'D)

Conflict of Interest

(a) Reviewed the declarations by AC members, Directors and key senior management in respect of actual, perceived or potential conflicts of interest relating to the items discussed at meetings.
(b) Reviewed declarations of interest, including actual, perceived or potential conflicts of interest involving Directors and key senior management of the Group, and recommended appropriate course of action to the Board.

Others

(a) Reviewed the Statement on Risk Management and Internal Control which provides an overview of the state of internal controls and risk management within the Group and also the AC Report prior to the Board's approval for inclusion in the 2026 Annual Report.
(b) Reviewed the AC's performance evaluation for the financial year under review.
(c) Reviewed the Transfer Pricing Report for FY2025 prepared by the Group's tax adviser.
(d) Reviewed the Inventory Provision Guidelines of the Group.

INTERNAL AUDIT FUNCTION

The internal audit function has been outsourced to an external service provider ("Internal Auditor"). The AC approved the internal audit plan for FY2026 which covered four (4) key identified areas of internal controls, risk management and governance processes. Based on the internal audit plan approved by the AC, audit work was conducted by the Internal Auditor throughout the financial year. The Internal Auditor reported directly to the AC.

In conducting its audit work, the Internal Auditor reviewed the adequacy and effectiveness of the internal control systems and assessed compliance with relevant rules, regulations, policies and procedures governing the Group. In addition, the Internal Auditor evaluated the efficiency of auditable areas, as approved by the AC under the internal audit plan. The results of the internal audits, together with the Internal Auditor's recommendations and Management's responses were presented to the AC for discussion during the periodic meetings held within the year.

The internal audits were performed by the Internal Auditor in accordance with the Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors (the "IIA Standards").

Throughout the financial year under review, the Internal Auditor covered the following areas:

(a) Procurement Management of SAM Precision (M) Sdn Bhd, a subsidiary based in Malaysia
(b) Production Planning and Procurement and Accounts Payable Management of SAM Precision (Thailand) Limited, a subsidiary based in Thailand
(c) Machine/Equipment Maintenance of Aviatron (M) Sdn Bhd, a subsidiary based in Malaysia
(d) Inventory Management of Meerkat Precision Sdn Bhd, a subsidiary based in Malaysia

Follow-up audits were subsequently performed by the Internal Auditor to ascertain the status of the implementation of the Internal Auditor's recommendations on the previous internal audit visits.

The AC has confirmed that all audit findings during the financial year under review have been duly addressed by Management in a timely manner and to the AC's satisfaction.

During the financial year, the total costs incurred for the internal audit services amounted to RM162,878.

AUDIT COMMITTEE REPORT (Cont'd)

ACCOUNTABILITY AND AUDIT

Financial reporting

The Board strives to deliver a balanced and insightful evaluation of the Group's financial performance and prospects. This is primarily achieved through the annual financial statements, quarterly results announcements, Management Discussion and Analysis, and the Sustainability Reporting section of the Annual Report. The Board is assisted by the AC to oversee the Group's financial reporting processes and the quality of its financial reporting.

Internal control & risk management

The Board assumes the overall responsibility for overseeing and managing risks. In view of this, the Board has in place a structured enterprise risk management framework for the Group to identify, monitor, control and report on principal risks faced by the Group on a regular basis.

Any material risks identified by the AC were referred to the Risk & Sustainability Committee ("RSC") for further action and monitoring.

The RSC reviews risk management policies and strategies for the Group, recommends them to the Group, and assists the Board in fulfilling its risk management and statutory responsibilities by managing the Group's overall risk exposure.

The key features and state of internal control and risk management of the Group is furnished in the Statement on Risk Management and Internal Control of this Annual Report.

Relationship with external auditors

The External Auditors of the Company fulfil an essential role in providing assurance to shareholders and other stakeholders on the reliability of the Group's financial statements. The External Auditors are obligated to notify the Board of Directors, the AC, and Management of any significant weaknesses in the Group's reporting systems, deficiencies in internal control, and any non-compliance with approved accounting standards and legal and regulatory requirements.

The audit fees payable by the Company and by the Group to the External Auditors and its affiliated firms or corporations amounted to RM130,000 and RM539,444 respectively. The non-audit fees payable by the Company and by the Group to the External Auditors and its affiliated firms or corporations amounted to RM15,000 and RM47,877 respectively.

Each year, the Board, through the AC, evaluates and confirms the independence and suitability of the External Auditors. The assessment covers, among others, the calibre of the audit firm and engagement, team, fees, scope and planning, quality of processes and performance, independence and objectivity, and client communication. The Board has formalised assessment criteria to evaluate the independence and suitability of the External Auditors and to govern the circumstances under which contracts for provision of non-audit services may be entered into by the External Auditors and/or its affiliates.

This AC Report was approved by the Board of Directors on 29 May 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD RESPONSIBILITY

The Board of Directors ("Board") of SAM Engineering & Equipment (M) Berhad ("Company" or "SAMEE") affirms its overall responsibility for overseeing the Company's and its subsidiaries' ("Group") internal control system and risk management, and for reviewing their adequacy and integrity.

The internal control system encompasses governance, risk management and financial strategy as well as organisational, operational, regulatory and compliance controls. The Board recognises that the system is designed to manage, rather than to eliminate, the risk of non-compliance with Group policies and other risks that may impede the achievement of the Group's goals and objectives. Accordingly, it provides reasonable, but not absolute, assurance against material misstatement, loss or fraud.

The adequacy and effectiveness of the Group's risk management and internal control systems are reviewed by the Risk & Sustainability Committee ("RSC") and the Audit Committee ("AC") respectively, through the Group's Enterprise Risk Management ("ERM") framework and periodic internal audits. The ERM process is conducted internally, while internal audits are conducted by independent service providers. Internal control findings and Management's corrective actions are presented by the internal auditors for the AC's deliberation at the AC meetings.

Each business unit, together with its supporting departments, has implemented control processes within its operations under the leadership of the Chief Executive Officer ("CEO"), who is responsible for overseeing the Group's overall business and regulatory governance. Additionally, the CEO also serves as the Chief Risk Officer ("CRO"), ensuring alignment between strategic leadership and risk management responsibilities within the Group.

RISK MANAGEMENT

The Group has established an ERM framework that adheres to the principles and guidelines of the Committee of Sponsoring Organisations of the Treadway Commission's Enterprise Risk Management – Integrating with Strategy and Performance 2017. This framework is seamlessly integrated into the Group's management systems to identify, measure, assess and manage risks across the Group's activities, and ensure they are aligned with the Group's strategic objectives and regulatory requirements.

The Board has delegated to the RSC responsibility for reviewing the risk management framework and risk dashboards, which set out the likelihood and impact of significant risks as well as the corresponding mitigation action plans implemented by Management.

The RSC is supported by the CRO, key management personnel and the risk management divisions of each business unit, led by their respective heads.

Enterprise Risk Management Framework

The Group's ERM framework is illustrated below:

Governance and Culture

- Board of directors provides oversight of the Group's strategic plans and their corresponding strategies; and carries out governance responsibilities to support Management in achieving the strategic plans and business objectives for long term value creation
- Management establishes operating structures in the pursuit of strategic and business objectives
- Management defines the desired Group-wide culture
- Management demonstrates commitment to the Group's core values
- Management is committed to build human capabilities in alignment with strategic and business objectives

Strategy and Objective Setting

- Management considers potential effects of business context on risk profile
- Management defines risk appetite in the context of creating, preserving and realising value
- Management evaluates alternative strategies and their potential impacts on the risk profile
- Management considers risks in formulating business objectives at various levels that align and support the strategy

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

RISK MANAGEMENT (CONT'D)

Enterprise Risk Management Framework (Cont'd)

The Group's ERM framework is illustrated below (Cont'd):

Performance

- Management identifies risks that impact the performance of strategy and business objectives
- Management assesses the severity of the identified risks
- Management prioritises risks as the basis to select approriate responses to risks
- Management selects and implements risk responses
- Management develops and evaluates portfolio view of risks

Review and Revision

- Management assesses changes that may substantially affect strategy and business objectives
- Management reviews group performance and considers its risks
- Management pursues improvement in the ERM

Information, Communication and Reporting

- Management leverages Group's information and technology systems to support the ERM
- Management uses existing communication channels to support the ERM
- Management reports on risk, culture and performance at different levels and across the Group

The ERM framework is periodically evaluated and updated to maintain its relevance and effectiveness in managing the Group's evolving risk landscape, taking into account changes in business environment.

INTERNAL CONTROL SYSTEM

KEY INTERNAL CONTROL PROCESSES

1. Authority and Responsibility

   (a) The duties of the Board in terms of oversight, particularly in relation to internal control, compliance, and governance, are entrusted to the AC, following well-defined Terms of Reference, which are subject to periodic review and amendment when deemed necessary.
   (b) The Group maintains a clear organisational structure with defined reporting lines and appropriate levels of responsibility.
   (c) The Authority Limits Document is reviewed and updated, where necessary, to reflect the Management's authorisation limits.

2. Planning, Monitoring and Reporting

   (a) An annual planning and budgetary exercise is carried out and approved by the Board prior to implementation.
   (b) Updates on the Group's business and operations, including key financial performance variances, are presented to the Board at each meeting.
   (c) The CFO provides assurance to the AC that adequate processes and controls are in place to support an effective and efficient financial closing process and the preparation of the quarterly consolidated financial statements.

3. Policies and Procedures

   The Group has in place formalised and documented internal policies, standards and procedures to ensure compliance with internal controls and relevant laws and regulations, and to detect and prevent fraud and other irregularities. These documents are periodically reviewed and updated to ensure they remain current and relevant. Common Group policies are also available on intranet for employees' reference.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

INTERNAL CONTROL SYSTEM (CONT'D)

KEY INTERNAL CONTROL PROCESSES (CONT'D)

4. Audits

   The AC assesses compliance with policies and procedures, as well as relevant laws and regulations, through internal audits. The internal auditors report directly to the AC to assist the AC in discharging its duties and responsibilities.

   Details of the AC's activities are set out in the Audit Committee Report in the 2026 Annual Report.

5. Conduct of Staff

   (a) The Standard of Conduct, Business Ethics and Conflicts of Interest sets out the ethical standards and expected conduct applicable to all employees.
   (b) The Whistleblowing Policy provides a channel for employees and external parties to report concerns, including actual or suspected breach of law or regulation, in a safe and confidential manner.
   (c) The Personal Data Protection Policy establishes requirements for the management, control and protection of confidential information to minimise the risk of data leakage and improper use.
   (d) The Anti-Bribery and Corruption Policy reinforces the Group's "top-down" tone for a zero-tolerance approach to bribery and corruption.
   (e) Segregation of duties is applied by allocating conflicting tasks to different employees to reduce the risk of error and fraud.

6. Business Continuity Management

   The Company and its major subsidiaries have implemented a Business Continuity Management ("BCM") Policy which sets out the objectives, scope, strategies and emergency response procedures, as well as the chain of command and responsibilities for the effective execution of the Group's business continuity plan. Business Continuity Plans ("BCP") have also been implemented for essential business functions and critical systems infrastructure, and are reviewed and updated as required. During the year, the Group conducted a disaster recovery simulation to assess the robustness of core information technology systems and the Group's preparedness for potential business disruptions. The findings and feedbacks were analysed for continuous improvement.

7. Information Technology ("IT") Security and Cyber Resilience

   The Group places strong emphasis on the security and resiliency of its information and technology infrastructure, which is critical in maintaining business operations, meeting stakeholders' expectations and safeguarding the Group's reputation. The Information Technology Cybersecurity and Incident Response Policy, together with the Information Technology Disaster Recovery Procedures, have been established to safeguard the Group's information systems and data against significant threats, including errors, frauds, privacy violations, service disruptions and natural disasters.

   The Group's IT Department performs comprehensive and systematic reviews to identify and assess potential threats, including cyber threats, and to strengthen the technology infrastructure. These processes and controls are intended to enhance the Group's ability to prevent, detect, and respond to potential business disruptions and system failures. In addition, external consultants are engaged to conduct targeted assessments on core IT risks, such as cybersecurity and resilience to align the Group's IT capabilities with the recognised standards and industry best practices.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

REVIEW OF THIS STATEMENT

RSC and AC

The AC and RSC have reviewed this Statement on Risk Management and Internal Control. Any lapse in internal controls has been adequately addressed in consultation with the Internal Auditors. The internal audits conducted during the year did not identify any circumstances indicating fundamental deficiencies in the Group's internal control system.

External Auditors

The External Auditors have reviewed this Statement on Risk Management and Internal Control in accordance with the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA"), for inclusion in the Annual Report of the Group for the financial year ended 31 March 2026. The external auditors reported to the Board that nothing has come to their attention to cause them to believe that the statement to be included in the Annual Report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies ("SORMIC Guide 2025"), or
(b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Board of Directors and Management. The External Auditors are also not required to consider whether the processes described to address material internal control matters or significant issues disclosed in the Annual Report will, in fact, remedy those issues.

CONCLUSION

Notwithstanding the assurance received from the CEO and CFO that the Group's internal control and risk management systems are operating adequately and effectively in all material aspects, these systems cannot eliminate the risk of collusion, deliberate circumvention of procedures by employees, frauds, or other unforeseen circumstances.

The Board is of the view that the system of internal control and risk management in place during the year under review, and up to the date of approval of this Statement, are sound and adequate to safeguard shareholders' investment, the interest of customers, regulators, employees and other stakeholders, as well as the Group's assets.

The Statement on Risk Management and Internal Control was approved by the Board of Directors on 29 May 2026.

OTHER INFORMATION

1. Recurrent Related Party Transactions (RRPT) of revenue or trading nature for the year ended 31 March 2026

Details of RRPT made during the financial year ended 31 March 2026 pursuant to the shareholders' mandate obtained by the company at the Annual General Meeting held on 20 August 2025 are as follows:

Companies within the Group involved in RRPT	Nature of transactions	Related Party with whom the Group is transacting	Amount in RM'000	Interested Related Party	Relationship
SAMEE Group	Sales of aerospace parts and other precision tools	SAMPL Group	16,471	Tan Kai Hoe, Shum Sze Keong, Lim Hee Seng, Peter [N1], Chan Tai Heng, Jeremy [N2], Temasek, Accuron, SAMPL	Tan Kai Hoe is the Non-Independent Non-Executive Chairman of SAMEE, Director and Deputy Chairman of SAMPL and Director, President & CEO of Accuron. Lim Hee Seng, Peter is the Non-Independent Non-Executive Director of SAMEE, Director of SAMPL, SAM (Suzhou) Co., Ltd. and SAM Aerospace (NI) Ltd. and also the CEO of SAMPL. Shum Sze Keong and Chan Tai Heng, Jeremy are the Non-Independent Non-Executive Directors of SAMEE and Directors of SAMPL.
	Provision of corporate management services, engineering and administrative services		2,278		
	Purchase of corporate management, engineering and administrative, fitting and quality assurance services		(2,272)		
	Rental of office, factory premises and machines		(1,281)		
	Sale of fabrication, machining services and special services		0		
	Purchase of fabrication, machining and special process services		0		

Note:

N1 Effective from 20 August 2025, Mr. Lim Hee Seng, Peter has retired from his position as Non-Independent Non-Executive Director of SAMEE and was no longer a Director of all subsidiaries of SAMEE on 31 July 2025.

N2 Chan Tai Heng, Jeremy was appointed as Non-Independent Non-Executive Director of the Company with effect from 18 December 2025.

SAMEE : SAM Engineering & Equipment (M) Berhad
SAMEE Group : SAM Engineering & Equipment (M) Berhad and its subsidiaries
SAMPL : Singapore Aerospace Manufacturing Pte Ltd, the immediate holding company of SAMEE
SAMPL Group : SAMPL and its subsidiaries/associates excluding SAMEE Group
Accuron : Accuron Technologies Limited, the immediate holding company of SAMPL
Temasek : Temasek Holdings (Private) Limited, the immediate holding company of Accuron

2. Material Contracts Involving Interests of Directors and Major Shareholders

There were no material contracts of the Company and its subsidiaries involving interests of directors and major shareholders for the financial year under review.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year, and of their profit or loss and cash flows for the financial year then ended. In preparing the financial statements, the Directors have ensured compliance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments and estimates.

The Directors also have a general responsibility for taking steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

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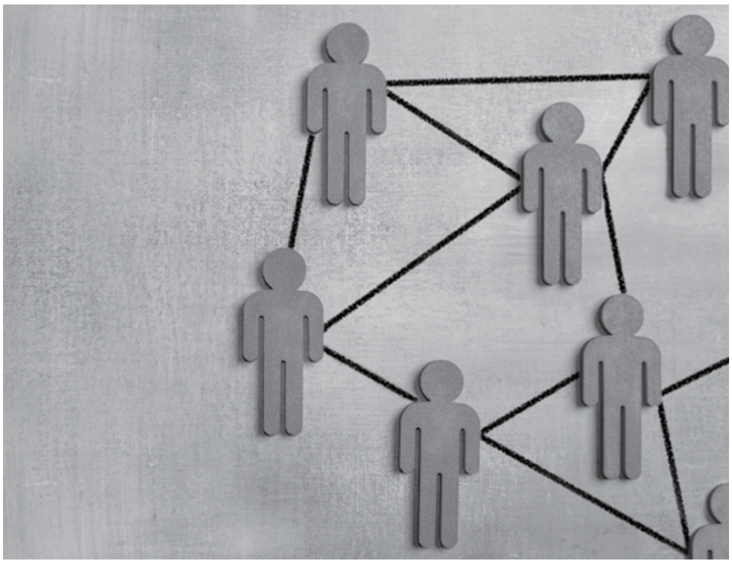

DIRECTORS' REPORT

For The Year Ended 31 March 2026

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2026.

Principal activities

The principal activities of the Company are investment holding and provision of corporate management services.

There has been no significant change in the nature of these activities during the financial year.

Ultimate holding company

The Company is an indirect subsidiary of Temasek Holdings (Private) Limited, of which is incorporated in the Republic of Singapore and regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to owners of the Company	44,742	60,168

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the amount of dividends declared and paid by the Company were as follows :

i) In respect of the financial year ended 31 March 2025 :

- a first interim single tier dividend of 2.80 sen per ordinary share totalling RM18,956,000 declared on 23 May 2025 and paid on 8 August 2025.

ii) In respect of the financial year ended 31 March 2026 :

- a first interim single tier dividend of 1.40 sen per ordinary share totalling RM9,478,000 declared on 29 May 2026 and payable on 12 August 2026.

The Directors do not recommend any other dividend to be paid for the current financial year.

Directors of the Company

Directors who served during the financial year until the date of this report are :

Tan Kai Hoe
Shum Sze Keong
Datuk Dr. Wong Lai Sum
YM Tunku Afwida Binti Dato' Tunku Abdul Malek
Suresh Natarajan
Ng Chee Kiet
Piroon Saengpakdee
Ng Boon Keat
Dato' Lim Bee Vian
Chan Tai Heng, Jeremy (Appointed on 18 December 2025)
Lim Hee Seng, Peter (Retired on 20 August 2025)

DIRECTORS' REPORT (Cont'd)

For The Year Ended 31 March 2026

Directors of subsidiaries

Pursuant to Section 253(2) of the Companies Act 2016, the Directors who served in the Company's subsidiaries during the financial year until the date of this report are as follows :

Ng Boon Keat
Kong Suh Chin
Timothy Tung Kin Hoe
Larry Foo Wah Jin
Teh Mun Ling
Lim Hee Seng, Peter (Retired on 20 August 2025)

Directors' interests in shares

The interests and deemed interests in the ordinary shares of the Company and of its related corporations of those who were Directors at financial year end (including the interests of the spouses and/or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	Number of ordinary shares			
	Balance at 1.4.2025/ date of appointment*	**Bought**	**(Sold)**	**Balance at 31.3.2026**
Interests in the Company:				
Ng Boon Keat				
Direct interests:				
- own	838,536	-	-	838,536
Interest in the related corporations:				
Singapore Telecommunications Limited				
Tan Kai Hoe				
Direct interests:				
- own	190	-	(190)	-
Shum Sze Keong				
Direct interests:				
- own	1,610	-	-	1,610
Indirect interests:				
- others [(1)]	1,610	-	-	1,610
Suresh Natarajan				
Direct interests:				
- own	1,610	-	-	1,610
Chan Tai Heng, Jeremy				
Direct interests:				
- own	2,180*	-	-	2,180

DIRECTORS' REPORT (Cont'd)

For The Year Ended 31 March 2026

Directors' interests in shares (Cont'd)

	Number of ordinary shares			
	Balance at 1.4.2025/ date of appointment*	Bought	(Sold)	Balance at 31.3.2026
Interest in the related corporations (Cont'd):				
Mapletree Industrial Trust Management Ltd (Unit holdings in Mapletree Industrial Trust)				
Tan Kai Hoe				
Direct interests:				
- own	4,170	-	-	4,170
SIA Engineering Company Limited				
Tan Kai Hoe				
Direct interests:				
- own	9,000	-	-	9,000
CapitaLand India Trust Management Pte. Ltd .				
Tan Kai Hoe				
Direct interests:				
- own	23,000	-	-	23,000
CapitaLand Investment Limited				
Tan Kai Hoe				
Direct interests:				
- own	5,000	-	-	5,000
CapitaLand Integrated Commercial Trust Management Limited				
Tan Kai Hoe				
Direct interests:				
- own	1,000	-	(845)	155
Singapore Airlines Limited				
Tan Kai Hoe				
Direct interests:				
- own	7,500	-	-	7,500

DIRECTORS' REPORT (Cont'd)

For The Year Ended 31 March 2026

Directors' interests in shares (Cont'd)

	Number of ordinary shares			
	Balance at 1.4.2025/ date of appointment*	**Bought**	**(Sold)**	**Balance at 31.3.2026**
Interest in the related corporations (Cont'd):				
StarHub Ltd.				
Tan Kai Hoe				
Direct interests:				
- own	10,000	-	-	10,000
Paragon Reit Management Pte. Ltd.				
Tan Kai Hoe				
Direct interests:				
- own	92	-	(92)	-
CapitaLand Ascott Trust Management Limited				
Tan Kai Hoe				
Direct interests:				
- own	500	-	-	500

(1) Interests pursuant to Section 59(11)(c) of the Companies Act 2016

None of the other Directors holding office at 31 March 2026 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT (Cont'd)

For The Year Ended 31 March 2026

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) 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.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 March 2026 are as follows :

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	970	-
Remuneration	2,840	-
Estimated monetary value of benefit-in-kind	29	-
	3,839	-

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

Issue of shares and debentures

There were no changes in the issued and paid-up share capital of the Company and no debentures were issued during the financial year.

Options granted over unissued shares

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

Indemnity and insurance costs

During the financial year, the total cost of insurance amounting to RM229,000 was incurred by the Company to cover the Directors and officers of the Group and of the Company for a total sum insured of RM162 million.

There was no indemnity given to or insurance effected for the auditors of the Group and of the Company.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that :

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT (Cont'd)

For The Year Ended 31 March 2026

Other statutory information (Cont'd)

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

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 March 2026 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM738,000 and RM145,000 respectively.

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

………………………………………………………..…….

Tan Kai Hoe
Director

………………………………………………………..…….

Ng Boon Keat
Director

Date: 23 June 2026

STATEMENTS OF FINANCIAL POSITION

As At 31 March 2026

		<--- Group --->		<--- Company --->	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Assets					
Property, plant and equipment	2	**610,397**	636,577	**4,606**	4,333
Right-of-use assets	3	**29,412**	34,985	**745**	1,490
Intangible assets	4	**78,919**	97,940	**2,322**	858
Investments in subsidiaries	5	**-**	-	**833,024**	775,177
Deferred tax assets	6	**31,730**	31,822	**-**	-
Other receivables	7	**10,198**	14,459	**-**	-
Total non-current assets		**760,656**	815,783	**840,697**	781,858
Inventories	8	**406,643**	438,930	**-**	-
Contract assets	9	**348,562**	317,036	**-**	-
Trade and other receivables	7	**355,658**	407,475	**4,673**	27,341
Derivative financial assets	10	**404**	1,115	**-**	-
Current tax assets		**1,697**	1,983	**-**	-
Cash and cash equivalents	11	**24,609**	27,982	**2,785**	1,812
Total current assets		**1,137,573**	1,194,521	**7,458**	29,153
Total assets		**1,898,229**	2,010,304	**848,155**	811,011
Equity					
Share capital	12	**702,215**	702,215	**702,215**	702,215
Reserves	13	**623,484**	723,701	**135,593**	94,381
Equity attributable to owners of the Company		**1,325,699**	1,425,916	**837,808**	796,596

STATEMENTS OF FINANCIAL POSITION (Cont'd)

As At 31 March 2026

		Group		Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Liabilities					
Loans and borrowings	14	**47,935**	86,703	**-**	-
Lease liabilities		**3,676**	5,998	**-**	775
Employee benefits	15	**1,374**	1,043	**-**	-
Deferred income	16	**110**	228	**-**	-
Other payables	18	**3,078**	7,842	**996**	2,607
Deferred tax liabilities	6	**21,630**	29,070	**-**	-
Total non-current liabilities		**77,803**	130,884	**996**	3,382
Loans and borrowings	14	**223,526**	166,272	**-**	-
Lease liabilities		**4,609**	5,501	**775**	744
Deferred income	16	**97**	181	**-**	-
Trade and other payables	18	**227,506**	231,953	**8,576**	9,734
Contract liabilities	9	**26,321**	37,262	**-**	-
Derivative financial liabilities	10	**3,692**	373	**-**	-
Provisions	17	**5,968**	7,472	**-**	-
Current tax liabilities		**3,008**	4,490	**-**	555
Total current liabilities		**494,727**	453,504	**9,351**	11,033
Total liabilities		**572,530**	584,388	**10,347**	14,415
Total equity and liabilities		**1,898,229**	2,010,304	**848,155**	811,011

The notes on pages 136 to 202 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended 31 March 2026

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Revenue	19	**1,440,671**	1,480,549	**96,795**	54,185
Cost of sales		**(1,298,297)**	(1,284,978)	**-**	-
Gross profit		**142,374**	195,571	**96,795**	54,185
Other operating income		**28,924**	25,763	**-**	1,567
Distribution expenses		**(2,739)**	(3,486)	**(85)**	(290)
Administrative expenses		**(88,639)**	(81,896)	**(36,429)**	(34,742)
Net gain/(loss) on impairment of financial instruments and contract assets	21	**2,872**	463	**-**	(15,937)
Other operating expenses		**(10,197)**	(8,458)	**(64)**	(1,614)
Results from operating activities		**72,595**	127,957	**60,217**	3,169
Interest income		**255**	534	**-**	-
Finance costs	20	**(8,785)**	(13,072)	**(48)**	(77)
Net finance costs		**(8,530)**	(12,538)	**(48)**	(77)
Profit before tax	21	**64,065**	115,419	**60,169**	3,092
Tax expense	23	**(19,323)**	(23,498)	**(1)**	(760)
Profit for the year		**44,742**	91,921	**60,168**	2,332

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Cont'd)

For The Year Ended 31 March 2026

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Items that are or may be reclassified subsequently to profit or loss					
Cash flow hedge		**470**	750	**-**	-
Foreign currency translation differences		**(126,473)**	(75,946)	**-**	-
Total other comprehensive expense for the year, net of tax		**(126,003)**	(75,196)	**-**	-
Total comprehensive (expense)/income for the year		**(81,261)**	16,725	**60,168**	2,332
Profit for the year attributable to:					
Owners of the Company		**44,742**	91,921	**60,168**	2,332
Total comprehensive (expense)/income for the year attributable to:					
Owners of the Company		**(81,261)**	16,725	**60,168**	2,332
Basic/Diluted earnings per ordinary share (sen)	24	**6.61**	13.58		

The notes on pages 136 to 202 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 March 2026

	<---- Attributable to owners of the Company ----					
		<---- *Non-distributable* ----		---->	*Distributable*	
	Share capital RM'000	**Employees' Share Grant Scheme reserve RM'000**	**Hedging reserve RM'000**	**Translation reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 April 2024	702,215	1,860	(1,540)	162,384	568,473	1,433,392
Other comprehensive income/(expense) for the year						
- Cash flow hedge	-	-	750	-	-	750
- Foreign currency translation differences	-	-	-	(75,946)	-	(75,946)
Total other comprehensive income/(expense) for the year	-	-	750	(75,946)	-	(75,196)
Profit for the year	-	-	-	-	91,921	91,921
Total comprehensive income/(expense) for the year	-	-	750	(75,946)	91,921	16,725
Transactions with owners of the Company						
- Share-based payment transactions	-	(1,860)	-	-	-	(1,860)
- Dividend to owners of the Company (Note 25)	-	-	-	-	(22,341)	(22,341)
	-	(1,860)	-	-	(22,341)	(24,201)
At 31 March 2025	702,215	-	(790)	86,438	638,053	1,425,916
	Note 12	<---- Note 13			---->	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)

For The Year Ended 31 March 2026

	<------ Attributable to owners of the Company ------>					
		<--- *Non-distributable* --->			*Distributable*	
	Share capital RM'000	**Employees' Share Grant Scheme reserve RM'000**	**Hedging reserve RM'000**	**Translation reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 April 2025	**702,215**	**-**	**(790)**	**86,438**	**638,053**	**1,425,916**
Other comprehensive income/(expense) for the year						
- Cash flow hedge	**-**	**-**	**470**	**-**	**-**	**470**
- Foreign currency translation differences	**-**	**-**	**-**	**(126,473)**	**-**	**(126,473)**
Total other comprehensive income/(expense) for the year	**-**	**-**	**470**	**(126,473)**	**-**	**(126,003)**
Profit for the year	**-**	**-**	**-**	**-**	**44,742**	**44,742**
Total comprehensive income/(expense) for the year	**-**	**-**	**470**	**(126,473)**	**44,742**	**(81,261)**
Transactions with owners of the Company						
- Dividend to owners of the Company (Note 25)	**-**	**-**	**-**	**-**	**(18,956)**	**(18,956)**
	-	**-**	**-**	**-**	**(18,956)**	**(18,956)**
At 31 March 2026	**702,215**	**-**	**(320)**	**(40,035)**	**663,839**	**1,325,699**
	Note 12	<--- Note 13 --->				

The notes on pages 136 to 202 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 March 2026

	<------------------ Attributable to owners of the Company ---------------->			
		Non-distributable	*Distributable*	
	Share capital RM'000	**Employees' Share Grant Scheme reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 April 2024	702,215	1,860	114,390	818,465
Profit for the year representing total comprehensive income for the year	-	-	2,332	2,332
Transactions with owners of the Company				
- Share-based payment transactions	-	(1,860)	-	(1,860)
- Dividend to owners of the Company (Note 25)	-	-	(22,341)	(22,341)
	-	(1,860)	(22,341)	(24,201)
At 31 March 2025/1 April 2025	**702,215**	**-**	**94,381**	**796,596**
Profit for the year representing total comprehensive income for the year	**-**	**-**	**60,168**	**60,168**
Transactions with owners of the Company				
- Dividend to owners of the Company (Note 25)	**-**	**-**	**(18,956)**	**(18,956)**
	-	**-**	**(18,956)**	**(18,956)**
At 31 March 2026	**702,215**	**-**	**135,593**	**837,808**
	Note 12	<---------------- Note 13	---------------->	

The notes on pages 136 to 202 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For The Year Ended 31 March 2026

		Group		Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cash flows from operating activities					
Profit before tax		**64,065**	115,419	**60,169**	3,092
Adjustments for:					
Property, plant and equipment					
- depreciation	2	**83,542**	86,073	**668**	534
- gain on disposal	21	**(45)**	(20)	**-**	-
- written off	21	**643**	325	**-**	76
Right-of-use assets					
- depreciation	3	**6,080**	7,138	**745**	744
- gain on modification	21	**(34)**	-	**-**	-
Intangible assets					
- amortisation	4	**11,521**	7,583	**408**	331
- written off	4	**1,208**	-	**-**	-
Amortisation of government grants	21	**(171)**	(212)	**-**	-
Fair value loss/(gain) on derivatives	21	**4,500**	(1,255)	**-**	-
Interest income		**(255)**	(534)	**(237)**	(2,315)
Interest expense		**8,241**	12,463	**-**	-
Accretion of interest on lease liabilities	20	**544**	609	**48**	77
Dividend income	19	**-**	-	**(61,382)**	(17,250)
Net (gain)/loss on impairment on					
- trade receivables	21	**(1,463)**	(200)	**-**	-
- contract assets	21	**(1,409)**	(263)	**-**	-
- amount due from a subsidiary	21	**-**	-	**-**	15,937
Impairment loss on investments in subsidiaries	21	**-**	-	**-**	1,538
Net reversal of provision for warranties and onerous contract	17	**(859)**	(184)	**-**	-
Operating profit before changes in working capital		**176,108**	226,942	**419**	2,764

STATEMENTS OF CASH FLOWS (Cont'd)

For The Year Ended 31 March 2026

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Changes in working capital:					
Trade and other receivables		**12,753**	53,631	**11,285**	(1,521)
Inventories		**(7,903)**	(39,970)	**-**	-
Contract assets		**(58,395)**	(36,210)	**-**	-
Employee benefits		**424**	1,043	**-**	-
Trade and other payables		**10,600**	(16,366)	**(2,769)**	(1,915)
Contract liabilities		**(7,612)**	33,317	**-**	-
Cash generated from/(used in) operations		**125,975**	222,387	**8,935**	(672)
Dividends received		**-**	-	**61,382**	7,050
Income tax paid		**(27,849)**	(50,998)	**(556)**	(204)
Net cash from operating activities		**98,126**	171,389	**69,761**	6,174
Cash flows from investing activities					
Purchase of property, plant and equipment	A	**(100,460)**	(69,212)	**(941)**	(3,928)
Additions to intangible assets	4	**(2,619)**	(1,057)	**(1,872)**	(81)
Increase in investments in subsidiary	5	**-**	-	**(57,847)**	-
Net repayment of advances to subsidiaries		**-**	-	**11,383**	17,732
Interest received		**255**	534	**237**	2,315
Proceeds from disposals of property, plant and equipment		**134**	242	**-**	4
Net cash (used in)/from investing activities		**(102,690)**	(69,493)	**(49,040)**	16,042

STATEMENTS OF CASH FLOWS (Cont'd)

For The Year Ended 31 March 2026

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Cash flows from financing activities					
Dividends paid	25	**(18,956)**	(22,341)	**(18,956)**	(22,341)
Interest paid		**(14,837)**	(15,943)	**(48)**	(77)
(Repayment)/Drawdown of term loans	B	**(34,064)**	94,974	**-**	-
Drawdown/(Repayment) of other borrowings	B	**79,191**	(139,473)	**-**	-
Payment of lease liabilities	B	**(5,609)**	(6,880)	**(744)**	(715)
Net cash from/(used in) financing activities		**5,725**	(89,663)	**(19,748)**	(23,133)
Net increase/(decrease) in cash and cash equivalents		**1,161**	12,233	**973**	(917)
Cash and cash equivalents at beginning of financial year		**27,982**	36,244	**1,812**	2,729
Effect of exchange rate fluctuations		**(4,534)**	(20,495)	**-**	-
Cash and cash equivalents at end of financial year	11	**24,609**	27,982	**2,785**	1,812

STATEMENTS OF CASH FLOWS (Cont'd)

For The Year Ended 31 March 2026

Cash outflows for leases as a lessee

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Included in net cash from operating activities:					
Payment relating to:					
- short-term leases	21	**3,241**	3,561	**111**	109
- leases of low-value assets	21	**137**	175	**15**	23
Included in net cash from/(used in) financing activities:					
- Payment relating to interest on lease liabilities	20	**544**	609	**48**	77
- Payment of lease liabilities	B	**5,609**	6,880	**744**	715
Total cash outflows for leases		**9,531**	11,225	**918**	924

NOTES

A. Purchase of plant and equipment

During the financial year, the Group and the Company acquired plant and equipment by way of the following :

	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Acquired in cash	**100,460**	69,212	**941**	3,928
Decrease in other receivables in relation to purchase of plant and equipment	**4,261**	13,091	**-**	-
Increase/(Decrease) in amount due to vendor of plant and equipment	**1,503**	(1,371)	**-**	-
Total additions	**106,224**	80,932	**941**	3,928

STATEMENTS OF CASH FLOWS (Cont'd)

For The Year Ended 31 March 2026

NOTES (Cont'd)

B. Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 April 2024 RM'000	Net changes from financing cash flows RM'000	Lease modification RM'000	Effect of movement in exchange rates RM'000	At 31 March 2025 RM'000
Group					
Revolving credit	271,681	(139,473)	-	-	132,208
Term loans	25,793	94,974	-	-	120,767
Lease liabilities	20,058	(6,880)	(559)	(1,120)	11,499
	317,532	(51,379)	(559)	(1,120)	264,474

	At 1 April 2025 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Lease modification RM'000	Effect of movement in exchange rates RM'000	At 31 March 2026 RM'000
Group						
Revolving credit and promissory notes	**132,208**	**79,191**	**-**	**-**	**(18,893)**	**192,506**
Term loans	**120,767**	**(34,064)**	**-**	**-**	**(7,748)**	**78,955**
Lease liabilities	**11,499**	**(5,609)**	**4,084**	**(648)**	**(1,041)**	**8,285**
	264,474	**39,518**	**4,084**	**(648)**	**(27,682)**	**279,746**

	At 1 April 2024 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	At 31 March 2025 /1 April 2025 RM'000	Net changes from financing cash flows RM'000	At 31 March 2026 RM'000
Company						
Lease liabilities	-	(715)	2,234	1,519	(744)	775

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2026

SAM Engineering & Equipment (M) Berhad is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows :

Principal place of business

Plot 17, Hilir Sungai Keluang Tiga
Bayan Lepas Free Industrial Zone
Phase 4
11900 Penang

Registered office

Suite 18.05, MWE Plaza
No.8, Lebuh Farquhar
10200 Penang

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2026 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The principal activities of the Company are investment holding and provision of corporate management services. The principal activities of the subsidiaries are stated in Note 5 to the financial statements.

The immediate holding company is Singapore Aerospace Manufacturing Pte. Ltd. and the penultimate holding company is Accuron Technologies Limited. The ultimate holding company is Temasek Holdings (Private) Limited. All the above companies are incorporated in the Republic of Singapore.

These financial statements were authorised for issue by the Board of Directors on 23 June 2026.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company :

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11 :
  - ➢ Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - ➢ Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - ➢ Amendments to MFRS 9, *Financial Instruments*
  - ➢ Amendments to MFRS 10, *Consolidated Financial Statements*
  - ➢ Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency*

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company (Cont'd) :

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable in the respective financial years when the abovementioned accounting standards, interpretations and amendments become effective.

The initial application of the accounting standards, interpretations and amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following item, which is measured based on the measurement basis stated below :

Item	Measurement basis
Derivative financial instruments	Fair value

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes :

- Note 3.2 - Right-of-use assets;
- Note 4 - Intangible assets; and
- Note 8.2 - Inventories.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

2. Property, plant and equipment

	At 1 April 2025 RM'000	Additions RM'000	Borrowing costs capitalised at 6.49% per annum RM'000	Disposals RM'000	Written off RM'000	Reclassification RM'000	Reclassification from intangible assets RM'000	Effect of movements in exchange rates RM'000	At 31 March 2026 RM'000
Group									
Cost									
2026									
Freehold land	38,308	-	-	-	-	-	-	(3,850)	34,458
Buildings	201,494	27,533	-	-	(267)	12,132	-	(17,587)	223,305
Electrical installation and fittings	81,639	29,161	-	-	(1,757)	3,979	-	(6,814)	106,208
Factory equipment	56,605	3,301	-	(16)	(44)	537	-	(4,678)	55,705
Motor vehicles	3,251	309	-	-	-	-	-	(237)	3,323
Office equipment, furniture and fittings	49,853	4,841	-	(234)	(5,882)	4	531	(3,828)	45,285
Plant and machinery	970,318	13,004	-	(1,507)	(53,510)	36,348	-	(81,580)	883,073
Capital expenditure-in-progress	78,908	28,075	6,052	-	-	(53,000)	-	(7,508)	52,527
	1,480,376	106,224	6,052	(1,757)	(61,460)	-	531	(126,082)	1,403,884

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

2. Property, plant and equipment (Cont'd)

	At 1 April 2024 RM'000	Additions RM'000	Borrowing costs capitalised at 6.93% per annum RM'000	Disposals RM'000	Written off RM'000	Reclassification RM'000	Reclassification from intangible assets RM'000	Effect of movements in exchange rates RM'000	At 31 March 2025 RM'000
Group									
Cost									
2025									
Freehold land	40,833	-	-	-	-	-	-	(2,525)	38,308
Buildings	212,739	102	-	-	-	279	-	(11,626)	201,494
Electrical installation and fittings	67,477	14,215	-	-	(228)	3,785	-	(3,610)	81,639
Factory equipment	49,367	6,796	-	(9)	(30)	3,008	-	(2,527)	56,605
Motor vehicles	3,472	-	-	(62)	-	-	-	(159)	3,251
Office equipment, furniture and fittings	50,191	3,576	-	-	(157)	-	(1,356)	(2,401)	49,853
Plant and machinery	984,309	11,965	-	(3,891)	(11,060)	41,073	-	(52,078)	970,318
Capital expenditure-in-progress	84,608	44,278	2,871	-	-	(48,145)	-	(4,704)	78,908
	1,492,996	80,932	2,871	(3,962)	(11,475)	-	(1,356)	(79,630)	1,480,376

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

2. Property, plant and equipment (Cont'd)

	At 1 April 2025 RM'000	Depreciation for the year RM'000	Disposals RM'000	Written off RM'000	Reclassification from intangible assets RM'000	Effect of movements in exchange rates RM'000	At 31 March 2026 Accumulated depreciation RM'000	At 31 March 2026 Accumulated impairment RM'000	Total at 31 March 2026 RM'000
Group									
Depreciation and impairment loss									
2026									
Freehold land	-	-	-	-	-	-	-	-	-
Buildings	60,489	6,049	-	(8)	-	(5,587)	60,943	-	60,943
Electrical installation and fittings	19,517	3,500	-	(1,757)	-	(1,667)	19,593	-	19,593
Factory equipment	36,376	4,615	(16)	(36)	-	(3,033)	37,906	-	37,906
Motor vehicles	2,671	234	-	-	-	(190)	2,715	-	2,715
Office equipment, furniture and fittings	42,938	3,541	(190)	(5,878)	(96)	(3,303)	37,012	-	37,012
Plant and machinery	681,808	65,603	(1,462)	(53,138)	-	(57,493)	635,318	-	635,318
	843,799	83,542	(1,668)	(60,817)	(96)	(71,273)	793,487	-	793,487

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

2. Property, plant and equipment (Cont'd)

	At 1 April 2024 RM'000	Depreciation for the year RM'000	Disposals RM'000	Written off RM'000	Reclassification RM'000	Reclassification to intangible assets RM'000	Effect of movements in exchange rates RM'000	At 31 March 2025 Accumulated depreciation RM'000	At 31 March 2025 Accumulated impairment RM'000	Total at 31 March 2025 RM'000
Group										
Depreciation and impairment loss										
2025										
Freehold land	-	-	-	-	-	-	-	-	-	-
Buildings	57,787	6,004	-	-	-	-	(3,302)	60,489	-	60,489
Electrical installation and fittings	17,357	2,947	-	(157)	279	-	(909)	19,363	154	19,517
Factory equipment	33,801	4,364	(4)	(21)	-	-	(1,764)	36,318	58	36,376
Motor vehicles	2,645	206	(62)	-	-	-	(118)	2,671	-	2,671
Office equipment, furniture and fittings	41,555	3,984	-	(147)	-	(429)	(2,025)	42,896	42	42,938
Plant and machinery	663,379	68,568	(3,674)	(10,825)	(279)	-	(35,361)	681,808	-	681,808
	816,524	86,073	(3,740)	(11,150)	-	(429)	(43,479)	843,545	254	843,799

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

2. Property, plant and equipment (Cont'd)

	At 31 March 2026 RM'000	At 31 March 2025 RM'000	At 1 April 2024 RM'000
Group			
Carrying amounts			
Freehold land	**34,458**	38,308	40,833
Buildings	**162,362**	141,005	154,952
Electrical installation and fittings	**86,615**	62,122	50,120
Factory equipment	**17,799**	20,229	15,566
Motor vehicles	**608**	580	827
Office equipment, furniture and fittings	**8,273**	6,915	8,636
Plant and machinery	**247,755**	288,510	320,930
Capital expenditure-in-progress	**52,527**	78,908	84,608
	610,397	636,577	676,472

	At 1 April 2025 RM'000	Additions RM'000	Disposal RM'000	Written off RM'000	At 31 March 2026 RM'000
Company					
Cost					
Motor vehicles	**523**	**309**	**-**	**-**	**832**
Office equipment, furniture and fittings	**4,814**	**596**	**-**	**(332)**	**5,078**
Electrical installation and fittings	**4,168**	**36**	**-**	**-**	**4,204**
Factory equipment	**13**	**-**	**-**	**-**	**13**
	9,518	**941**	**-**	**(332)**	**10,127**

	At 1 April 2024 RM'000	Additions RM'000	Disposal RM'000	Written off RM'000	At 31 March 2025 RM'000
Motor vehicles	523	-	-	-	523
Office equipment, furniture and fittings	4,338	600	(8)	(116)	4,814
Electrical installation and fittings	1,068	3,328	-	(228)	4,168
Factory equipment	13	-	-	-	13
	5,942	3,928	(8)	(344)	9,518

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

2. Property, plant and equipment (Cont'd)

	At 1 April 2025 RM'000	Depreciation for the year RM'000	Disposal RM'000	Written off RM'000	At 31 March 2026 RM'000
Company					
Depreciation					
Motor vehicles	**522**	**43**	**-**	**-**	**565**
Office equipment, furniture and fittings	**3,964**	**488**	**-**	**(332)**	**4,120**
Electrical installation and fittings	**686**	**137**	**-**	**-**	**823**
Factory equipment	**13**	**-**	**-**	**-**	**13**
	5,185	**668**	**-**	**(332)**	**5,521**

	At 1 April 2024 RM'000	Depreciation for the year RM'000	Disposal RM'000	Written off RM'000	At 31 March 2025 RM'000
Motor vehicles	520	2	-	-	522
Office equipment, furniture and fittings	3,586	493	(4)	(111)	3,964
Electrical installation and fittings	804	39	-	(157)	686
Factory equipment	13	-	-	-	13
	4,923	534	(4)	(268)	5,185

	At 31 March 2026 RM'000	At 31 March 2025 RM'000	At 1 April 2024 RM'000
Carrying amounts			
Motor vehicles	**267**	1	3
Office equipment, furniture and fittings	**958**	850	752
Electrical installation and fittings	**3,381**	3,482	264
	4,606	4,333	1,019

2.1 Security

Land and buildings with a total carrying amount of RM83,183,000 (2025 : RM92,673,000) have been charged to the bank as security for credit facilities granted to the Group as disclosed in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

2. Property, plant and equipment (Cont'd)

2.2 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows :

	Years
Buildings	30 - 50
Electrical installation and fittings	3 - 50
Factory equipment	5 - 10
Motor vehicles	5
Office equipment, furniture and fittings	3 - 10
Plant and machinery	5 - 10

3. Right-of-use assets

	Leasehold land RM'000	Buildings RM'000	Office equipment RM'000	Total RM'000
Group				
At 1 April 2024	27,906	17,263	52	45,221
Depreciation	(622)	(6,484)	(32)	(7,138)
Lease modification	-	(559)	-	(559)
Effect of movements in exchange rates	(1,693)	(843)	(3)	(2,539)
At 31 March 2025	25,591	9,377	17	34,985

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

3. Right-of-use assets (Cont'd)

	Leasehold land RM'000	Buildings RM'000	Office equipment RM'000	Total RM'000
Group				
At 1 April 2025	**25,591**	**9,377**	**17**	**34,985**
Addition	**-**	**4,084**	**-**	**4,084**
Depreciation	**(817)**	**(5,246)**	**(17)**	**(6,080)**
Lease modification	**-**	**(614)**	**-**	**(614)**
Effect of movements in exchange rates	**(2,273)**	**(690)**	**-**	**(2,963)**
At 31 March 2026	**22,501**	**6,911**	**-**	**29,412**

	Building RM'000
Company	
At 1 April 2024	-
Addition	2,234
Depreciation	(744)
At 31 March 2025/1 April 2025	**1,490**
Depreciation	**(745)**
At 31 March 2026	**745**

The Group leases land, factory buildings and office equipment. The leases for land is for a period of 40 and 60 years, whereas the leases for factory buildings run between 3 to 10 years and office equipment for 5 years. Lease payments for factory buildings are subject to increase every 2 to 3 years to reflect current market rentals.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

3. Right-of-use assets (Cont'd)

3.1 Extension options

One of the leases of factory buildings contains extension option exercisable by the Group 3 years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

	Lease liabilities recognised (discounted) RM'000	Potential future lease payments not included in lease liabilities (discounted) RM'000	Historical rate of exercise of extension options %
2026			
Group			
Buildings	-	-	-
2025			
Group			
Buildings	2,086	-	100

3.2 Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

3. Right-of-use assets (Cont'd)

3.3 Restriction imposed by lease

The lease contracts for certain buildings and office equipment prohibits the Group to sublease the leased assets. The Group is allowed to sublease the land with the approval from local authorities.

3.4 Material accounting policy information

(a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(c) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

4. Intangible assets

	Goodwill RM'000	Backlog orders RM'000	Customer relationship RM'000	Development expenditure RM'000	Computer software RM'000	Total RM'000
Group						
Cost						
At 1 April 2024	42,586	22,540	10,611	55,911	19,060	150,708
Additions	-	-	-	-	1,057	1,057
Reclassification from property, plant and equipment	-	-	-	-	1,356	1,356
Effect of movements in exchange rates	1,708	(1,511)	(729)	(3,113)	(820)	(4,465)
At 31 March 2025/1 April 2025	**44,294**	**21,029**	**9,882**	**52,798**	**20,653**	**148,656**
Additions	**-**	**-**	**-**	**-**	**2,619**	**2,619**
Written off	**-**	**-**	**-**	**(1,208)**	**(2,683)**	**(3,891)**
Reclassification to property, plant and equipment	**-**	**-**	**-**	**-**	**(531)**	**(531)**
Effect of movements in exchange rates	**(3,958)**	**(1,969)**	**(910)**	**(4,736)**	**(1,388)**	**(12,961)**
At 31 March 2026	**40,336**	**19,060**	**8,972**	**46,854**	**18,670**	**133,892**

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

4. Intangible assets (Cont'd)

	Goodwill RM'000	Backlog orders RM'000	Customer relationship RM'000	Development expenditure RM'000	Computer software RM'000	Total RM'000
Group						
Amortisation and impairment loss						
At 1 April 2024						
Accumulated amortisation	-	-	-	30,411	14,473	44,884
Accumulated impairment loss	-	-	-	-	254	254
	-	-	-	30,411	14,727	45,138
Amortisation for the year	-	1,367	402	3,811	2,003	7,583
Reclassification from property, plant and equipment	-	-	-	-	429	429
Effect of movements in exchange rates	-	-	-	(1,760)	(674)	(2,434)
At 31 March 2025/1 April 2025						
Accumulated amortisation	**-**	**1,367**	**402**	**32,462**	**16,485**	**50,716**
	-	**1,367**	**402**	**32,462**	**16,485**	**50,716**
Amortisation for the year	**-**	**4,607**	**1,396**	**3,478**	**2,040**	**11,521**
Written off	**-**	**-**	**-**	**-**	**(2,683)**	**(2,683)**
Reclassification to property, plant and equipment	**-**	**-**	**-**	**-**	**96**	**96**
Effect of movements in exchange rates	**-**	**(342)**	**(102)**	**(3,021)**	**(1,212)**	**(4,677)**
At 31 March 2026						
Accumulated amortisation	**-**	**5,632**	**1,696**	**32,919**	**14,726**	**54,973**
	-	**5,632**	**1,696**	**32,919**	**14,726**	**54,973**
Carrying amounts						
At 1 April 2024	42,586	22,540	10,611	25,500	4,333	105,570
At 31 March 2025/1 April 2025	44,294	19,662	9,480	20,336	4,168	97,940
At 31 March 2026	**40,336**	**13,428**	**7,276**	**13,935**	**3,944**	**78,919**

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

4. Intangible assets (Cont'd)

	Computer software RM'000
Company	
Cost	
At 1 April 2024	4,478
Addition	81
At 31 March 2025/1 April 2025	**4,559**
Addition	**1,872**
At 31 March 2026	**6,431**
Amortisation	
At 1 April 2024	3,370
Amortisation for the year	331
At 31 March 2025/1 April 2025	**3,701**
Amortisation for the year	**408**
At 31 March 2026	**4,109**
Carrying amounts	
At 1 April 2024	1,108
At 31 March 2025	858
At 31 March 2026	**2,322**

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

4. Intangible assets (Cont'd)

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the following cash-generating unit ("CGU") at which the goodwill is monitored for internal management purposes.

	2026 RM'000	2025 RM'000
Aerospace segment	**40,336**	44,294

The recoverable amount of the CGU was assessed based on value in use which was determined by discounting the future cash flows expected to be generated from the continuing use of the units and was based on the following key assumptions :

- Cash flows were projected based on 5-year plan and an estimated long-term growth rate.
- The anticipated annual revenue growth included in the cash flow projection was between 2% and 26% (2025 : 2% and 45%) for the financial years 2027 to 2031 (2025 : 2026 to 2030) based on secured orders and historical revenue growth.
- Pre-tax discount rate of approximately 14% (2025 : 14%) were applied in determining the recoverable amount of the units. The discount rate is estimated based on an industry weighted average cost of capital.

The values assigned to the key assumptions represent management's assessment of future trends in the CGU and are based on external sources and internal sources (historical data).

The estimated recoverable amount of the CGU exceeded its carrying amount and the Directors consider that it is not reasonably possible for the key assumptions to change so significantly to cause an impairment of goodwill.

4.1 Material accounting policy information

(a) Recognition and measurement

Intangible assets other than goodwill, that are acquired by the Group which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(b) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows :

• Computer software	2 - 6 years
• Development expenditure	5 - 10 years
• Backlog orders	5 years
• Customer relationship	7 - 8 years

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

5. Investments in subsidiaries - Company

	2026 RM'000	2025 RM'000
Cost of investments	**874,518**	816,671
Less: Impairment loss	**(41,494)**	(41,494)
	833,024	775,177

In the previous financial year, the Company recorded an impairment of RM1,538,000 on its investment cost in subsidiaries after having assessed the recoverable amount of the said subsidiaries of RM Nil. The recoverable amount of the said subsidiaries was estimated based on fair value less costs of disposal method. The impairment loss was recognised in other operating expenses in the statements of profit or loss and other comprehensive income.

During the financial year, the Company increased its investments in SAM Precision (Thailand) Limited for a total cash consideration of USD14,259,000 (equivalent to RM57,847,000). In the previous financial year, the Company increased its investments in Aviatron (M) Sdn. Bhd. for a total consideration of RM150,000,000 by way of capitalisation of the amount due to the Company.

Details of the subsidiaries are as follows :

Name of entity	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2026 %	2025 %	Principal activities
Avitron Private Limited [2]	Republic of Singapore	**100**	100	Manufacture and assembly of aircraft equipment, spares, components and precision engineering parts
Aviatron (M) Sdn. Bhd.	Malaysia	**100**	100	Manufacture and assembly of aircraft equipment, spares, components and precision engineering parts
Meerkat Precision Sdn. Bhd.	Malaysia	**100**	100	Manufacture of aircraft and other related equipment parts, spares, components and precision engineering parts, precision and engineering components
SAM Meerkat (M) Sdn. Bhd.	Malaysia	**100**	100	Design and assembly of modular or complete machine and equipment
SAM Precision (M) Sdn. Bhd.	Malaysia	**100**	100	Fabrication of precision tools and machinery parts and manufacture of aircraft and other equipment parts, spares, components and precision engineering parts
SAM Precision (Thailand) Limited [1]	Thailand	**100**	100	Manufacture of dies, jigs and parts and cutting tools for disk drives, electronics, semi-conductor and other industries and assembly of modular or complete machine and equipment, manufacture and assembly of aircraft equipment, spares, components and precision engineering parts

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

5. Investments in subsidiaries - Company (Cont'd)

Name of entity	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2026 %	2025 %	Principal activities
SAM Tooling Technology Sdn. Bhd.	Malaysia	**100**	100	Design, development and manufacture of trim and form dies and suspension tooling for hard disk drive parts
SAM Technologies (M) Sdn. Bhd.	Malaysia	**100**	100	Dormant
Meerkat Integrator Sdn. Bhd. [3] [4]	Malaysia	**-**	100	Struck off
LKT Automation Sdn. Bhd.	Malaysia	**100**	100	Dormant
LKT Integration Sdn. Bhd.	Malaysia	**100**	100	Dormant
LKT Technology Sdn. Bhd.	Malaysia	**100**	100	Dormant
SAM Engineering & Equipment (USA), Inc [3]	United States of America	**100**	100	Not yet commence operation
Held by SPM				
Meerkat Technology Pte. Ltd. [3] [5]	Republic of Singapore	**100**	100	Dormant

Notes :

(1) Audited by member firms of KPMG International.
(2) Not audited by member firms of KPMG International.
(3) Not required to be audited by local law or legislation.
(4) Meerkat Integrator Sdn. Bhd., a dormant wholly owned subsidiary, was struck off on 5 May 2025. This has no material impact on the net tangible assets and earnings per share of the Group and Meerkat Integrator Sdn. Bhd. has ceased to be subsidiary of the Group.
(5) Meerkat Technology Pte. Ltd., a dormant wholly owned subsidiary, has filed for striking off on 6 May 2026. This has no material impact on the net tangible assets and earnings per share of the Group.

5.1 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

6. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following :

	Assets		Liabilities		Net	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Group						
Property, plant and equipment	**1,348**	2,259	**(23,083)**	(23,091)	**(21,735)**	(20,832)
Intangible assets	**-**	-	**(4,966)**	(6,992)	**(4,966)**	(6,992)
Right-of-use assets	**-**	-	**(1,984)**	(3,873)	**(1,984)**	(3,873)
Lease liabilities	**245**	1,954	**-**	-	**245**	1,954
Provisions	**5,355**	13,383	**-**	-	**5,355**	13,383
Tax losses carry-forward	**33,185**	19,112	**-**	-	**33,185**	19,112
Deferred tax assets/(liabilities)	**40,133**	36,708	**(30,033)**	(33,956)	**10,100**	2,752
Set-off of tax	**(8,403)**	(4,886)	**8,403**	4,886	**-**	-
Net deferred tax assets/(liabilities)	**31,730**	31,822	**(21,630)**	(29,070)	**10,100**	2,752

Deferred tax assets and liabilities are offset when the entity has a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same authority. Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the Group entities can utilise the benefits therefrom.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

6. Deferred tax assets/(liabilities) (Cont'd)

Movements in temporary differences during the year

	At 1 April 2024 RM'000	Recognised in profit or loss (Note 23) RM'000	Effect of movement in exchange rates RM'000	At 31 March 2025 /1 April 2025 RM'000	Recognised in profit or loss (Note 23) RM'000	Effect of movement in exchange rates RM'000	At 31 March 2026 RM'000
Group							
Deferred tax assets/(liabilities)							
Property, plant and equipment	(26,409)	4,242	1,335	**(20,832)**	**(2,620)**	**1,717**	**(21,735)**
Intangible assets	(7,956)	1,062	(98)	**(6,992)**	**1,985**	**41**	**(4,966)**
Right-of-use assets	(5,170)	1,188	109	**(3,873)**	**1,747**	**142**	**(1,984)**
Lease liabilities	3,127	(1,000)	(173)	**1,954**	**(1,534)**	**(175)**	**245**
Provisions	12,399	1,545	(561)	**13,383**	**(6,790)**	**(1,238)**	**5,355**
Tax losses carry-forward	13,753	6,120	(761)	**19,112**	**15,781**	**(1,708)**	**33,185**
	(10,256)	13,157	(149)	**2,752**	**8,569**	**(1,221)**	**10,100**

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

6. Deferred tax assets/(liabilities) (Cont'd)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross) :

	2026 RM'000	2025 RM'000
Group		
Tax losses carry-forward	**113,423**	79,030
Capital allowances carry-forward	**8,460**	7,647
Provisions and others	**4,930**	7,294
	126,813	93,971
Company		
Tax losses carry-forward	**11,422**	10,974
Capital allowances carry-forward	**1,226**	413
Provisions and others	**4,930**	7,294
	17,578	18,681

As stipulated in the Finance Act 2021, the tax losses carry-forward as at 31 December 2018 and thereafter will only be available for carry forward up to a period of 10 consecutive years. Any amounts not utilised upon expiry will be disregarded.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

6. Deferred tax assets/(liabilities) (Cont'd)

Unrecognised deferred tax assets (Cont'd)

The tax losses carry-forward will expire in the following year of assessments ("YA") under the current tax legislation of Malaysia as shown below :

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Expire in				
- YA2029	**42,180**	42,180	**2,807**	2,807
- YA2030	**2,022**	2,022	**2,022**	2,022
- YA2031	**2,159**	2,159	**2,159**	2,159
- YA2032	**2,346**	2,346	**2,346**	2,346
- YA2034	**1,640**	1,640	**1,640**	1,640
- YA2036	**448**	-	**448**	-
	50,795	50,347	**11,422**	10,974

The capital allowances carry-forward and the tax losses carry-forward in certain foreign jurisdictions do not expire under the current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group entities can utilise the benefits therefrom.

6.1 Material accounting policy information

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

7. Trade and other receivables

	Note	2026 RM'000	2025 RM'000
Group			
Non-current			
Other receivables	7.1	**10,198**	14,459
Current			
Trade			
Amount due from immediate holding company	7.2	**9,925**	1,859
Trade receivables		**291,809**	346,254
		301,734	348,113
Non-trade			
Amount due from immediate holding company	7.2	**1,582**	292
Other receivables	7.1	**38,193**	30,464
Deposits		**2,737**	3,225
Prepayments		**11,412**	25,381
		53,924	59,362
		355,658	407,475
		365,856	421,934

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

7. Trade and other receivables (Cont'd)

	Note	2026 RM'000	2025 RM'000
Company			
Trade			
Amount due from:			
- immediate holding company	7.2	**63**	93
- subsidiaries	7.2	**1,730**	3,347
		1,793	3,440
Non-trade			
Amount due from:			
- immediate holding company	7.2	**1,085**	3
- subsidiaries	7.2	**130**	22,011
Other receivables	7.1	**106**	216
Deposits		**272**	273
Prepayments		**1,287**	1,398
		2,880	23,901
		4,673	27,341

7.1 Other receivables

The non-current other receivables of the Group are advances paid to suppliers by the subsidiaries for the purchase of property, plant and equipment of RM10,198,000 (2025 : RM14,459,000).

Included in current other receivables of the Group are value-added tax receivables from tax authorities of subsidiaries of RM18,293,000 (2025 : RM13,695,000) and advance payments made for trade purchases of RM15,550,000 (2025 : RM11,391,000).

The current other receivables of the Company are advance payments made for trade purchases.

7.2 Amounts due from immediate holding company and subsidiaries

The trade amounts due from immediate holding company and subsidiaries are subject to normal trade terms.

Included in non-trade amount due from subsidiaries is Nil (2025 : RM11,383,436) which earns interest at rates Nil (2025 : 3.85%) per annum. Other than as disclosed, the non-trade amounts due from immediate holding company and subsidiaries are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

8. Inventories - Group

	Note	2026 RM'000	2025 RM'000
Raw materials		**371,803**	387,212
Work-in-progress		**32,896**	47,792
Manufactured inventories		**1,944**	3,926
		406,643	438,930
Recognised in profit or loss:			
Inventories recognised as cost of sales		**1,260,464**	1,251,509
Write down to net realisable value included in cost of sales		**15,500**	8,642
Reversal of write-down included in cost of sales	8.1	**(1,549)**	-

8.1 Write down

During the financial year, following a change in estimate, RM1,549,000 of the write-down was reversed.

8.2 Significant judgements and assumptions

The Directors review inventories for obsolescence and decline in net realisable value to below cost. Such review involves judgements and estimates.

In determining the amount of inventories to be written down or reversed, the Directors took into consideration the age of the inventories, likelihood of future consumption, rework and customer acceptance. Possible changes to these estimates could result in a revision to the carrying amount of the Group's inventories and profit or loss.

8.3 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in, first out method.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

9. Contract assets/(liabilities) - Group

	2026 RM'000	2025 RM'000
Contract assets	**348,562**	317,036
Contract liabilities	**26,321**	37,262

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date for the manufacture of aircraft components, design and assembly of modular for equipment and related components and precision engineering parts. Typically, the amounts will be billed within 12 months and are expected to be collected based on the normal credit period extended to customers.

The contract liabilities relate to advance consideration received from customers in both the aerospace and equipment segments where revenue is recognised over time.

Significant changes to contract assets and contract liabilities balances

	2026 RM'000	2025 RM'000
Contract liabilities at the beginning of the period recognised as revenue	**11,654**	-
Contract liabilities at the beginning of the period not recognised as revenue due to change in time frame	**22,608**	3,945
Contract assets at beginning of the period not transferred to trade receivables due to change in time frame	**64,019**	27,525

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

10. Derivative financial assets/(liabilities) - Group

	Nominal value RM'000	Current assets RM'000	Current liabilities RM'000
2026			
Derivatives used for hedging			
- Forward exchange contracts	**159,456**	**404**	**(3,692)**
2025			
Derivatives used for hedging			
- Forward exchange contracts	164,365	1,115	(373)

Forward exchange contracts are used to manage foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than the functional currencies of Group entities. The forward exchange contracts have maturities of less than one year after the end of the reporting period.

11. Cash and cash equivalents

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Fixed deposit placed with a licensed bank	**4,848**	-	**-**	-
Cash and bank balances	**19,761**	27,982	**2,785**	1,812
	24,609	27,982	**2,785**	1,812

12. Share capital - Group/Company

	2026		2025	
	Amount RM'000	Number of shares ('000)	Amount RM'000	Number of shares ('000)
Issued and fully paid ordinary shares with no par value classified as equity instruments	**702,215**	**676,987**	702,215	676,987

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

13. Reserves

	Note	2026 RM'000	2025 RM'000
Group			
Non-distributable			
Hedging reserve	13.1	**(320)**	(790)
Translation reserve	13.2	**(40,035)**	86,438
		(40,355)	85,648
Distributable			
Retained earnings		**663,839**	638,053
		623,484	723,701
Company			
Distributable			
Retained earnings		**135,593**	94,381

The movements in the reserves are disclosed in the statements of changes in equity.

13.1 Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

13.2 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations and financial statements of certain subsidiaries from functional currency, U.S. Dollar ("USD") to the presentation currency.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

14. Loans and borrowings - Group

	2026 RM'000	2025 RM'000
Non-current		
Secured		
Term loans - variable rate	**47,935**	86,703
Current		
Secured		
Term loans - variable rate	**31,020**	34,064
Promissory notes	**15,352**	-
Revolving credit	**102,818**	51,907
	149,190	85,971
Unsecured		
Revolving credit	**74,336**	80,301
	223,526	166,272
	271,461	252,975

Certain loans and borrowings of the Group are granted with corporate guarantee given by the Company and are secured by legal charges over land and buildings as disclosed in Note 2.1 to the financial statements.

15. Employee benefits - Group

Retirement benefits

	Group	
	2026 RM'000	2025 RM'000
Net defined benefit liability	**1,374**	1,043

The plan entitles a retired employee of a subsidiary to receive legal severance benefits of certain number of months of final salary and long service award depending on number of years of service that the employee has provided.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

15. Employee benefits - Group (Cont'd)

Retirement benefits (Cont'd)

Movement in net defined benefit liability

The following table shows a reconciliation from the opening balance to the closing balance for net defined benefit liability and its components :

	Defined benefit obligation	
	2026 RM'000	**2025 RM'000**
Balance at 1 April	**1,043**	-
Included in profit or loss		
Current service cost	**395**	1,025
Interest cost	**35**	18
Benefits paid	**(6)**	-
Effect of movements in exchange rate	**(93)**	-
Balance as at 31 March	**1,374**	1,043

Defined benefit obligation

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages) :

	Group	
	2026	**2025**
Discount rate		
- Retirement age at 55 years old	**2.21%**	2.21%
- Retirement age at 60 years old	**2.47%**	2.47%
Turnover rate		
- Employee age between 20 to 29 years	**25.00%**	25.00%
- Employee age between 30 to 39 years	**21.00%**	21.00%
- Employee age between 40 to 49 years	**18.00%**	18.00%
- Employee age of 50 years onwards	**-**	-
Future salary growth	**6.69%**	6.69%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average life expectancy of an individual retiring at age 55 is 20 and 26 (2025 : 20 and 26) and at age 60 is 15 and 21 (2025 : 15 and 21) for males and females respectively at the end of the reporting date.

At 31 March 2026, the weighted-average duration of the defined benefit obligation for retirement age at 55 and 60 years old was 9 years and 16 years respectively (2025 : 9 years and 16 years).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

15. Employee benefits - Group (Cont'd)

Retirement benefits (Cont'd)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Group			
	2026		2025	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
Defined benefit obligation				
Discount rate (0.5% movement)	**(50)**	**96**	(51)	65
Discount rate (1.0% movement)	**(116)**	**177**	(104)	128
Future salary growth (0.5% movement)	**97**	**(52)**	60	(48)
Future salary growth (1.0% movement)	**179**	**(120)**	119	(98)
Turnover rate (0.5% movement)	**(10)**	**51**	(17)	27
Turnover rate (1.0% movement)	**(38)**	**84**	(38)	50

Although the analysis does not account to the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

16. Deferred income - Group

	2026 RM'000	2025 RM'000
Non-current		
Government grants	**110**	228
Current		
Government grants	**97**	181
	207	409

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

16. Deferred income - Group (Cont'd)

Government grants

The Group received government grants for the purchase of plant and machinery. The grants are amortised on a systematic basis over the useful life of the plant and machinery.

During the financial year, RM171,000 (2025 : RM212,000) was amortised and recognised as other operating income in profit or loss.

16.1 Material accounting policy information

The Group has elected to present government grants related to assets as deferred income.

17. Provisions - Group

	Provision for warranties RM'000	Provision for onerous contracts RM'000	Total RM'000
At 1 April 2024	8,025	76	8,101
Net reversal to profit or loss	(112)	(72)	(184)
Effect of movements in exchange rates	(441)	(4)	(445)
At 31 March 2025/1 April 2025	**7,472**	**-**	**7,472**
Net reversal to profit or loss	**(859)**	**-**	**(859)**
Effect of movements in exchange rates	**(645)**	**-**	**(645)**
At 31 March 2026	**5,968**	**-**	**5,968**

Warranties

Provision for warranties represent estimated liabilities for defects arising from products sold under warranty. The provision is based on management's estimate made from historical warranty data associated with the products and judgement on the probability of a defect arising from products sold.

Onerous contracts

A provision for onerous contracts was recognised when the costs of meeting the obligations under the contract exceeded the economic benefits expected to be derived. The provision was measured at the present value of the expected costs required to fulfil the requirements of the contract in excess of the contracted revenue.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

18. Trade and other payables

	Note	2026 RM'000	2025 RM'000
Group			
Non-current			
Accrued expenses	18.1	**3,078**	7,842
Current			
Trade			
Trade payables		**158,628**	106,749
Trade accruals		**11,340**	32,710
		169,968	139,459
Non-trade			
Amount due to immediate holding company	18.2	**161**	1,807
Amount due to a related company	18.2	**48**	-
Other payables	18.3	**6,183**	8,875
Accrued expenses	18.1	**51,146**	81,812
		57,538	92,494
		227,506	231,953
Company			
Non-current			
Accrued expenses	18.1	**996**	2,607
Current			
Non-trade			
Amount due to:			
- immediate holding company	18.2	**-**	804
- subsidiaries	18.2	**268**	564
Other payables		**1,117**	1,081
Accrued expenses	18.1	**7,191**	7,285
		8,576	9,734

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

18. Trade and other payables (Cont'd)

18.1 Accrued expenses

Non-current

The non-current accrued expenses of the Group and the Company consist of long-term incentive plan payable to the employees over two years.

Current

Included in the current accrued expenses of the Group and the Company is amount of RM1,823,000 (2025 : RM5,682,000) and RM1,169,000 (2025 : RM2,411,000) respectively representing long-term incentive plan payable to the employees within a year.

18.2 Amounts due to immediate holding company, a related company and subsidiaries

The non-trade amounts due to immediate holding company, a related company and subsidiaries are unsecured, interest-free and repayable on demand.

18.3 Other payables - Group

Included in other payables is RM1,503,000 (2025 : RM Nil) payable for the purchase of plant and equipment.

19. Revenue

	2026 RM'000	2025 RM'000
Group		
Revenue from contracts with customers	**1,440,671**	1,480,549
Company		
Revenue from contracts with customers		
- Management fee	**35,176**	34,620
Other revenue		
- Dividend income from subsidiaries	**61,382**	17,250
- Interest income	**237**	2,315
	96,795	54,185

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

19. Revenue (Cont'd)

19.1 Disaggregation of revenue

	Aerospace		Equipment		Total	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Group						
Primary geographical markets						
Malaysia	**1,759**	764	**94,780**	88,932	**96,539**	89,696
Asia (excluding Malaysia)	**8,660**	253	**678,202**	777,900	**686,862**	778,153
North America	**424,665**	433,542	**119,006**	86,960	**543,671**	520,502
Latin America	**47,991**	32,913	**5**	-	**47,996**	32,913
Europe	**62,305**	56,744	**3,298**	2,541	**65,603**	59,285
	545,380	524,216	**895,291**	956,333	**1,440,671**	1,480,549
Major products and service lines						
Manufacture of aircraft components, other aircraft related equipment parts, spares and precision engineering parts	**536,007**	523,982	**-**	-	**536,007**	523,982
Sale of raw materials	**8,947**	-	**-**	-	**8,947**	-
Design and assembly of modular for equipment; manufacture of components, spares and precision engineering parts for modular or complete machine and equipment	**-**	-	**878,892**	940,927	**878,892**	940,927
Design, development and manufacture of trim and form dies, jigs and suspension tooling	**-**	-	**15,699**	14,986	**15,699**	14,986
Management services	**426**	234	**700**	420	**1,126**	654
	545,380	524,216	**895,291**	956,333	**1,440,671**	1,480,549

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

19. Revenue (Cont'd)

19.1 Disaggregation of revenue (Cont'd)

	Aerospace		Equipment		Total	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Group						
Timing and recognition						
At a point in time	**8,947**	-	**415,151**	403,869	**424,098**	403,869
Over time	**536,433**	524,216	**480,140**	552,464	**1,016,573**	1,076,680
Total revenue from contracts with customers	**545,380**	524,216	**895,291**	956,333	**1,440,671**	1,480,549

	2026 RM'000	2025 RM'000
Company		
Primary geographical markets		
Malaysia	**28,423**	29,534
Asia (excluding Malaysia)	**6,753**	5,086
Total revenue from contracts with customers	**35,176**	34,620
Major service line and timing of recognition		
Management fee recognised over time	**35,176**	34,620

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

19. Revenue (Cont'd)

19.2 Nature of goods and services

The following information reflects the typical transactions of the Group :

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Manufacture of aircraft components, other aircraft related equipment parts, spares and precision engineering parts	Revenue is recognised over time as costs are incurred. Control of goods are transferred over time as the goods have no alternative use and there is an enforceable right to payment for performance completed to date.	Credit period within the industry standard.	Discounts may be offered for certain contracts determined on a case-to-case basis.	Returns are only applicable for products that do not meet customer's specifications.	Product warranties are assurance type warranty and do not form a separate performance obligation.
Sale of raw materials	Revenue is recognised at a point in time when the raw materials are delivered and accepted by the customers.	Credit period within the industry standard.	Not applicable.	Returns are only applicable for products that do not meet customer's specifications.	Not applicable.
Design and assembly of modular for equipment; manufacture of components, spares and precision engineering parts for modular or complete machine and equipment	Certain revenue is recognised over time as costs are incurred. These contracts would meet the no alternative use criteria and the Group has rights to payment for work performed. Other than the above, revenue is recognised at point in time when the machine are delivered and accepted by the customers.	Credit period within the industry standard.	Not applicable.	Returns are only applicable for products that do not meet customer's specifications.	Product warranties are assurance type warranty and do not form a separate performance obligation.
Design, development and manufacture of trim and form dies, jigs and suspension tooling	Revenue is recognised at a point in time when the products or parts are delivered and accepted by the customers.	Credit period within the industry standard.	Not applicable.	Returns only applicable for products that do not meet customer's specifications.	Not applicable.
Management services	Revenue is recognised over time when the service is rendered.	Credit period within the industry standard.	Not applicable.	Not applicable.	Not applicable.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

19. Revenue (Cont'd)

19.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one year.

	2027 RM'000	2028 RM'000	2029 RM'000	2030 RM'000	2031 RM'000	Total RM'000
Group						
2026						
Manufacture of aircraft components, other aircraft related equipment parts, spares and precision engineering parts	21,421	85,629	85,465	85,465	64,099	342,079
Design and assembly of modular for equipment; manufacture of components, spares and precision engineering parts for modular or complete machine and equipment	262,753	271,001	202,662	-	-	736,416
	284,174	356,630	288,127	85,465	64,099	1,078,495

The above revenue does not have variable element in consideration.

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and did not disclose information on transaction price allocated to remaining performance obligations that have original expected durations of one year or shorter.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

20. Finance costs

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	**14,293**	15,334	**-**	-
Interest expense on lease liabilities	**544**	609	**48**	77
	14,837	15,943	**48**	77
Recognised in profit or loss	**8,785**	13,072	**48**	77
Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets – property, plant and equipment	**6,052**	2,871	**-**	-
	14,837	15,943	**48**	77

21. Profit before tax

		Group		Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit before tax is arrived at after charging/(crediting):					
Auditors' remuneration					
- Audit fees					
- KPMG PLT		**426**	432	**130**	160
- Affiliate of KPMG PLT		**113**	110	**-**	-
- Other auditors		**151**	167	**-**	-
- Non-audit fees					
- KPMG PLT		**21**	12	**15**	12
- Affiliate of KPMG PLT		**27**	49	**-**	-
Material expenses/(income)					
Impairment on investments in subsidiaries	5	**-**	-	**-**	1,538
Personnel expenses:					
- Wages, salaries and others (including Directors' emoluments)		**202,514**	208,816	**23,484**	20,074
- Employees' Provident Fund contributions		**18,535**	17,850	**2,312**	2,257

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

21. Profit before tax (Cont'd)

		Group		Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit before tax is arrived at after charging/(crediting) (Cont'd):					
Material expenses/(income)					
Property, plant and equipment					
- Depreciation	2	**83,542**	86,073	**668**	534
- Gain on disposal		**(45)**	(20)	**-**	-
- Written off		**643**	325	**-**	76
Right-of-use assets					
- Depreciation	3	**6,080**	7,138	**745**	744
- Gain on modification		**(34)**	-	**-**	-
Intangible assets					
- Amortisation	4	**11,521**	7,583	**408**	331
- Written off		**1,208**	-	**-**	-
Fair value loss/(gain) on derivatives		**4,500**	(1,255)	**-**	-
Foreign exchange loss/(gain):					
- Unrealised		**675**	2,182	**83**	(23)
- Realised		**(2,593)**	2,463	**(16)**	(54)
Government grants	a	**(46)**	(90)	**-**	-
Amortisation of government grants	16	**(171)**	(212)	**-**	-
Expenses arising from leases					
Expenses relating to short-term leases	b	**3,241**	3,561	**111**	109
Expenses relating to leases of low-value assets	b	**137**	175	**15**	23
Net (gain)/loss on impairment of financial instruments and contract assets					
Financial assets at amortised cost		**(1,463)**	(200)	**-**	15,937
Contract assets		**(1,409)**	(263)	**-**	-
		(2,872)	(463)	**-**	15,937

Note a

Wages and operating expenses related subsidies from governments that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

Note b

The Group and the Company lease IT equipment and apartments with contract terms ranging from 1 to 5 years. These leases are either short-term or for low-value items. The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for such leases.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

22. Key management personnel compensation

Key management personnel compensation are as follows :

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Directors of the Company				
- Fees	**970**	853	**970**	853
- Other emoluments	**2,869**	166	**2,869**	166
	3,839	1,019	**3,839**	1,019
Other key management personnel				
- Remuneration	**9,238**	9,614	**5,995**	6,646
- Employees' Provident Fund contributions	**500**	662	**274**	460
	9,738	10,276	**6,269**	7,106
	13,577	11,295	**10,108**	8,125

Other key management personnel comprise persons other than Directors of the Company, having authority and responsibility for planning and controlling the activities of the Group either directly or indirectly.

The estimated monetary value of benefits-in-kind receivable by Directors and key management personnel of the Group and of the Company amounted to RM99,390 and RM96,603 (2025 : RM84,968 and RM82,654) respectively.

23. Tax expense

Major components of tax expense include :

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Income tax expense				
Malaysia				
- Current year	**27,307**	40,060	**-**	556
- Under/(Over) provision in prior year	**585**	(3,405)	**1**	204
	27,892	36,655	**1**	760
Deferred tax expense				
- Reversal of temporary differences	**(8,307)**	(13,138)	**-**	-
- Over provision in prior year	**(262)**	(19)	**-**	-
	(8,569)	(13,157)	**-**	-
Total tax expense	**19,323**	23,498	**1**	760

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

23. Tax expense (Cont'd)

Reconciliation of tax expense

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Profit for the year	**44,742**	91,921	**60,168**	2,332
Total tax expense	**19,323**	23,498	**1**	760
Profit excluding tax	**64,065**	115,419	**60,169**	3,092
Income tax calculated using Malaysian tax rate at 24%	**15,376**	27,700	**14,441**	742
Effect of different tax rates in foreign jurisdictions	**3,992**	1,819	**-**	-
Non-deductible expenses	**4,559**	3,485	**556**	4,820
Tax exempt income	**(10,433)**	(5,758)	**(14,732)**	(4,330)
Effect of tax incentives	**-**	(978)	**-**	-
Effect of deferred tax assets not recognised/(recognised)	**5,506**	654	**(265)**	(676)
	19,000	26,922	**-**	556
Under/(Over) provision in prior years	**323**	(3,424)	**1**	204
	19,323	23,498	**1**	760

On 30 October 2017, a subsidiary was granted an income tax exemption of 100% on statutory income for certain products for a period of 10 years effective from 1 April 2014 as determined by the Minister of International Trade and Industry of Malaysia. The income tax exemption has been further extended for a period of 5 years.

In Thailand, a subsidiary was also granted promotional certificates by the Office of the Board of Investment ("BOI") for manufacturing of high-density storage test equipment, wafer equipment and advanced semiconductor test equipment and manufacturing of aerospace parts. The subsidiary has been granted several privileges, including exemption and reduction of income tax on net profit derived from the promoted operations, subject to certain terms and conditions prescribed in the promotional certificates, from December 2021 to April 2033.

24. Earnings per ordinary share - Group

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the profit attributable to ordinary shareholders of RM44,742,000 (2025 : RM91,921,000) and the weighted average number of ordinary shares outstanding, calculated as follows :

	2026	**2025**
Issue ordinary shares as at beginning of year/at end of year	**676,986,785**	676,986,785
Basic earnings per ordinary share (sen)	**6.61**	13.58

Diluted earnings per ordinary share

The diluted earnings per ordinary share is the same as basic earnings per ordinary share as there are no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

25. Dividends - Company

Dividends recognised by the Company :

	sen per share	Total amount RM'000	Date of payment
2026			
First interim 2025 ordinary	**2.80**	**18,956**	**8 August 2025**
2025			
First interim 2024 ordinary	3.30	22,341	8 August 2024

26. Related parties

Significant related party transactions

The significant related party transactions of the Group and the Company are shown below. The transactions were entered in the normal course of business and established under negotiated terms. The balances relating to the below transactions are shown in Note 7 and Note 18.

i) Subsidiaries

	2026 RM'000	2025 RM'000
Company		
Dividend income	**61,382**	17,250
Management fee income	**34,049**	33,966
Interest income	**212**	2,224
Rental expense of office	**(792)**	(792)
Advances given	**(11,000)**	(22,885)

ii) Immediate holding company

	2026 RM'000	2025 RM'000
Group		
Sales of aerospace parts and other precision tools	**16,471**	9,265
Dividend paid	**(10,472)**	(14,652)
Provision of corporate management services, engineering and administrative services	**2,278**	866
Purchase of corporate management services, engineering and administrative services/fitting and quality assurance services	**(2,272)**	(4,572)
Rental expense of office, factory premises and machine	**(1,281)**	(2,293)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

26. Related parties (Cont'd)

Significant related party transactions (Cont'd)

ii) Immediate holding company (Cont'd)

	2026 RM'000	**2025 RM'000**
Company		
Provision of corporate management services, engineering and administrative services	**1,126**	654
Dividend paid	**(10,472)**	(14,652)
Purchase of corporate management services, engineering and administrative services/fitting and quality assurance services	**(1,096)**	(3,518)

iii) There were no transactions with key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment as disclosed in Note 22 to the financial statements.

27. Operating segment - Group

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Group's Chief Executive Officer) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments :

Aerospace	Provides a dedicated end-to-end manufacturing solutions on critical engine parts and other related equipment parts
Equipment	Provides an array of equipment engineering and solutions for commercial, semiconductor and other industries

Performance is measured based on segment profit or loss before tax as included in the internal management reports that are reviewed by the CODM. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Other non-reportable segment comprise investment holding activities and provision of intra-group management services which did not meet the quantitative thresholds for reportable segments.

Segment assets

The total of segment asset is measured on all assets of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total asset is used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liabilities.

27. Operating segment - Group (Cont'd)

	Aerospace RM'000	Equipment RM'000	Elimination RM'000	Total RM'000
2026				
Revenue from external customers	545,380	895,291	-	1,440,671
Inter-segment revenue	12,166	1,446	(13,612)	-
Total revenue	557,546	896,737	(13,612)	1,440,671
(Loss)/Profit before tax (segment (loss)/profit)	(13,108)	77,173	-	64,065
Included in the measure of segment profit are:				
- Write down of inventories	(10,795)	(3,156)	-	(13,951)
- Depreciation and amortisation	(69,098)	(32,045)	-	(101,143)
- Government grants	46	-	-	46
- Amortisation of government grants	171	-	-	171
- Gain/(Loss) on disposal of property, plant and equipment	91	(46)	-	45
- Gain on lease modification	34	-	-	34
- Net gain on impairment of financial instruments and contract assets	2,848	24	-	2,872
Segment assets	1,204,851	693,378	-	1,898,229
Included in the measure of segment assets are: Additions to non-current assets other than financial instruments and deferred tax assets				
- Additions to property, plant and equipment	90,711	15,513	-	106,224
- Additions to intangible assets	291	2,328	-	2,619

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

27. Operating segment - Group (Cont'd)

	Aerospace RM'000	Equipment RM'000	Elimination RM'000	Total RM'000
2025				
Revenue from external customers	524,216	956,333	-	1,480,549
Inter-segment revenue	11,791	662	(12,453)	-
Total revenue	536,007	956,995	(12,453)	1,480,549
Profit before tax (segment profit)	3,877	111,542	-	115,419
Included in the measure of segment profit are:				
- Write down of inventories	(2,936)	(5,706)	-	(8,642)
- Depreciation and amortisation	(68,460)	(32,334)	-	(100,794)
- Government grants	90	-	-	90
- Amortisation of government grants	212	-	-	212
- Gain/(Loss) on disposal of property, plant and equipment	63	(43)	-	20
- Net gain on impairment of financial instruments and contract assets	390	73	-	463
Segment assets	1,247,592	762,712	-	2,010,304
Included in the measure of segment assets are: Additions to non-current assets other than financial instruments and deferred tax assets				
- Additions to property, plant and equipment	51,291	29,641	-	80,932
- Additions to intangible assets	318	739	-	1,057

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

27. Operating segment - Group (Cont'd)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of the customers. Segment assets are based on the geographical location of the assets.

	Revenue RM'000	Non-current assets RM'000
Geographical information		
2026		
Malaysia	**96,539**	**336,938**
Asia (excluding Malaysia)	**686,862**	**423,718**
North America	**543,671**	**-**
Latin America	**47,996**	**-**
Europe	**65,603**	**-**
	1,440,671	**760,656**
2025		
Malaysia	89,696	411,671
Asia (excluding Malaysia)	778,153	404,112
North America	520,502	-
Latin America	32,913	-
Europe	59,285	-
	1,480,549	815,783

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

27. Operating segment - Group (Cont'd)

Major customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue :

Customer	Revenue 2026 RM'000	Revenue 2025 RM'000	Segment
Customer A	**448,444**	551,525	Equipment
Customer B	**249,291**	225,194	Aerospace
Customer C	**207,059**	202,772	Equipment
Customer D	**191,896**	207,813	Aerospace
	1,096,690	1,187,304	

28. Capital commitments - Group

	2026 RM'000	2025 RM'000
Property, plant and equipment		
Contracted but not provided for	**66,444**	63,473

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments

29.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows :

(a) Amortised cost ("AC")
(b) Fair value through profit or loss ("FVTPL")
 - Designated upon initial recognition ("DUIR")
(c) Derivatives used for hedging

	Carrying amount RM'000	AC RM'000	FVTPL - DUIR RM'000	Derivatives used for hedging RM'000
Group				
2026				
Financial assets				
Trade and other receivables (excluding advance payments, prepayments and value-added tax receivables)	**310,403**	**310,403**	**-**	**-**
Cash and cash equivalents	**24,609**	**24,609**	**-**	**-**
Derivative financial assets	**404**	**-**	**-**	**404**
	335,416	**335,012**	**-**	**404**
Financial liabilities				
Loans and borrowings	**271,461**	**271,461**	**-**	**-**
Trade and other payables	**230,584**	**230,584**	**-**	**-**
Derivative financial liabilities	**3,692**	**-**	**2,968**	**724**
	505,737	**502,045**	**2,968**	**724**

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.1 Categories of financial instruments (Cont'd)

	Carrying amount RM'000	AC RM'000	FVTPL - DUIR RM'000	Derivatives used for hedging RM'000
Group				
2025				
Financial assets				
Trade and other receivables (excluding advance payments, prepayments and value-added tax receivables)	357,008	357,008	-	-
Cash and cash equivalents	27,982	27,982	-	-
Derivative financial assets	1,115	-	251	864
	386,105	384,990	251	864
Financial liabilities				
Loans and borrowings	252,975	252,975	-	-
Trade and other payables	239,795	239,795	-	-
Derivative financial liabilities	373	-	289	84
	493,143	492,770	289	84

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.1 Categories of financial instruments (Cont'd)

	Carrying amount RM'000	AC RM'000
Company		
2026		
Financial assets		
Trade and other receivables (excluding advance payments and prepayments)	**3,280**	**3,280**
Cash and cash equivalents	**2,785**	**2,785**
	6,065	**6,065**
Financial liabilities		
Other payables	**9,572**	**9,572**
2025		
Financial assets		
Trade and other receivables (excluding advance payments and prepayments)	25,727	25,727
Cash and cash equivalents	1,812	1,812
	27,539	27,539
Financial liabilities		
Other payables	12,341	12,341

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.2 Net gains and losses arising from financial instruments

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Net gains/(losses) on:				
Financial assets at AC:				
- interest income	**255**	534	**237**	2,315
- net gain/(loss) on impairment of financial instruments	**1,463**	200	**-**	(15,937)
- foreign exchange gain/(loss)	**5,438**	(1,089)	**(217)**	(18)
	7,156	(355)	**20**	(13,640)
Financial liabilities at AC:				
- interest expense	**(14,293)**	(15,334)	**-**	-
- foreign exchange (loss)/gain	**(3,520)**	(3,556)	**150**	95
	(17,813)	(18,890)	**150**	95
Financial assets at FVTPL:				
- fair value (loss)/gain on derivatives	**(1,181)**	156	**-**	-
Financial liabilities at FVTPL:				
- fair value (loss)/gain on derivatives	**(3,319)**	1,099	**-**	-
Derivatives used for hedging:				
Recognised in other comprehensive income:				
- fair value gain on derivatives	**470**	750	**-**	-
	(14,687)	(17,240)	**170**	(13,545)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments :

- Credit risk
- Liquidity risk
- Market risk

29.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from advances to immediate holding company and subsidiaries and financial guarantees given to banks for banking facilities granted to subsidiaries.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management monitors the exposure to credit risk on an ongoing basis. Credit evaluations are performed on customers as needed.

At each reporting date, the Group or the Company assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.4 Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Concentration of credit risk

The exposure to credit risk for trade receivables and contract assets as at the end of the reporting period by geographical region was :

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Malaysia	**17,806**	35,913	**1,488**	3,424
Asia (excluding Malaysia)	**91,456**	92,527	**305**	16
North America	**477,194**	480,169	**-**	-
Europe	**26,539**	22,758	**-**	-
Latin America	**37,301**	33,782	**-**	-
	650,296	665,149	**1,793**	3,440

Recognition and measurement of impairment losses

The Group uses an allowance matrix to measure Expected Credit Loss ("ECLs") of trade receivables and contract assets for all segments.

The Group will initiate appropriate debt recovery procedures on past due balances which are monitored by the sales management team. Where necessary, the Group will also commence legal proceeding against the customers.

Loss rates are based on three-year historical average of published industry default rates based on the credit rating categories of respective customers, adjusted as necessary to reflect the Group's credit risk. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.4 Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment losses (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at year end which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2026			
Current (Not past due)	**617,294**	**(188)**	**617,106**
1 - 30 days past due	**27,827**	**(14)**	**27,813**
31 - 60 days past due	**4,547**	**(2)**	**4,545**
61 - 90 days past due	**85**	**-**	**85**
More than 90 days past due	**747**	**-**	**747**
	650,500	**(204)**	**650,296**
Trade receivables	**301,862**	**(128)**	**301,734**
Contract assets	**348,638**	**(76)**	**348,562**
	650,500	**(204)**	**650,296**
2025			
Current (Not past due)	624,122	(3,037)	621,085
1 - 30 days past due	30,109	(151)	29,958
31 - 60 days past due	12,527	(76)	12,451
61 - 90 days past due	212	(1)	211
More than 90 days past due	1,451	(7)	1,444
	668,421	(3,272)	665,149
Trade receivables	349,806	(1,693)	348,113
Contract assets	318,615	(1,579)	317,036
	668,421	(3,272)	665,149

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.4 Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment losses (Cont'd)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Company			
2026			
Current (Not past due)	**1,793**	**-**	**1,793**
2025			
Current (Not past due)	3,440	-	3,440

The movements in the allowance for impairment in respect of trade receivables and contract assets of the Group during the year are shown below.

	Trade receivables Lifetime ECL RM'000	Contract assets RM'000	Total RM'000
Group			
Balance at 1 April 2024	1,982	1,962	3,944
Net remeasurement of loss allowance	(200)	(263)	(463)
Effect of movement in exchange rates	(89)	(120)	(209)
Balance at 31 March 2025/1 April 2025	**1,693**	**1,579**	**3,272**
Net remeasurement of loss allowance	**(1,463)**	**(1,409)**	**(2,872)**
Effect of movement in exchange rates	**(102)**	**(94)**	**(196)**
Balance at 31 March 2026	**128**	**76**	**204**

As at the end of the reporting period, the Company did not recognise any allowance for impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.4 Credit risk (Cont'd)

Cash and cash equivalents

The cash and cash equivalents are held with established banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Other receivables mainly consist of advance paid to suppliers for the purchase of property, plant and equipment and recoverable costs claimable from subcontractor of subsidiaries.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Inter-company advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when the subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payment of these advances, the Company considers the advances to be in default when the subsidiary is not able to pay when demanded. The Company considers such advances to be credit impaired when :

- The subsidiary is unlikely to repay its advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.4 Credit risk (Cont'd)

Inter-company advances (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The following tables provide information about the exposure to credit risk and ECLs for inter-company advances as at year end.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Company			
2026			
Low credit risk	**130**	**-**	**130**
2025			
Low credit risk	22,011	-	22,011

The movements in the allowance for impairment of related company advances during the year are as follows :

	Lifetime ECL RM'000
Company	
Balance at 1 April 2024	321
Amount written off	(321)
Balance at 31 March 2025/31 March 2026	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.4 Credit risk (Cont'd)

Financial guarantees

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of :

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounted to RM201.5 million (2025 : RM176.2 million) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' loans and borrowings.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when :

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans and borrowings individually using internal information available.

As the end of the reporting period, the Company did not recognise any allowance for impairment in respect of financial guarantees as the Company is of the view that the loss allowance is not material and hence, it is not provided for.

29.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.5 Liquidity risk (Cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments :

	Carrying amount RM'000	Contractual interest rates/ discount rates per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Group						
2026						
Non-derivative financial liabilities						
Trade and other payables	230,584	-	230,584	227,506	3,078	-
Lease liabilities	8,285	3.23 - 4.11	8,638	4,882	3,756	-
Term loans - variable rate	78,955	4.79 - 5.89	85,442	34,906	31,896	18,640
Revolving credit	177,154	4.23 - 4.68	177,154	177,154	-	-
Promissory notes	15,352	5.02	15,352	15,352	-	-
	510,330		517,170	459,800	38,730	18,640
Derivative financial liabilities						
Forward exchange contracts (gross settled):						
Outflow	3,288	-	162,744	162,744	-	-
Inflow	-	-	(159,456)	(159,456)	-	-
	513,618		520,458	463,088	38,730	18,640

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments (Cont'd) :

	Carrying amount RM'000	Contractual interest rates/ discount rates per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Group						
2025						
Non-derivative financial liabilities						
Trade and other payables	239,795	-	239,795	231,953	7,842	-
Lease liabilities	11,499	3.23 - 4.11	12,020	5,836	3,711	2,473
Term loans - variable rate	120,767	6.10 - 7.07	134,625	40,528	38,484	55,613
Revolving credit	132,208	4.92 - 5.33	132,208	132,208	-	-
	504,269		518,648	410,525	50,037	58,086
Derivative financial liabilities						
Forward exchange contracts (gross settled):						
Outflow	-	-	163,623	163,623	-	-
Inflow	(742)	-	(164,365)	(164,365)	-	-
	503,527		517,906	409,783	50,037	58,086

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments (Cont'd) :

	Carrying amount RM'000	Contractual interest rates/ discount rates per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Company						
2026						
Non-derivative financial liabilities						
Other payables	**9,572**	**-**	**9,572**	**8,576**	**996**	**-**
Lease liabilities	**775**	**4.04**	**792**	**792**	**-**	**-**
Financial guarantees	**-**	**-**	**201,527**	**201,527**	**-**	**-**
	10,347		**211,891**	**210,895**	**996**	**-**
2025						
Non-derivative financial liabilities						
Other payables	12,341	-	12,341	9,734	2,607	-
Lease liabilities	1,519	4.04	1,584	792	792	-
Financial guarantees	-	-	176,216	176,216	-	-
	13,860		190,141	186,742	3,399	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's financial position or cash flows.

29.6.1 Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Singapore Dollar ("SGD"), Ringgit Malaysia ("RM") and Thai Baht ("THB").

Risk management objectives, policies and processes for managing the risk

The Group uses forward exchange contracts to hedge its foreign currency risk arising mainly from sales and purchases denominated in foreign currency. The forward exchange contracts have maturities of less than a year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows :

	<---------- Denominated in ----------			>
	USD RM'000	**SGD RM'000**	**RM RM'000**	**THB RM'000**
Group				
Balances recognised in the statement of financial position				
2026				
Trade and other receivables	**1,257**	**1,071**	**9,129**	**2,509**
Cash and cash equivalents	**2,191**	**619**	**2,836**	**934**
Trade and other payables	**(10)**	**(4,784)**	**(37,063)**	**(12,629)**
Lease liabilities	**-**	**(5,474)**	**-**	**(2,811)**
Net exposure	**3,438**	**(8,568)**	**(25,098)**	**(11,997)**
2025				
Trade and other receivables	2,791	106	10,222	2,754
Cash and cash equivalents	1,822	1,281	3,798	1,236
Trade and other payables	(13)	(6,937)	(33,871)	(7,218)
Lease liabilities	-	(11,495)	(4)	-
Net exposure	4,600	(17,045)	(19,855)	(3,228)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.6 Market risk (Cont'd)

29.6.1 Currency risk (Cont'd)

Currency risk sensitivity analysis

A 5% (2025 : 5%) strengthening of the functional currency of Group entities against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact on forecasted sales and purchases. There is no impact to equity arising from exposure to currency risk.

	Equity/Profit or loss	
	2026 RM'000	**2025 RM'000**
Group		
USD	**(131)**	(175)
SGD	**326**	648
RM	**954**	754
THB	**456**	123
	1,605	1,350

A 5% (2025 : 5%) weakening of the functional currency of Group entities against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

29.6.2 Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rate. The Group's variable rate borrowings are exposed to a risk of change in their cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.6 Market risk (Cont'd)

29.6.2 Interest rate risk (Cont'd)

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-earning financial assets interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows :

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Fixed rate instruments				
Financial assets				
- Fixed deposit placed with a licensed bank	**4,848**	-	**-**	-
Financial liabilities				
- Lease liabilities	**(8,285)**	(11,499)	**(775)**	(1,519)
Floating rate instruments				
Financial assets				
- Amount due from subsidiaries	**-**	-	**-**	11,383
Financial liabilities				
- Term loan	**(78,955)**	(120,766)	**-**	-
- Revolving credit	**(177,154)**	(132,209)	**-**	-
Promissory notes	**(15,352)**	-	**-**	-
	(271,461)	(252,975)	**-**	-

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) *Cash flow sensitivity analysis for floating rate instruments*

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group and Company's post-tax profit or loss would have been RM1,032,000 (2025 : RM961,000) higher/lower and RM Nil (2025 : RM43,000) lower/higher respectively, arising mainly as a result of lower/higher interest expense on floating rate instruments. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses other financial instruments at fair value.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
Group										
2026										
Financial assets										
Forward exchange contracts	**-**	**404**	**-**	**404**	**-**	**-**	**-**	**-**	**404**	**404**
Financial liabilities										
Accrued expenses	**-**	**-**	**-**	**-**	**-**	**-**	**(2,885)**	**(2,885)**	**(2,885)**	**(3,078)**
Term loans - variable rate	**-**	**-**	**-**	**-**	**-**	**-**	**(78,955)**	**(78,955)**	**(78,955)**	**(78,955)**
Forward exchange contracts	**-**	**(3,692)**	**-**	**(3,692)**	**-**	**-**	**-**	**-**	**(3,692)**	**(3,692)**
	-	**(3,692)**	**-**	**(3,692)**	**-**	**-**	**(81,840)**	**(81,840)**	**(85,532)**	**(85,725)**
2025										
Financial assets										
Forward exchange contracts	-	1,115	-	1,115	-	-	-	-	1,115	1,115
Financial liabilities										
Accrued expenses	-	-	-	-	-	-	(7,349)	(7,349)	(7,349)	(7,842)
Term loans - variable rate	-	-	-	-	-	-	(120,767)	(120,767)	(120,767)	(120,767)
Forward exchange contracts	-	(373)	-	(373)	-	-	-	-	(373)	(373)
	-	(373)	-	(373)	-	-	(128,116)	(128,116)	(128,489)	(128,982)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.7 Fair value information (Cont'd)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There has been no transfer between the levels in fair value during the financial year (2025 : no transfer in either direction).

Level 2 fair value

Derivatives

The fair value of the forward exchange contracts is estimated by reference to the market rate for similar contracts obtained from the banks which the Group contracted with.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. The carrying amount of floating rate term loans approximate fair value as their effective interest rates change accordingly to movements in the market interest rate.

29.8 Material accounting policy information

The Group or the Company applies trade date accounting for regular way purchase or sale of financial assets.

30. Capital management

There was no change in the Group's approach to capital management during the financial year.

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 124 to 202 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2026 and of their financial performance and cash flows for the financial year then ended.

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

……………………………………………………………..…….

Tan Kai Hoe
Director

……………………………………………………………..…….

Ng Boon Keat
Director

Date: 23 June 2026

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Teh Mun Ling**, the officer primarily responsible for the financial management of SAM Engineering & Equipment (M) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 124 to 202 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **Teh Mun Ling**, NRIC: 711022-07-5208, MIA CA16317, at George Town in the State of Penang on 23 June 2026.

……………………………………………………………..…….

Teh Mun Ling
Chief Financial Officer

Before me:

INDEPENDENT AUDITORS' REPORT

To The Members Of Sam Engineering & Equipment (M) Berhad

(Registration No. 199401012509 (298188 - A)) (Incorporated In Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SAM Engineering & Equipment (M) Berhad, which comprise the statements of financial position as at 31 March 2026 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 year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 124 to 202.

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 March 2026, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' 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.

Valuation of inventories - Group

Refer to Note 1(d) - Use of estimates and judgements and Note 8 - Inventories to the financial statements.

The key audit matter

The Group's inventories amounted to RM407 million as at 31 March 2026 represented 21% of the Group's total assets.

Inventories are measured at the lower of cost and net realisable value. Identifying and determining the appropriate write down for inventories to net realisable value required judgement by the Group.

We have identified valuation of inventories as a key audit matter because the judgements and estimates made by the Group may be affected by external and market considerations which are inherently uncertain.

INDEPENDENT AUDITORS' REPORT (Cont'd)

To The Members Of Sam Engineering & Equipment (M) Berhad

For The Year Ended 31 March 2026

How the matter was addressed in our audit

Our audit procedures include, among others :

- Obtained an understanding of the Group's process for measuring the amount of inventories written down is required;
- Evaluated the design and implementation of key controls over management's process in identifying and writing down slow-moving and obsolete inventories;
- Attended the year end physical inventory counts to identify the existence of any damaged inventories;
- Agreed the quality affected inventories that are written down to the Group's Non-conformance Reports and Material Disposition Reports;
- Tested the underlying data of open purchase orders listing by verifying customer's purchase orders and contracts for quantities covered by open purchase orders or customer's contracts;
- Compared the carrying value of inventories to sales made subsequent to the year end and determined whether they were sold at prices higher than the carrying value; and
- Evaluated the Group's basis of writing down slow-moving inventories and assessed the adequacy of the allowance provided for.

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

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 annual report 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 annual report and, in doing so, consider whether the annual report 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 the annual report, 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 MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and 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.

INDEPENDENT AUDITORS' REPORT (Cont'd)

To The Members Of Sam Engineering & Equipment (M) Berhad

For The Year Ended 31 March 2026

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

- 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 gives a true and fair view.

- 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 auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT (Cont'd)

To The Members Of Sam Engineering & Equipment (M) Berhad

For The Year Ended 31 March 2026

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 5 to the financial statements.

Other Matter

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

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Chong Dee Shiang
Approval Number: 02782/09/2026 J
Chartered Accountant

Penang

Date: 23 June 2026

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

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

(A) Group Total Income and Total Assets

		Group	
Total Income	**Remarks**	**2026 RM'000**	**2025 RM'000**
Revenue		**1,440,671**	1,480,549
Other operating income		**28,924**	25,763
Interest income		**255**	534
Total		**1,469,850**	1,506,846
Total Assets		**1,898,229**	2,010,304

(B) Business Activities

		Group	
Shariah Non-Compliant Activities	**Remarks**	**2026 RM'000**	**2025 RM'000**
Interest income		**255**	534

(C) Component of Financial Position

(i) Cash Component

		Group	
Islamic Account/Instruments	**Remarks**	**2026 RM'000**	**2025 RM'000**
Cash at bank (exclude cash in hand)		**86**	35
Other cash equivalents	Cash in hand	**5**	8
Total		**91**	43

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (Cont'd)

(C) Component of Financial Position (Cont'd)

(i) Cash Component (Cont'd)

Conventional Account/Instruments	Remarks	Group 2026 RM'000	 2025 RM'000
Cash at bank (exclude cash in hand)		**19,670**	27,939
Fixed deposit placed with a licensed bank		**4,848**	-
Total		**24,518**	27,939

(ii) Debt Component

Islamic Financing	Remarks	Group 2026 RM'000	 2025 RM'000
Current			
Term financing		**961**	1,056
Revolving credit financing		**2,424**	-
Non-current			
Term financing		**1,121**	2,287
Total		**4,506**	3,343

Conventional Borrowing	Remarks	Group 2026 RM'000	 2025 RM'000
Current			
Term loans		**30,059**	33,008
Revolving credit		**174,730**	132,208
Promissory notes		**15,352**	-
Non-current			
Term loans		**46,814**	84,416
Total		**266,955**	249,632

ANALYSIS OF SHAREHOLDINGS

As At 1 July 2026

Issued Share Capital	:	676,986,785 Ordinary Shares
Class of Equity Securities	:	Ordinary Shares ("Shares")
Voting Rights	:	One vote per Share

Distribution Schedule of Shareholders

No. of Holders	Size of Shareholdings	No. of Issued Shares	%
154	Less than 100	4,471	**
785	100 - 1,000	490,553	0.07
1,390	1,001 - 10,000	6,044,977	0.89
578	10,001 to 100,000 shares	18,915,437	2.79
222	100,001 to less than 5% of issued shares	277,536,275	41.00
1	5% and above of issued shares	373,995,072	55.25
3,130	**Total**	**676,986,785**	**100.00**

** Negligible

30 Largest Securities Account Holders Based on Record of Depositors
(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares held	%
1	AFFIN HWANG NOMINEES (ASING) SDN BHD *DBS VICKERS SECS (S) PTE LTD FOR SINGAPORE AEROSPACE MANUFACTURING PTE LTD*	373,995,072	55.24
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD (NOMURA)*	18,917,714	2.79
3	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)*	18,626,542	2.75
4	CARTABAN NOMINEES (TEMPATAN) SDN BHD *ICAPITAL.BIZ BERHAD*	18,154,400	2.68
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)*	14,253,287	2.11
6	AMANAHRAYA TRUSTEES BERHAD *PUBLIC SMALLCAP FUND*	14,128,200	2.09
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EXEMPT AN FOR AIA BHD*	9,324,600	1.38
8	AMANAHRAYA TRUSTEES BERHAD *PUBLIC ISLAMIC OPPORTUNITIES FUND*	8,681,500	1.28
9	HSBC NOMINEES (TEMPATAN) SDN BHD *HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)*	5,636,700	0.83
10	HSBC NOMINEES (TEMPATAN) SDN BHD *HSBC (M) TRUSTEE BHD FOR MANULIFE INSURANCE BERHAD (EQUITY FUND)*	5,602,500	0.83

ANALYSIS OF SHAREHOLDINGS (Cont'd)

As At 1 July 2026

30 Largest Securities Account Holders Based on Record of Depositors (Cont'd)
(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares held	%
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD (AHAM AM)*	4,701,781	0.69
12	CARTABAN NOMINEES (TEMPATAN) SDN BHD *PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND*	4,411,600	0.65
13	AMANAHRAYA TRUSTEES BERHAD *PUBLIC STRATEGIC SMALLCAP FUND*	4,367,100	0.65
14	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD *DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DIVIDEND FUND*	3,880,000	0.57
15	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD *CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)*	3,849,700	0.57
16	CARTABAN NOMINEES (TEMPATAN) SDN BHD *PAMB FOR PRULINK EQUITY FUND*	3,390,075	0.50
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD (ABERISLAMIC)*	3,361,313	0.50
18	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD *DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG VALUE FUND*	3,320,800	0.49
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD *ETIQA FAMILY TAKAFUL BERHAD (FAMILY)*	3,097,500	0.46
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)*	3,006,981	0.44
21	AMANAHRAYA TRUSTEES BERHAD *PUBLIC SELECT TREASURES EQUITY FUND*	2,973,250	0.44
22	AMANAHRAYA TRUSTEES BERHAD *PUBLIC ISLAMIC MIXED ASSET FUND*	2,922,800	0.43
23	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *URUSHARTA JAMAAH SDN. BHD. (2)*	2,906,000	0.43
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)*	2,816,400	0.42
25	HSBC NOMINEES (TEMPATAN) SDN BHD *HSBC (M) TRUSTEE BHD FOR SINGULAR VALUE FUND*	2,599,400	0.38
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD *ETIQA LIFE INSURANCE BERHAD (GROWTH)*	2,587,600	0.38
27	AMANAHRAYA TRUSTEES BERHAD *PUBLIC SAVINGS FUND*	2,519,800	0.37
28	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)*	2,497,619	0.37
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)*	2,467,500	0.36
30	AMANAHRAYA TRUSTEES BERHAD *PUBLIC ISLAMIC GROWTH BALANCED FUND*	2,170,000	0.32

ANALYSIS OF SHAREHOLDINGS (Cont'd)

As At 1 July 2026

Substantial Shareholders' Shareholdings

	No. of Shares held				
Name	**Direct Interest**	**%**	**Indirect Interest**	**%**	**Note**
Singapore Aerospace Manufacturing Pte. Ltd.	373,995,072	55.24	-	-	
Accuron Technologies Limited	-	-	373,995,072	55.24	(a)
Temasek Holdings (Private) Limited	-	-	373,995,072	55.24	(b)
Employees Provident Fund Board	49,652,600	7.33	-	-	

Note:
(a) Deemed interested via Singapore Aerospace Manufacturing Pte. Ltd. pursuant to Section 8(4) of the Companies Act, 2016 ("Act").
(b) Deemed interested via Accuron Technologies Limited pursuant to Section 8(4) of the Act.

Directors' Shareholdings

(1) The Company

	No. of Shares held				
Name	**Direct Interest**	**%**	**Indirect Interest**	**%**	**Note**
Tan Kai Hoe	-	-	-	-	
Ng Boon Keat	838,536	0.12	-	-	
Shum Sze Keong	-	-	-	-	
Datuk Dr Wong Lai Sum	-	-	-	-	
YM Tunku Afwida Binti Dato' Tunku Abdul Malek	-	-	-	-	
Suresh Natarajan	-	-	-	-	
Ng Chee Kiet	-	-	-	-	
Piroon Saengpakdee	-	-	-	-	
Dato' Lim Bee Vian	-	-	-	-	
Chan Tai Heng, Jeremy	-	-	-	-	

ANALYSIS OF SHAREHOLDINGS (Cont'd)

As At 1 July 2026

Directors' Shareholdings

(2) Related Corporation

	No. of Shares held				
Name	**Direct Interest**	**%**	**Indirect Interest**	**%**	**Note**
Tan Kai Hoe:					
(a) CapitaLand India Trust Management Pte. Ltd. (Manager of CapitaLand India Trust) (Unitholding in CapitaLand India Trust)	23,000	**	-	-	
(b) CapitaLand Integrated Commercial Trust Management Limited (Manager of CapitaLand Integrated Commercial Trust) (Unitholding in CapitaLand Integrated Commercial Trust)	155	**	-	-	
(c) CapitaLand Ascott Trust Management Limited & CapitaLand Ascott Business Trust Management Pte. Ltd. (Joint Managers of CapitaLand Ascott Trust) (Stapled Securities in CapitaLand Ascott Trust)	500	**	-	-	
(d) CapitaLand Investment Limited	5,000	**	-	-	
(e) Mapletree Industrial Trust Management Ltd. (Manager of Mapletree Industrial Trust) (Unitholding in Mapletree Industrial Trust)	4,170	**	-	-	
(f) SIA Engineering Company Limited	9,000	**	-	-	
(g) Singapore Airlines Limited	7,500	**	-	-	
(h) StarHub Ltd.	10,000	**	-	-	
Shum Sze Keong:					
(a) Singapore Telecommunications Limited	1,610	**	1,610	**	(i)
Chan Tai Heng, Jeremy:					
(a) Singapore Telecommunications Limited	2,180	**	-	-	

Note:
(i) Deemed interested through his spouse pursuant to Section 59(11)(c) of the Act.

** Negligible

Other than the above, none of the other Directors in office has any interest in the shares of the Company and its related corporations as at 1 July 2026.

NOTICE OF 32ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Second (32nd) Annual General Meeting ("AGM") of SAM Engineering & Equipment (M) Berhad ("SAMEE" or the "Company") will be held at Aman Room, PE3, Plot 17, Hilir Sungai Keluang Tiga, Bayan Lepas Free Industrial Zone, Phase IV, 11900 Penang on Friday, 28 August 2026 at 10:00 a.m. for the following purposes: -

AGENDA

AS ORDINARY BUSINESS: -

1. To receive the Audited Financial Statements for the financial year ended 31 March 2026 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note (B)(1)*

2. To re-elect the following Directors who are due to retire in accordance with Regulation 95 of the Company's Constitution and being eligible, had offered themselves for re-election: -

   2.1 YM Tunku Afwida Binti Tunku Abdul Malek **Resolution 1**
   2.2 Mr. Suresh Natarajan **Resolution 2**
   2.3 Mr. Piroon Saengpakdee **Resolution 3**

3. To re-elect Mr. Chan Tai Heng, Jeremy who is due to retire in accordance with Regulation 102 of the Company's Constitution and being eligible, had offered himself for re-election. **Resolution 4**

4. To approve the payment of Directors' fee as tabulated below, payable to each Director, as applicable, for the period from the conclusion of this AGM until the next AGM of the Company: -

Fee for each Director	RM100,000
Fee for the Chairman of the Audit Committee	RM15,000
Fee for the Chairman of the following Board Committees: - - Nominating & Remuneration Committee - Risk & Sustainability Committee	 RM10,000 RM10,000
Fee for the member of the Audit Committee	RM10,000
Fee for each Member of the following Board Committees: - - Nominating & Remuneration Committee - Risk & Sustainability Committee	 RM7,500 RM7,500

Resolution 5

5. To approve the payment of the following benefits to Directors (excluding Directors' fee), payable to each Director, as applicable, for the period from the conclusion of this AGM until next AGM of the Company: -

Meeting Allowance for each Non-Executive Director	RM2,000 per meeting
Benefits-in-kind (for all Directors)	RM70,000 per annum

Resolution 6

6. To re-appoint Messrs. KPMG PLT as Auditors of the Company, to hold office until the conclusion of the next AGM, at a remuneration to be determined by the Directors. **Resolution 7**

NOTICE OF 32ND ANNUAL GENERAL MEETING (Cont'd)

AS SPECIAL BUSINESS: -

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

7. **Ordinary Resolution**
Authority to issue and allot shares and Waiver of pre-emptive rights

"THAT subject always to the Companies Act, 2016 ("Act"), the Constitution of the Company and approvals of the relevant governmental and/or regulatory authorities, if applicable, the Directors be and are hereby empowered to issue and allot shares in the Company, pursuant to Section 75 and Section 76 of the Act, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being and the Directors 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;

THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until: -

(a) the conclusion of the Company's next AGM, at which time it will lapse, unless the authority is renewed by a resolution passed at the general meeting;

(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by resolution passed by the Company's shareholders in a general meeting,

whichever is earlier.

AND THAT pursuant to Section 85 of the Act to be read together with Regulation 57 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Section 75 and Section 76 of the Act." **Resolution 8**

8. **Ordinary Resolution**
Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT")

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("SAMEE Group") to enter into recurrent related party transactions of a revenue or trading nature as specified in Section 2.5 of the Circular to Shareholders dated 30 July 2026 which transactions are necessary for the day-to-day operations in the ordinary course of business of SAMEE Group on terms not more favourable to the related parties than those generally available to the public or unrelated third parties and are not to the detriment of the minority shareholders of the Company and the shareholders mandate is subject to annual renewal and disclosure being made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and that such approval shall continue to be in force until: -

(a) the conclusion of the Company's next AGM, at which time it will lapse, unless the authority is renewed by a resolution passed at the general meeting;

(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by resolution passed by the Company's shareholders in a general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the RRPT." **Resolution 9**

NOTICE OF 32ND ANNUAL GENERAL MEETING (Cont'd)

AS SPECIAL BUSINESS (Cont'd): -

To consider and if thought fit, to pass the following resolutions, with or without any modifications (Cont'd): -

9. **Ordinary Resolution**

   Retention of Datuk Dr. Wong Lai Sum who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company.

   "THAT approval be and is hereby given to Datuk Dr. Wong Lai Sum, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of next AGM of the Company in year 2027 as recommended by the Malaysian Code on Corporate Governance." **Resolution 10**

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

By Order of the Board,

YEOW SZE MIN, *SSM PC NO. 201908003120, MAICSA 7065735*
POH MING YI, *SSM PC NO. 202408000861, LS 0010863*
Joint Company Secretaries

Date: 30 July 2026
Penang

(A) Notes: -

1. A member may appoint up to two (2) proxies to attend, speak and vote in his place in the Meeting. A proxy may but need not be a member of the Company. If 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. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.

2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.

3. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. An Exempt Authorised Nominee refers to an Authorised Nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA. Where an Exempt Authorised Nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

5. The appointment of proxy(ies) may be made in hard copy form or by electronic means as follows: -

   a) <u>In Hard Copy Form</u>

      The instrument appointing a proxy or representative and the duly registered power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 George Town, Pulau Pinang.

   b) <u>By Electronic Means</u>

      The proxy form may also be lodged electronically by email to info@sshsb.com.my or by fax to +603-2094 9940.

      In either case, not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.

NOTICE OF 32ND ANNUAL GENERAL MEETING (Cont'd)

(A) Notes (Cont'd): -

6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 19 August 2026 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.

7. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy.

8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities ("Listing Requirements"), all resolutions set out in this notice will be put to vote by way of a poll.

(B) Explanatory Notes to Ordinary Business: -

1. The first agenda of this meeting is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval for the Audited Financial Statements from the shareholders. Hence, this Agenda is not put forward to the shareholders for voting.

2. **Resolutions 1 to 4 – Re-election of Directors**

   Regulation 95 of the Company's Constitution states that one-third (1/3) of the Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

   Regulation 102 of the Company's Constitution states that the Director who had been appointed by the Board subsequent to the last AGM, either to fill a casual vacancy, or as an addition to the Board, shall hold office only until the next AGM of the Company and shall be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

   YM Tunku Afwida Binti Tunku Abdul Malek, Mr. Suresh Natarajan and Mr. Piroon Saengpakdee who are due to retire in accordance with Regulation 95 of the Company's Constitution and Mr. Chan Tai Heng, Jeremy who is due to retire in accordance with Regulation 102 of the Company's Constitution and being eligible, have offered themselves for re-election.

   In determining the eligibility of the Directors to stand for re-election at the forthcoming AGM, the Nominating & Remuneration Committee ("NRC") of the Company has assessed and recommended to the Board the re-election of retiring Directors based on the following consideration: -

   (i) satisfactory performance and have met the criteria of Fit and Proper Policy of the Company in terms of character, experience, integrity, competence and time in discharging their duties and responsibilities;
   (ii) level of independence demonstrated by the independent director; and
   (iii) their ability to act in the best interest of the Company in decision-making.

   The Board approved the NRC's recommendation for the re-election of the said retiring Directors pursuant to Regulation 95 and Regulation 102 of the Company's Constitution at the forthcoming AGM of the Company. The said retiring Directors had abstained from the deliberation as well as the decision of their own eligibility to stand for re-election at the relevant NRC and Board meetings.

3. **Resolutions 5 and 6 – Proposed payment of Directors' Remuneration**

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

   Resolution 5 – Payment of Directors' fees in respect of the period from the conclusion of this AGM until the next AGM; and

   Resolution 6 – Payment of Benefit to Directors for the period from the conclusion of this AGM until the next AGM.

   The Board of Directors at its meeting held on 29 May 2026 agreed as a whole, with the NRC's recommendation for the proposed Directors' fees for the period from the conclusion of this AGM until the next AGM. There is no revision to the proposed Directors' fees as compared to the previous 31st AGM of the Company.

   The benefits payable to each Director pursuant to Section 230(1)(b) of the Act have been reviewed by the Board of Directors of the Company, all of whom have recognised that the benefits payable are in the best interest of the Company. The meeting allowance will be accorded based on the attendance of the Director at meetings.

   In the event that the proposed amount is insufficient, e.g. due to enlarged Board size, approval will be sought at the next AGM for the shortfall.

NOTICE OF 32ND ANNUAL GENERAL MEETING (Cont'd)

(B) Explanatory Notes to Ordinary Business (Cont'd): -

4. **Resolution 7 – Re-appointment of Auditors**

Pursuant to Section 271(3)(b) of the Act, shareholders shall appoint auditors who shall hold office until the conclusion of the next AGM in the year 2027. The current auditors, Messrs. KPMG PLT has expressed their willingness to continue in office.

The Board and Audit Committee of the Company have considered the re-appointment of Messrs. KPMG PLT as auditors of the Company and collectively agreed that Messrs. KPMG PLT has met the relevant criteria prescribed by Paragraph 15.21 of the Listing Requirements.

The Board of Directors recommends the re-appointment of Messrs. KPMG PLT as External Auditors of the Company to hold the office until the conclusion of the next AGM.

(C) Explanatory Notes to Special Business: -

1. **Resolution 8 – Authority to issue and allot shares and Waiver of pre-emptive rights**

The Ordinary Resolution proposed herein is primarily to seek for the renewal of the Previous Mandate (as defined herein) to give flexibility to the Board of Directors to issue and allot shares up to 10% of the total number of issued share (excluding treasury shares) of the Company for the time being, at any time in their absolute discretion for such purposes as the Board of Directors considers to be in the best interests of the Company (hereinafter referred to as the "General Mandate") and to waive the statutory pre-emptive rights of shareholders of the Company ("Waiver of Pre-Emptive Rights"). This General Mandate is sought to avoid any delays and costs involved with the convening of a general meeting. This General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate for new shares to be issued pursuant to this resolution may be used to raise funds expeditiously for including but not limited to the following purposes: -

i. Working capital requirements;
ii. Capital expenditure;
iii. Strategic investments;
iv. Acquisitions; and/or
v. Repayment of bank borrowings,

as and when need arises, without delay and cost in convening general meetings to approve such issue of shares. Announcement(s) on the details of the share issuance and utilisation of proceeds thereof will be made in accordance with the Main Market Listing Requirements of Bursa Securities upon finalisation of the details thereof.

The Waiver of Pre-Emptive Rights will allow the Directors of the Company to issue new shares of the Company which rank equally to the existing issued shares of the Company, to any person without having to offer the new shares to all the existing shareholders of the Company prior to the issuance of new shares in the Company under the General Mandate.

The Company had been granted a general mandate by its shareholders at the last AGM held on 20 August 2025 of which will lapse at the conclusion of the 32nd AGM (hereinafter referred to as the "Previous Mandate").

As at the date of this Notice, the Previous Mandate granted by the shareholders had not been utilised and hence, no proceeds were raised therefrom.

The General Mandate, upon renewal, will provide flexibility to the Company for any possible fund-raising activities, including but not limited to placing of shares for the purpose of funding future investment project(s), working capital and/or acquisitions.

NOTICE OF 32ND ANNUAL GENERAL MEETING (Cont'd)

(C) Explanatory Notes to Special Business (Cont'd): -

2. **Resolution 9 – Proposed Renewal of Existing Shareholders' Mandate**

   The proposed Ordinary Resolution 9, if approved by shareholders, will authorise the Proposed Renewal of Existing Shareholders' Mandate for RRPT of a revenue or trading nature and allow the Company and its subsidiaries to enter into RRPT of a revenue or trading nature as set out in Section 2.5 of the Circular to Shareholders dated 30 July 2026, with the related parties in the ordinary course of business which are necessary for the day-to-day operations based on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. This approval shall continue to be in force until the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the meeting; or the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or revoked/varied by resolutions passed by the shareholders of the Company in a general meeting; whichever is the earlier. Further information on the Proposed Renewal of Existing Shareholders' Mandate is set out in the Circular to Shareholders dated 30 July 2026.

3. **Resolution 10 – Retention of Datuk Dr. Wong Lai Sum who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company.**

   Pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance, the Company is recommended to seek shareholders' approval if it intends to retain an independent director who has served the Company for a cumulative term of more than nine (9) years.

   The proposed Ordinary Resolution 10, if passed, will enable the Company to retain Datuk Dr. Wong Lai Sum who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company.

   Both the NRC and the Board have, at the annual assessment, assessed the independence of Datuk Dr. Wong Lai Sum. The NRC and the Board are satisfied with the results and recommended that the resolution be put up for shareholders' approval to retain Datuk Dr. Wong Lai Sum as an Independent Non-Executive Director of the Company based on the following justifications: -

   (i) She remains objective and independent in expressing her views and in participating in the deliberation and decision-making of the Board and Board Committees;
   (ii) Her length of service on the Board does not in any way interfere with her exercise of independent judgement and ability to act in the best interests of the Company;
   (iii) Her knowledge and experience in the industry will continue to contribute positively to the Board and Board Committees in an objective manner; and
   (iv) She has confirmed and declared her independence in writing and has satisfied all the criteria of an Independent Director as set out in Paragraph 1.01 of the Listing Requirements.

   In line with Practice 5.3 of the MCCG, the Company will seek shareholders' approval through two tier voting process for Resolution 10.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Listing Requirements)

1. Details of individuals who are standing for election as Directors

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming 32nd AGM.

2. General mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements

Details of the general mandate to issue securities in the Company pursuant to Section 75 and Section 76 of the Act are set out in Explanatory Note (C)(1) of the Notice of the 32nd AGM.

NOTIFICATION TO SHAREHOLDERS

Dear Valued Shareholders,

THIRTY-SECOND ANNUAL GENERAL MEETING ("32nd AGM")

We are pleased to invite you to the 32nd AGM of SAM Engineering & Equipment (M) Berhad ("Company"), which will be conducted as follows :

Day and Date	:	Friday, 28 August 2026
Time	:	10:00 a.m.
Venue	:	Aman Room, PE3, Plot 17, Hilir Sungai Keluang Tiga, Bayan Lepas Free Industrial Zone, Phase IV, 11900 Penang

A business presentation will commence at 11:30 a.m. at the meeting venue, you may stay with us after the conclusion of meeting.

Please note that the following documents relating to 32nd AGM are available for download via the QR code below and the Company's website at https://www.sam-malaysia.com/ :

1) Annual Report 2026;
2) Notice of 32nd AGM;
3) Proxy Form;
4) Administrative Guide for the 32nd AGM;
5) Circular to Shareholders in relation to the proposed renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature dated 30 July 2026 ("Circular to Shareholders").

If you wish to receive a printed copy of the Annual Report 2026 and/or Circular to Shareholders, please submit your request at https://www.sshsb.com.my/new/requestarep.aspx. We will endeavour to post the printed copy to you as soon as reasonably practicable after the receipt of your written request.

Should you require assistance with the above matter, kindly contact Securities Services (Holdings) Sdn. Bhd., Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 George Town, Penang during office hours at 604-2631966.

We thank you for your continued support to the Company.

By order of the Board,

Yeow Sze Min *(SSM PC No. 201908003120, MAICSA 7065735)*
Poh Ming Yi *(SSM PC No. 202408000861, LS 0010863)*
Company Secretaries

Penang
Date: 30 July 2026

ADMINISTRATIVE GUIDE

32nd Annual General Meeting ("AGM")

Day and Date	:	Friday, 28 August 2026
Time	:	10:00 a.m.
Venue	:	Aman Room, PE3, Plot 17, Hilir Sungai Keluang Tiga, Bayan Lepas Free Industrial Zone, Phase IV, 11900 Penang

REGISTRATION

1. Registration will commence at 9:00 a.m. and will end at the time as may be determined by the Chairman of the meeting.
2. Please present your original Identity Card (IC) or Passport to the registration staff for verification. Please make sure your IC is returned to you after registration.
3. Upon verification, you are required to write your name and sign on the attendance list.
4. You will be given a wristband with bar code ("Wristband") together with a keypad voting device upon registration for electronic voting ("e-voting") purposes.
5. Registration must be done in person. No person will be allowed to register on behalf of another person even with the original IC of that other person.
6. You may proceed to attend the meeting after registration.
7. The registration counter will handle only verification of identity, registration and revocation of proxy/proxies.

BUSINESS PRESENTATION

8. A business presentation will commence at 11:30 a.m. at the meeting venue.

PROXY

9. A member entitled to attend and vote in the meeting is allowed to appoint up to two (2) proxies. Please submit your Proxy Form in accordance with the notes and instructions as stated in the Proxy Form.
10. If you wish to attend the meeting yourself, please do not submit any Proxy Form. You will not be allowed to attend the meeting together with a proxy appointed by you.
11. If you have submitted your Proxy Form prior to the meeting and subsequently decided to attend the meeting in person, please proceed to the registration counter to revoke the appointment of your proxy.
12. Please ensure that the original Proxy Form is deposited at the Company's Registered Office at Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 George Town, Penang or email to info@sshsb.com.my not less than forty-eight (48) hours before the meeting time. No proof of despatch of Proxy Form will be entertained.

CORPORATE MEMBER

13. Any corporate member who wishes to appoint a representative instead of a proxy to attend the AGM should present the original certificate of appointment under the seal of the corporation to the registration staff on the AGM day for registration purpose.

ADMINISTRATIVE GUIDE (Cont'd)

32nd Annual General Meeting ("AGM")

ENTITLEMENTS TO ATTEND, SPEAK AND VOTE

14. Only Depositor whose name appears on the Record of Depositors as at 19 August 2026 or the appointed proxy holder/representative shall be entitled to attend, speak and vote at the 32nd AGM.

SUBMISSION OF QUESTIONS BEFORE MEETING

15. You may email your questions to investorrelations@sam-malaysia.com prior to 32nd AGM by 19 August 2026.

VOTING PROCEDURE

16. The voting at the 32nd AGM will be conducted on a poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements.
17. The Company has appointed Securities Services (Holdings) Sdn. Bhd. as Poll Administrator to conduct the poll by way of e-voting and Commercial Quest Sdn Bhd as Independent Scrutineer to verify the poll results.
18. The presentation slides to guide the shareholders/proxy to cast the votes electronically will be available prior to the commencement of the poll.
19. The keypad voting device is not allowed to be brought out of the meeting hall and is required to be returned to the Company at the conclusion of the 32nd AGM. Shareholders/proxy holders who wish to leave the meeting hall during the meeting, are required to return the said device to the Company at the exit door of the meeting hall.

REFRESHMENT

20. Refreshments shall be served after the meeting, before the Business Presentation.

DOCUMENTS RELATING TO 32nd AGM

Please note that the following documents relating to 32nd AGM are available for download from the Company's website at https://www.sam-malaysia.com/ :

1. Annual Report 2026;
2. Notice of 32nd AGM;
3. Proxy Form;
4. Administrative Guide for the 32nd AGM;
5. Circular to Shareholders in relation to the proposed renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature dated 30 July 2026.

ENQUIRY

For any enquiry prior to the 32nd AGM, please contact the following during office hours:

(a) SAM Engineering & Equipment (M) Bhd. (Tel: 04-643 6789)
(b) Securities Services (Holdings) Sdn. Bhd. (Tel: 04-263 1966)

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FORM OF PROXY

NUMBER OF SHARES HELD	
CDS ACCOUNT NO.	

SAM ENGINEERING & EQUIPMENT (M) BERHAD
Registration No. 199401012509 (298188-A)
(Incorporated in Malaysia)

I/We (Full Name in Block Letters) .... (Tel:) ....

NRIC No./Passport No./Company No. .... of ....

.... being a member

/members of **SAM ENGINEERING & EQUIPMENT (M) BERHAD** ("**Company**"), hereby appoint the following person(s): -

First Proxy		
Name	**NRIC/Passport No.:**	**No. of shares or % of shares to be presented**
(Tel:)		

and

Second Proxy		
Name	**NRIC/Passport No.:**	**No. of shares or % of share to be presented**
(Tel:)		

or failing him/her, the Chairman of the meeting as *my/our proxy to vote in *my/our name(s) on my/our behalf at the Thirty-Second Annual General Meeting ("AGM") of the Company to be held at **Aman Room, PE3, Plot 17, Hilir Sungai Keluang Tiga, Bayan Lepas Free Industrial Zone, Phase IV, 11900 Penang** on Friday, 28 August 2026 at 10:00 a.m. and at any adjournment thereof.

*My/Our proxy is to vote on the resolution referred to in the Notice of AGM as indicated below: -

No.	RESOLUTIONS	For	Against
	ORDINARY BUSINESS		
1.	To re-elect YM Tunku Afwida Binti Tunku Abdul Malek as Director.		
2.	To re-elect Mr. Suresh Natarajan as Director.		
3.	To re-elect Mr. Piroon Saengpakdee as Director.		
4.	To re-elect Mr. Chan Tai Heng, Jeremy as Director.		
5.	To approve the payment of Directors' fee.		
6.	To approve the payment of benefits to Directors (excluding Directors' fee).		
7.	To re-appoint Messrs. KPMG PLT as auditors.		
	SPECIAL BUSINESS		
8.	Ordinary Resolution - Authority to issue and allot shares and Waiver of pre-emptive rights.		
9.	Ordinary Resolution - Proposed renewal of shareholders' mandate for RRPT.		
10.	Ordinary Resolution - Retention of Datuk Dr. Wong Lai Sum as an Independent Non-Executive Director of the Company.		

(Please indicate with an "X" in the appropriate box how you wish your proxy to vote. If no instruction is given, the proxy will vote or abstain at his/her discretion).

** Strike out whichever not applicable.*

Signed this_____________day of ______________2026.

____

Signature of Shareholder / Common Seal

Notes: -

1. *A member may appoint up to two (2) proxies to attend, speak and vote in his place in the Meeting. A proxy may but need not be a member of the Company. If 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. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.*
2. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
3. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA. Where an Exempt Authorised Nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies proportion of its shareholding to be represented by each proxy.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.*
5. *The appointment of proxy(ies) may be made in hardcopy form or by electronic means as follows: -*
   a) *<u>In Hardcopy Form</u>*
      The instrument appointing a proxy or representative and the duly registered power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 George Town, Pulau Pinang.
   b) *<u>By Electronic Means</u>*
      The proxy form may also be lodged electronically by email to info@sshsb.com.my or by fax to +603-2094 9940.
      in either case, not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 19 August 2026 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.*
7. *The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy.*
8. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities ("Listing Requirements"), all resolutions set out in this notice will be put to vote by way of a poll.*
9. *Any alteration in this form must be initialled.*

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STAMP

The Company Secretaries

SAM ENGINEERING & EQUIPMENT (M) BERHAD
Registration No. 199401012509 (298188-A)
(Incorporated in Malaysia)

Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar,
10200 George Town, Penang, Malaysia.

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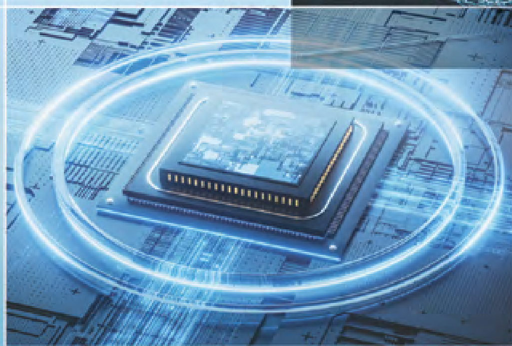

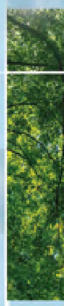

SAM ENGINEERING & EQUIPMENT (M) BERHAD
(199401012509 (298188-A))

Plot 17, Hilir Sungai Keluang Tiga,
Bayan Lepas Free Industrial Zone,
Phase IV, 11900 Penang, Malaysia.
Tel: 604-643 6789 Fax: 604-644 7017

www.sam-malaysia.com