



**KOTRA**

KOTRA INDUSTRIES BERHAD  
[REGISTRATION NO. 199901022732 (497632-P)]

# *Health For Life*

ANNUAL REPORT 2025





## OUR VISION

HUMANISING HEALTH

Everyone deserves a healthier tomorrow



## OUR MISSION

To be the centre of excellence for the pharmaceutical industry



## OUR CORE VALUES

- We act with integrity
- We deliver on commitment
- We are customer oriented
- We work with passion and strong team spirit
- We believe everything is possible





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# CORPORATE INFORMATION



## BOARD OF DIRECTORS

### DATUK JAMALUDIN BIN NASIR

*Independent Non-Executive Chairman*

### PIONG TECK ONN

*Managing Director*

### CHIN SWEE CHANG

*Executive Director*

### LEE MIN ON

*Independent Non-Executive Director*

### DATUK PIONG TECK YEN

*Non-Independent Non-Executive Director*

### PIONG CHEE KIEN

*Non-Independent Non-Executive Director  
(Resigned on 1 March 2025)*

### PIONG CHEE KUAN

*Non-Independent Non-Executive Director  
(Appointed on 1 February 2025)*

## AUDIT COMMITTEE

**Lee Min On** (Chairman)

**Datuk Jamaludin bin Nasir**

**Piong Chee Kien**

*(Resigned on 1 March 2025)*

**Piong Chee Kuan**

*(Appointed as Member on 1 March 2025)*

## REMUNERATION COMMITTEE

**Datuk Jamaludin bin Nasir** (Chairman)

**Lee Min On**

**Piong Chee Kien**

*(Resigned on 1 March 2025)*

**Piong Chee Kuan**

*(Appointed as Member on 1 March 2025)*

**Piong Teck Onn**

## NOMINATION COMMITTEE

**Datuk Jamaludin bin Nasir** (Chairman)

**Lee Min On**

**Piong Chee Kien**

*(Resigned on 1 March 2025)*

**Piong Chee Kuan**

*(Appointed as Member on 1 March 2025)*

## COMPANY SECRETARIES

**Chua Siew Chuan**

(MAICSA 0777689) (SSM PC NO. 201908002648)

**Tan Ley Theng**

(MAICSA 7030358) (SSM PC NO. 201908001685)

## SOLICITORS

Chee Siah Le Kee & Partners  
Advocates & Solicitors

No. 2B, Jalan KLJ 4,  
Taman Kota Laksamana Jaya,  
75200 Melaka, Malaysia.

Tel : 06-283 3423

Fax : 06-284 7251

## REGISTERED OFFICE

No. 60-1, Jalan Lagenda 5,  
Taman 1 Lagenda,  
75400 Melaka, Malaysia.

Tel : 06-288 0210

Fax : -

Email : info@sshbsb.com.my

## BUSINESS OFFICE

No. 1, 2 & 3, Jalan TTC 12,  
Cheng Industrial Estate,  
75250 Melaka, Malaysia.

Tel : 06-336 2222

Fax : 06-336 6122

## REGISTRAR

Mega Corporate Services Sdn. Bhd.  
[Registration No. 198901010682  
(187984-H)]

Level 15-2, Faber Imperial Court,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia.

Tel : 03-2692 4271

Fax : 03-2732 5388

Email : mega-info@megacorp.com.my

## AUDITORS

Crowe Malaysia PLT  
201906000005 (LLP0018817 – LCA) &  
AF 1018

52, Jalan Kota Laksamana 2/15,  
Taman Kota Laksamana, Seksyen 2,  
75200 Melaka, Malaysia.

Tel : 06-282 5995

Fax : 06-283 6449

## PRINCIPAL BANKER

Malayan Banking Berhad (Maybank)

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
Main Market

Stock Name : KOTRA

Stock Code : 0002

Sector : Health Care

Sub-sector : Pharmaceuticals

## DIRECTORS' PROFILE



**DATUK JAMALUDIN BIN NASIR**  
Independent Non-Executive Chairman  
64, Malaysian, Male  
Date appointed: 2 January 2017

### Board Committee memberships:

- Chairman, Remuneration Committee
- Chairman, Nomination Committee
- Audit Committee

### Academic qualification:

- Masters of Business Administration (MBA) from Laredo State University (currently known as Texas A&M International University)
- Bachelor of Science in Finance & Business Economics, Southern Illinois University
- Bachelor of Arts in Economics, Southern Illinois University
- Alumni of Bank Negara Malaysia ICLIF Global Leadership Development Programme

### Experience and career path:

- Senior Group Advisor, SMH Rail from January 2025 till to-date.
- Malaysian Rating Corporation Bhd (MARC):
  - Advisor from June 2024
  - Group Chief Executive Officer from December 2019 till May 2024
  - Chairman, Rating Committee from September 2019 to November 2019
  - Member, Rating Committee from September 2014 till June 2024
- Asian Finance Bank (now known as MBSB Bank) as Deputy Chief Executive Officer from July 2010 to May 2012.
- Malayan Banking Bhd as Group Chief Credit Officer, Maybank Group July 2005 till June 2010.
- Dresdner Kleinwort Wasserstein, an investment bank as its Chief Operating Officer, Malaysia and Director, Capital Markets and Syndicate, Asia Pacific ex Japan based in Singapore from June 1999 till June 2005.
- Dresdner Bank AG, a commercial and institutional bank as General Manager, Labuan and the Group Principal Officer in Malaysia from February 1997 to June 2005.
- Kwong Yik Bank (presently known as RHB Bank) from February 1986 to January 1997. Head and Assistant General Manager, Corporate and Capital Market.

### Other Boards, associations or affiliations:

- Past Board Member of MARC Ratings Bhd
- Past Board Member of MARC Solutions Sdn. Bhd.
- Past Board Member of MARC Data Sdn. Bhd.
- Past Board Member of Bank Pembangunan Malaysia Berhad
- Past Board Member of Aseambankers (M) Bhd (presently known as Maybank Investment Bank)
- Past Board Member of Kleinwort Benson Research (M) Sdn. Bhd.
- Past Board Member of Malaysian German Chamber of Commerce

### Any Other Directorship in public companies and listed issuers:

- Swift Haulage Berhad
- Affin Hwang Investment Bank Berhad
- EI Power Berhad

### Relationships with other Directors/Substantial Shareholders:

- No relationship

### Board Meeting attendance during the financial year ended 30 June 2025:

- Has attended all five (5) Board meetings



**PIONG TECK ONN**  
Managing Director  
67, Malaysian, Male  
Date appointed: 5 June 2000

### Board Committee memberships:

- Remuneration Committee

### Academic qualification:

- Bachelor of Science in Pharmacy (University of Wales, Cardiff, United Kingdom)

### Experience and career path:

- Completed his pre-registration training in a retail and wholesale pharmacy, City Chemist & Asia Pharmacy.
- Joined Kotra Pharma (M) Sdn. Bhd. ("KPM") in January 1984 and pioneered the development of KPM's manufacturing, marketing, research and development ("R&D") departments.
- With experience of more than 42 years and through his protracted efforts, he has also introduced a number of conventional dosage forms ranging from tablets, capsules, creams, ointments, wet and dry syrups as well as injectables, both aseptically and terminally sterilised.
- Under his leadership, KPM has grown from a locally established pharmaceutical company to an internationally recognised company, producing well-known brands such as Appeton, Axcel and Vaxcel.
- Responsible for the Group's overall operations, business strategic directions and driving the Group's initiatives towards achieving its various set of goals.

### Committee served:

- Chairman of the ASEAN Pharmaceutical Industry Club ("APC") (2008-2009)

### Associations or affiliations:

- Past President of the Malaysian Organisation of Pharmaceutical Industries ("MOPI")
- Past Branch Committee Member of Federation of Malaysian Manufacturers ("FMM"), Malacca Branch
- Past Committee Member of FMM Belt & Road Initiative and China Affairs
- Former Member of Sectorial Training Committees ("STCs") for Chemicals & Chemical-Based Products under Human Resource Development Corporation ("HRD Corp")
- Current Executive Council Member of MOPI
- Chairman of Pharma Manufacturing Hub (Export) Sub-Committee under Pharmaceutical Productivity Nexus ("PPN")
- Member of MyMAHIR Future Skills Talent Council ("FSTC") Biopharma & Manufacturing Sector

### Any Other Directorship in public companies and listed issuers:

Nil

### Relationships with other Directors/Substantial Shareholders:

- Brother of Datuk Piong Teck Yen
- Married to Chin Swee Chang
- Uncle of Piong Chee Kuan

### Board Meeting attendance during the financial year ended 30 June 2025:

- Has attended all five (5) Board meetings



## DIRECTORS' PROFILE (CONT'D)



### CHIN SWEE CHANG

Executive Director  
68, Malaysian, Female  
Date appointed: 5 June 2000

#### Academic qualification:

- Bachelor of Science (Hons) in Data Processing (University of Leeds, United Kingdom)

#### Experience and career path:

- Began her career in 1982 as a programmer at Systems Automation Sdn. Bhd., involved in development, implementation, user-training and maintenance of insurance software.
- Was the Analyst Programmer at Eastern Systems Design Sdn. Bhd. in 1984, responsible in the development and maintenance for general accounting, insurance broking, hire purchase/leasing software.
- Head of the Electronic Data Processing Department at Robert Bosch (South East Asia) Pte Ltd in 1987, responsible for user support system coordination.
- Joined KPM in 1993 as IT Manager. Transformed the computerisation of the entire business from a stand-alone personal computer ("PC") environment to a local area network PC multi-user system, with fully integrated material requirements planning, financial and distribution software.
- Implemented and upgraded the Symix/Syteline MRP system and established an in-house IT team.
- Was promoted to the current position, Chief Information Officer. Responsible for overseeing the operations, development and enhancement of Management Information Systems, Order Processing and Administration departments.
- Was the Project Manager for SAP implementation project from 2008 to 2009, replacing the legacy Infor ERP Syteline system.
- Rolled out Mobile Sales System using iPads for the sales team's orders and information. All customers' information is available on the palm of the sales representatives.
- Additionally, currently overseeing employee welfare at KPM, organising health-based activities to ensure a supportive and healthy work environment.

#### Any Other Directorship in public companies and listed issuers:

Nil

#### Relationships with other Directors/Substantial Shareholders:

- Sister-in-law of Datuk Piong Teck Yen
- Married to Piong Teck Onn
- Aunt of Piong Chee Kuan

#### Board Meeting attendance during the financial year ended 30 June 2025:

- Has attended all five (5) Board meetings



### LEE MIN ON

Independent Non-Executive Director  
65, Malaysian, Male  
Date appointed: 2 January 2017

#### Board Committee memberships:

- Chairman, Audit Committee
- Remuneration Committee
- Nomination Committee

#### Professional qualification:

- Chartered Accountant (M), Malaysian Institute of Accountants
- Certified Public Accountant (M), Malaysian Institute of Certified Public Accountants
- Fellow (CFIIA), Institute of Internal Auditors Malaysia

#### Experience and career path:

- Began his career with Peat Marwick Mitchell & Co. (now known as KPMG PLT) in 1979 and retired as a partner of the firm after serving 36 years in the Audit and Consulting Divisions.
- Co-authored the "Corporate Governance Guide: Towards Boardroom Excellence" 1st and 2nd Editions, published by Bursa Malaysia Securities Berhad ("Bursa Securities").
- Served in the Task Force set up by Bursa Securities that was responsible for the development of the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" in 2012.

#### Any Other Directorship in public companies and listed issuers:

- Tan Chong Motor Holdings Berhad
- APM Automotive Holdings Berhad
- Warisan TC Holdings Berhad
- Lii Hen Industries Bhd

#### Relationships with other Directors/Substantial Shareholders:

- No relationship

#### Board Meeting attendance during the financial year ended 30 June 2025:

- Has attended all five (5) Board meetings

## DIRECTORS' PROFILE (CONT'D)



### DATUK PIONG TECK YEN

Non-Independent Non-Executive Director  
58, Malaysian, Male  
Date redesignated: 1 February 2019

#### Academic qualification:

- Lewisham College, United Kingdom

#### Experience and career path:

- Responsible for marketing and sales activities of Kwong Onn Tong Sdn. Bhd. ("KOT") in 1989.
- Sales Manager of KPM in 1989.
- Marketing Manager of KPM in 1995 and was instrumental in formulating and implementing promotions aimed at creating brand awareness.
- Served as the Business Director of KPM who was responsible for the development of exports and international marketing activities of the Group.

#### Awards:

- DMSM, DSM, PJK, JP

#### Any Other Directorship in public companies and listed issuers:

Nil

#### Relationships with other Directors/Substantial Shareholders:

- Brother of Piong Teck Onn
- Brother-in-law of Chin Swee Chang
- Uncle of Piong Chee Kuan

#### Board Meeting attendance during the financial year ended 30 June 2025:

- Has attended four (4) out of five (5) Board meetings



### PIONG CHEE KUAN

Non-Independent Non-Executive Director  
38, Malaysian, Male  
Date appointed: 1 February 2025

#### Board Committee memberships:

- Audit Committee (Appointed on 1 March 2025)
- Remuneration Committee (Appointed on 1 March 2025)
- Nomination Committee (Appointed on 1 March 2025)

#### Academic qualification:

- Master of Pharmacy (University of Nottingham) (2010)
- Registered Pharmacist (General Pharmaceutical Council ("GPhC"))

#### Experience and career path:

- Began his career as a pharmacist at Walgreens Boots Alliance United Kingdom Division in 2011 and progressed to management roles. Managed operational optimisation, rebranding and renovations, staff training, budgeting and change management, consistently delivering superior performance outcome and earning recognition for leadership excellence.
- Senior Leadership at Walgreens Boots Alliance Asia Division (2016-2024): Directed the strategic expansion and operational setup of Boots stores and brands across Europe and Asia. Concurrently led central operations at Headquarter level, implementing global strategies that enhanced efficiency and performance across Boots stores globally (13 countries).
- Played a pivotal role during a key assignment in Shanghai, China by directing Retail Optimisation programs that successfully integrated international best practices with local market needs, significantly boosting regional sales and operational effectiveness.
- Currently the Project Manager at Lonix (M) Sdn. Bhd. since April 2024, spearheaded new product research and market expansion across Asia. Specialised in leveraging best practices from Southeast Asian ("SEA") markets and integrating advanced industry solutions to optimise operations and enhance product offerings.

#### Any Other Directorship in public companies and listed issuers:

Nil

#### Relationships with other Directors/Substantial Shareholders:

- Nephew to Piong Teck Onn, Datuk Piong Teck Yen and Chin Swee Chang

#### Board Meeting attendance during the financial year ended 30 June 2025:

- Has attended two (2) out of two (2) Board meetings

## DIRECTORS' PROFILE (CONT'D)

### Additional Information

**i. Directorship in public companies and listed issuers**

*Save as disclosed above, none of the Directors hold any directorships in any other public companies and listed issuers.*

**ii. Family relationship with Director and/or Substantial Shareholder**

*Save as disclosed herein, none of the Directors has any family relationship with any other Director and/or substantial shareholder of Kotra Industries Berhad.*

**iii. Conflict of Interest/Potential Conflict of Interest**

*Save for the related party disclosures in the Circular to Shareholders dated 29 October 2025, none of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business with Kotra Industries Berhad and/or its subsidiaries.*

**iv. Conviction for offences**

*Other than traffic offences, none of the Directors has any conviction for offences within the past five (5) years and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2025.*



## KEY SENIOR MANAGEMENT'S PROFILE

### CHEAH MING LOONG

Chief Operating Officer

54, Malaysian, Male

Date appointed: 1 November 2015

#### Academic qualification:

- Bachelor of Science in Pharmacy (Liverpool John Moores University, United Kingdom)
- MBA in Marketing (University of Southern Queensland, Australia)

#### Experience and career path:

- 30 years of pharmaceutical experience in both the patent and generic drugs industry.
- Currently, responsible for the daily operation and the strategic development of Kotra Pharma (M) Sdn. Bhd. ("KPM") for Malaysia and international market.
- Has keen involvement and consultation with the Ministry of Health, Malaysia on matters relating to the development of local generic industry, guidelines & policies.
- Committee member for FMM Branding & Intellectual Property (IPR) 2021-26
- Advisory Board for the Pharmacy Faculty, University Malaya for the term 2024-2026.

#### Associations and affiliations:

- Member of Malaysian Pharmaceutical Society ("MPS")
- Member of Malaysian Organisation of Pharmaceutical Industry ("MOPI")
- Member of Federation of Malaysian Manufacturers ("FMM")

### DANIEL CHUA CHONG LIANG

Chief Financial Officer

51, Malaysian, Male

Date appointed: 1 July 2003

#### Academic qualification:

- Bachelor of Business (Accounting) (University of Technology Sydney)

#### Experience and career path:

- More than 28 years of working experience and 22 years of experience in the pharmaceutical industry.
- Worked in the big six (6) international accounting firm with experience in the areas of audit and taxation.
- Currently, responsible for the financial management of Kotra Industries Berhad ("KIB") and KPM.

#### Associations and affiliations:

- Member of Malaysian Institute of Accountants ("MIA")

## KEY SENIOR MANAGEMENT'S PROFILE (CONT'D)

### PIONG CHEE WEI

Executive Director of KPM, a subsidiary of KIB

40, Malaysian, Male

Date appointed: 1 July 2021

#### Academic qualification:

- Master of Pharmacy (University of London, United Kingdom)

#### Experience and career path:

- More than 13 years of experience in pharmaceutical industry.
- Responsible for overseeing the daily operations and strategic development of KPM's over-the-counter ("OTC") sales and marketing department.

#### Associations and affiliations:

- Past President of MPS (Melaka Area)
- Member of MPS
- Alternate Member of MOPI
- Alternate Member of MyMAHIR Future Skills Talent Council ("FSTC") Biopharma & Manufacturing Sector

#### Relationships with other Directors/Substantial Shareholders:

- Son of Piong Teck Onn and Chin Swee Chang
- Nephew to Datuk Piong Teck Yen
- Cousin to Piong Chee Kuan

#### Additional Information

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

*None of the Key Senior Management holds any directorships in any other public companies and listed issuers.*

##### ii. Family relationship with Director and/or substantial shareholder

*Save as disclosed herein, none of the Key Senior Management has any family relationship with any other Director and/or substantial shareholder of Kotra Industries Berhad.*

##### iii. Conflict of Interest/Potential Conflict of Interest

*Save for the related party disclosures in the Circular to Shareholders dated 29 October 2025, none of the Key Senior Management has any conflict of interest or potential conflict of interest, including interest in any competing business with Kotra Industries Berhad and/or its subsidiaries.*

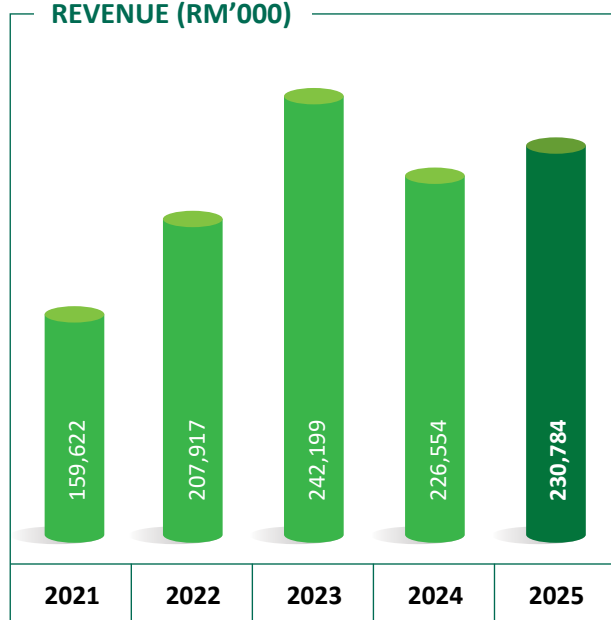
##### iv. Conviction for offences

*Other than traffic offences, none of the Key Senior Management has any conviction for offences within the past five (5) years and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2025.*

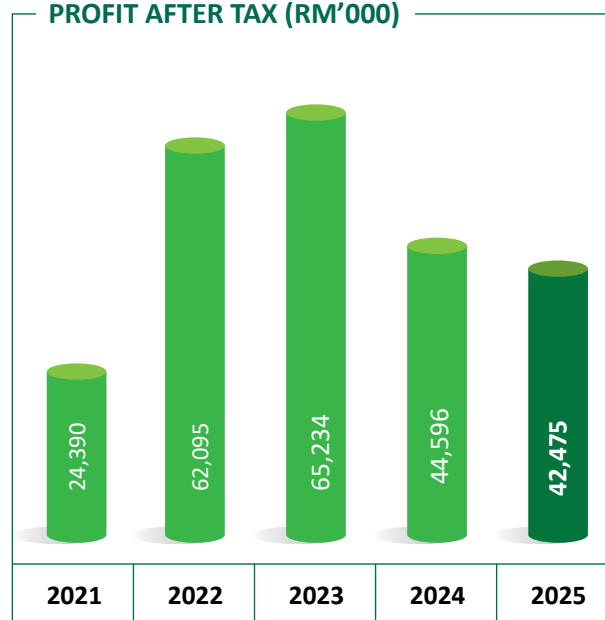
## FINANCIAL HIGHLIGHTS

	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)	2025 (RM'000)
Revenue	159,622	207,917	242,199	226,554	230,784
Profit after tax	24,390	62,095	65,234	44,596	42,475
Profit before tax	26,273	58,279	66,076	56,474	51,356
Shareholders' equity	206,419	244,140	271,079	275,439	280,094
Net assets per share	1.40	1.65	1.83	1.86	1.89
Gearing ratio	0.09	0.03	0.00	0.00	0.01
Return on assets (%)	9.66	20.76	19.75	13.16	12.19
Return on equity (%)	11.82	25.43	24.06	16.19	15.16

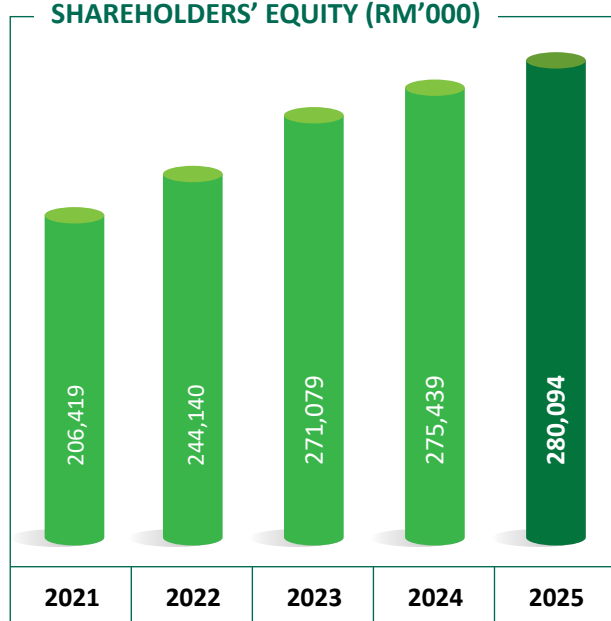
### REVENUE (RM'000)



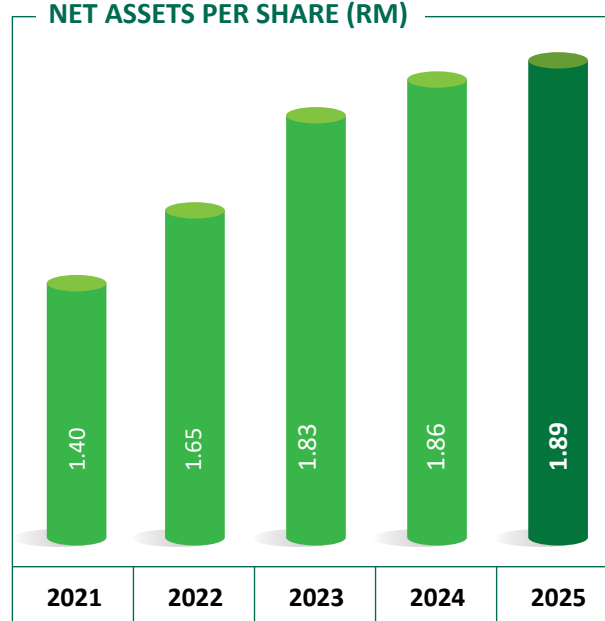
### PROFIT AFTER TAX (RM'000)



### SHAREHOLDERS' EQUITY (RM'000)



### NET ASSETS PER SHARE (RM)





## CHAIRMAN'S STATEMENT

### Dear Valued Shareholders,

On behalf of the Board of Directors ("Board"), it is with much pleasure that I share with you the external recognitions we received during the financial year ended 30 June 2025. For the fourth consecutive year, the Company received The Edge Malaysia Centurion Club Corporate Awards in three categories; "Highest Return on Equity", "Highest Growth in Profit After Tax" and "Highest Return to Shareholders" within the healthcare sector. The Group was also conferred with the MOPI Pharma Industry Award 2024 for "Fastest Growing Revenue (2019-2024)" in the category of more than RM100 million.



Although the financial year was defined by global economic headwinds, I am proud to report that the Group has not only navigated these complexities but has emerged stronger, laying a healthy foundation for sustained, long-term growth and value creation. These awards are recognitions of this resilience and dedication of our people. It certainly strengthens our credibility and provide a solid platform for future growth for our brand and products, both domestically and internationally.



### Our Financial Performance

Despite market volatility, the Group managed to achieve a modest growth, recording a revenue of RM230.8 million during the financial year ended 30 June 2025. This represents a slight increase of 1.9% over the previous financial year's revenue of RM226.6 million. The growth was primarily driven by higher demand for our pharmaceutical products in both our local and export markets, a testament to the strength of our product portfolio and the dedicated efforts of our sales and marketing team.

Our profit before tax ("PBT") amounted to RM51.4 million compared to RM56.5 million for the previous financial year, lower by 9.1% that was mainly attributed by lower interest income and a net foreign exchange loss recorded during the financial year under review. As for the earnings per share, there was a drop from 30.07 sen to 28.64 sen. However, it remained commendable relative to our industry peers and competitors. The Group's financial position remained healthy. Our total assets grew to RM348.5 million in comparison to RM339.0 million in the preceding financial year and our shareholders' funds increased to RM280.1 million with net assets per share strengthening from RM1.86 to RM1.89 in the financial year ended 30 June 2025.

### Rewarding Our Shareholders

A first interim single tier dividend of 12.5 sen per ordinary share was paid on 26 December 2024 in respect of the financial year ended 30 June 2025. With the Group's continued performance and financial health, the Board has declared a second interim single tier dividend of 13.0 sen per ordinary share. This brings the total dividend for the reporting financial year to 25.5 sen.

## CHAIRMAN'S STATEMENT (CONT'D)

### *Our Commitment Towards Corporate Governance and Sustainability*

The Group recognises that good corporate governance is fundamental to sustaining stakeholders' trust and achieving long-term value creation. The Group upholds corporate governance excellence through continuous review and enhancement of our policies, procedures and practices. This ensures alignment with both regulatory developments and leading industry practices. The Board actively discharges its fiduciary duties and responsibilities by providing strategic direction, exercising diligent oversight and adherence to all applicable laws, regulations and ethical standards across the Group's operations.

Integrity forms the foundation of all our activities in the Group. We enforce a zero-tolerance policy towards any form of bribery, corruption or unethical behaviour in our business dealings. Our commitment extends to cultivating an organisational culture where transparency, accountability and ethical decision-making are paramount. To safeguard the Group's future, we continually strengthen our Enterprise Risk Management framework to address financial, operational, sustainability and other critical risks that may impact the Group. This includes proactive identification and mitigation of emerging threats to acceptable levels such as geopolitical uncertainties, supply chain vulnerabilities, product contamination and counterfeit risks, ensuring operational resilience and ethical steadfastness.

Our sustainability journey is an integral part of the Group's operations, not a separate initiative. We are dedicated to minimising our environmental footprint, investing in our people and strengthening our communities. Through these efforts, we ensure the sustainable value we create is shared widely and meaningfully. This approach reflects on our commitment to build a resilient business that serves not just shareholders but all stakeholders.

The Group continued to foster a workplace culture that is both supportive and dynamic. Our employees are our greatest asset and we are dedicated to their wellbeing and professional growth. By championing the principles of diversity, meritocracy and equity, we empower our people to thrive, innovate and drive our Group forward. We remain steadfast in our support for local initiatives, with a particular focus on empowering students through education and uplifting the underprivileged. More details on the Group's practices, initiatives and performance in Economic, Environmental, Social and Governance matters can be found in the dedicated Sustainability Statement section of this Annual Report.

### *Acknowledgement*

I wish to express my deepest gratitude to the Management and every employee across the Group for their unwavering dedication, hard work and commitment. Your relentless efforts and passion continue to drive the Group forward. I would also like to extend my sincere appreciation to my fellow Board members for their invaluable guidance, insightful counsel and diligent oversight. Your wisdom and strategic direction have been indispensable in navigating the complexities of the past year.

On behalf of the Board, I would like to extend our sincere appreciation to Mr. Piong Chee Kien for his contributions during his six years of service as a Non-Independent Non-Executive Director. Mr. Piong Chee Kien resigned from the Board on 1 March 2025 due to other commitments and we wish him every success and fulfilment in his future endeavours.

At the same time, I am delighted to extend a warm welcome to Mr. Piong Chee Kuan, who has been appointed to the Board as the new Non-Independent Non-Executive Director. I believe that his fresh perspective and approach will be an asset to the Board and the Group as a whole. The Board looks forward to work closely with him in our deliberations and I am confident that his contributions will help steer the Group towards a sustainable future.

I would also like to extend my sincere appreciation to our valuable business partners, bankers, suppliers, shareholders and customers, my gratitude for your trust and support. You are instrumental to the Group's progress and I am grateful for the roles each of you play for the Group.

**DATUK JAMALUDIN BIN NASIR**

Independent Non-Executive Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS

### Dear Valued Shareholders,

I am pleased to present the Management Discussion and Analysis (“MD&A”) of Kotra Industries Berhad (“Company”) and its subsidiaries (“Group”) for the financial year ended 30 June 2025. This MD&A provides an overview of the financial and operational performance of the Group as well as the anticipated risks and outlook for the financial year 2026.



#### OVERVIEW

The Group is one of the leading pharmaceutical companies in Malaysia, engaged in developing, manufacturing and supplying pharmaceutical and healthcare products since its inception in 1982. The Group, headquartered in Melaka, Malaysia, currently has its manufacturing facilities in Melaka and a branch office located in Kuala Lumpur, which focuses on sales and marketing activities.

The Group offers a comprehensive portfolio of pharmaceutical and healthcare products designed to support every stage of life, from infancy to old age. Our product development strategy emphasises both treatment and prevention, spanning life-saving medicines, over-the-counter (OTC) supplements, and nutrition. We have built a strong market presence through three core brands: Appeton, which provides premium OTC health supplements and nutrition for all life stages, from prenatal to geriatric; Vaxcel, a range of life-saving injectable medicines for infectious diseases, kidney failure, and gastroenterology; and Axcel, a portfolio of oral and topical medicines specializing in paediatrics, dermatology, and infectious diseases. As of the financial year ended 30 June 2025, we have a portfolio of more than 60 OTC products and 145 pharmaceutical products registered in Malaysia as well as in the international markets that we operate.

Guided by our vision “humanising health, where we believe everyone deserves a healthier tomorrow” and our strong workforce of close to 720 employees, we strive to bring a variety of safe and cost-efficient products accessible to everyone.

#### FINANCIAL REVIEW

For the financial year ended 30 June 2025, the Group recorded a revenue of RM230.8 million, a modest increase of 1.9% from the prior financial year’s revenue of RM226.6 million. This sustained performance highlights the consistent demand for our product portfolio, which has remained robust as the market transitioned to a post-pandemic normalcy.

For the financial year under review, pharmaceutical products maintained their strong market presence, contributing 61% of total revenue, while OTC products accounted for the remaining 39%.

Despite the revenue growth, profit before tax (“PBT”) decreased by 9.1% to RM51.4 million from RM56.5 million compared to the previous financial year. This decline was primarily attributable to a net foreign exchange loss of RM4.9 million recorded in the current financial year. The loss was driven by the weakening US Dollar (“USD”) against the Malaysian Ringgit (“MYR”) during the period, which adversely affected the carrying value of the Group’s USD-denominated assets and transactions upon conversion.

Consequently, profit after tax (“PAT”) declined by 4.8% to RM42.5 million from RM44.6 million. The Group’s tax expense for the financial year under review also reduced, resulting from lower profit before tax and the recognition of overprovision of tax expense relating to prior financial year.



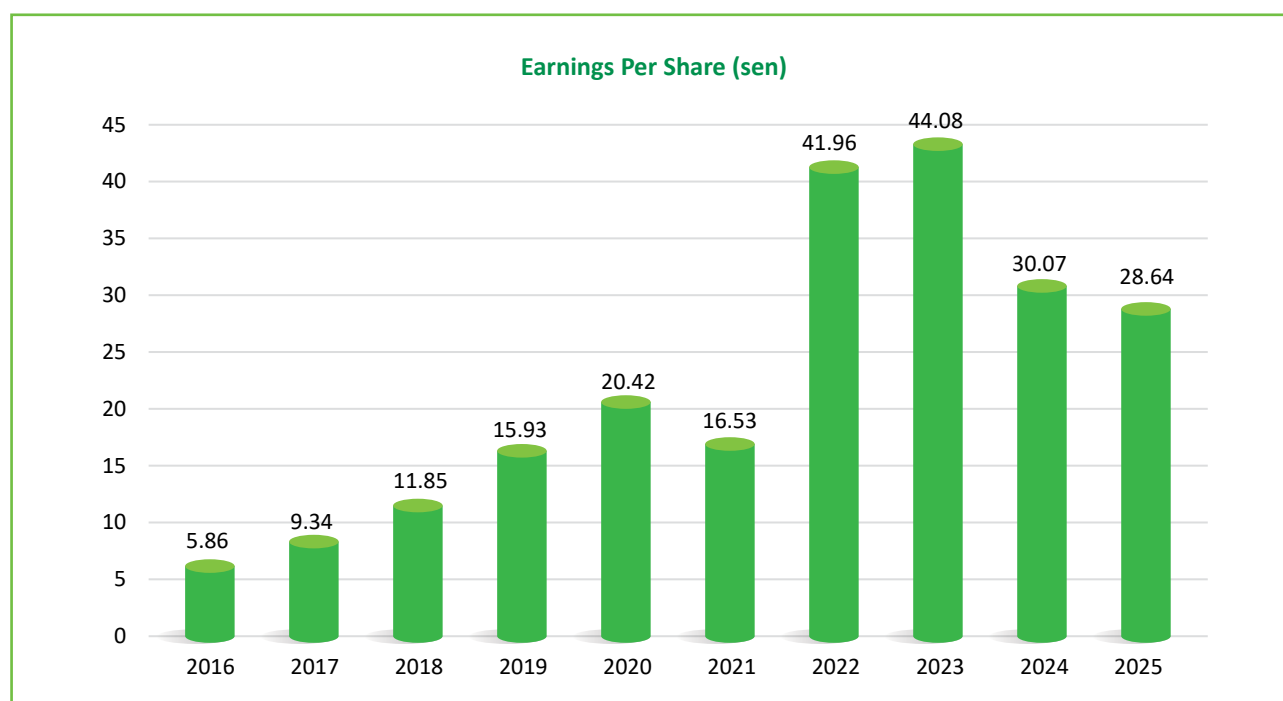
## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### FINANCIAL REVIEW (CONT'D)

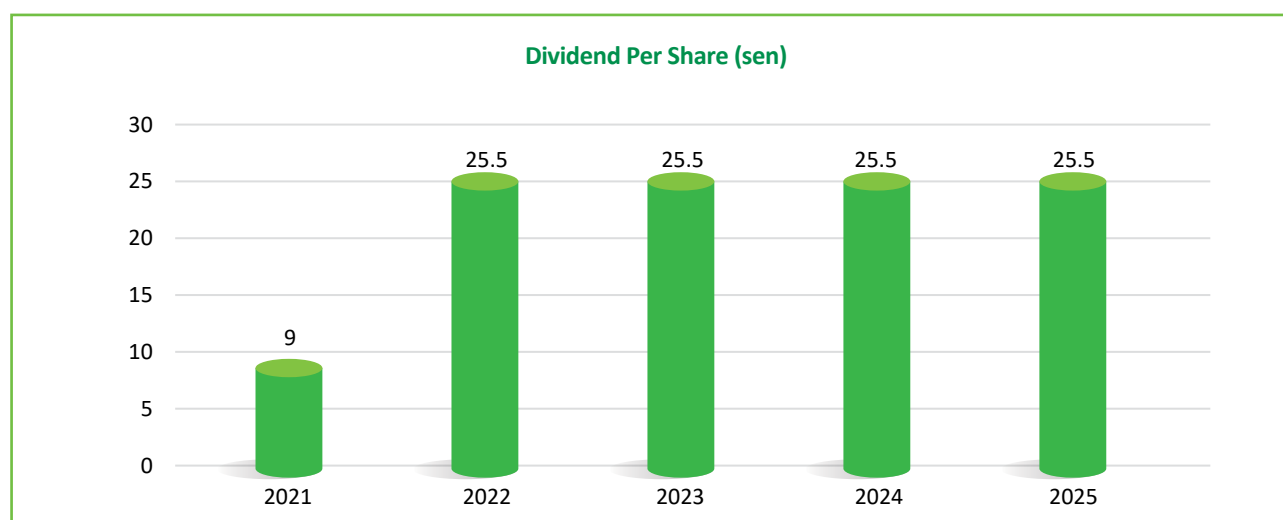
During the reporting period, the Group drew down an initial RM1.5 million from a secured RM61.8 million long-term bank loan facility, with subsequent drawdowns scheduled for the upcoming financial year. To maintain our current liquidity position, the Group employs a balanced funding strategy for its expansion projects. This approach, guided by detailed cash management planning, ensures cash flow sufficiency for both our expansion projects and core operational requirements.

The proceeds have been strategically allocated to fund the construction of new automated warehousing facilities and the addition of three (3) new manufacturing lines. This capital investment is essential for the Group to remain competitive and meet evolving market demands. While this financing will result in a higher gearing ratio, the Management believes this capital expenditure is necessary to secure the Group's long-term operational efficiency and strengthen its market position. These investments are expected to provide a solid foundation for sustainable growth and value creation for our shareholders over the long term.

Earnings per share ("EPS") dropped from 30.07 sen to 28.64 sen per share for the financial year ended 30 June 2025. The following chart illustrates the Group's EPS since 2016:



Dividend per share ("DPS") was maintained at the same level as the previous year, as illustrated below for the last five (5) years:



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### OPERATIONS REVIEW

#### A. Manufacturing (Manufacturing Excellence)

In a pharmaceutical organisation, the quality, efficacy, and timely delivery of products are crucial success factors. For many years, the Group has established consistent adherence to regulatory requirements by having a strong internal quality control system and highly skilled team in place. Our manufacturing facilities comply with the current Good Manufacturing Practices (“cGMP”) requirements of the Pharmaceutical Inspection Co-operation Scheme (“PIC/S”) and our quality management system is certified to the standards of ISO 9001, enabling our products to be consistently produced and controlled to the appropriate quality standards as required by the regulatory agencies. We also have ISO 17025 accreditation for our quality control laboratory to be competent in conducting tests and calibration.

Our current manufacturing capacity utilisation stands at approximately 25% to 40%, leaving us with a significant buffer to accommodate future growth. We believe that this healthy excess capacity, coupled with our state-of-the-art infrastructure and resources, enables our manufacturing facility to efficiently handle large-scale production while maintaining high-quality standards. This operational flexibility allows us to respond swiftly to shifts in market demand, meet both local and international orders, and seize new opportunities as they arise.

During the financial year, the Group continued with the construction of the new automated warehousing facilities and the addition of three (3) new manufacturing lines. While the projects have experienced some slight delays due to their inherent technical complexity, completion is now expected between late 2025 and mid-2026. Throughout this process, our foremost priority has been to uphold the highest standards of quality and safety, ensuring all projects meet their intended operational requirements and performance specifications. The Group has been working diligently to navigate these challenges and remains fully committed to achieving the expected completion schedule without compromising on these fundamental principles.

These new production lines are designed to manufacture products with different dosage forms, strategically diversifying the Group’s existing product portfolio. We anticipate this expansion to unlock new growth opportunities in both the local and international markets. Furthermore, this initiative aligns with the government’s focus on reducing Malaysia’s reliance on imported innovator drugs by enhancing domestic production capabilities and fostering innovation.

Currently, the Group’s storage capacity utilisation exceeds 90%, emphasising the pressing need for expanded warehousing to support future growth. With existing storage facilities operating near maximum capacity, the new automated warehouse under construction is anticipated to streamline inventory management, reduce manual handling, and enhance the Group’s ability to respond more flexibly to market fluctuations. This investment underscores our initiative to integrate automation technology, directly exposing our operations to next-generation logistics solutions to secure a lasting competitive advantage.

Sustainability in manufacturing has been one of our top priorities, as demonstrated by our investment in the solar photovoltaic (“PV”) system installed at our manufacturing facility. With growing pressures from regulators, investors, and customers to adopt sustainability practices, we will continue to find innovative ways to further integrate sustainability into our strategies and operations.



*Construction of the new automated warehouse*

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### OPERATIONS REVIEW (CONT'D)

#### B. New Product Development (Research and Development Excellence)

The pharmaceutical industry in which we operate is intensely competitive and rapidly evolving. To remain relevant and maintain a competitive edge, new product development is both a strategic necessity and a core focus. To deliver high-quality and affordable products that are trusted by our customers and patients, we have consistently invested in our research and development ("R&D") capabilities, supported by a team of more than 40 dedicated and experienced employees.

The Group anticipates continued growth for local generic drug sales in the coming years. This demand is primarily driven by demographic shifts, including an ageing population and a rising prevalence of chronic diseases, compounded by ongoing inflationary pressures. As the cost-of-living increases, cost-conscious consumers are actively seeking more affordable healthcare solutions. Generic drugs, which deliver the same therapeutic benefits as innovator products at a significantly lower cost, are ideally positioned to meet this growing need. Given this trend, we see substantial growth potential in the local generic market and are strategically focused on capitalising this opportunity.

During the financial year ended 30 June 2025, we launched three (3) pharmaceutical products, namely:

- Axcel Lignocaine-P Cream 5g, a topical analgesic formulation for pain relief; and
- Vaxcel Enoxaparin Sodium 4000iu (40mg) and 6000iu (60mg), a low molecular weight heparin anticoagulant used to prevent and treat blood clots.

The launch of the Enoxaparin Sodium products demonstrates our R&D ability and active expansion into biopharmaceuticals; a field we believe represents the future of the pharmaceutical industry. Building on this momentum, we will continue to strategically expand our product portfolio across both generic and biopharmaceutical segments to drive future growth.

We are actively seeking partnerships with established leaders in biopharmaceuticals field, both locally and internationally. We believe such collaborations will facilitate valuable knowledge sharing and technology transfer, significantly benefitting the Group and enhancing our competitiveness in international markets. Given that biopharmaceuticals are typically administered in injectable forms, our four (4) injectables production lines, combined with our 20 years of experience in aseptic operations, uniquely position us to accelerate our transition to this advanced technology.

#### C. International Markets (Global Pharmaceutical Excellence)

Over the years, the Group has dedicated significant efforts towards strengthening our position in the international pharmaceutical market. Our global footprint now spans over thirty-six (36) countries, with a primary focus on key markets, including Indonesia, Myanmar, Vietnam, Cambodia, and Saudi Arabia. This strategic international expansion has been instrumental in diversifying our revenue streams and enhancing our global presence.

For the financial year under review, our international division contributed RM75.2 million to the Group's overall revenue, representing a slight increase from RM74.7 million recorded in the preceding year. This modest growth was achieved despite an evolving global landscape where an increasing number of countries are adopting policies favourable to local sourcing and shifting towards self-supply to secure their supply chains. While this presents a challenge, it also highlights our ongoing commitment to expanding our market reach and deepening our presence in these high-potential regions. The consistent performance of our international division underscores the effectiveness of our global strategy and has established a solid foundation for future revenue growth as we continue to explore new opportunities and markets.

Moreover, the availability of manufacturing capacity puts us in a better position to participate in overseas tender bids, particularly for supplying our pharmaceutical products to foreign public sector healthcare providers, opening a pipeline for sustained international revenue.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### OPERATIONS REVIEW (CONT'D)

#### C. International Markets (Global Pharmaceutical Excellence) (Cont'd)



*Renewal of partnership contract in May 2025 with one of our main overseas distributors.*

#### D. Brand and Marketing (Brand and Marketing Excellence)

The Group believes that brand image is a critical driver in establishing customer loyalty and significantly influencing purchasing decisions. A strong brand not only differentiates us in the competitive market but also builds lasting relationships and credibility with our customers. Over the years, we have invested significantly in brand development, ensuring that our products are synonymous with quality, reliability and innovation. We believe that we have successfully positioned our brands as trusted names in the pharmaceutical industry.

Strategic advertising and promotional efforts have played a vital role in establishing the Group as one of the key players in the market, ensuring our brands are not only visible but also competitive. These efforts have been particularly effective in promoting Appeton, which remains one of the main contributors to our revenue.

Through sustained investments in advertising and promotional activities for Appeton, we have strengthened our brand position, particularly in the local market. These efforts have helped elevate brand awareness and consumer trust, enabling us to differentiate ourselves in a highly competitive industry. By consistently promoting Appeton's unique value propositions, we are able to reinforce our sustainable competitive advantage.

The Group has strategically embraced digital media to enhance our brand image. By effectively utilising social media platforms such as Facebook, Instagram, and TikTok, we have been able to maximise customer engagement and expand our reach through targeted, data-driven advertising campaigns. Interactive content and influencer partnerships have boosted brand visibility and fostered meaningful consumer interactions. Recognising digital marketing as essential for brand building, we intend to continue leveraging these platforms as a core element of our long-term strategy.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### OPERATIONS REVIEW (CONT'D)

#### D. Brand and Marketing (Brand and Marketing Excellence) (Cont'd)

A key digital initiative is our BigLink loyalty programme, a smartphone-based app that allows customers to earn and redeem points (eRM) digitally with every purchase of Appeton products. This innovative platform enhances customer engagement, fosters brand loyalty, and provides valuable data-driven insights into consumer purchasing behaviour.

We continue with outdoor advertising through billboards across Malaysia and other Asian markets where we operate. Additionally, we have taken significant steps to enhance brand presence by strategically positioning our products at customer outlets. This approach not only enables effective communication of product information to both existing and potential customers but also maximises product visibility and accessibility, further strengthening our market position.

For prescribed products, which are subject to advertising restrictions, the Group has focused on building and strengthening brand presence through medical education initiatives. The Group participates annually in medical educational related talks for doctors and pharmacists across the country, covering topics such as paediatrics, dermatology and infectious diseases. Participating in these educational events enables the Group to deepen the medical community's understanding of our products and position our products as trusted and reliable solutions.

Looking ahead, we will focus on high-impact marketing activities that deliver value and increase awareness among our customers. We believe that by combining traditional and innovative marketing strategies, we will effectively reach our target audiences.



*Participated in Overseas Exhibition organised by MOPI*

#### E. Human Capital (People Excellence)

We take pride in our human capital as one of our most valuable assets for driving continuous growth. We are dedicated to fostering a culture that empowers our employees to reach their full potential by developing our leaders and leveraging the strengths of a diverse workforce. While product innovation is crucial, retaining talented employees is equally important to avoid losing valuable experience, skills, and knowledge, which can negatively impact productivity and revenue.

We prioritise acquiring and retaining individuals who align with the Group's values and working culture while also bringing fresh ideas to help realise our vision. By building talents internally, it is not only cost-effective but, more importantly, motivates employees by offering opportunities for continuous development and progression. We have developed succession planning, a strategic framework to identify and develop future leaders among our employees in the Group. Moreover, our job rotation programme provides opportunities for potential candidates to expand their knowledge, exposing them to different experiences and acquiring wider skills to enhance job satisfaction and enrichment.

A strong development programme for human capital enables our employees to acquire the necessary knowledge and skills to face the industry's challenges with confidence. We have continued to organise training internally through the Kotra Institute of Talent Excellence ("KITE"), notably the National Sales Conference and Compass Meetings. We believe that by continuously training and retaining our valued employees, we will improve their overall productivity and performance to continuously contribute to the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### ANTICIPATED RISKS

The business environment in the pharmaceutical industry is continuously evolving, especially given the current global situation. The Group recognises the critical importance of robust risk management in our operational processes. We systematically identify, evaluate, and address various business risks, including financial, operational, regulatory compliance, and competitive threats. Each division's risk owner is responsible for monitoring the identified risks closely. Risk mitigation plans are proposed, implemented, and periodically assessed to ensure their adequacy and effectiveness. All findings and updates are reported to the Audit Committee and Board for ongoing oversight and strategic decision-making. The salient ongoing risks faced by the Group comprise the following:

#### a) Financial and Operational Risk

As a manufacturer of pharmaceutical products, the Group is exposed to risks related to, amongst others, escalating costs of raw materials, especially Active Pharmaceutical Ingredients ("API"), shortage of raw materials, liquidity, credit risk, increase in labour costs as well as accessibility to skilled personnel. Due to our operations in the overseas markets, we are also faced with uncertainties and risks associated with geopolitical instability on a global scale, fluctuations in foreign currency exchange, economic instability and inventory obsolescence that may have a material impact on the Group's financial position and business performance. In addition, any prolonged downturn in the general economic conditions presents risks to the Group's business, such as decrease in healthcare spending by the government and dampened consumer sentiments.

To mitigate the aforementioned risks to acceptable levels, we have been implementing pertinent measures by deploying, inter-alia, pragmatic procedures and internal control, prudent financial management and exercising vigilance in decision-making.

#### b) Regulatory and Compliance Risk in the Pharmaceutical Industry

Regulatory and compliance risks are inherent in the pharmaceutical industry. Changes to regulatory requirements in a specific market in which the Group operates may increase the cost of production and/or lengthen the required time needed for product registration in that market. In such a case, higher costs or delays in product registration may lead to lower margins or hamper targeted sales volumes in the relevant market for the Group.

To mitigate this, the Group engages with relevant regulatory and government authorities as well as participates in pharmaceutical related associations, such as Malaysian Organisation of Pharmaceutical Industries ("MOPI"), which enables the Group to anticipate and respond to regulatory changes swiftly and effectively. Internally, we have implemented a robust compliance management system by embedding controls and compliance process throughout the Group. This includes conducting periodic reviews, providing continuous training, and establishing a dedicated compliance management team consisting approximately 150 members across various departments, such as quality assurance, quality control and regulatory and product development department. This structure enables us to maintain our steadfast commitment towards regulatory compliance.

#### c) Competitive Environment

The pharmaceutical industry plays a pivotal role in improving health care. The Group faces stiff and fierce competition from a myriad of local and foreign players which have more resources than the Group. This competitive environment may threaten our revenue and profit margin if not effectively managed. Moreover, we may experience a rise in protectionist measures from overseas markets as can be seen in recent years, where governments in these countries prescribed policies such as tariffs, import quotas and subsidies to assist their local companies to manage and sustain their businesses against foreign competition.

The Group must be able to effectively respond to these competitive factors and emerging trends, including being mindful of the importance of pricing, promotional investments, customer preferences and trading terms. To remain dynamic, we continue to deepen our focus on quality marketing and brand development, pricing strategy and other relevant imperatives that give us a comparative advantage to effectively deal with the intensity of external pressure. It is essential for us to remain resilient to put up with strong competition to retain our market share and expand our business to the other markets.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### OUTLOOK

The Group's performance during the financial year under review has demonstrated notable resilience, underpinned by consistent product demand and the successful execution of our operational strategy. However, profitability was impacted by significant volatility in foreign exchange rates, which resulted in substantial translation losses on our foreign-denominated transactions and assets. Looking ahead, we remain cautiously optimistic. We anticipate our core product portfolio will continue to deliver resilience and stable financial performance, providing a solid foundation for future growth.

The Group holds a positive outlook on the growth of the Malaysian pharmaceutical industry, which is strongly supported by favourable governmental and demographic trends. The government's unwavering commitment to healthcare is unequivocally demonstrated by the Ministry of Health's ("MOH") record allocation of RM45.3 billion in Budget 2025—the second largest allocation and an increase of approximately 10% from the prior year's RM41.2 billion.

According to the MBSB Research Report on the 13th Malaysia Plan (published 1 August 2025), the pharmaceutical products in Malaysia are projected to experience growth in sales over the next five (5) years, with a compound annual growth rate ("CAGR") to 2030 forecasted at 9.7% for prescription drugs, 5.6% for patented drugs, 6.7% for generics, and 4.4% for over-the-counter products.

Furthermore, the government's national plans—including the National Industry Master Plan 2030 ("NIMP 2030") and the MIDA Investment Performance Report 2024—have officially designated the pharmaceutical sector as a vital engine for Malaysia's economic growth. This favourable policy support underscores a sustained positive outlook for the industry. The growing demand for healthcare is fundamentally driven by two key factors: the rising ageing population and the increasing prevalence of non-communicable diseases ("NCDs"). This creates a strong, underlying foundation for long-term demand for pharmaceutical products. Our management team recognises these demographic trends as a central driver for the industry's expansion. In light of this favourable outlook, we will maintain our agility, enabling us to pivot and make strategic decisions to seize new opportunities as they emerge.

At the same time, external headwinds, including the new US tariffs, shifts in global trade policies, fluctuations in export demand and geopolitical developments remain a point of vigilance for the Group. Although the Group's direct exposure to the US market is limited, we will continue to monitor the secondary effects these tariffs may have on us, such as increased costs for certain imported raw materials, active pharmaceutical ingredients ("APIs") or equipment. Our proactive measures include alternative sourcing, inventory management and continuous operational efficiency improvements to mitigate these external risks effectively.

In addition, the Group recognises our role in enhancing the Social (S) pillar in environmental, social and governance ("ESG") as our products play an important role in helping communities treat or relieve various diseases and improve general health and immunity as well as enhance the population's access to affordable healthcare products. We recognise our responsibility to address the pressures of global sustainability, especially challenges posed by climate change and its associated impacts. A more comprehensive coverage of all our ESG initiatives has been included in the Sustainability Statement of this Annual Report.

Looking ahead, the Group is mindful of ongoing market volatility and economic uncertainties. Despite these potential headwinds, we remain resolute and steadfast in our approach. Our focus will be on optimising cost structure by enhancing productivity and continuous cost rationalisation measures. We are dedicated to improving efficiency across our operations to drive overall performance. Leveraging the strong foundational capabilities within the Group, we are confident in our ability to execute the necessary strategic initiatives for long-term success. We maintain a positive outlook on our growth prospects and are committed to delivering sustained value to our shareholders.

### ACKNOWLEDGEMENT

Navigating this challenging journey has been made possible by the unwavering commitment of our employees and the support of our stakeholders. The Group's progress would not be possible without the dedication and hard work of our management team and employees. I would like to extend my heartfelt gratitude for their tireless efforts and invaluable contributions.

A special mention goes to the Board of Directors for their exceptional guidance and stewardship. I sincerely appreciate their leadership and support. Additionally, I would like to extend a big thank you to all our shareholders, suppliers, bankers, business partners, and clientele for their continued trust and unwavering support over the years.

Looking ahead, the key focus is to maintain our upward trajectory and continue enhancing operational efficiency and shareholders' returns. With the economic uncertainties and challenges ahead, we will continue to exercise caution and prudence in our day-to-day operations. With determination and focus, I am confident that we will be able to navigate the challenges to emerge stronger and deliver our commitments to our stakeholders.

**PIONG TECK ONN**

Managing Director

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) recognises the importance of adopting sound corporate governance practices and is committed to apply the Principles, Practices and Guidance set out in the Malaysian Code on Corporate Governance (“MCCG”) throughout the Company and its subsidiaries (“Group”) as appropriate. By upholding high standards of corporate governance, the Board is provided with the impetus to continuously enhance shareholder value and safeguard stakeholders’ interests with a view to create a sustainable business in the long term.

This Corporate Governance Overview Statement (“Statement”) is prepared pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guided by Practice Note 9 of the MMLR, providing an overview of the application of the three (3) principles set out in the MCCG, as follows:

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

This Statement should also be read in conjunction with the Corporate Governance Report (“CG Report”) which is available on the Group’s website at [www.kotrapharma.com](http://www.kotrapharma.com) and via an announcement on Bursa Securities’ website.

As of the date of this Statement, the Group has applied the Practices prescribed in the MCCG, except for the following:

- Practice 1.4: The Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee;
- Practice 4.4: Evaluation of the Board and Senior Management in addressing the Group’s material sustainability risks and opportunities;
- Practice 5.2: At least half of the Board comprises Independent Directors;
- Practice 5.9: The Board comprises at least 30% women Directors; and
- Practice 8.2: Disclosure on a named basis the top five (5) Senior Management’s remuneration components, including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

The CG Report provides detailed application of the MCCG Practices, including disclosures and explanation on any departures as well as alternative practices adopted by the Company to achieve the Intended Outcomes of the departed Practices.

## PRINCIPLE A: BOARD LEADERSHIP AND RESPONSIBILITIES

### PART I - BOARD RESPONSIBILITIES

#### 1.0 Board’s Leadership

The Board is committed in leading and steering the Group towards achieving its strategic objectives and goals while upholding its core values. In discharging its fiduciary duties and leadership functions, the Board’s overall responsibilities include overseeing the Group’s business conduct, promoting a culture of good corporate governance, ensuring effective shareholder communications and reviewing the adequacy and integrity of internal controls and risk management processes.

The Board is guided by its Board Charter, a main reference for Board members pertaining to their roles and responsibilities. In discharging its oversight function, the Board has established three (3) Board Committees, namely, the Audit Committee (“AC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”) with specific responsibilities delegated to them. The Board Committees assist the Board in deliberating the matters within their respective Terms of Reference. The Board Committees evaluate matters within their purview and provide recommendations to the Board for approval or notation, as the case may be. While the Board Committees perform their specific functions and delegated roles, the ultimate responsibility and decisions on all matters reported by the Board Committee remain with the Board.

The Board Charter and the Terms of Reference of each Committee are available on the Group’s website at [www.kotrapharma.com](http://www.kotrapharma.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND RESPONSIBILITIES (CONT'D)

#### PART I - BOARD RESPONSIBILITIES (CONT'D)

##### 1.0 Board's Leadership (Cont'd)

###### *Chairman and Managing Director*

The roles of the Chairman and Managing Director are separately held by different individuals and their responsibilities are demarcated, with each having distinct and clearly defined authority and responsibilities as prescribed in the Board Charter. This ensures a balanced distribution of power and authority, thereby preventing any single individual from exercising unfettered powers of decision.

The Board is helmed by Datuk Jamaludin bin Nasir, the Independent Non-Executive Chairman, who is responsible for upholding sound governance practices, ensuring the Board's effectiveness and leading the Board in its collective oversight of Management. Mr. Piong Teck Onn, the Managing Director of the Group, oversees the Group's day-to-day operations and implements strategies, policies and decisions approved by the Board. His role is supported by his fellow Executive Director and a Senior Management team, who collectively bring specialised expertise to ensure the Group's smooth functioning.

The Board comprises a majority of Non-Executive Directors, who are qualified individuals, bringing with them diverse and extensive skills, calibre and experience in relation their roles in the Board. The Independent Non-Executive Directors play a crucial role in the Board by providing the element of objectivity and impartial judgment. This enables sufficient checks and balances, preventing any individual or group from exerting undue influence over the Board and the decision-making process.

###### *Company Secretary*

The Board is supported by two (2) qualified and experienced Company Secretaries, both of whom are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). Board members have access to the professional advice and services of the Company Secretaries in ensuring the effective functioning of the Board and Board Committees. Company Secretaries provide administrative and advisory services to the Board and are responsible to ensure all Board procedures and Board management matters align with and comply with the MMLR, MCGG, Companies Act 2016 and other relevant laws and regulations.

At each Board and Board Committee meeting, a Company Secretary or her assistant is present to provide support, ensuring that meetings are duly convened with meeting procedures adhered to. Records of the proceedings and resolutions passed are documented and retained at the Company's registered office.

###### *Access to Information and Advice*

The Company Secretaries prepare an annual calendar in advance for all Board and Board Committee meetings as well as the Annual General Meeting to facilitate Directors' planning and to enable informed participation by all Board members. The Board meets every quarterly, with additional meetings convened when necessary.

Prior to each meeting, a formal notice confirming the venue, time, date and a structured agenda, together with the Board and Board Committee papers, are circulated electronically to all Directors at least seven (7) days in advance. This enables Directors to have sufficient time to peruse the reading materials for effective discussion and decision-making during meetings. The minutes of meetings, as prepared by the Company Secretary, constitute a record of all salient matters discussed, decisions made and conclusions reached during the meetings.

While Directors have full and unrestricted access to all information within the Group, they may also seek independent professional advice on specific issues, whenever deemed necessary with the cost borne by the Company, to make independent and informed decisions.

##### 2.0 Demarcation of Responsibilities

The Board has formalised and adopted a Board Charter, which establishes and delineates the roles, responsibilities, duties and functions of the Board, its Committees and individual Directors. It also sets out a schedule of matters reserved for the Board's decisions for better oversight of the Group's business.

The Board Charter is subject to review by the Board at least once every two (2) years or more frequently when the need arises and in tandem with any changes to the MCGG, MMLR or other rules and regulations impacting Directors' responsibilities. Last updated on 20 May 2025, the Board Charter is available on the Group's website at [www.kotrapharma.com](http://www.kotrapharma.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND RESPONSIBILITIES (CONT'D)

#### PART I - BOARD RESPONSIBILITIES (CONT'D)

#### 3.0 Promoting Good Business Conduct and Corporate Culture

##### *Code of Conduct and Ethics*

The Group's Code of Conduct and Ethics ("Code") prescribes the standards of integrity and good conduct expected of our employees and Directors. The Code requires them to comply with all applicable laws and regulations and uphold ethical standards in all business activities of the Group.

Additionally, the Board is also governed by the Directors' Code of Ethics and Conduct ("Directors' Code"), which is incorporated in the Board Charter.

##### *Whistleblowing Policy and Procedures*

To promote integrity, transparency and accountability, the Group has formalised in writing Whistleblowing Policy and Procedures ("Whistleblowing Policy"). It provides a secured and structured reporting avenue whereby employees, public and external parties can report any actual or suspected misconduct in good faith without fear of reprisal or retaliation. The Whistleblowing Policy was last updated and approved by the Board on 20 May 2025.

##### *Anti-Bribery and Corruption Policy*

In accordance with Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009, the Board has adopted an Anti-Bribery and Corruption ("ABC") Policy, which provides structured guidelines, procedures and controls to prevent bribery and corrupt practices. The Group maintains a zero-tolerance stance towards all forms of bribery, corruption or similar unethical acts. This ABC Policy is crucial for upholding our ethical standards, ensuring compliance with legal requirements and protecting the Group's reputation.

##### *Directors' Fit and Proper Policy*

The Board has adopted a Directors' Fit and Proper Policy ("Policy") in compliance with Paragraph 15.01A of the MMLR. This Policy enumerates the fit and proper criteria that serve as a mandatory guide for evaluating the appointment and re-election of Directors to the Board of the Company and its subsidiaries.

The Policy as well as the Code, Whistleblowing Policy and ABC Policy are available on the Group's website at [www.kotrapharma.com](http://www.kotrapharma.com).

##### *Conflict of Interest Policy*

The Board has established a Conflict of Interest ("COI") Policy for Directors and Key Senior Management on 19 August 2024 to ensure that all actual or potential conflicts of interest are identified and managed effectively. The COI Policy requires all Directors and Key Senior Management to always act in the best interest of the Group to avoid any conflict of interest situations that would be detrimental to the Group. In line with the updated Issuers Communication – Guidance on Conflict of Interest (ICN 1/2023) issued by Bursa Securities, the COI Policy was enhanced and approved by the Board on 20 May 2025.

#### 4.0 Sustainability Governance

The Board of Directors is responsible for overseeing the Group's sustainability efforts, including environmental, social, and governance ("ESG") matters. This oversight includes setting the strategic direction and ensuring that sustainability considerations are integrated into the Group's business practices and decision-making processes. Day-to-day implementation and operational execution of these sustainability strategies are led by the Managing Director, supported by Heads of Department and Managers.

The Group engages with stakeholders through various communication methods to enhance understanding of our operations and to gather feedback on relevant issues which are to be considered when strategies are developed. Further details on our key stakeholders, engagement channels and their areas of interest or concern are disclosed in the Sustainability Statement of this Annual Report 2025.

The Board is committed to staying abreast with evolving business environment, including sustainability issues that are relevant to the Group's strategies and operations. With support from the NC, the Board evaluates Directors' training programmes on an annual basis to ensure they are aware of the latest developments and emerging sustainability issues. Details of training attended are disclosed in this Statement.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND RESPONSIBILITIES (CONT'D)

#### PART II - BOARD COMPOSITION

##### 5.0 Composition and Independence of the Board

The Board consists of six (6) members, of whom are two (2) Executive Directors, two (2) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. This composition ensures a majority of Non-Executive Directors and complies with Paragraph 15.02 of the MMLR, which requires at least two (2) Directors or one-third of the Board members, whichever is higher, to be Independent Non-Executive Directors. The Board members possess a range of skills, calibre and experience, commensurate for an effective oversight of the Group. The profile of each Director is presented in the Directors' Profile section of this Annual Report 2025.

The following changes to the Board composition occurred during the financial year ended 30 June 2025:

- The appointment of Mr. Piong Chee Kuan as a Non-Independent Non-Executive Director, effective 1 February 2025; and
- The resignation of Mr. Piong Chee Kien as a Non-Independent Non-Executive Director, effective 1 March 2025.

The Independent Non-Executive Directors are integral to the Board's governance by providing necessary checks and balances on the Board's deliberation and decision-making. They are independent of Management, with no business, family or other relationships that could impair their objectivity and impartiality in the Board. They provide effective oversight, unbiased views and objective perspectives to all deliberations. This oversight is reinforced with the support of Non-Independent Non-Executive Directors, enabling the Board to constitute a majority of Non-Executive Directors and collectively engendering a boardroom culture of accountability, fair and balanced decision-making.

Although the Company does not apply Practice 5.2 of the MCCG which prescribes at least half of the Board to comprise Independent Non-Executive Directors, the Board believes the existing number and current composition of Board members are sufficient and represent an adequately balanced group of experienced individuals, with the requisite experience and skills which are commensurate with the Group's needs, considering the nature, size and volume of its business.

During the financial year under review, the Board revised its policy on the tenure of Independent Non-Executive Director from nine (9) years to twelve (12) years in line with the MMLR. Upon completion of the tenure, the Independent Non-Executive Director shall step down from the Board.

##### ***Appointment of Directors and Senior Management, including Gender Diversity***

The Board has established robust procedures for the appointment of new Directors. The NC is responsible to identify, assess and nominate suitable candidates to the Board for consideration on appointment as Director. For each prospective candidate, the NC conducts a fit and proper assessment prior to recommending or otherwise to the Board for consideration. When evaluating potential candidates, the NC considers a range of criteria, including their character, competence, knowledge, expertise, experience, time commitment, professionalism and integrity. The NC also assesses the candidate's ability to discharge the duties as expected, especially for candidates to be considered as Independent Non-Executive Directors.

The Group Managing Director is responsible for selecting and appointing Senior Management, guided by established criteria that assess leadership qualities, character, relevant experience, skills, capabilities, integrity and competencies. These criteria ensure candidates are well-suited to drive the Group's objectives and strategies.

The Board affirms its commitment to fair and equal opportunities to all and does not support any form of discrimination pertaining to ethnicity, cultural background, age or gender. All appointments to the Board and Senior Management are based on merit in the context of diversity in skills, experience, knowledge and other factors which are in the best interests of the Group. Reflecting this principle, the Group's Diversity Policy, approved by the Board, emphasises on qualitative diversity factors and does not prescribe any quantitative targets for gender composition, both at the Board and Senior Management levels. This Diversity Policy is available on the Group's website at [www.kotrapharma.com](http://www.kotrapharma.com).

##### ***Appointment and Re-election of Directors***

Pursuant to the Company's Constitution, all Directors shall retire at least once every three (3) years and are eligible for re-election at the Company's Annual General Meeting ("AGM"). In addition, the Constitution and MMLR also require the newly appointed Directors to hold office only until the next AGM and shall be eligible for re-election. For the financial year ended 30 June 2025, the NC met and assessed the retiring Directors' eligibility for re-election at the forthcoming AGM. The retiring Directors have declared to the NC their conformance to the Group's fit and proper criteria, including any conflict of interest and competing interest with the Group, using the Board-approved prescribed forms.

Upon assessing such declarations and in the absence of any inconsistencies that it was aware of, the NC recommended to the Board, who concurred to include the resolution on the re-election of retiring Directors to be tabled for shareholders' approval. A statement confirming the Board's and NC's satisfaction with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the forthcoming AGM, is included in the explanatory notes of the Notice of AGM.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND RESPONSIBILITIES (CONT'D)

#### PART II - BOARD COMPOSITION (CONT'D)

##### 5.0 Composition and Independence of the Board (Cont'd)

###### *The Nomination Committee*

The NC comprises exclusively Non-Executive Directors, with a majority being Independent Non-Executive Directors. The Board has tasked the NC with identifying and recommending suitable candidates for directorship and for conducting the annual performance evaluation of the Board, its Committees and individual Directors.

The members of the NC are as follows:

- Datuk Jamaludin bin Nasir – Chairman, Independent Non-Executive Director;
- Lee Min On – Member, Independent Non-Executive Director;
- Piong Chee Kien – Member, Non-Independent Non-Executive Director  
(Resigned as a NC Member on 1 March 2025); and
- Piong Chee Kuan – Member, Non-Independent Non-Executive Director  
(Appointed as a NC Member on 1 March 2025).

The Nomination Committee held a total of three (3) meetings and has undertaken the following activities for the financial year ended 30 June 2025:

- (i) Assessed the performance and effectiveness of the Board as a whole, the Board Committees and the individual Directors;
- (ii) Reviewed the terms of office and performance of the AC and each of its members;
- (iii) Conducted the annual evaluation of the Key Officers and Directors of Subsidiaries of the Company;
- (iv) Reviewed the independence of the Independent Non-Executive Directors based on the criteria as prescribed under the MMLR;
- (v) Reviewed the continued eligibility of retiring Directors and their written consent to act, before recommending their re-election to the Board;
- (vi) Reviewed and recommended to the Board, the appointment of Mr. Piong Chee Kuan as the Non-Independent Non-Executive Director; and
- (vii) Reviewed the revised Terms of Reference of Remuneration Committee and Board Charter before recommending to the Board for approval.

##### 6.0 Overall Effectiveness of the Board and its Individual Directors

The Board has delegated to the NC the responsibility of conducting an annual evaluation of the performance and effectiveness of the Board as a whole, the Board Committees and individual Directors. For the financial year under review, the NC helmed the evaluation, which was conducted through a self and peer assessment approach, using pre-set questionnaires. These questionnaires cover key areas such as Board's and Board Committee's effectiveness, individual Director's performance and the Board's structure, size, and composition.

The NC also assessed the independence of the Independent Non-Executive Directors based on a declaration by the Directors concerned their conformance to the independence criteria prescribed by the MMLR. The Board was generally satisfied with the level of independence demonstrated by the two (2) Independent Non-Executive Directors, with no indications that could compromise or interfere with their ability in exercising independent and objective judgement.

Based on the evaluation conducted, the NC was satisfied with the current Board composition, with a consensus that the Directors have shown effectiveness and dedication in serving the Board, both in terms of their time commitment and active participation at meetings. Following assessment of the suitability and eligibility of the retiring Directors to continue serving on the Board, the NC recommended to the Board the re-election of retiring Directors at the upcoming AGM of the Company.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A: BOARD LEADERSHIP AND RESPONSIBILITIES (CONT'D)

### PART II - BOARD COMPOSITION (CONT'D)

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

##### Time Commitment

The Directors are cognisant of the time commitment required to fulfil their fiduciary duties and responsibilities. Scheduled meetings are held on a quarterly basis with additional meetings convened when necessary. In most cases, the Company leveraged on technology by conducting Board and Board Committee meetings online to facilitate meeting participation. The Board was satisfied that all Directors met the minimum attendance requirement of 50% of Board meetings during the financial year under review as stipulated by the MMLR.

The Directors' attendance record for the financial year ended 30 June 2025, is as below:

Meeting attendance for the financial year ended 30 June 2025					
No.	Director	Board	AC	NC	RC
1.	Datuk Jamaludin bin Nasir	5/5	5/5	3/3	1/1
2.	Lee Min On	5/5	5/5	3/3	1/1
3.	Piong Chee Kien	4/4	4/4	2/2	1/1
4.	Datuk Piong Teck Yen	4/5	-	-	-
5.	Piong Teck Onn	5/5	-	-	1/1
6.	Chin Swee Chang	5/5	-	-	-
7.	Piong Chee Kuan	2/2	1/1	1/1	-

*Note: On 1 February 2025, Mr. Piong Chee Kuan was appointed as the Non-Independent Non-Executive Director. Mr. Piong Chee Kien resigned from the Board as the Non-Independent Non-Executive Director on 1 March 2025.*

The Board recognises the importance of continuous professional development to enable Directors to discharge their roles and responsibilities effectively. The Directors undergo training programmes and seminars from time to time or as deemed necessary to keep abreast with market developments, corporate governance promulgations, prevailing business landscape, industry practices, statutory and regulatory changes.

During the financial year under review and up to the date of this Statement, the Directors attended various trainings, which included briefings, seminars, workshops and conferences conducted by the relevant regulatory authorities and professional bodies. All Directors have completed the Mandatory Accreditation Programme ("MAP") Part I and MAP Part II as of the date of this Statement.

The details of the trainings attended by the Directors during the financial year ended 30 June 2025 are listed in the table below:

Name of Directors	Trainings Attended
Datuk Jamaludin bin Nasir	Mandatory Accreditation Programme Part II: Leading For Impact ("LIP")
Piong Teck Onn	MOPI Regulatory Plus Conference
	Knowledge of Biologic/Biosimilar
	Seminar on Training of Preceptor ("TOP") for Provisionally Registered Pharmacists
	Workshop on Streamlining Approval Process for Pharmaceutical Plant Construction
	Webinar on Exporting Pharmaceutical Products to UAE and Saudi Arabia
Datuk Piong Teck Yen	Mandatory Accreditation Programme Part II: Leading For Impact ("LIP")

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND RESPONSIBILITIES (CONT'D)

#### PART II - BOARD COMPOSITION (CONT'D)

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

###### Time Commitment (Cont'd)

Name of Directors	Trainings Attended
Chin Swee Chang	Liability Insurance "Policy Coverage, Marketing and Claims"
	Marine Cargo and Goods In Transit Insurance
	Agent Engagement Session: e-Invoice
	Demystifying the Intricacies of Air Insurance Claims
	Overview of Persatuan Insurans Am Malaysia ("PIAM")
	FlexiCo Medical Insurance
	New Product - Travel Cruise
	Fair Treatment of Financial Consumers ("FTFC")
	Legal Concepts, Risk Management and Key Liability Products
	Comprehensive insights of the revised Fire Tariff ("RFT")
	Anti-Bribery and Corruption ("ABC") Training
	Mandatory Accreditation Programme Part II: Leading For Impact ("LIP")
Lee Min On	Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"): Fraud Risk Management
	Malaysian Institute of Certified Public Accountants ("MICPA"): MICPA-CA ANZ Conference 2024
	Malaysian Institute of Corporate Governance: Sustainability-related Risks & Opportunities
	Securities Commission Malaysia: Audit Oversight Board Conversations with Audit Committee 2024
	Mandatory Accreditation Programme Part II: Leading For Impact ("LIP")
Piong Chee Kuan	Mandatory Accreditation Programme Part I

#### PART III - REMUNERATION

##### 7.0 Remuneration Policies and Decisions

The RC comprises a majority of Non-Executive Directors, with the Committee Chairman being an Independent Non-Executive Director. The Group's remuneration matters are under the purview of the RC, guided by its Board-approved Terms of Reference which are available on the Group's website at [www.kotrapharma.com](http://www.kotrapharma.com).

The members of the RC are as follows:

- Datuk Jamaludin bin Nasir – Chairman, Independent Non-Executive Director;
- Lee Min On – Member, Independent Non-Executive Director;
- Piong Teck Onn – Member, Group Managing Director;
- Piong Chee Kien – Member, Non-Independent Non-Executive Director  
(Resigned as a RC Member on 1 March 2025); and
- Piong Chee Kuan – Member, Non-Independent Non-Executive Director  
(Appointed as a RC Member on 1 March 2025).

In line with Practice 7.1 of the MCGG, the Board has established Policies and Procedures for the Remuneration of Directors and Senior Management ("Policies and Procedures"). For Executive Directors, their remuneration is structured, linking rewards to the performance of the Group and individuals, with reference to companies of comparable business, and market capitalisation. The remuneration of Non-Executive Directors is pegged against their roles, experience, expertise, level of responsibilities and participation in meetings. The remuneration of Non-Executive Directors, comprising fixed annual fees and meeting allowances, is determined by the Board and is subject to shareholders' approval at AGM.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND RESPONSIBILITIES (CONT'D)

#### PART III - REMUNERATION (CONT'D)

##### 7.0 Remuneration Policies and Decisions (Cont'd)

The RC reviewed, deliberated, and recommended to the Board the remuneration of Directors for the financial year ended 30 June 2025, with the respective Directors abstaining from deliberations concerning their own remuneration.

The remuneration of Senior Management is reviewed and decided by the Group Managing Director on an annual basis. The components of remuneration packages consist of basic salary, bonus and other benefits which are reflective of their qualifications, experience, market competitiveness, responsibilities and the performance of the Group and individuals.

##### 8.0 Remuneration of Directors and Senior Management

The total remuneration received by the Directors for the financial year ended 30 June 2025 amounted to RM421,700 from the Company and RM3,829,017 from the Group. Detailed remuneration for each Director on a named basis is disclosed in accordance with Practice 8.1 of the Corporate Governance Report ("CG Report"). The CG Report is accessible on Bursa Securities and via the Group's website at [www.kotrapharma.com](http://www.kotrapharma.com).

The Board has decided not to disclose the remuneration of the top five (5) Senior Management on a named basis as such disclosure is prejudicial to the Group's best interest and could adversely affect the Group's position given the highly competitive human resource environment in which the Group operates. Due to the sensitive nature of such information and to prevent talent poaching, the Board has opted for an alternative approach under Practice 8.2 in the CG Report for the information of shareholders.

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### PART I - AUDIT COMMITTEE

##### 9.0 Effective and Independent Audit Committee

The AC comprises three (3) Non-Executive Directors, majority of whom are Independent Directors. The AC Chairman is not the Board Chairman, ensuring independent oversight and therefore, aligns with Practice 9.1 of the MCCG. The AC is guided by their Terms of Reference, available on the Group's website at [www.kotrapharma.com](http://www.kotrapharma.com).

In line with Practice 9.2 of the MCCG, the AC observes a cooling-off period of at least three (3) years before appointing any former partner of the external audit firm or its affiliates as a member of the AC. All AC members are financially literate, the attribute of which is essential to assist the Board in overseeing financial reporting, ensuring its accuracy, completeness and compliance with applicable financial reporting standards. The AC is also responsible to review related party transactions and conflict of interest situations, within the Group, including the mitigating measures thereof, as well as the provision of non-audit services by the External Auditors and/or their affiliates.

Further details on the AC's composition and summary of work done during the financial year ended 30 June 2025 are set out in the Report of the Audit Committee, included in the Company's Annual Report 2025.

##### *External Auditors*

The External Auditors have provided assurance to the AC regarding their independence, i.e., they were and had been independent throughout the audit engagement for the financial year under review. The AC conducted an annual assessment on the performance, suitability, objectivity and independence of the External Auditors by using pre-set questionnaires adapted from Bursa's Corporate Governance Guide (4th Edition). This evaluation included consideration on the level of audit fees to ensure a quality audit was conducted, including the nature and extent of non-audit services and the associated fees to prevent any compromise on the External Auditors' independence and objectivity.

For the financial year ended 30 June 2025, the AC was satisfied with the outcome of this assessment and recommended that the Board endorse the re-appointment of the External Auditors for the upcoming financial year, subject to shareholder approval at the forthcoming AGM.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### PART II - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

##### 10.0 Sound Risk Management and Internal Control Framework

The Board recognises its statutory responsibility in establishing and maintaining a sound risk management and internal control framework within the Group. The AC assists the Board by overseeing the Group's Enterprise Risk Management ("ERM") framework and regularly evaluates its adequacy and effectiveness, with assistance from an outsourced independent service provider appointed, namely BDO Governance Advisory Sdn Bhd ("BDOGA"). The ERM framework is designed to identify, manage and mitigate significant risks as well as to safeguard stakeholders' interests and protect the Group's assets. The principal business risks are rated, prioritised according to their likelihood of occurrence and potential impact, and are compiled through risk registers and risk profiles, facilitated by BDOGA and in conjunction with the various process and risk owners. Significant risks are managed to acceptable levels through the implementation of suitable internal controls by Management, helmed by the Group Managing Director on an ongoing basis.

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

##### 11.0 Internal Audit Function

The Group's Internal Audit function was outsourced to BDOGA during the financial year under review. BDOGA was independent of the activities it audited and was free from any relationship or conflict of interest that could impair its objectivity. The Internal Audit function was led by the Head of Internal Audit and had a clear line of reporting to the AC. To further safeguard independence, the Head of Internal Audit function was distinct from the BDOGA personnel responsible for the Group's risk update.

BDOGA supported the Board and AC by providing an independent assessment of the adequacy and effectiveness of the Group's internal control systems. The Internal Audit function adopted a risk-based audit approach, with standards and practices aligned to the International Professional Practices Framework ("IPPF") of the Institute of Internal Auditors.

Internal audit was carried out based on a plan approved by the AC. All audit findings, along with Management's action plans and responses thereto, were reported directly to the AC. This process provided the AC with assurance and comprehensive and timely insights into the effectiveness of the Group's internal controls systems.

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

#### PART I - ENGAGEMENT WITH STAKEHOLDERS

##### 12.0 Continuous Communication Between the Company and Stakeholders

The Board is mindful of accurate and timely dissemination of material information to shareholders, stakeholders and the public at large. The Group maintains an active communication approach by leveraging various channels, including information technology.

The Board is guided by the disclosure requirements of the MMLR and the Corporate Disclosure Guide issued by Bursa Securities. To promote transparency, foster trust and support informed decision-making, the Board has established pertinent Corporate Disclosure Policies and Procedures ("CDPP"). The CDPP provide specific guidance on the disclosure of material information, maintaining confidentiality and dissemination of information.

All material information is released via Bursa Securities, allowing shareholders and other stakeholders to access the Group's financial results and all other announcements. The Board reviews and approves all such announcements prior to their release to regulators, except for administrative matters, which are delegated to the Company Secretaries.

The Group maintains a corporate website that features a dedicated Investor Relations section, where information such as announcements, corporate policies, Annual Reports, Board Charter, Terms of Reference, AGM notices and minutes are readily accessible. Shareholders and the public may also submit queries through the e-mail contact available in the Investor Relations section and all relevant concerns are addressed promptly.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### PART II - CONDUCT OF GENERAL MEETINGS

##### 13.0 Shareholders' Participation and The Board and Senior Management Engagement

The Company's AGM serves as an important platform for a direct communication and engagement between the Board and shareholders. The Chairman of the Board chairs the AGM and ensures that the AGM is conducted in an orderly manner. The Chairman encourages shareholders' participation by allocating sufficient time for them to exercise their rights to raise questions and express concerns regarding all aspects of the Group's business and performance, including both financial and non-financial matters.

Shareholders are provided with the notice and agenda of AGM at least twenty-eight (28) days prior to the AGM, in line with Practice 13.5 of the MCGG. This advance notice provides adequate time for shareholders to review the Annual Report, assess all proposed resolutions and make necessary arrangements to participate and vote, whether on their own or by appointing proxy.

The date of the AGM is scheduled in advance to ensure that all Directors are present to provide meaningful responses to questions addressed to them. The Twenty-Fifth ("25th") AGM was held virtually with all Directors, Senior Management, Company Secretary and representative of External Auditors in attendance at the Broadcast Venue to address questions raised by shareholders and proxies. The Executive Director of Kotra Pharma (M) Sdn. Bhd. presented the operational and financial performance for the financial year ended 30 June 2024, alongside an overview of the Group's activities, key challenges, market outlook and strategies for the following financial year.

By utilising Remote Participation and Voting ("RPV"), the shareholders casted their votes and submitted real-time questions. Live queries and pre-submitted questions (including from Minority Shareholder Watch Group) were made visible to all meeting participants. The Directors and Senior Management addressed and responded to the questions raised during the 25th AGM. All resolutions were voted on by poll, and an independent scrutineer was appointed to validate the votes for each resolution. The poll results were announced prior to conclusion of the 25th AGM by the Chairman and were published on the Group's website and via Bursa Securities on the same day.

The minutes of the 25th AGM were uploaded on the Group's website at [www.kotrapharma.com](http://www.kotrapharma.com) within thirty (30) business days after the AGM.

#### KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board remains committed to uphold good governance and ethical standards while enhancing oversight of sustainability initiatives. In tandem with increased scrutiny by stakeholders on the environmental, social and governance ("ESG") agenda, the Board will pivot its focus towards engendering ESG consideration in the Group's Policies on Remuneration for Directors and Senior Management.

The Board is also mindful of the National Sustainability Reporting Framework issued by the Advisory Committee on Sustainability Reporting, which prescribes compliance, on a phased approach, with IFRS S1: Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures issued by the International Sustainability Standards Board. Accordingly, the Board, together with Management, will implement a process to capture the quantitative and qualitative information mandated by the IFRSs mentioned above, for disclosure.

This CG Overview Statement was approved by the Board on 7 October 2025.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Statement on Risk Management and Internal Control ("Statement") set out below has been prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and accords with the Guidelines for Directors of listed issuers published by Bursa Securities. The Malaysian Code on Corporate Governance ("MCCG") requires the Board of Directors ("Board") to establish an effective risk management and internal control framework, the features of which, including its adequacy and effectiveness, should be disclosed.

Accordingly, the Board is pleased to provide the following Statement which outlines the nature and scope of risk management and internal controls deployed by the Group during the financial year ended 30 June 2025 and up to the date of this Statement.

## BOARD'S RESPONSIBILITY

The Board recognises the importance of maintaining the Group's system of risk management and internal control to safeguard shareholders' investment and the Group's assets. The Board is responsible for the establishment of an appropriate control environment and framework as well as reviewing its adequacy and operating effectiveness. The system of risk management and internal control addresses business risks that the Group is exposed to and the implementation of controls to mitigate those exposures to acceptable levels. However, due to its inherent limitations, the system can only mitigate and not completely eliminate risks that prevent the Group from realising its business and corporate objectives. Therefore, the system can only provide reasonable, but not absolute, assurance against material misstatement, loss or fraudulent activities.

The Board acknowledges that identifying, evaluating and managing the significant risks faced by the Group is a continuous process. On an annual basis, the Board, via the Audit Committee ("AC"), evaluates the adequacy and operating effectiveness of the system of risk management and internal control and, where appropriate, requires Management to implement pertinent controls to address emerging issues or areas of control deficiencies. This process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

## RISK MANAGEMENT FRAMEWORK

The Group's Enterprise Risk Management framework ("ERM Framework"), which was formalised in writing with the assistance of an independent professional firm of consultants, entails the compilation of the Group's risk profile, risk registers and appropriate internal controls to manage business risks to acceptable levels. The overarching methodology that girds the Group's ERM Framework is closely aligned with the promulgations of ISO31000:2018 Risk Management - Guidelines, an internationally recognised risk management methodology. During the last financial year, the Board appointed BDO Governance Advisory Sdn. Bhd. ("BDOGA") to assist Management to conduct an update of the Group's business risks to ensure those risks that have been identified previously remained relevant, including emerging risks that the Group was exposed to.

The Board believes that maintaining a sound system of risk management and internal control is founded on a clear understanding and appreciation of the following key elements of the Group's ERM Framework:

- a formalised Risk Management Policy and Procedures document to streamline the Group's risk management activities;
- a risk management structure which delineates the lines of reporting and establishes the responsibility of personnel at various levels, i.e., the Board, AC and Management;
- the Heads of Department and key Management staff are responsible for identifying, assessing and managing principal business risks (present and potential) on an ongoing basis;
- key risk indicators assigned are monitored periodically against pre-determined thresholds to provide an early warning signal of increasing risk exposures, if any; and
- Management's action plans are formulated to mitigate these risks to acceptable levels, considering the established risk parameters (qualitative and quantitative) of the Group, which articulate the appetite of the Board.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function ("IA function") to an independent professional firm, namely BDOGA, which assisted both the Board and AC during the financial year under review by conducting independent assessment of the adequacy and operating effectiveness of the Group's internal control system. To ensure its independence from Management, the IA function reported directly to the AC through the execution of internal audit work based on a risk-based internal audit plan approved by the AC before commencement of work.

BDOGA adopted a risk-based approach in executing the planning, reviews and assessments, steered by its internal audit methodology, which broadly aligned with the Institute of Internal Auditors' International Professional Practices Framework ("IPPF"), comprising the definition of Internal Audit, the Core Principles, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing ("ISPPA").

The Internal Audit Plan, which articulated the methodology adopted by BDOGA, took into consideration the Group's Risk Profile, and set out the proposed areas of coverage, including the rationale for their selection. This Plan was presented to the AC for comments and subsequent approval before actual internal audit work commenced. At the AC meeting where the Audit Plan was deliberated, members of the AC inquired from BDOGA the basis for its selection of the in-scope areas. Feedback from the Managing Director and Chief Financial Officer was also sought by the AC on the relevance and appropriateness of the suggested audit areas for consideration before the AC approved the Plan for the IA function to commence work.

The internal audit deliverables, which comprised Internal Audit reports on observations raised, recommendations suggested as well as Management's comments and action plans thereto, were issued and reported directly to the AC. The Internal Audit function also conducted follow-up on the status of Management action plans to address unresolved issues highlighted in previous internal audits and reported the status of Management action plans to the AC. At the relevant AC meetings, representatives from BDOGA tabled its report and deliberated with the AC the salient issues noted, recommendations by BDOGA to address the issues as well as Management's comments on the issues highlighted. The Managing Director and Chief Financial Officer, who were normally invited to the AC meeting, provided clarification to the AC on the matters highlighted, including action plans to address the concerns highlighted by the IA function.

The IA function is headed by an Executive Director of BDOGA, who is an affiliate member of the Association of Chartered Certified Accountants (ACCA) and the Institute of Internal Auditors Malaysia (IIAM). For the internal audits conducted during the financial year under review, she was assisted by a team of two (2) to three (3) members. The AC was briefed by representatives of BDOGA that all personnel deployed by BDOGA during the financial year under review were free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work.

During the financial year under review, BDOGA conducted two (2) cycles of internal audit on the Group's procurement to payment, insurance coverage and billing to collection according to the approved Internal Audit Plan to assess the adequacy and operating effectiveness of the controls implemented by Management, i.e., how the controls mitigated the risk exposures in the processes evaluated. Observations from the internal audit, which covered areas for enhancements to be addressed by Management, were reported in February and August 2025. The costs incurred in engaging BDOGA for the financial year ended 30 June 2025 amounted to approximately RM56,600.

### INTERNAL CONTROL FRAMEWORK

Key features of the Group's Internal Control Framework, including the ongoing associated activities, encompass the following:

- a Board Charter which enables all Directors to be aware of their roles and responsibilities, the practices of corporate governance as well as relevant laws and regulations;
- a clearly defined organisational structure within the Group, with respective levels of responsibility, limits of authority and accountability, to ensure that Management performs its functions and that such functions are appropriately segregated;
- periodic review of financial and operational reports, and scheduled Management meetings with corrective actions implemented by Management, as appropriate;
- documentation and communication to staff members on operating procedures that set out the policies, procedures and practices adopted by the Group to ensure clear accountabilities. The design of internal control procedures is reviewed and revised by Management as deemed necessary in tandem with business needs;
- quarterly reporting to Senior Management, AC and Board via financial reports, progress reports, key variances and analysis of financial data of the Group's businesses;

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### INTERNAL CONTROL FRAMEWORK (CONT'D)

- establishment of management information systems with documented processes, comprising change request to computer programmes and controlled access to data files;
- ensuring adequate insurance and safety measures over major assets of the Group against any mishap that may result in material losses to the Group; and
- establishment of an integrity and ethical framework which comprises:
  - a Whistle Blowing Policy, which provides an avenue for employees and other stakeholders to report unethical, unlawful and undesirable conduct in a safe and confidential environment;
  - an Anti-Fraud, Anti-Bribery and Corruption Policy, which aims to deter corrupt acts by Directors, Management and employees; and
  - a Code of Conduct and Ethics to uphold integrity and ethical values across the Group.

### CONCLUSION ON THE ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board has received assurance in writing from the Managing Director and Chief Financial Officer that the Group's risk management and internal control system has been operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of this Statement. Taking this assurance into consideration and input from relevant parties like the IA function based on internal audit findings and feedback from the External Auditors on any control failings, the Board is of the view that the system of risk management and internal control is adequate and operating effectively, in all material aspects, to achieve objectives and has not resulted in any material losses, contingencies or uncertainties that would require separate disclosure in the Annual Report. The Board remains committed towards establishing a robust system of risk management and internal control, where improvements are made as considered appropriate.

The External Auditors have reviewed this Statement, pursuant to the scope set out in the Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants, for inclusion in the Annual Report for the year ended 30 June 2025 and reported to the Board that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report, in all material respects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers, or 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 views by the Board and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

This Statement is approved by the Board on 7 October 2025.

# REPORT OF THE AUDIT COMMITTEE

The Board of Directors ("Board") of Kotra Industries Berhad ("Company") is pleased to present the Report of the Audit Committee ("AC") ("Report of the AC") for the financial year ended 30 June 2025. This report has been prepared in accordance with Paragraph 15.15 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and provides an overview of the work undertaken by the AC during the reporting period.

## COMPOSITION AND MEETING ATTENDANCE

The AC is composed of three (3) members, all of whom are Non-Executive Directors and a majority of Independent Directors. During the financial year under review, the following changes to the AC's composition took place:

- Mr. Piong Chee Kien resigned as a Non-Independent Non-Executive Director and member of the AC, effective 1 March 2025; and
- Mr. Piong Chee Kuan was appointed as a Non-Independent Non-Executive Director on 1 February 2025 and subsequently became an AC member on 1 March 2025.

The AC members are financially literate and possess a diverse range of skills, knowledge and experience, enabling them to discharge their duties effectively and address matters within the scope of the AC. Mr. Lee Min On, who serves as the AC Chairman, is a member of the Malaysian Institute of Accountants ("MIA"). The current composition of the AC complies with Paragraphs 15.09 and 15.10 of MMLR, as well as Practice 9.1 of the Malaysian Code on Corporate Governance ("MCCG").

During the financial year ended 30 June 2025, the AC convened a total of five (5) meetings with attendance details as follows:

Name	Directorship	Designation	Meeting Attendance
Lee Min On	Independent Non-Executive Director	Chairman	5/5
Datuk Jamaludin bin Nasir	Independent Non-Executive Director	Member	5/5
Piong Chee Kien*	Non-Independent Non-Executive Director	Member	4/4
Piong Chee Kuan**	Non-Independent Non-Executive Director	Member	1/1

Note:

\* Resigned from the Board and AC effective 1 March 2025.

\*\* Appointed to the Board on 1 February 2025 and to the AC on 1 March 2025.

The Group Managing Director, Chief Financial Officer and Senior Finance Manager attended all the AC meetings upon invitation of the AC. Their presence facilitated direct communication on agenda items and other pertinent matters requiring the AC's attention. Representatives from both the Internal and External Auditors were also invited to specific meetings to provide insights on their respective audit areas.

The Company Secretary acts as the Secretary of the AC and provides the necessary services for the effective functioning of the AC. Meetings were structured, supported by detailed agendas and relevant meeting papers, which were distributed electronically in advance to enable AC members review the materials in preparation for deliberation. The minutes of each AC meeting were recorded by the Company Secretary, with the draft disseminated to members for comments before tabling the same for confirmation at each succeeding AC meeting and subsequently presented to the Board for notation. During the financial year, the AC Chairman reported and highlighted key matters discussed at each AC meeting to the Board, either for the latter's approval or notation.

## TERMS OF REFERENCE

The AC's roles and responsibilities are set out in its Terms of Reference, approved by the Board. These Terms of Reference are uploaded on the Group's website at [www.kotrapharma.com](http://www.kotrapharma.com).

## REVIEW OF THE AC

In line with Paragraph 15.20 of the MMLR, the Board, through the Nomination Committee ("NC") conducted a review of the terms of office and performance of the AC members, which included self and peer evaluations by the AC members. Upon completion of this review, the NC concluded that the AC members have performed their duties in accordance with the above-mentioned Terms of Reference.

## REPORT OF THE AUDIT COMMITTEE (CONT'D)

### SUMMARY OF THE AC'S WORK FOR THE FINANCIAL YEAR

The summary of works carried out by the AC during the financial year under review and up to the date of this Report of the AC are as follows:

#### A) Financial Reporting

- Reviewed the unaudited financial results for each quarter of the financial year ended 30 June 2025 and the relevant announcements before recommending the same for the Board's approval for submission to Bursa Securities;
- Reviewed the annual audited financial statements of the Company and the Group together with the accompanying Directors' Report prior to recommending the same for the Board's approval and inclusion in the Annual Report 2025; and
- Reviewed the quarterly results and year-end financial statements prior to their approval by the Board, with particular attention to:
  - the changes in or implementation of major accounting policies;
  - significant matters highlighted, including issues related to financial reporting, key judgments made by Management and any significant or unusual events or transactions, along with how these were addressed; and
  - compliance with applicable accounting standards and other legal requirements.

#### B) Internal Audit

- Reviewed the proposal presented by the outsourced Internal Auditors, giving particular consideration to the proposed audit scope, methodology, deliverables and the associated fee structure;
- Reviewed and approved the Internal Audit Plan for the financial year ended 30 June 2025 as tabled by the Internal Auditors after considering the adequacy of audit scope, approach, methodology, resources and authority in carrying out its audit activities;
- Assessed and confirmed if there were any conflicts of interest within the Internal Audit engagement team that could impair their objectivity or independence;
- Reviewed the Internal Audit Reports presented by the Internal Auditors, deliberated on the key findings and recommendations for improvement as well as the Management's responses thereto;
- Reviewed the follow-up report issued by the Internal Auditors and the implementation status of the mitigating measures taken by Management in the Group's internal control processes; and
- Held one (1) private session with the Internal Auditors, without the presence of the Management.

#### C) External Audit

- Reviewed and discussed the Audit Planning Memorandum with the External Auditors, i.e., Crowe Malaysia PLT, focusing on areas of audit emphasis, key audit matters, their audit approach, composition of the engagement team and proposed audit fees, including the non-audit fees;
- Reviewed the provision of non-audit services provided by the External Auditors to determine if there was any impairment to the External Auditors' independence and objectivity. In relation to this, the AC noted the assurance provided by the External Auditors confirming their independence. Details of non-audit fees incurred by the Company and the Group for the financial year ended 30 June 2025 are disclosed in the Additional Compliance Information of this Annual Report 2025;
- Reviewed the audit report on the financial statements of the Group and the Company and discussed key audit findings and matters arising from the audit with the External Auditors, before recommending the same to the Board for approval;
- Obtained confirmation from the External Auditors via their presentation deck that they are and have maintained their independence throughout the audit engagement in accordance with the independence criteria promulgated by the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) as applicable to the audit of financial statements and have also affirmed that they have fulfilled other ethical responsibilities in accordance with these requirements;
- Held two (2) private sessions with the External Auditors, without Management's presence, to facilitate open discussion on any issues arising from the interim and final audits and express their opinions on any other matters to the AC;
- Based on feedback from the External Auditors, the AC did not observe any incidents which indicated actual, suspected, or alleged fraud, or material non-compliance with laws and regulations;
- Reviewed the fees for the External Auditors, taking into consideration feedback from Management, prior to recommending them to the Board for approval; and
- Evaluated the performance and effectiveness of the External Auditors for the financial year under review. The AC, being satisfied with the work performed and services rendered by the External Auditors, has recommended to the Board for their re-appointment at the forthcoming Annual General Meeting in November 2025.



## REPORT OF THE AUDIT COMMITTEE (CONT'D)

### SUMMARY OF THE AC'S WORK FOR THE FINANCIAL YEAR (CONT'D)

#### D) Related Party Transactions and Conflict of Interest

- Reviewed and deliberated the Group's recurrent related party transactions to determine if the transactions with related parties were:
  - carried out within the mandate approved by shareholders; and
  - on normal commercial terms, not prejudicial to the interests of the Company and its minority shareholders and were not more favourable to the related parties than those generally available to the public;
- Reviewed the Conflict of Interest Policy for Directors and Key Senior Management of the Group, incorporating enhancements from the Guidance on Conflict of Interest issued by Bursa Securities, before recommending to the Board for approval on 20 May 2025;
- Maintained oversight of conflict of interest within the Group. For the financial year ended 30 June 2025, there was no actual or potential conflict of interest involving Directors and/or Senior Management (except for those related party transactions) identified and/or disclosed to the AC for review; and
- Reviewed the Circular to Shareholders ("Circular") concerning the proposed renewal of the shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature and recommended the same to the Board for approval prior to its issuance to shareholders.

#### E) Risk Management and Internal Control

- Reviewed the effectiveness of the system of internal controls, considering the findings from internal and external audit reports; and
- Assessed the adequacy of internal controls implemented to mitigate business risks to an acceptable level.

#### F) Other Matters

- Reviewed the Report of the AC and Statement on Risk Management and Internal Control before recommending to the Board for approval for inclusion in the Annual Report 2025.

### TRAINING OF AC MEMBERS

Throughout the financial year under review, the AC members participated in various seminars, training programmes and conferences to keep themselves abreast with emerging regulatory requirements relevant to their terms of reference. Details of these continuing professional development activities are disclosed in the Corporate Governance Overview Statement.

### SUMMARY OF WORKS OF THE INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to BDO Governance Advisory Sdn. Bhd. ("BDOGA"), an independent professional firm. The main purpose of the Internal Audit function is to provide objective and independent assurance regarding the adequacy and effectiveness of the Group's governance, risk management and internal control processes. The Internal Audit function reported directly to the AC. All audit activities were performed in accordance with the Internal Audit Plan approved by the AC and closed aligned to the International Professional Practices Framework ("IPPF") issued by the Institute of Internal Auditors.

The outsourced Internal Audit team is headed by Ms. Chua Lei Ying, an Executive Director of BDOGA, who brings over 15 years of experience in audit and compliance. She is affiliated with the Association of Chartered Certified Accountants and the Institute of Internal Auditors Malaysia and holds certificates in Internal Auditing for Financial Institutions and Anti-Money Laundering/Counter Financing of Terrorism. During the financial year under review, the AC had full and direct access to the Internal Auditors, received reports on all internal audit engagements performed and ensured internal audit personnel are free from any relationship or conflict of interest which could impair their objectivity and independence.

As part of this process, two (2) cycles of internal audits were performed. The first cycle of the audit involved the Group's Procurement to Payment and Insurance Coverage while the second cycle was on Billing to Collection. The results of the audit, together with recommendations for improvements, were discussed with Management before presented to the AC. In addition, a follow-up review was conducted to assess the status of Management's agreed-upon action plans to address issues raised in previous cycles of internal audit, the report of which was issued directly to the AC for deliberation.

For the financial year ended 30 June 2025, the Group incurred a total cost of RM56,600 for its outsourced internal audit function.

Further details on the Internal Audit function and its activities are set out in the Statement on Risk Management and Internal Control of this Annual Report 2025.

# SUSTAINABILITY STATEMENT

The Board of Directors (“Board”) is pleased to present this Sustainability Statement (“Statement”) for the financial year ended 30 June 2025. In a world of constant changes and evolving challenges, the Board recognises the importance of addressing economic, environmental, social and governance (“EESG”) issues that influence the Group’s business activities towards realising its economic agenda. The Group’s approach and strategies deployed take into consideration the insights and feedback garnered from valued stakeholders and communities. This Statement highlights the Group’s initiatives, performance and progress in its sustainability journey, aimed at creating long-term value for shareholders and other stakeholders.

## SCOPE OF REPORTING

The scope of this Statement encompasses the sustainability performance of the Company and its active subsidiary, Kotra Pharma (M) Sdn. Bhd. (collectively referred as the “Group”). The contents herein provide the necessary disclosures, including the prescribed common sustainability matters enumerated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Group’s performance, activities and initiatives carried out for the financial year ended 30 June 2025.

## REPORTING FRAMEWORKS AND STANDARDS

This Statement has been prepared in accordance with relevant sustainability reporting requirements and several guidelines such as:

- Main Market Listing Requirements of Bursa Securities;
- Bursa Securities’ Sustainability Reporting Guide (3rd Edition);
- Malaysian Code on Corporate Governance; and
- United Nations Sustainable Development Goals (“SDGs”).

## ASSURANCE STATEMENT

The Group aims to furnish relevant information, statistics and indicators to demonstrate how material sustainability matters were managed during the financial year under review. The data and information in this Statement have been reviewed and approved by the Board. However, the Board wishes to clarify that the information, sourced from the Group’s internal records, has not been subject to any independent review by the outsourced internal audit function nor verified by an external assurance provider.

## EXCLUSIONS AND LIMITATIONS

This Statement includes three (3) years of historical performance indicators, where possible. For certain disclosures, data for previous financial years may be unavailable. All data presented depicts our progress for the financial year under review against targets approved by the Board.

## SUSTAINABILITY GOVERNANCE STRUCTURE

Having an optimal governance structure to oversee the implementation of sustainability imperatives and initiatives across the Group’s activities is essential for the Board and Senior Management. Accordingly, the Board has established a clear and definitive governance structure to streamline these efforts, ensuring clarity in the roles and responsibilities to execute sustainability practices effectively.

The Board provides overall leadership, sets the strategic goals and sustainability direction and ensures that the Group’s sustainability practices align with its overall objectives. The Board has delegated the AC the responsibility to oversee the adequacy and effectiveness of the Group’s governance, risk management and internal control systems. The Managing Director, responsible for overseeing the day-to-day operations, monitors and manages the execution of the Group’s sustainability strategies and plans. The Heads of Department and Managers play a vital supporting role by implementing and integrating sustainability practices into daily operations while promoting sustainability awareness among our employees.

## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)



### STAKEHOLDER ENGAGEMENT

The Group engages with our stakeholder groups through various channels to understand and address their diverse interests, concerns and expectations. By maintaining open communication and collaborating closely with our stakeholders, we aim to align our business practices with their interests, whenever practicable, thereby supporting our shared goals.

The frequency of stakeholder engagement varies depending on the stakeholder category. For those involved in regulatory or compliance matters, engagement is determined by the relevant statutes as prescribed. For other stakeholder groups, engagement may occur on ad-hoc basis or through annual interactions. This approach enables us to effectively address the unique needs and expectations of each stakeholder group, while ensuring compliance and fostering strong relationships.

The table below summarises our stakeholders and engagement methods:

STAKEHOLDER GROUP	AREAS OF INTEREST/CONCERN	ENGAGEMENT CHANNELS	OUR RESPONSES
<b>Shareholders and Investors</b> 	<ul style="list-style-type: none"> <li>Group Financial Performance</li> <li>Share Price Performance</li> <li>Dividend</li> <li>Corporate Governance</li> <li>Investor Relationship Management</li> </ul>	<ul style="list-style-type: none"> <li>Annual Reports</li> <li>Corporate Website</li> <li>Annual General Meetings</li> <li>Announcements to Bursa Securities</li> <li>Press Releases or Interviews</li> </ul>	<ul style="list-style-type: none"> <li>Provide timely and accurate updates on our financial and strategic performance.</li> <li>Our commitment to uphold good corporate governance practices.</li> </ul>
<b>Regulatory Agencies and Statutory Bodies</b> 	<ul style="list-style-type: none"> <li>Regulatory Compliance</li> <li>Labour Practices</li> <li>Occupational Safety and Health Practices</li> <li>Compliance with Conditions in Permits and Licenses</li> </ul>	<ul style="list-style-type: none"> <li>Compliance Audits</li> <li>Inspections, Visits, and Meetings by and with Local Authorities</li> <li>Annual Regulatory Reports</li> <li>Dialogues, Seminars and Meetings</li> <li>Membership in Pharmaceutical Related Organisations</li> </ul>	<ul style="list-style-type: none"> <li>Close engagement with relevant authorities and agencies for timely compliance with laws and regulations.</li> <li>Comply with environmental, health and safety requirements.</li> <li>Active participation in industry organisations and bodies.</li> </ul>

## SUSTAINABILITY STATEMENT (CONT'D)

### STAKEHOLDER ENGAGEMENT (CONT'D)

STAKEHOLDER GROUP	AREAS OF INTEREST/CONCERN	ENGAGEMENT CHANNELS	OUR RESPONSES
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Product Quality</li> <li>Price Points</li> <li>Customer Satisfaction</li> <li>Ethical Business Practices</li> </ul>	<ul style="list-style-type: none"> <li>Advertisements</li> <li>Promotional Campaigns and other Marketing Events</li> <li>Meeting with Sales Personnel</li> <li>Social Media</li> <li>Corporate Website</li> <li>Field Visit by Senior Management</li> <li>Trade Fairs</li> </ul>	<ul style="list-style-type: none"> <li>Ensure customer satisfaction by providing high-quality, safe and affordable products.</li> <li>Launch new products.</li> <li>Organise sales and marketing campaigns to attract and retain customers.</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Employee Benefits</li> <li>Career Development Opportunities</li> <li>Remuneration</li> <li>Diversity and Inclusivity</li> <li>Employee Performance Management</li> <li>Workplace Safety and Health</li> </ul>	<ul style="list-style-type: none"> <li>Induction Training</li> <li>Annual Performance Appraisal</li> <li>Circulation of Internal Policies</li> <li>Learning and Development Programme</li> <li>Trade Union</li> <li>Company Social Events</li> </ul>	<ul style="list-style-type: none"> <li>Provide benefits for employees such as annual leave, medical benefits and other benefits.</li> <li>Recruit and promote employees solely based on merit.</li> <li>Observe strict safety and health practices in the workplace.</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>Fair Selection of Suppliers</li> <li>Credit Terms</li> <li>Support to Local Businesses</li> <li>Business Practices and Ethics</li> </ul>	<ul style="list-style-type: none"> <li>Vendor Registration</li> <li>Vendor Appointment</li> <li>Contract Negotiation</li> <li>Face-to-face, Telephone or E-mail Interaction</li> <li>Supplier Audit</li> <li>Trade Fairs</li> <li>Supplier Performance Evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Practise fair selection of suppliers.</li> <li>Conduct supplier audits</li> <li>Engage continuously with suppliers for long-term business relations.</li> </ul>
<b>Bankers</b> 	<ul style="list-style-type: none"> <li>Group's Financial Health and Performance</li> <li>Business Performance</li> <li>Sustainability Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Annual Report</li> <li>Corporate Events</li> <li>Meetings</li> <li>Annual Review</li> </ul>	<ul style="list-style-type: none"> <li>Provide accurate, timely and audited financial information.</li> <li>Disclosure on sustainability efforts.</li> </ul>
<b>Local Community</b> 	<ul style="list-style-type: none"> <li>Job Opportunities</li> <li>Environmental Impact of Operations</li> <li>Social Contributions</li> </ul>	<ul style="list-style-type: none"> <li>Social Media and Corporate Website</li> <li>Community Engagement Programme</li> <li>Sponsorships</li> <li>Events and Roadshows</li> </ul>	<ul style="list-style-type: none"> <li>Support local communities through donations for charity events and activities.</li> <li>Provide job opportunities for local community, including fresh graduates.</li> </ul>

## SUSTAINABILITY STATEMENT (CONT'D)

### MATERIAL SUSTAINABILITY MATTERS











In identifying and assessing the materiality of sustainability matters, we evaluate their impact from both the Group's perspective and that of our key stakeholders. This dual approach enables us to effectively prioritise and channel our resources towards addressing the concerns identified in our materiality assessment process. Through our internal assessment of sustainability matters, we identify key sustainability risks and opportunities that encompass the elements of EESG. These factors are deemed material from the perspectives of both the Group and our prioritised stakeholders, based on a matrix that categorises them by increasing significance.

Furthermore, sustainability risks are integrated into the Group's Enterprise Risk Management framework to enhance our sustainability management and improve overall business performance. By managing sustainability risks, the Group not only mitigates them to acceptable levels, but also positions itself to seize emerging opportunities. With on-going improvements and strategic initiatives, we strive to create lasting value for our stakeholders while contributing to a more sustainable future.

Looking ahead, the Group plans to conduct a formal and structured materiality assessment involving our stakeholders to better understand the EESG issues that influence our performance and decision of stakeholders. We will also explore the feasibility of incorporating other initiatives and additional sustainability matters relevant to our operations.

We have identified nine (9) SDGs that are particularly relevant and significant to our Group. We are committed to taking positive steps toward achieving these SDGs, which align closely with our operational focus. As we navigate our sustainability journey, we believe that focusing on these goals will not only foster sustainable growth for the Group but also contribute to improving the community we live in.




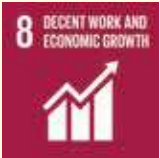





The material sustainability matters associated with the identified SDGs are presented in the table below:

SUSTAINABILITY PILLAR	MATERIAL TOPICS	SDGs
<b>Economic</b> 	Supply Chain Management	 SDG 12: Responsible Consumption and Production
<b>Environment</b> 	Energy Management	   SDG 7: Affordable and Clean Energy SDG 12: Responsible Consumption and Production SDG 13: Climate Action
	Water Management	  SDG 6: Clean Water and Sanitation SDG 12: Responsible Consumption and Production
	Waste Management	  SDG 12: Responsible Consumption and Production SDG 13: Climate Action



## SUSTAINABILITY STATEMENT (CONT'D)

### MATERIAL SUSTAINABILITY MATTERS (CONT'D)

SUSTAINABILITY PILLAR	MATERIAL TOPICS	SDGs
<b>Social</b> 	Employee Management	   SDG 4: Quality Education SDG 5: Gender Equality SDG 8: Decent Work and Economic Growth
	Safety and Health	 SDG 3: Good Health and Well-being
	Local Community	  SDG 3: Good Health and Well-being SDG 4: Quality Education
<b>Governance</b> 	Ethical Conduct	 SDG 16: Peace, Justice and Strong Institution
	Data Protection and Security	

#### Notes:

1. Diversity and Labour Practices and Standards are managed under "Employee Management".
2. Community/society is managed under "Local Community".
3. Anti-corruption is managed under "Ethical Conduct".
4. Data Privacy and Security is managed under "Data Protection and Security".

### ECONOMIC

#### SUPPLY CHAIN MANAGEMENT

##### Why It Matters?

The Group's business operations depend on a network of suppliers, making the establishment of reliable and sustainable supply chains essential to our business. The Group is dedicated to responsible procurement practices that not only ensure operational efficiency but also generate positive social and environmental impact. A part of this commitment is our support for local businesses. Sourcing locally provides faster access to goods, reduces lead times and environmental print from logistics involvement and allows us to contribute directly to the economic growth. By prioritising local suppliers, where possible, we establish a sustainable supply chain management that creates valuable business opportunities and improves livelihoods.

##### Our Approach/Initiatives

##### Supporting Local Suppliers

By prioritising local procurement, the Group can effectively reduce our carbon footprint via the control of greenhouse gas emissions by reducing transportation distances. Additionally, reduced transportation time often allows for minimised packaging, moving us closer to a more environmentally friendly operation. However, the Group acknowledges the complexities of manufacturing, particularly in the pharmaceutical industry. Our Material Management Department continuously plans and identifies alternative suppliers to overcome sourcing challenges. For Active Pharmaceutical Ingredients ("APIs"), there are instances where local sources are not available. In these specific cases, we make strategic and responsible decisions to import, ensuring an uninterrupted supply of critical raw materials without compromising on quality or safety of our products.

## SUSTAINABILITY STATEMENT (CONT'D)

### ECONOMIC (CONT'D)

#### SUPPLY CHAIN MANAGEMENT (CONT'D)

##### ***Foster Fair and Transparent Procurement Practices***

The Group is dedicated to fostering integrity and trust through fair and transparent procurement practices. These principles ensure all potential suppliers receive equal opportunity, prevent favouritism and enhance accountability through proper documentation and consistent evaluation. This commitment not only supports ethical decision-making but also strengthens our operational efficiency and regulatory compliance.

We have established stringent procedures to ensure suppliers meet our high standards. These include an emphasis on securing alternative sources to secure a continuous supply of materials. Our selection is based on a set of pre-determined criteria like:

- Reputation and Stability: Business reputation, company history and financial stability;
- Commercial Terms: Competitive pricing and reasonable terms and conditions;
- Quality and Compliance: Quality of goods/services and full compliance with applicable laws; and
- Documentation: Availability of all relevant certifications and documentation.

Prospective suppliers must complete the Group's service provider assessment questionnaire, which is subject to evaluation and approval by our Management team.

##### ***Annual Suppliers Evaluation***

We regularly monitor supplier performance through audits and evaluations for both new and existing suppliers. This assessment ensures strict adherence to our requirements in significant areas such as product quality, timeliness and delivery reliability, ensuring that our standards are consistently met and not compromised.

During the financial year ended 30 June 2025, 57 raw and packaging material suppliers were selected for assessment, compared to 40 in the previous financial year. Results of the evaluation for the 3 financial years are presented in the following table:

Financial Year (FY)	Rating Scale for Suppliers	
	Good	Met Expectation
FY 2023	68%	32%
FY 2024	76%	24%
FY 2025	89%	11%

*Note: None of the suppliers were rated as poor.*

##### **Our Performance**

During the financial year ended 30 June 2025, we directed 46% of our total procurement spending towards local suppliers. While this reflects a decrease from the previous year, it was a result of sourcing raw materials critical to our products from international suppliers. We increased imports of certain specialised raw materials to guarantee an uninterrupted supply of our products. We will continue to support local suppliers while balancing operational resilience.

Description	FY 2023	FY 2024	FY 2025
Bursa's Indicator C7(a): Proportion of spending on local suppliers	53%	55%	46%

Our Target	Our Progress for FY 2025
To source 50% of our purchases from local suppliers.	Status: Target was not met. The local sourcing was 46% of our total spending, below our 50% target. This was a result of increased spending on certain specialised raw materials from international suppliers.

## SUSTAINABILITY STATEMENT (CONT'D)

### ENVIRONMENTAL

#### ENERGY MANAGEMENT

##### Why It Matters?

Effective energy management is a priority for the Group, essential for reducing our environmental impact and enhancing operational efficiency. By managing energy use and implementing energy management practices across the Group, we reduce greenhouse gas emissions and lower our carbon footprint, aligning with global sustainability expectations and in the Group's quest to manage climate risk. These practices also drive cost savings and contribute to long-term resource conservation, delivering both environmental and economic value.

##### Our Approach/Initiatives

###### *Managing Our Energy Consumption at Our Premises*

Electricity is crucial for our daily office functions and pharmaceutical manufacturing operations. It powers essential equipment like tablet compression and coating machines and most importantly, the Heating, Ventilation and Air Conditioning ("HVAC") systems that maintain the stringent environmental conditions (air purity, temperature) vital for product quality, safety and efficacy. Our primary source of energy for the financial year under review remained electricity supplied by Malaysia's nationwide utility provider, Tenaga Nasional Berhad. Our initiatives include:

- Installing high-efficiency LED lighting and conducting regular inspections and maintenance of air-conditioning systems and machinery;
- Continuously tracking energy consumption data to identify trends, measure progress and uncover new savings opportunities; and
- Cultivating an energy-conscious culture by encouraging employees to switch off lights, air-conditioning units and computers during breaks and after work.

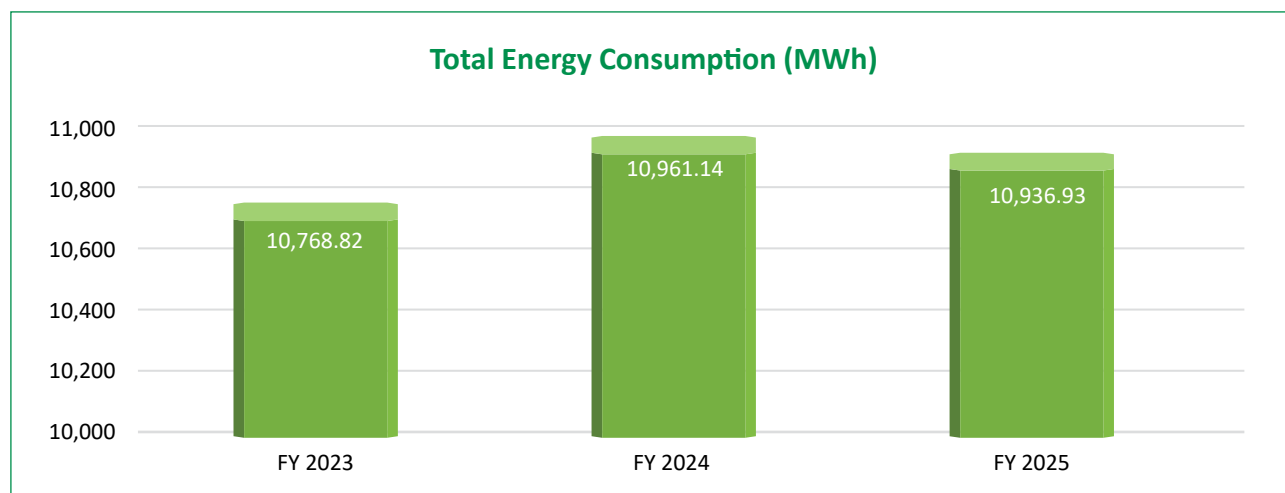
###### *Harnessing Renewable Energy*

A significant milestone in our sustainability journey was the installation of a solar photovoltaic ("PV") system in FY 2021. For the financial year ended 30 June 2025, the system's output totalled 807.32 megawatt hours ("MWh"). The marginal decrease from 827.30 MWh generated in the prior year was attributed to two expected primary factors, namely, natural degradation of panel efficiency (approximately 0.5% per year) and weather-related challenges such as rainfall, haze and dust accumulation.

##### Our Performance

For the financial year ended 30 June 2025, our recorded electricity consumption was 10,936.93 MWh. While production output increased to fulfil a higher number of sales orders, this consumption level represents a slight decrease of 0.2% from the previous year (10,961.14 MWh). This reduction was a result of our initiatives to reduce energy consumption.

The chart below shows our energy consumption for the last 3 financial years:



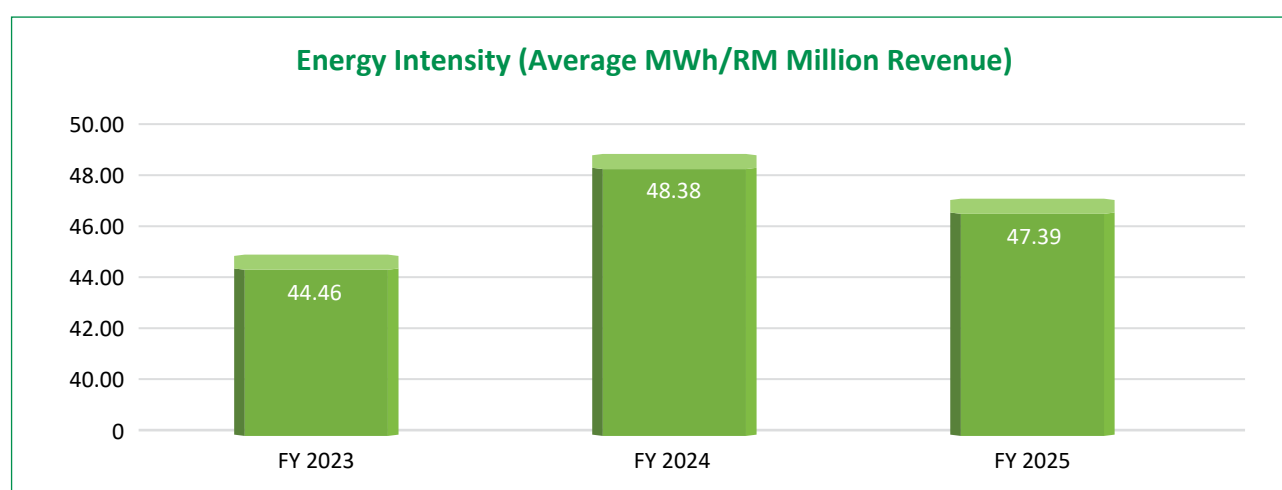
## SUSTAINABILITY STATEMENT (CONT'D)

### ENVIRONMENTAL (CONT'D)

#### ENERGY MANAGEMENT (CONT'D)

##### Our Performance (Cont'd)

Our energy intensity decreased slightly by 2.0%, from 48.38 MWh per RM million of revenue generated to 47.39 MWh per RM million. Although considered modest, the marginal improvement demonstrates a positive trend of generating more revenue without a proportional increase in energy consumption, indicating our progress towards enhancing operational efficiency.



The table below provides an overview of our energy consumption over the last 3 financial years:

Description	FY 2023	FY 2024	FY 2025
	MWh	MWh	MWh
<b>Bursa's Indicator C4(a): Total energy consumption</b>	10,768.82	10,961.14	10,936.93

Our Target	Our Progress for FY 2025
Setting a cap on total energy intensity at 55 MWh per RM million revenue during the reporting period.	Status: Target was achieved. 47.39 MWh per RM million revenue achieved during the financial year under review.

#### WATER MANAGEMENT

##### Why It Matters?

Water is an indispensable resource for various aspects of life, including agriculture, industry and daily living, making its prudent use crucial in maintaining environmental balance and supporting economic development. The Group acknowledges that water is a finite and irreplaceable resource, important to support the health of ecosystems and people. As a pharmaceutical company, our reliance on water for manufacturing, cleaning and quality control underscores our responsibility to promote the efficient use of this scarce natural resource. Ineffective water management can result in severe consequences, including scarcity, pollution and the disruption of ecosystems, with far-reaching effects on biodiversity and human communities. Moreover, climate change intensifies these challenges by unpredictable weather patterns, increasing temperatures and exacerbating water uncertainty.

## SUSTAINABILITY STATEMENT (CONT'D)

### ENVIRONMENTAL (CONT'D)

#### WATER MANAGEMENT (CONT'D)

##### Our Approach/Initiatives

Our water is mainly tapped from municipal sources. We have been managing our water consumption and minimising any water-related impacts from our operations. Our water conservation initiatives include the following:

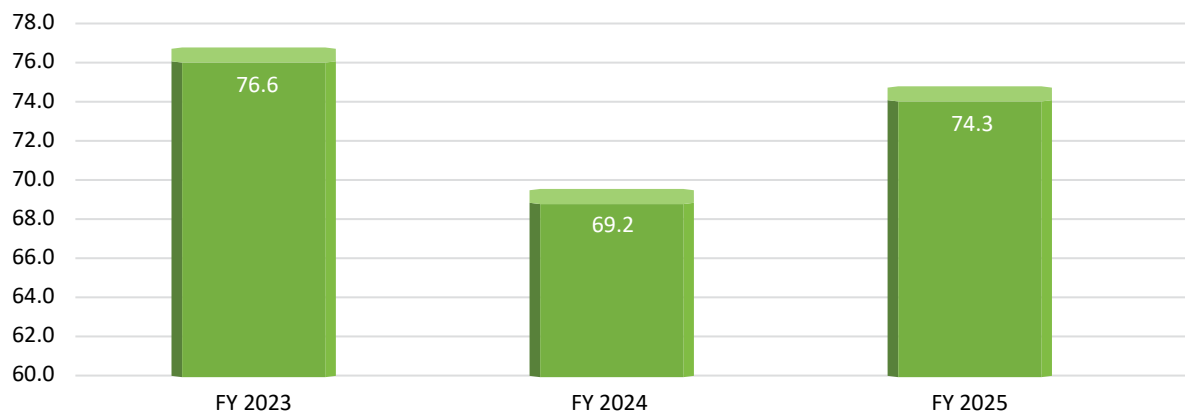
- Regular inspections to promptly detect and repair leaks, alongside the installation of water-efficient fixtures like low-flow toilets and faucet aerators;
- Providing water dispensers to encourage employees to refill their own bottles and discourage single-use plastic bottles;
- Educating employees on the importance of water conservation; and
- Ensuring adherence to all wastewater and effluent discharge regulations.

Through these efforts, we strive to reduce water wastage and contribute to a more sustainable future. Moving forward, we will continue to identify and implement water conservation initiatives, wherever feasible, across the Group, supporting both environmental sustainability and improving operational efficiency.

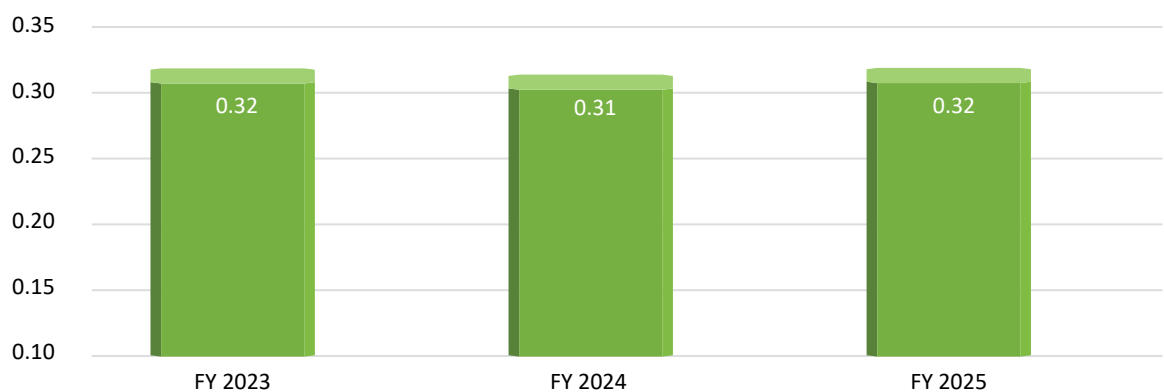
##### Our Performance

For the financial year ended 30 June 2025, the Group's water consumption increased by 7.4% from 69.2 megalitres ("ML") to 74.3 ML, attributable due to process validation activities in a new production line as well as increase in production volume to support the higher demand for our pharmaceutical products in both our local and export markets.

**Total Volume of Water Used (ML)**



**Water Intensity (Average ML/RM Million Revenue)**





## SUSTAINABILITY STATEMENT (CONT'D)

### ENVIRONMENTAL (CONT'D)

#### WATER MANAGEMENT (CONT'D)

##### Our Performance (Cont'd)

Description	FY 2023	FY 2024	FY 2025
	ML	ML	ML
Bursa's Indicator C9(a): Total volume of water used	76.6	69.2	74.3

Our Target	Our Progress for FY 2025
Setting a cap on water intensity of 0.40 ML per RM million revenue during the reporting period.	Status: Target was achieved, based on water intensity of 0.32 ML per RM million revenue.

#### WASTE MANAGEMENT

##### Why It Matters?

As a pharmaceutical manufacturer, the Group acknowledges that effective waste management is important for our daily operations, environmental stewardship and public health. Our approach is defined through stringent compliance with the regulations imposed by the Department of Environment ("DOE") that regulates the disposal of hazardous materials, protecting both public health and the environment as well as our commitment to minimise environmental footprint. This sustainability matter needs attention as improper handling of pharmaceutical waste poses significant risk of environmental contamination and serious health risk to the public. We prioritise on responsible waste management by implementing efficient waste reduction, recycling and disposal practices. By embedding these principles into our operations, we not only safeguard our license to operate but also affirm our role as a responsible business organisation.

##### Our Approach/Initiatives

###### *Wastewater and Effluent Discharge*

The Group demonstrates its environmental responsibility through an adequate management of wastewater from our manufacturing operations, ensuring full adherence to all standards established by the DOE. Our facility operates an on-site Wastewater Treatment Plant ("WWTP") designed to effectively treat industrial effluents prior to discharge. We adhere strictly to the Stipulated Quality (Standard B) mandated under the Environmental Quality (Industrial Effluent) Regulations 2009.

To enhance ongoing compliance, we implement a rigorous monitoring protocol which includes daily internal monitoring by Engineering Management team, who conducts treatment processes and testing for compliance with the regulations. Both the quantity and quality of wastewater are meticulously measured before it is discharged from our premises. We also have appointed an independent external wastewater treatment consultant who collects weekly sampling for assessment at a laboratory accredited by the Skim Akreditasi Makmal Malaysia ("SAMM") to provide validation of our internal data and confirm full regulatory compliance. This approach underscores our commitment to mitigate our environmental impact and uphold high standards of corporate responsibility.

###### *Disposal of Hazardous Waste*

Scheduled wastes contain hazardous substances that pose significant risks to both the environment and public health if not managed meticulously. Improper disposal of these materials could potentially harm local ecosystems and jeopardise the health of our employees and surrounding communities. Recognising these potential adversities, the Group is firmly committed to mitigate these risks through proactive waste management practices. We adhere to the requirements of the Environmental Quality (Scheduled Wastes) Regulations 2005, implementing handling procedures that include clear separation of scheduled wastes from general waste streams, thereby ensuring their safe collection, storage and disposal.

To further strengthen our waste management system, we maintain proper documentation for and tracking of all scheduled wastes from point of generation to final disposal. The disposal is carried out by a DOE registered licensed third-party contractor, who is specialised in the treatment and disposal of hazardous materials, ensuring that all hazardous wastes are managed in a manner that prevents environmental contamination and in full compliance with regulatory standards.

## SUSTAINABILITY STATEMENT (CONT'D)

### ENVIRONMENTAL (CONT'D)

#### WASTE MANAGEMENT (CONT'D)

##### Our Approach/Initiatives (Cont'd)

##### *Disposal of Non-Hazardous Waste*

The Group's non-hazardous waste largely consists of domestic and recyclable materials. Guided by the principles of reduce, reuse and recycle (3R), we maintain an ongoing initiative to manage waste more effectively and minimise overall waste generation across our operations. To embed the 3R principles in daily practice, we have introduced several initiatives aimed at reducing paper consumption and avoiding unnecessary resource use as follows:

- Print or photocopy only when necessary;
- Practice duplex printing and transitioning from printed annual reports to digital formats;
- Encourage digital document storage;
- Utilise electronic communication platforms such as email, WhatsApp and Short Messaging Service ("SMS") as efficient alternatives;
- Share documents electronically among employees;
- Adopt the use of digital signatures; and
- Reuse envelopes and recycled papers for printing.

A key investment in this effort during the financial year ended 30 June 2025 was the purchase of a cardboard shredder machine which enables us to repurpose used cardboard into protective packaging material. This initiative directly supports our reuse objectives by minimising the need for new packaging resources.

##### Our Performance

##### *Wastewater and Effluent Discharge*

During the financial year ended 30 June 2025, the total volume of wastewater and effluent discharged was 17.6 ML compared to the previous year of 12.9 ML. This notable increase was primarily due to process validation activities for our new production line. Process validation is a standard operation procedure in a pharmaceutical industry to ensure a consistent quality manufacturing process. Cleaning cycles are required between consecutive validation batches. These cycles include multiple rinses to remove residual APIs and cleaning agents to ensuring product quality and meeting stringent regulatory standards.

Description	FY 2023	FY 2024	FY 2025
	ML	ML	ML
Total Wastewater Discharged	15.2	12.9	17.6

##### *Non-Hazardous Waste*

For the financial year ended 30 June 2025, the Group demonstrated progress in its waste minimisation efforts. We produced a total of 41.2 MT of non-hazardous waste, representing a notable reduction of 16.8% from 49.5 MT generated in the previous financial year. This waste comprised various materials, including cardboard, metal, shredded paper and other scraps such as project waste and batteries.

Description	FY 2023	FY 2024	FY 2025
	MT	MT	MT
Non-Hazardous Waste	55.0	49.5	41.2

## SUSTAINABILITY STATEMENT (CONT'D)

### ENVIRONMENTAL (CONT'D)

#### WASTE MANAGEMENT (CONT'D)

##### Our Performance (Cont'd)

##### *Hazardous Waste*

Products returned from customers are typically due to defects, damage or expiration. As these products cannot be resold or refurbished, they are classified as hazardous waste and must be disposed of safely in full compliance with regulatory requirements. We are pleased to report a sustained positive trend for the financial year ended 30 June 2025. The volume of hazardous waste continued to decline, down from 56.6 MT in FY 2024 to 43.6 MT in FY 2025. This represents a 23.0% reduction year-on-year. This improvement is a direct result of our focused initiatives to enhance product quality control and improved inventory management. These efforts have been instrumental in minimising defects and ensuring products are sold within their optimal shelf life, thereby reducing waste generation.

Description	FY 2023	FY 2024	FY 2025
	MT	MT	MT
Hazardous Waste	82.2	56.6	43.6

The total waste diverted from disposal and directed to disposal for 3 financial years are as follows:

Description	FY 2023	FY 2024	FY 2025
Bursa's Indicator C10(a): Total waste generated	137.2 MT	106.1 MT	84.8 MT
Bursa's Indicator C10(a)(i): Total waste diverted from disposal	55.0 MT	49.5 MT	41.2 MT
Bursa's Indicator C10(a)(ii): Total waste directed to disposal	82.2 MT	56.6 MT	43.6 MT

Our Target	Our Progress for FY 2025
To maintain zero incidents of non-compliance related to waste management.	Status: Target was achieved. There were no fines or penalties for non-compliance with waste management laws or regulations recorded for the financial year under review.

### SOCIAL

#### EMPLOYEE MANAGEMENT

##### Why It Matters?

The Group believes in fostering a diverse, inclusive and supportive workplace recognising that these elements are essential for promoting employee engagement, job satisfaction, and ultimately, higher productivity. We are dedicated to upholding human rights across every facet of our operations and to provide a safe, healthy and respectful environment for all. We recognise that every individual deserves to work in a setting that respects their dignity, champions equality and actively safeguards their rights. We maintain a firm stance against all types of discrimination, harassment and unfair treatment. Besides ensuring a fair and safe workplace, the Group continues to invest in the development of our employees. We provide extensive, continuous learning opportunities to enhance both professional capabilities and personal growth of our employees. These efforts enable our workforce to adapt to evolving business demands, technological advancements and emerging industry trends. Our people are our greatest asset, and their growth and well-being are integral to the long-term success and resilience of the Group.

## SUSTAINABILITY STATEMENT (CONT'D)

### SOCIAL (CONT'D)

#### EMPLOYEE MANAGEMENT (CONT'D)

##### Why It Matters? (Cont'd)





## SUSTAINABILITY STATEMENT (CONT'D)

### SOCIAL (CONT'D)

#### EMPLOYEE MANAGEMENT (CONT'D)

##### Our Approach/Initiatives

##### *Workforce Diversity*

The Group believes that a truly diverse and inclusive environment is not only a moral imperative but also a strategic advantage. We are dedicated to instilling a workplace culture founded on inclusivity, mutual respect and empowerment of every employee. We value the contributions of each individual, embracing diversity in all its forms, irrespective of age, gender, nationality, employment type and professional level, establishing a strong foundation for a workplace that strengthens employee morale, retention and productivity. This commitment ensures that all employees feel safe, respected and empowered to thrive.

##### *Fair Remuneration and Benefits*

While cultivating a diverse workforce remains a priority, we equally recognise that workforce stability is critical for sustaining our business operations and ensuring long-term continuity. The Group is committed to providing fair living wages and safeguarding the rights and well-being of all employees. We ensure that compensation and benefits align with the requirements of the Malaysia's New Minimum Wage. To remain competitive and support our workforce, we conduct annual reviews of our compensation and benefits packages and make adjustments as needed to attract, motivate and retain talent. We have an Employee Handbook in place, which serves as a formal reference outlining policies and procedures. The information covered includes, amongst others, working hours, salary administration, leave entitlements, benefits, grievance mechanisms, code of conduct and disciplinary policy. In accordance with the Employee Handbook and depending on job grade, employees are eligible to enjoy a range of benefits, such as:

Leave	Health	Other Benefits**
<ul style="list-style-type: none"> <li>• Annual Leave</li> <li>• Medical Leave</li> <li>• Emergency Leave</li> <li>• Compassionate Leave</li> <li>• Maternity Leave</li> <li>• Paternity Leave</li> </ul>	<ul style="list-style-type: none"> <li>• Outpatient Treatment</li> <li>• Hospitalisation</li> <li>• Health Screening for relevant personnel</li> <li>• Insurance Coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Petrol Card</li> <li>• Corporate Credit Card</li> <li>• Mileage Claims</li> <li>• Hotel Accommodation</li> <li>• Air Travel</li> <li>• Parking Allowance</li> <li>• Mobile Phone Bill</li> </ul>

\*\* Subject to job position/job grade

##### *Recruitment and Retention*

The Group adopts a merit-based approach in all hiring decisions for both Board members and employees, ensuring selections are made free from bias, prejudice or favouritism. The importance on fairness not only promotes a diverse and capable workforce but also strengthens organisational efficiency and builds a healthy pipeline for future leadership succession. To prevent bias and attract new talent, we conduct open interviews and targeted job advertisements, including participation in career fairs.

In full compliance with local labour laws, the Group upholds a zero-tolerance stance towards forced labour, child labour, slavery and human trafficking. We verify the age and legal documentation of all prospective employees during recruitment to prevent any form of illegal or exploitative labour practices. This engenders our ethical and responsible approach towards our workforce management.

Our recruitment process is intended to be ethical, transparent and inclusive, with specific guidelines for hiring expatriates and migrant workers in accordance with all applicable laws and regulations. Our Human Resources Department facilitates a supportive onboarding experience, providing necessary assistance such as accommodation, medical check-ups, transportation and uniform, ensuring a smooth transition into our workforce.



## SUSTAINABILITY STATEMENT (CONT'D)

### SOCIAL (CONT'D)

#### EMPLOYEE MANAGEMENT (CONT'D)

##### Our Approach/Initiatives (Cont'd)

###### ***Annual Performance Review and Career Development Opportunities***

The Group conducts an annual performance review for all employees, evaluating individual achievements against pre-set Key Performance Indicators ("KPIs"). The evaluations are conducted using predetermined factors outlined in the performance appraisal form. This process helps identify strengths and areas for development, providing clear guidance on performance expectations and objectives for the coming year.

For employees who fail to meet performance expectations, we take a supportive and developmental approach. This includes performance improvement plans, offering trainings and conducting regular progress reviews to help them enhance their skills and align with the Group's goals. Our aim is to enable every employee to grow and succeed within the Group.

Outcomes of these evaluations are directly linked to employee rewards, including salary increments, performance-based bonuses and opportunities for promotion, ensuring that compensation and career progression reflect both the Group's financial results and each employee's contributions.

###### ***Freedom of Association and Collective Bargaining***

The Group respects employees' legal right to freedom of association and supports their ability to join labour unions without fear of retaliation. We maintain an open dialogue with union representatives, holding meetings as needed and review collective bargaining agreements every 3 years to ensure they remain fair and relevant. For employees who are not under the union, their employment terms and conditions are clearly detailed in the Employee Handbook and individual employment contracts. For the financial year ended 30 June 2025, 150 employees were union members.

###### ***Grievance Procedures & Whistleblowing Policy***

Our formal grievance procedure is designed to provide a clear and fair process for employees to raise concerns regarding workplace issues. They can submit a formal written grievance to HR, detailing the nature of the concern and any supporting documentation. In addition, we have established whistleblowing channel, offering them an avenue to report any improper conduct, both actual and suspected, in good faith. Throughout these processes, the Group ensures confidentiality and protects employees from any retaliation, fostering an open and supportive environment for addressing concerns.

###### ***Training and Development***

The Group utilises Training Needs Analysis ("TNA") to regularly assess the skills, knowledge and competencies of our employees. This enables us to identify specific gaps and align training initiatives with both individual development goals and organisational objectives. Based on the TNA outcomes, training programmes are designed to equip employees with the knowledge needed to excel in their current roles and acquire new skills that enhance their productivity.

A significant annual event is the National Sales Conference ("NSC"), which brings together sales teams from all over Malaysia for training, experience-sharing and strategy alignment. The NSC provides an important communication platform for the Management and participants to learn best practices to achieve their annual goals.

Our in-house Learning and Organisational Development ("LOD") Manager works closely with division heads to deliver customised training that drives business priorities. Kotra Institute of Talent Excellence or better known as KITE is the Group's one-stop resource centre for LOD Department to equip our employees and support their performance improvements. Furthermore, all new employees receive structured induction training from the HR department, complemented by on-the-job training to build role-specific capabilities.

## SUSTAINABILITY STATEMENT (CONT'D)

### SOCIAL (CONT'D)

#### EMPLOYEE MANAGEMENT (CONT'D)

##### *Training and Development (Cont'd)*

Employees are encouraged to take an active role in their professional growth by utilising available learning resources and pursuing development opportunities that support their career aspirations. This culture of continuous learning not only benefits individual employees but also strengthens the overall capability and success of the Group.



## SUSTAINABILITY STATEMENT (CONT'D)

### SOCIAL (CONT'D)

#### EMPLOYEE MANAGEMENT (CONT'D)

##### Our Performance

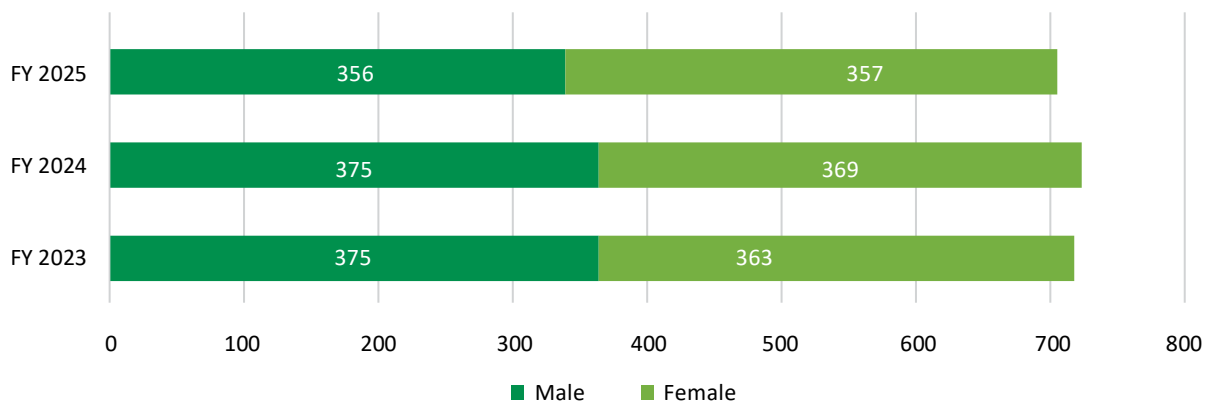
As of the financial year ended 30 June 2025, the Group employed a total of 713 individuals, reflecting a balanced gender distribution with 356 male employees (49.9%) and 357 female employees (50.1%). Our workforce also includes 2 employees with disabilities, representing 0.3% of our total employees. During the financial year, we welcomed 96 new hires to the Group.

We always strive to retain our talent, recognising that our people are fundamental to the Group's continued success. However, for the financial year under review, we recorded a total turnover of 127 employees. The majority of these departures occurred among non-executives, totalling 81 employees. We acknowledge that job mobility, particularly among younger employees, presents an ongoing challenge. In response, we are strengthening our employee engagement and training initiatives to improve retention, sustain productivity and ensure the long-term stability of our workforce.

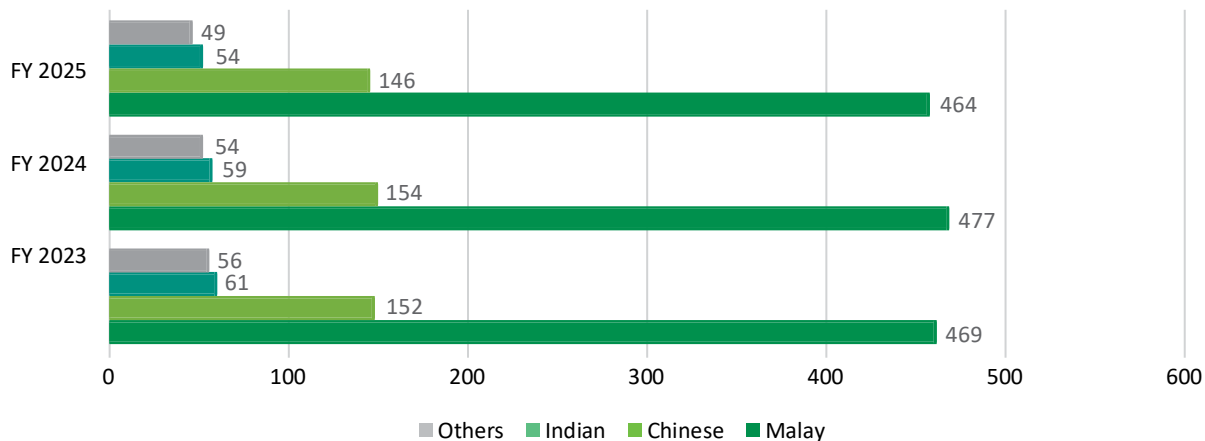
##### i) Workforce Profile

Description	Unit	FY 2023	FY 2024	FY 2025
Total Headcount	No.	738	744	713

#### Total Employees by Gender



#### Total Employees by Ethnicity



## SUSTAINABILITY STATEMENT (CONT'D)

### SOCIAL (CONT'D)

#### EMPLOYEE MANAGEMENT (CONT'D)

##### Our Performance (Cont'd)

ii) Bursa's Indicator C3(a): Percentage of employees by gender and age group for each employee category

Description	Unit	FY 2023	FY 2024	FY 2025
<b>Gender Group by Employee Category</b>				
Managers and Above - Male	%	4.9	4.4	4.4
Managers and Above - Female	%	2.8	3.0	2.8
Executive - Male	%	10.2	11.2	11.6
Executive - Female	%	16.8	16.8	17.6
Non-Executive - Male	%	35.8	34.8	33.9
Non-Executive - Female	%	29.5	29.8	29.7
<b>Age Group by Employee Category</b>				
Managers and Above - Below 30	%	0.3	0.1	0.1
Managers and Above - Between 30-50	%	5.8	5.2	4.9
Managers and Above - Above 50	%	1.6	2.0	2.2
Executive - Below 30	%	8.5	6.7	7.2
Executive - Between 30-50	%	16.4	19.3	19.8
Executive - Above 50	%	2.0	2.0	2.2
Non-Executive - Below 30	%	31.6	29.7	25.2
Non-Executive - Between 30-50	%	28.5	29.8	32.5
Non-Executive - Above 50	%	5.3	5.2	5.9

iii) Bursa's Indicator C3(b): Percentage of directors by gender and age group

Description	Unit	FY 2023	FY 2024	FY 2025
<b>Gender Group</b>				
Male	%	83	83	83
Female	%	17	17	17
<b>Age Group</b>				
Under 50	%	17	17	17
Between 50-60	%	17	17	17
Above 60	%	66	66	66

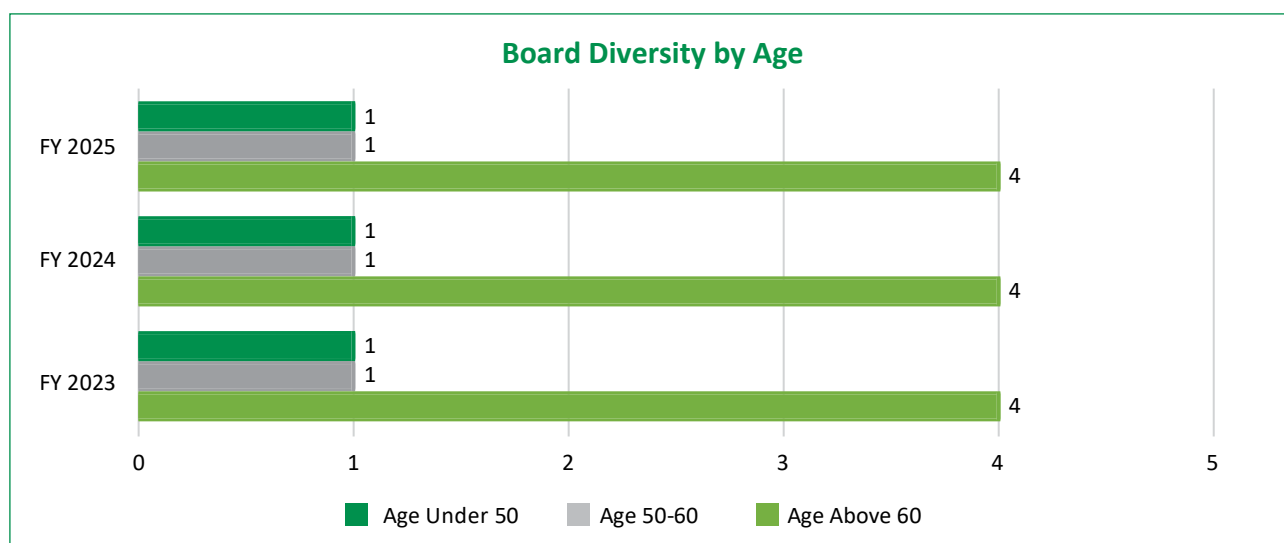
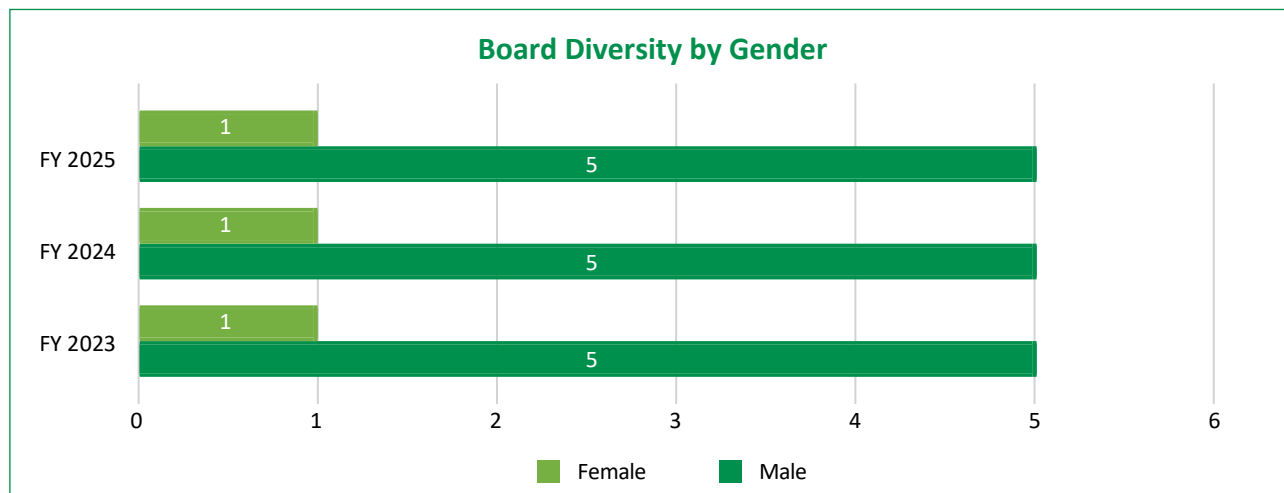
## SUSTAINABILITY STATEMENT (CONT'D)

### SOCIAL (CONT'D)

#### EMPLOYEE MANAGEMENT (CONT'D)

##### Our Performance (Cont'd)

iii) Bursa's Indicator C3(b): Percentage of directors by gender and age group (Cont'd)



iv) Total Training Hours

For the financial year ended 30 June 2025, the total training hours attended by our employees was 20,944 hours, supported by an investment of RM262,159 in both online and physical training programmes.

Description	Unit	FY 2023	FY 2024	FY 2025
Bursa's Indicator C6(a) Total hours of training by employee category*				
Managers and Above	Hours	-	1,812	2,474
Executive	Hours	-	5,906	8,271
Non-Executive	Hours	-	14,408	10,199
Total	Hours	-	22,126	20,944

Note: \* No data available for FY2023 as FY2024 was the first year of reporting of a new indicator.



## SUSTAINABILITY STATEMENT (CONT'D)

### SOCIAL (CONT'D)

#### EMPLOYEE MANAGEMENT (CONT'D)

##### Our Performance (Cont'd)

##### v) Permanent & Temporary Employees

Description	Unit	FY 2023	FY 2024	FY 2025
Our Indicator: Percentage of employees who are permanent staff				
Permanent	%	88	88	89
Bursa's Indicator C6(b): Percentage of employees who are contractors or temporary staff				
Temporary	%	12	12	11

##### vi) Total New Hires & Turnover

Description	Unit	FY 2023	FY 2024	FY 2025
Our Indicator: Total number of new hires by employee category				
Managers	No.	3	1	2
Executive	No.	33	41	35
Non-Executive	No.	177	81	59
Total	No.	213	123	96
Bursa's Indicator C6(c): Total number of employee turnover by employee category				
Managers	No.	5	5	6
Executive	No.	33	38	40
Non-Executive	No.	111	74	81
Total	No.	149	117	127

##### vii) Human Rights Violations

There were no reported incidents of human rights violations during the financial year under review.

Description	Unit	FY 2023	FY 2024	FY 2025
Bursa's Indicator C6(d): Number of substantiated complaints concerning human rights violations				
Substantiated complaints	No.	0	0	0

## SUSTAINABILITY STATEMENT (CONT'D)

### SOCIAL (CONT'D)

#### EMPLOYEE MANAGEMENT (CONT'D)

##### Our Target and Progress

Description	Our Target	Our Progress for FY 2025
Bursa's Indicator C3(a): Percentage of employees by gender and age group for each employee category	To provide equal opportunities and have a balanced proportion of male and female employees during the reporting financial year to foster diversity and inclusion.	Status: Target was achieved. The total workforce based on gender was 356 (49.9%) male employees and 357 (50.1%) female employees, representing a balanced proportion.
Bursa's Indicator C3(b): Percentage of directors by gender and age group	To appoint Directors based on merit, in the context of skills, competency, time commitment and experience amongst others.	Status: For the financial year ended 30 June 2025, one (1) new Non-Independent Non-Executive Director was appointed to the Board. All our Directors were appointed on merit basis.
Bursa's Indicator C6(a): Total hours of training by employee category	To achieve an average training hours of 20 hours per employee.	Status: Target was achieved. Average training hours per employee was 29.4 hours.
Bursa's Indicator C6(b): Percentage of employees that are contractors or temporary staff	The Group targets not to utilise more than 20% contractors or temporary staff.	Status: Target was achieved. 11% of the total headcount during the reporting year consisted of temporary staff.
Bursa's Indicator C6(c): Total number of employee turnover by employee category.	To monitor the turnover rate does not exceed 3% every month.	Status: Target was achieved. For the reporting financial year, the average turnover rate was 1.5%.
Bursa's Indicator C6(d): Number of substantiated complaints concerning human rights violations	Zero complaints/cases on human rights violations.	Status: Target was achieved. No complaints/cases on human rights violations.

### SAFETY AND HEALTH

#### Why It Matters?

The Group prioritises employee safety and well-being to minimise workplace risks and to ensure a secure working environment. This is achieved through proactive safety measures, continuous training and strict adherence to legal and regulatory safety requirements. By prioritising safety and health, we not only protect our employees from potential hazards but also cultivate a culture of awareness and accountability. This approach helps to reduce the occurrence of accidents and injuries, enhance operational efficiency and promote employee morale and engagement. Furthermore, we are dedicated to regularly reviewing and improving our safety protocols, encouraging open communication about safety concerns and integrating safety considerations into all aspects of our operations.

#### Our Approach/Initiatives

##### *Compliance to Occupational Safety and Health Act ("OSHA") 1994*

The Group's Safety and Health Committee ("SHC"), comprising representatives from both Management and employees, is responsible for coordinating health and safety initiatives in the Group. The SHC's responsibilities include ensuring compliance with Department of Occupational Safety and Health ("DOSH") regulations, continuously monitoring safety performance and implementing protective measures for our employees. We have established guidelines for workplace risk assessments using the Hazard Identification, Risk Assessment and Risk Controls ("HIRARC") framework. Furthermore, the SHC has formed four (4) dedicated teams to ensure compliance and preparedness:

1. Safety Audit Team;
2. Chemical Hazard and Risk Assessment Team;
3. Inspection, Awareness, and Communication Team; and
4. Emergency Response Team.

## SUSTAINABILITY STATEMENT (CONT'D)

### SOCIAL (CONT'D)

#### SAFETY AND HEALTH (CONT'D)

##### Our Approach/Initiatives (Cont'd)

##### *Implementing Safety and Health Elements*

The Group prioritises health and safety beyond legal requirements by minimising hazards at all premises via key measures that include:

- Hazard signage - Clear visual warnings for risks;
- Safety and health best practices and standard operating procedures;
- Bomba-certified Premises - Compliance with official fire safety standards;
- Mandatory personal protection equipment - Requirement for safety shoes, helmets, gloves, gowns and masks;
- Regular Health and Safety Training - Ongoing education for employees on hazard recognition and prevention; and
- Safety and Health Manual - Formal document that outlines policies and procedures related to safety and health.

##### *Safety and Health Protection Measures*

We are committed to providing necessary health and safety protection measures for our employees. All our employees, including permanent and temporary ones, are provided with access to medical and healthcare services in the form of health insurance, access to panel clinics, annual medical examination and health screening packages.

##### *Safety and Health Training*

Ensuring a safe work environment is our priority, demonstrated by our investment in employee training. For the financial year ended 30 June 2025, 360 employees, including new hires as part of their mandatory induction, participated in a number of health and safety programmes.

The following are among the safety and health programmes that were conducted throughout the financial year under review:

Date	Training
07/08/24	Safe Chemical Handling and General Laboratory Safety
15/08/24 and 29/08/24	Fire Prevention Awareness Training
14/10/24	Occupational Safety and Health Programme
03/12/24	Safety Practices for Warehouse
10/12/24	Safety and Health Practice in QC
08/01/25	ERT Training
09/01/25	Forklift Safety and Competency Training Programme
28/02/25	Safety Measurements at Working Environment
04/03/25	Chemical and Microbiology Laboratory Safety Manual
23/04/25	Fire Prevention Awareness
21/05/25	Requirements and Awareness on Safety and Health
19/06/25 and 26/06/25	Road Safety Awareness for Foreign Worker

## SUSTAINABILITY STATEMENT (CONT'D)

### SOCIAL (CONT'D)

#### SAFETY AND HEALTH (CONT'D)

##### Our Approach/Initiatives (Cont'd)

##### *Safety and Health Training (Cont'd)*



##### Our Performance

The Group maintained its focus on occupational health and safety during the financial year ended 30 June 2025. Our concerted efforts resulted in a reduction in workplace incidents, with reported accidents decreasing from seven (7) cases in the previous financial year to four (4) cases in the financial year under review. The lost time incident rate ("LTIR") also saw an improvement, falling from 0.88 to 0.48.

While this progress is encouraging, every accident is treated with the utmost seriousness. Each incident triggers a thorough root cause investigation, leading to corrective actions such as enhancements to standard operating procedures, employee briefings, additional training or supervision. All accidents are reported in full compliance with DOSH.

Description	Unit	FY 2023	FY 2024	FY 2025
Our Indicator: Number of Accidents Reported	No.	1	7	4
Bursa's Indicator C5(a): Number of work-related fatalities	No.	0	0	0
Bursa's Indicator C5(b): Lost time incident rate ("LTIR")*	Rate	-	0.88	0.48
Bursa's Indicator C5(c): Number of employees trained on health and safety standards*	No.	-	539	360

Notes: 1. \* No comparison data available for FY 2023 due to FY 2024 being the first year of reporting of a new indicator.  
2. LTIR is based (Number of lost time injuries x 200,000)/total number of hours worked by employees.

## SUSTAINABILITY STATEMENT (CONT'D)

### SOCIAL (CONT'D)

#### SAFETY AND HEALTH (CONT'D)

##### Our Performance (Cont'd)

Description	Our Target	Our Progress for FY 2025
Bursa's Indicator C5(a): Number of work-related fatalities	To achieve zero workplace related fatalities.	Status: Target was achieved. No fatalities reported.
Bursa's Indicator C5(b): Lost time incident rate ("LTIR")	To maintain the LTIR below 1.5 during the reporting period.	Status: Target was achieved. 4 work-related injuries reported whereby the LTIR was 0.48.
Bursa's Indicator C5(c): Number of employees trained on health and safety standards	At least 50% of our employees to be trained on health and safety standard at least once every 2 years.	Status: Target was achieved. 360 employees, including 96 new joiners, attended health and safety training.

### LOCAL COMMUNITY

#### Why It Matters?

Driven by a core belief to create a positive value for the society, the Group is committed to making a meaningful impact on the local community. This ethos is put into practice through charitable engagement for the well-being of our surrounding community. We are steadfast in our role as a socially conscious business organisation, recognising that active community involvement is integral to long-term business sustainability.

#### Our Approach/Initiatives

The Group is dedicated to create a positive change in the communities we serve. Our efforts extend to a wide range of charitable organisations, including non-profitable organisations, old folks' homes, orphanages and educational institutions. Through targeted social responsibility initiatives, we provide critical support to underserved communities, particularly with a special focus on improving access to essential healthcare products.

We also prioritise local economic development by generating meaningful employment opportunities with fair and competitive terms. Our commitment to nurturing future talent is demonstrated through our internship and Provisionally Registered Pharmacists ("PRP") programmes. These initiatives are designed to offer invaluable hands-on experience and professional development within the pharmaceutical industry. For the financial year ended 30 June 2025, we are proud to have welcomed 33 interns and 2 PRPs.



## SUSTAINABILITY STATEMENT (CONT'D)

### SOCIAL (CONT'D)

#### LOCAL COMMUNITY (CONT'D)

##### Our Approach/Initiatives (Cont'd)

To further these commitments, the Group invested a total of RM167,647 in monetary and non-monetary sponsorships across various social responsibility activities and events, as listed in the table below:

<b>1) School Events</b>	<ul style="list-style-type: none"> <li>Annual sponsorship of vitamin supplements and pastilles for Children's Day for 48 schools in Melaka.</li> <li>Sponsorship for Mandarin Public Speaking Competition – Persatuan Kwang Tung Melaka.</li> <li>Sponsorship for Majlis Graduasi &amp; Penutup Tadika Jaim.</li> <li>Sponsorship for Colouring Competition – Tadika KEMAS Taman Tamby Chik Karim.</li> <li>Sponsorship to SJKC Pay Chee Alumni Charity Run.</li> <li>Sponsorship to SJKC Pay Fong Melaka for Charity Sales.</li> <li>Sponsorship for SJKC Yu Hwa 78th School Anniversary Event.</li> </ul>
<b>2) Blood Donation Drive</b>	<ul style="list-style-type: none"> <li>Bachang Melaka Blood Donation Campaign.</li> <li>St. John's Health Carnival.</li> <li>Hayan Print's Blood Donation Campaign.</li> <li>Blood Donation Campaign – Seck Kia Eenh Temple.</li> <li>Blood Donation Campaign – Persatuan Pemuda Lee.</li> </ul>
<b>3) Education</b>	<ul style="list-style-type: none"> <li>Annual sponsorship of two book prizes to International Medical University and one book prize to University Malaya ("UM") for pharmacy students of graduating class.</li> </ul>
<b>4) Others</b>	<ul style="list-style-type: none"> <li>Annual monetary donation to Wings Melaka, a centre for providing care and support to special needs children.</li> <li>Sponsorship to Pusat Kebajikan Villa Harapan, our on-going commitment towards this centre to provide nutritional products to the underprivileged community in Melaka.</li> <li>Sponsorship in-kinds for HASA Childhood Neurodisability Day 2025.</li> <li>Sponsor for community programme by Ministry of Health – "Jom Cek Gigi".</li> <li>Sponsorship to UM for their Inclusivity Carnival.</li> <li>Sponsorship to Universiti Putra Malaysia's programme "Si Cilik Bijak Makan : Intervensi Dietetik Awal, Anak Kekal Sihat".</li> </ul>

##### Our Performance

Description	Unit	FY 2023	FY 2024	FY 2025	Our Target
Bursa's Indicator C2(a): Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	118,575	139,181	167,647	No target was set.
Bursa's Indicator C2(b): Total number of beneficiaries of the investment in communities*	No.	-	66	111	No target was set.

Notes: 1. \* No comparison data available for FY 2023 due to FY 2024 being the first year of reporting of a new indicator.  
 2. The Group is of view that setting a target for sustainability matter relating to donation or charitable activities would not be practicable.

## SUSTAINABILITY STATEMENT (CONT'D)

### SOCIAL (CONT'D)

#### LOCAL COMMUNITY (CONT'D)

##### Our Performance (Cont'd)



## SUSTAINABILITY STATEMENT (CONT'D)

### GOVERNANCE

#### ETHICAL BUSINESS CONDUCT

##### Why It Matters?

The Group's dedication in maintaining the highest ethical standards and fostering a culture of integrity is built upon a firm foundation of core principles, namely, i) integrity in every decision; ii) accountability for our actions; iii) transparency in our operations; and iv) strict adherence to all applicable laws and regulations. Every employee, from leadership to every team member, is entrusted to uphold these standards of business ethics and professionalism. The choices we make daily collectively define our dedication. By empowering our people to do the right thing, we proactively safeguard the Group, protecting it from the legal risks, financial penalties and reputational damage that arise from ethical failures.

##### Our Approach/Initiatives

###### *Anti-Bribery and Corruption*

The Group maintains zero-tolerance policy against all forms of bribery and corruption. This principle is formally outlined in our Anti-Bribery and Corruption ("ABC") Policy, which applies to all employees and third parties acting on our behalf.

To embed this commitment, we have implemented several initiatives related to anti-bribery and corruption as follows:

- **Mandatory Training:** All new employees undergo a comprehensive induction programme that includes familiarisation with our ABC Policy. This is supplemented by annual refreshment e-training on ABC Policy to ensure all our employees' ongoing awareness and understanding;
- **Third-Party Declaration Form:** We extend our ethical standards to our value chain. All new suppliers, vendors and partners are required to acknowledge and sign a Third-Party Declaration Form, affirming their compliance with our ABC Policy and relevant laws and regulations;
- **Transparent External Communication:** To reinforce our commitment publicly, all invoices issued by the Group feature a footnote declaring our adherence to the ABC Policy and all applicable anti-corruption laws and regulations; and
- **Corruption Risk Assessment:** We conduct Corruption Risk Assessments to identify, evaluate and mitigate potential threats to our business. This assessment is fully integrated into our Enterprise Risk Management ("ERM") framework.

###### *Whistleblowing Policy*

Our Whistleblowing Policy demonstrates our commitment to fostering a culture of openness and accountability. It provides a secure, confidential and accessible channel for all employees and external parties to report genuine concerns about unethical, illegal or unsafe conduct without fear of retaliation. We maintain a non-retaliation policy to protect any individual who submits a report in good faith. To ensure independence and confidentiality, reports can be submitted in person or by mail to the Chairman of the Company and/or the Chairman of the Audit Committee, or directly via email to [whistleblowing@kotrapharma.com](mailto:whistleblowing@kotrapharma.com). We assure that every legitimate report is addressed through a thorough, impartial and confidential investigation process.

###### *Code of Conduct and Ethics*

Our Code of Conduct & Ethics ("Code") is the essential guide that sets the standard of behaviour for every Director and employee across the Group. This Code, disseminated through our intranet portal along with related policies, serves as a guiding document for our actions and decisions to ensure we operate with high standards of integrity, accountability and responsibility. Non-compliance with the provisions of this Code is subject to disciplinary measures, which may include termination of employment.

The ABC Policy, Whistleblowing Policy and the Code are accessible on the Group's website at [www.kotrapharma.com](http://www.kotrapharma.com).

## SUSTAINABILITY STATEMENT (CONT'D)

### GOVERNANCE (CONT'D)

#### ETHICAL BUSINESS CONDUCT (CONT'D)

##### Our Performance

For the financial year under review, the Group did not encounter any instances of bribery or corruption, nor were there any reports of improper conduct involving our employees or third parties associated with the Group. For employee e-training on the ABC Policy, the Group achieved a 94.5% completion rate for Managers and above category and a 100% completion rate for employee e-training on the ABC Policy at both Executive and Non-Executive categories. This effort ensures compliance and reinforces our commitment to ethical standards.

Description	Unit	FY 2023	FY 2024	FY 2025
1. Bursa's Indicator C1(a): Percentage of employees who have received training on anti-corruption by employee category*				
Managers and Above	%	-	2.4	94.5
Executive	%	-	15.7	100
Non-Executive	%	-	19.4	100
2. Bursa's Indicator C1(b): Percentage of operations assessed for corruption-related risks*	%	-	100	100
3. Bursa's Indicator C1(c): Number of confirmed incidents of corruption and action taken (substantiated and investigated)	No.	0	0	0

Note: \* No comparison data available for FY 2023 due to FY 2024 being the first year of reporting of a new indicator.

Description	Our Target	Our Progress for FY 2025
Bursa's Indicator C1(a): Percentage of employees who have received training on anti-corruption by employee category	100% employees to be trained on anti-corruption.	Status: The target was achieved for Executive and Non-Executive categories, while it was not fully met for Managers and above in the e-training on anti-corruption.
Bursa's Indicator C1(b): Percentage of operations assessed for corruption-related risks	100% operations assessed for corruption-related risks.	Status: Target was achieved. 100% operations assessed for corruption-related risks during the financial year under review.
Bursa's Indicator C1(c): Number of confirmed incidents of corruption and action taken (substantiated and investigated)	To achieve zero cases involving bribery/corruption.	Status: Target was achieved. No cases related to bribery/corruption were reported.

#### DATA PROTECTION AND SECURITY

##### Why It Matters?

In today's digital world, the protection of sensitive data is paramount for the Group's integrity and risk management. This encompasses safeguarding not only our proprietary business information and intellectual property but also the personal data of our employees, customers and business partners. A data breach could lead to operational disruption, financial loss, reputational damage, loss of market confidence and legal penalties. We therefore treat data security as a top priority, integral to sustaining stakeholders' trust and ensuring business continuity.

## SUSTAINABILITY STATEMENT (CONT'D)

### GOVERNANCE (CONT'D)

#### DATA PROTECTION AND SECURITY (CONT'D)

##### Our Approach/Initiatives

As part of the induction programme, all new employees are required to read, complete and sign a staff confidentiality declaration. This proactive measure confirms their understanding and agreement to comply with our strict standards towards confidentiality, helping to instil a strong culture of data protection from the very first day.

Our dedication to data security extends to our relationships with all third-party business partners. We expect our partners to uphold the same rigorous level of care and commitment when handling any information on our behalf. To formalise this expectation, all business partners are required to execute a Non-Disclosure Agreement ("NDA") with us. This NDA legally underscores our mutual obligations to protect sensitive and proprietary data, ensuring a secure and trustworthy collaboration.

Apart from that, our cybersecurity approach combines continuous employee education by our IT team with technical controls to create a multi-layered defence. We proactively enhance our employees' awareness through regular knowledge-sharing initiatives, focusing on critical topics like phishing, scam identification and password protection.

This is supported by the following measures across the Group:

- **Network Protection:** Next-generation firewalls are used to safeguard our internal network. These systems leverage on advanced capabilities and are automatically updated with the latest threat intelligence to combat emerging cyber threats;
- **End Point Security:** We utilise a leading antivirus and end point protection platform to secure all devices, including laptops, desktops and servers;
- **Data Resilience:** All personal data is securely stored in our servers, protected by password controls and antivirus software and is backed up daily. Copies of critical system backups are stored securely offsite to ensure business continuity;
- **Authentication Controls:** We have deployed authentication controls for all major IT services, securing access from individual end points to web applications; and
- **Strict Application Control:** Software installation privileges on all end points are restricted to system administrators only, preventing the execution of unauthorised or malicious applications.

##### Our Performance

Throughout the financial year ended 30 June 2025, the Group experienced no material cybersecurity breaches and received no substantiated complaints regarding the breach of customer data. We are committed to continuous vigilance and the enhancement of our protective measures to safeguard sensitive information and uphold the trust of our stakeholders.

Description	Unit	FY 2023	FY 2024	FY 2025
Bursa's Indicator C8(a): Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	No.	0	0	0

Our Target	Our Progress for FY 2025
Zero substantiated complaints concerning breaches of customer privacy and losses of customer data.	Status: Target was achieved.

### MOVING FORWARD

The Board is aware of the mandatory disclosure requirements issued by the National Sustainability Reporting Framework ("NSRF") and, in particular, the IFRS S1: Disclosure of Sustainability-related Financial Information as well as the IFRS S2: Climate-related Disclosures issued by the International Sustainability Standards Board. In the coming years, we intend to progress through a phased implementation plan to meet these requirements. Our focus will be on conducting a gap analysis against the IFRS S1 and S2 standards and data gathering, followed by the integration of disclosures into our reporting cycle and culminating in independent assurance. The insights gained will be instrumental in guiding our journey towards producing a more meaningful sustainability reporting to all stakeholders in the upcoming years.



# SUSTAINABILITY STATEMENT (CONT'D)

## APPENDIX 1: SUSTAINABILITY PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

Indicator	Measurement Unit	2024	2025
<b>Bursa (Supply chain management)</b>			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	55.00	46.00
<b>Bursa (Energy management)</b>			
Bursa C4(a) Total energy consumption	Megawatt	10,961.14	10,936.93
<b>Bursa (Water)</b>			
Bursa C9(a) Total volume of water used	Megalitres	69.200000	74.300000
<b>Bursa (Waste management)</b>			
Bursa C10(a) Total waste generated	Metric tonnes	106.10	84.80
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	49.50	41.20
Bursa C10(a)(iii) Total waste directed to disposal	Metric tonnes	56.60	43.60
<b>Bursa (Diversity)</b>			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Managers and Above Under 30	Percentage	0.10	0.10
Managers and Above Between 30-50	Percentage	5.20	4.90
Managers and Above Above 50	Percentage	2.00	2.20
Executive Under 30	Percentage	6.70	7.20
Executive Between 30-50	Percentage	19.30	19.80
Executive Above 50	Percentage	2.00	2.20
Non-executive Under 30	Percentage	29.70	25.20
Non-executive Between 30-50	Percentage	29.80	32.50
Non-executive Above 50	Percentage	5.20	5.90
Gender Group by Employee Category			
Managers and Above Male	Percentage	4.40	4.40
Managers and Above Female	Percentage	3.00	2.80
Executive Male	Percentage	11.20	11.60
Executive Female	Percentage	16.80	17.60
Non-executive Male	Percentage	34.80	33.90
Non-executive Female	Percentage	29.80	29.70
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	83.00	83.00
Female	Percentage	17.00	17.00
Under 50	Percentage	17.00	17.00
Between 50-60	Percentage	17.00	17.00
Above 60	Percentage	66.00 *	66.00
<b>Bursa (Labour practices and standards)</b>			
Bursa C6(a) Total hours of training by employee category			
Managers and Above	Hours	1,812	2,474
Executive	Hours	5,906	8,271
Non-executive	Hours	14,408	10,199
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	12.00	11.00
Bursa C6(c) Total number of employee turnover by employee category			
Managers and Above	Number	5	6
Executive	Number	38	40
Non-executive	Number	74	81
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
<b>Bursa (Health and safety)</b>			
Bursa C5(a) Number of work-related fatalities	Number	0 *	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.88	0.48

## SUSTAINABILITY STATEMENT (CONT'D)

### APPENDIX 1: SUSTAINABILITY PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM (CONT'D)

Indicator	Measurement Unit	2024	2025
Bursa C5(c) Number of employees trained on health and safety standards	Number	539	360
<b>Bursa (Community/Society)</b>			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	139,181.00	167,647.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	66	111
<b>Bursa (Anti-corruption)</b>			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Managers and Above	Percentage	2.40	94.50
Executive	Percentage	15.70	100.00
Non-executive	Percentage	19.40	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
<b>Bursa (Data privacy and security)</b>			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
<b>Bursa (Emissions management)</b>			
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	No Data Provided
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	No Data Provided
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	No Data Provided

## ADDITIONAL COMPLIANCE INFORMATION

### Utilisation Proceeds from Corporate Proposal

The Company did not raise any funds through any corporate proposal during the financial year ended 30 June 2025. Therefore, there was no utilisation of proceeds for the financial year under review.

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

Pursuant to the shareholders' mandate obtained at the Company's Twenty-Fifth Annual General Meeting ("25th AGM") held on 29 November 2024, details of RRPT of a revenue or trading nature conducted during the financial year under review are as follows:

The Mandated Related Parties	Nature of Transactions	Nature of Relationship	Aggregate Value of transactions from 1 July 2024 till 30 June 2025 (RM)
Kwong Onn Tong Sdn. Bhd. ("KOT")	<ul style="list-style-type: none"> <li>Sales of goods by KPM to KOT</li> </ul>	A Related Party by virtue of Piong Teck They being a brother to Piong Teck Onn and Datuk Piong Teck Yen who are Directors of the Company. Piong Teck They is a major shareholder of KOT.	294,990
Lonnix (M) Sdn. Bhd. ("Lonnix")	<ul style="list-style-type: none"> <li>Charges by Lonnix to KPM for contract manufacturing and repackaging of goods</li> </ul>	A company in which Piong Chee Kien, who is a former Director of the Company and a nephew to Piong Teck Onn, Datuk Piong Teck Yen and Chin Swee Chang who are Directors of the Company.	NIL
Appeton Laboratory Sdn. Bhd. ("Appeton Laboratory")	<ul style="list-style-type: none"> <li>Rental charged by Appeton Laboratory to KPM for use of premises as hostel for KPM's staff</li> </ul>	A company in which Datuk Piong Teck Yen and Piong Teck Onn, who are Directors of the Company, are Directors and Piong Teck Onn is a major shareholder.	7,800
Kebaya Hotel Sdn. Bhd. ("Kebaya Hotel") (Formerly known as Thames Bioscience Sdn. Bhd.)	<ul style="list-style-type: none"> <li>Payment of royalty by KPM to Kebaya Hotel</li> </ul>	A company in which Piong Teck Onn and Datuk Piong Teck Yen, who are Directors of the Company, are Directors and Piong Teck Onn is a major shareholder.	NIL
Datuk Piong Teck Yen	<ul style="list-style-type: none"> <li>Rental of premises paid/payable</li> </ul>	Director of the Company.	NIL
Piong Teck Onn	<ul style="list-style-type: none"> <li>Rental of premises paid/payable</li> </ul>	Director of the Company.	NIL
Quanweili Sdn. Bhd. ("Quanweili")	<ul style="list-style-type: none"> <li>Sales of goods by KPM to Quanweili</li> </ul>	A company by virtue of Piong Teck They, being a brother to Piong Teck Onn and Datuk Piong Teck Yen, who are Directors of the Company, is a major shareholder.	NIL
Coxinet Asset Sdn. Bhd. ("Coxinet")	<ul style="list-style-type: none"> <li>Rental charged by Coxinet for use of office premises by KPM</li> </ul>	A company in which Piong Teck Onn, a Director of the Company, is a Director and major shareholder.	984,000

**Note:** Details of related party transactions are disclosed in Note 33 to the Audited Financial Statements, of which none of the actual value of transactions conducted pursuant to the shareholders' mandate during the financial year exceeded the applicable prescribed threshold under paragraph 10.09(2)(e) of the Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

## ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

### Audit and Non-audit Fees Paid to External Auditors

The audit fees and non-audit fees payable to Crowe Malaysia PLT and/or their affiliates for services provided to the Company and the Group for the financial year ended 30 June 2025 were as follows:

Type of Fees	Group (RM)	Company (RM)
<b>Audit</b>	147,500	35,000
<b>Non-audit</b>		
Tax Filing	50,000	8,000
Review of the Statement on Risk Management and Internal Control	4,000	4,000
Total Non-audit fees	54,000	12,000

### Material Contracts Involving Directors' and Major Shareholders' Interests

Save for RRPT of a revenue in nature as disclosed, there were no material contracts entered into by the Group involving interests of the Directors, Senior Management who is not a director, major shareholders or connected persons which were still subsisting as of 30 June 2025 or which were entered into since the end of the previous financial year, except as disclosed in the financial statements.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Companies Act 2016 ("Act") requires the Directors to prepare financial statements for each financial year in accordance with the requirements of the Act, Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

In preparing the financial statements, the Directors have:

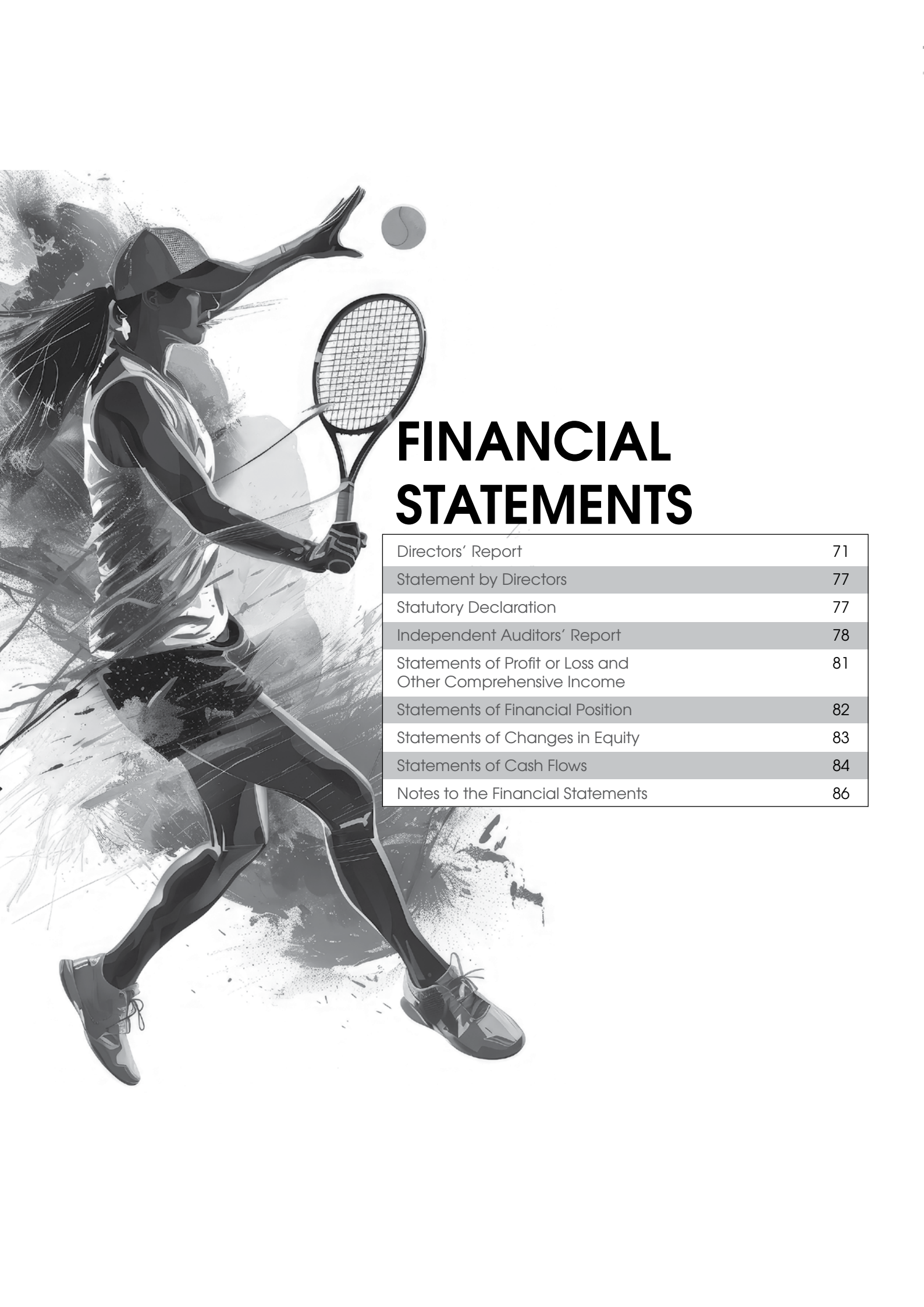
- i. adopted the appropriate accounting policies and applied them consistently;
- ii. consistently applied and supported by reasonable and prudent judgement and estimates;
- iii. ensured that all applicable approved accounting standards have been complied with; and
- iv. prepared the financial statements on a going concern basis.

The Directors are satisfied that the information contained in the financial statements give a true and fair view of the financial position of the Company and the Group and of their financial performance and cash flows for the financial year ended 30 June 2025.

The Directors are responsible to ensure that proper accounting records are kept which disclose the financial position of the Company and the Group with reasonable accuracy, enabling them to ensure that the financial statements comply with the provisions of the Act and applicable approved accounting standards in Malaysia.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and to detect and prevent fraud as well as other irregularities.





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# DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiary company are set out in the "Subsidiaries" section of this report.

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

## RESULTS

	Group RM'000	Company RM'000
Profit after taxation for the financial year	42,475	38,023

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

## DIVIDENDS

Dividends paid by the Company since 30 June 2024 are as follows:-

- A second interim single tier dividend of 13 sen per ordinary share amounting to RM19,280,831 for the financial year ended 30 June 2024 on 10 October 2024; and
- A first interim single tier dividend of 12.5 sen per ordinary share amounting to RM18,539,261 for the financial year ended 30 June 2025 on 26 December 2024.

On 26 August 2025, the Company declared a second interim single tier dividend of 13 sen per ordinary share amounting to RM19,280,831 in respect of the current financial year, payable on 24 October 2025, to shareholders whose names appeared in the record of depositors on 14 October 2025. The financial statements for the current financial year do not reflect this interim single tier dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 June 2026.

## DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Chin Swee Chang  
Piong Teck Onn  
Datuk Jamaludin Bin Nasir  
Datuk Piong Teck Yen  
Lee Min On  
Piong Chee Kien (Resigned on 1.3.2025)  
Piong Chee Kuan (Appointed on 1.2.2025)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Datuk Seri Piong Teck Min  
Piong Chee Wei

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	At 1.7.2024	Number of ordinary shares		At 30.6.2025
		Acquired	Sold	
<b>Holding Company</b>				
<i><b>Direct interest</b></i>				
Piong Teck Onn	61,529	-	-	61,529
Datuk Piong Teck Yen	8,737	-	-	8,737
<b>The Company</b>				
<i><b>Direct interest</b></i>				
Chin Swee Chang	2,314,800	-	-	2,314,800
Piong Teck Onn	16,286,626	-	-	16,286,626
Datuk Piong Teck Yen	8,296,564	-	-	8,296,564
<i><b>Indirect interest</b></i>				
Chin Swee Chang <sup>1</sup>	3,900,000	4,000	-	3,904,000
Piong Teck Onn <sup>2</sup>	72,987,562	4,000	-	72,991,562

<sup>1</sup> Deemed interested by virtue of her sons' shareholding pursuant to Section 59(11)(c) of the Companies Act 2016.

<sup>2</sup> Deemed interested by virtue of his direct substantial shareholding in Piong Nam Kim Holdings Sdn. Bhd., Medisch Specialist Centre Sdn. Bhd., and Platinum Essence Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and his sons' shareholding pursuant to Section 59(11)(c) of the Companies Act 2016.

By virtue of his shareholding in the holding company, namely Piong Nam Kim Holdings Sdn. Bhd., Piong Teck Onn is deemed to have interests in shares of the Company and its related corporations during the financial year to the extent of the holding company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) 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 except for any benefits which may be deemed to arise from the following transactions:-

	Group RM'000	Company RM'000
<b>Subsidiary</b>		
Dividend received/receivable	-	(38,231)
Management fee received/receivable	-	(540)
<b>Companies in which certain directors have significant financial interests</b>		
Lease payments on short-term leases	8	-
Lease payments for right-of-use assets	984	-
<b>Companies in which close family members of certain directors have significant financial interests</b>		
Sales of goods	(295)	-

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	From the Company RM'000	From the Subsidiary RM'000	Total RM'000
Fees	399	-	399
Salaries, bonuses and other benefits	23	3,031	3,054
Contributions to defined contribution benefits	-	364	364
Estimated money value of benefits-in-kind	-	13	13
	422	3,408	3,830

## DIRECTORS' REPORT (CONT'D)

### INDEMNITY AND INSURANCE COST

During the financial year, the amount of insurance effected for the directors and officers of the Company and its subsidiaries was RM12,000,000. No indemnity was given to or insurance effected for the auditors of the Company.

### ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

### OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

### SUBSIDIARIES

- (a) The details of the Company's subsidiaries are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent	Principal Activities
<i>Subsidiaries of the Company</i>			
Kotra Pharma (M) Sdn. Bhd.	Malaysia	100%	Developing, manufacturing and trading of pharmaceutical and healthcare products
Appeton Healthcare Sdn. Bhd.	Malaysia	100%	Dormant
Biglink Rewards Sdn. Bhd.	Malaysia	100%	Dormant
Kite Training And Consultancy Sdn. Bhd.	Malaysia	100%	Dormant

- (b) The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

### HOLDING COMPANY

The holding company is Piong Nam Kim Holdings Sdn. Bhd., a company incorporated in Malaysia which the directors also regard as the ultimate holding company.



## DIRECTORS' REPORT (CONT'D)

### OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:-
  - (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables; and
  - (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:-
  - (i) the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company; and
  - (ii) the values attributed to the current assets in the financial statements misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:-
  - (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:-
  - (i) no contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## DIRECTORS' REPORT (CONT'D)

### AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	Group RM'000	Company RM'000
Audit fees	148	35
Non-audit fees	4	4
	152	39

Signed in accordance with a resolution of the directors dated 7 October 2025

**Piong Teck Onn**  
Managing Director

**Chin Swee Chang**  
Executive Director

## STATEMENT BY DIRECTORS

### Pursuant to Section 251(2) of the Companies Act 2016

We, Piong Teck Onn and Chin Swee Chang, being two of the directors of Kotra Industries Berhad, state that, in the opinion of the directors, the financial statements set out on pages 81 to 120 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 7 October 2025

**Piong Teck Onn**  
Managing Director

**Chin Swee Chang**  
Executive Director

## STATUTORY DECLARATION

### Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Daniel Chua Chong Liang, MIA membership number: CA18092, being the officer primarily responsible for the financial management of Kotra Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 81 to 120 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  
abovementioned Daniel Chua Chong Liang,  
at Melaka in the State of Melaka  
on this 7 October 2025

**Daniel Chua Chong Liang**

Before me,

Shahrizah Binti Yahya  
M084  
Pesuruhjaya Sumpah  
Commissioner for Oaths  
No. 4 Jalan TMR 32,  
Taman Melaka Raya,  
75000 Melaka.

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF KOTRA INDUSTRIES BERHAD

### (INCORPORATED IN MALAYSIA) REGISTRATION NO: 199901022732 (497632-P)

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### Opinion

We have audited the financial statements of Kotra Industries Berhad, which comprise the statements of financial position of the Group and of the Company as at 30 June 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 81 to 120.

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 30 June 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, 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 report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Independence and other ethical responsibilities

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

##### Key audit matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition (Refer to Page 87, Note 4 to the financial statements)	
Consolidated revenue recorded by the Group during the year amounted to approximately RM231 million. We consider revenue recognition for sale of goods to be a potential cause for higher risk of material misstatement from the perspective of timing of recognition and the amount of revenue recognised. Accordingly, we regard revenue recognition to be a Key Audit Matter.	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>tested the operating effectiveness of internal control over the completeness, accuracy, and timing of revenue recognised in the financial statements;</li> <li>reviewed the terms of customer agreements to determine the point of control transfer to the customers on sampling basis;</li> <li>tested the recording of sales transactions, revenue cut-off and review of credit notes after year end; and</li> <li>obtained confirmations from trade receivables as at the financial year end on sampling basis and reviewed collections relating to material trade receivables during and after the financial year end.</li> </ul>

# **INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF KOTRA INDUSTRIES BERHAD (INCORPORATED IN MALAYSIA) REGISTRATION NO: 199901022732 (497632-P)**

## **Information other than the financial statements and auditors' report thereon**

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

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

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

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

## **Responsibilities of the directors for the financial statements**

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of 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 Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditors' responsibilities for the audit of the financial statements**

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

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

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



## **INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF KOTRA INDUSTRIES BERHAD (INCORPORATED IN MALAYSIA) REGISTRATION NO: 199901022732 (497632-P)**

### **Auditors' responsibilities for the audit of the financial statements (Cont'd)**

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 group financial statements. 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 financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **OTHER MATTERS**

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

**Crowe Malaysia PLT**  
201906000005 (LLP0018817 - LCA) & AF 1018  
Chartered Accountants

Melaka  
7 October 2025

**Tan Guan Seng**  
03387/08/2026 J  
Chartered Accountant

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	4	230,784	226,554	38,771	41,017
Other operating income	5	3,295	7,983	32	36
Raw materials and consumables used		(58,345)	(62,632)	-	-
Changes in inventories of finished goods and work-in-progress		(2,276)	2,363	-	-
Employee benefits expenses	6	(56,652)	(53,310)	(526)	(464)
Selling and distribution expenses		(27,466)	(28,841)	-	-
Depreciation and amortisation		(13,605)	(14,299)	-	-
Other operating expenses		(24,697)	(21,490)	(247)	(243)
Finance costs	7	(27)	(37)	-	-
Net reversal of impairment losses on financial assets	8	345	183	-	-
Profit before taxation	9	51,356	56,474	38,030	40,346
Income tax expense	10	(8,881)	(11,878)	(7)	(21)
Profit after taxation		42,475	44,596	38,023	40,325
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial year		42,475	44,596	38,023	40,325
<b>Earnings per share attributable to equity holders of the Company (sen):</b>					
- Basic	11	28.64	30.07		
- Diluted	11	28.64	30.07		

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

# STATEMENTS OF FINANCIAL POSITION

## AS AT 30 JUNE 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	199,101	167,726	-	-
Investment properties	13	1,261	1,286	-	-
Investments in subsidiaries	14	-	-	121,668	121,408
Right-of-use assets	15	10,367	10,499	-	-
		210,729	179,511	121,668	121,408
<b>Current assets</b>					
Inventories	16	51,764	54,636	-	-
Trade receivables	17	32,651	36,110	-	-
Other receivables	18	2,580	2,704	6	6
Amounts owing by subsidiaries	19	-	-	-	169
Current tax assets		10	14	10	14
Derivative assets	20	32	-	-	-
Fixed deposits with licensed banks	21	18,511	60,601	700	600
Cash and bank balances		32,176	5,412	194	156
		137,724	159,477	910	945
<b>Total assets</b>		<b>348,453</b>	<b>338,988</b>	<b>122,578</b>	<b>122,353</b>
<b>Equity and liabilities</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	22	86,276	86,276	86,276	86,276
Retained earnings	23	193,818	189,163	36,222	36,019
<b>Total equity</b>		<b>280,094</b>	<b>275,439</b>	<b>122,498</b>	<b>122,295</b>
<b>Non-current liabilities</b>					
Term loan	25	1,531	-	-	-
Deferred tax liabilities	26	6,179	1,875	-	-
Deferred income	27	294	548	-	-
Lease liabilities	28	82	82	-	-
		8,086	2,505	-	-
<b>Current liabilities</b>					
Trade payables	29	13,277	18,245	-	-
Other payables	30	44,125	40,204	80	58
Lease liabilities	28	960	960	-	-
Current tax liabilities		1,911	1,635	-	-
		60,273	61,044	80	58
<b>Total liabilities</b>		<b>68,359</b>	<b>63,549</b>	<b>80</b>	<b>58</b>
<b>Total equity and liabilities</b>		<b>348,453</b>	<b>338,988</b>	<b>122,578</b>	<b>122,353</b>

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

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Group	Note	Non-distributable		Distributable	Total equity RM'000
		Share capital RM'000	Share option reserve RM'000	Retained earnings RM'000	
At 1 July 2023		84,896	153	186,030	271,079
Profit after taxation, representing total comprehensive income for the financial year		-	-	44,596	44,596
Contributions by and distributions to owners of the Company:					
- Dividends	31	-	-	(41,528)	(41,528)
- Employees' share options exercised		1,380	(88)	-	1,292
- Share options expired transferred to retained earnings		-	(65)	65	-
Total transactions with owners		1,380	(153)	(41,463)	(40,236)
At 30 June 2024/1 July 2024		86,276	-	189,163	275,439
Profit after taxation, representing total comprehensive income for the financial year		-	-	42,475	42,475
Contributions by and distributions to owners of the Company:					
- Dividends	31	-	-	(37,820)	(37,820)
At 30 June 2025		86,276	-	193,818	280,094

<b>Company</b>					
At 1 July 2023		84,896	153	37,157	122,206
Profit after taxation, representing total comprehensive income for the financial year		-	-	40,325	40,325
Contributions by and distributions to owners of the Company:					
- Dividends	31	-	-	(41,528)	(41,528)
- Employees' share options exercised		1,380	(88)	-	1,292
- Share options expired transferred to retained earnings		-	(65)	65	-
Total transactions with owners		1,380	(153)	(41,463)	(40,236)
At 30 June 2024/1 July 2024		86,276	-	36,019	122,295
Profit after taxation, representing total comprehensive income for the financial year		-	-	38,023	38,023
Contributions by and distributions to owners of the Company:					
- Dividends	31	-	-	(37,820)	(37,820)
At 30 June 2025		86,276	-	36,222	122,498

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Cash flows from operating activities</b>					
Profit before taxation		51,356	56,474	38,030	40,346
Adjustments for:-					
Amortisation of deferred income	27	(254)	(275)	-	-
Depreciation of investment properties	13	25	26	-	-
Depreciation of property, plant and equipment	12	12,488	13,178	-	-
Depreciation of right-of-use assets	15	1,092	1,095	-	-
Fair value gain on derivatives	5	(32)	-	-	-
(Gain)/Loss on disposal of property, plant and equipment	5,9	(2)	27	-	-
Interest expense on lease liabilities	7	24	20	-	-
Interest income	5	(2,285)	(3,771)	(32)	(36)
Interest income from short-term investments	5	-	(9)	-	-
Inventories written down	16	972	363	-	-
Net reversal of impairment losses on trade receivables	8	(345)	(183)	-	-
Other interest expense	7	3	17	-	-
(Reversal of property, plant and equipment written off)/Property, plant and equipment written off	12	(1)	44	-	-
Rental income from investment properties	5	(9)	-	-	-
Share-based payment under ESOS	6	-	44	-	-
Unrealised loss on foreign exchange	9	211	1,934	-	-
Operating profit before working capital changes		63,243	68,984	37,998	40,310
Decrease in inventories		1,900	4,201	-	-
Decrease/(Increase) in receivables		2,635	(2,241)	169	(17)
(Decrease)/Increase in payables		(3,781)	(4,311)	22	2
Cash from operations		63,997	66,633	38,189	40,295
Income tax paid		(4,367)	(1,817)	(17)	(38)
Income tax refunded		70	10	14	-
Net cash from operating activities		59,700	64,826	38,186	40,257

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



## STATEMENTS OF CASH FLOWS (CONT'D)

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Cash flows (for)/from investing activities</b>					
Additional investments in existing subsidiaries		-	-	(260)	-
Interest received		2,285	3,780	32	36
Proceeds from disposal of property, plant and equipment		20	50	-	-
Purchase of property, plant and equipment	32(a)	(38,655)	(49,198)	-	-
Rental received		9	-	-	-
Withdrawal of fixed deposits with tenure more than 3 months		-	9,667	-	-
Net cash (for)/from investing activities		(36,341)	(35,701)	(228)	36
<b>Cash flows for financing activities</b>					
Dividend paid	31	(37,820)	(41,528)	(37,820)	(41,528)
Interest paid	32(b)	(37)	(37)	-	-
Proceeds from issuance of ordinary shares		-	1,248	-	1,248
Proceeds from term loan	32(b)	1,531	-	-	-
Repayment of lease liabilities	32(b)	(960)	(964)	-	-
Net cash for financing activities		(37,286)	(41,281)	(37,820)	(40,280)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(13,927)	(12,156)	138	13
<b>Effects of exchange rate changes on cash and cash equivalents</b>		(1,399)	(1,116)	-	-
<b>Cash and cash equivalents at beginning of the financial year</b>		66,013	79,285	756	743
<b>Cash and cash equivalents at end of the financial year</b>	32(c)	50,687	66,013	894	756

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

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2025

### 1. General information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at No. 60-1, Jalan Lagenda 5, Taman 1 Lagenda, 75400 Melaka. The principal place of business is located at No. 1, 2 & 3, Jalan TTC 12, Cheng Industrial Estate, 75250 Melaka.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

The Company is principally involved in investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 14 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The holding company is Piong Nam Kim Holdings Sdn. Bhd., a company incorporated in Malaysia, which the directors also regard as the ultimate holding company.

The financial statements of the Company and of the Group are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 7 October 2025.

### 2. Basis of preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 2.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

#### MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback  
 Amendments to MFRS 101: Classification of Liabilities as Current or Non-current  
 Amendments to MFRS 101: Non-current Liabilities with Covenants  
 Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

- 2.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

#### MFRSs and/or IC Interpretations (Including The Consequential Amendments)

#### Effective Date

• MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
• MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
• Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
• Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
• Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
• Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
• Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 2. Basis of preparation (Cont'd)

2.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year (Cont'd):-

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

#### 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed in the following notes:-

- Note 10.1 - Income taxes;
- Note 12.1 - Depreciation of property, plant and equipment;
- Note 16.1 - Write-down of inventories;
- Note 17.1 - Impairment of trade receivables; and
- Note 26.1 - Deferred tax assets.

#### 4. Revenue

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<b>Revenue from contract with customers</b>				
<u>Recognised at a point in time</u>				
Sale of goods	230,784	226,554	-	-
<b>Revenue from other sources</b>				
Dividend income	-	-	38,231	40,477
Management fees	-	-	540	540
	230,784	226,554	38,771	41,017

(a) The information on the disaggregation of revenue by geographical market is disclosed in Note 35 to the financial statements.

(b) The information of the revenue from other sources is summarised below:-

##### Dividend income

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

##### Management fees

Management fees are recognised in the period in which the services are rendered.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 4. Revenue (Cont'd)

##### 4.1 Material accounting policy information for revenue

###### Sale of goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### 5. Other operating income

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Amortisation of deferred income	254	275	-	-
Fair value gain on derivatives	32	-	-	-
Gain on disposal of property, plant and equipment	2	-	-	-
Gain on foreign exchange - realised	-	3,338	-	-
Interest income from short-term investments	-	9	-	-
Interest income on financial assets				
measured at amortised cost	2,285	3,771	32	36
Rental income from investment properties	9	-	-	-
Miscellaneous	713	590	-	-
	3,295	7,983	32	36

The information of the other operating income is summarised below:-

##### (i) Government grants

The Group presents government grants related to an asset by setting up the grants as deferred income and are amortised to profit or loss on a systematic basis over the expected useful life of the relevant asset.

##### (ii) Interest income

Interest income is recognised on accrual basis using the effective interest method.

##### (iii) Rental income

Rental income is recognised on a straight-line basis over the lease term.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 30 JUNE 2025

### 6. Employee benefits expenses

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Directors' remuneration (Note 33(d))</b>				
Directors of the Company	3,817	3,731	422	364
Directors of the subsidiaries	647	592	-	-
	4,464	4,323	422	364
<b>Non-directors' remuneration</b>				
Short-term employee benefits	46,195	43,106	91	88
Defined contribution benefits	4,650	4,692	11	11
Other personnel expenses	1,343	1,145	2	1
Share option expenses	-	44	-	-
	56,652	53,310	526	464

Included in employee benefits expenses are key management personnel compensation as disclosed in Note 33(d) to the financial statements.

### 7. Finance costs

	Group	
	2025 RM'000	2024 RM'000
Interest expense on financial liabilities that are not at fair value through profit or loss:		
- bank overdrafts	3	17
Interest expense on lease liabilities (Note 28)	24	20
	27	37

### 8. Net reversal of impairment losses on financial assets

	Group	
	2025 RM'000	2024 RM'000
Impairment losses on trade receivables (Note 17)	413	268
Reversal of impairment losses on trade receivables (Note 17)	(758)	(451)
	(345)	(183)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 9. Profit before taxation

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging:-				
Auditors' remuneration:				
- audit fees	148	132	35	33
- non-audit fees	4	4	4	4
Depreciation:				
- investment properties (Note 13)	25	26	-	-
- property, plant and equipment (Note 12)	12,488	13,178	-	-
- right-of-use assets (Note 15)	1,092	1,095	-	-
Direct operating expenses arising from investment properties	14	12	-	-
Inventories written down (Note 16)	972	363	-	-
Loss on disposal of property, plant and equipment	-	27	-	-
Loss on foreign exchange:				
- realised	4,708	-	-	-
- unrealised	211	1,934	-	-
(Reversal of property, plant and equipment written off)/Property, plant and equipment written off (Note 12)	(1)	44	-	-
Lease expenses:				
- short-term leases	144	147	-	-
- low-value assets	2	16	-	-

#### 10. Income tax expense

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current tax expense	4,986	3,213	7	20
(Over)/Underprovision in the previous financial year	(409)	(1)	-	1
	4,577	3,212	7	21
Deferred tax (Note 26):				
- origination and reversal of temporary differences	4,946	8,902	-	-
- over-recognition of deferred tax liabilities in the previous financial year	(642)	-	-	-
- under-recognition of deferred tax assets in the previous financial year	-	(236)	-	-
	4,304	8,666	-	-
	8,881	11,878	7	21



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 10. Income tax expense (Cont'd)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before taxation	51,356	56,474	38,030	40,346
Tax at the statutory tax rate of 24% (2024: 24%)	12,325	13,554	9,127	9,683
Non-taxable income	-	(2)	(9,175)	(9,715)
Non-deductible expenses	384	400	55	52
Utilisation of tax incentives	(2,701)	(1,837)	-	-
Utilisation of deferred tax assets previously not recognised	(76)	-	-	-
(Over)/Underprovision of current tax in the previous financial year	(409)	(1)	-	1
Over-recognition of deferred tax liabilities in the previous financial year	(642)	-	-	-
Under-recognition of deferred tax assets in the previous financial year	-	(236)	-	-
	8,881	11,878	7	21

#### 10.1 Critical accounting estimates and judgements for income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

#### 11. Earnings per share

##### (a) Basic earnings per share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2025	2024
Profit attributable to owners of the Company (RM'000)	42,475	44,596
Weighted average number of ordinary shares in issue ('000)	148,314	148,296
Basic earnings per ordinary share (sen)	28.64	30.07

##### (b) Diluted earnings per share

The diluted earnings per share is equal to the basic earnings per share because there were no potential ordinary shares during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 12. Property, plant and equipment

Group	At 1.7.2024 RM'000	Additions (Note 32(a)) RM'000	Reclassification RM'000	Disposal RM'000	Written Off (Note 9) RM'000	Depreciation Charges (Note 9) RM'000	At 30.6.2025 RM'000
<b>2025</b>							
<i>Carrying amount</i>							
Industrial buildings and installations	38,704	13	18	-	-	(1,228)	37,507
Machinery and equipment	34,139	995	15,915	-	-	(9,788)	41,261
Motor vehicles	759	-	-	(18)	-	(157)	584
Office equipment	31	10	-	-	-	(14)	27
Computer equipment	1,626	520	-	-	1	(813)	1,334
Furniture and fittings	533	224	238	-	-	(221)	774
Renovation	475	17	39	-	-	(267)	264
Capital work-in-progress	91,459	42,101	(16,210)	-	-	-	117,350
	167,726	43,880	-	(18)	1	(12,488)	199,101
<b>2024</b>							
<i>Carrying amount</i>							
Industrial buildings and installations	39,835	92	-	-	-	(1,223)	38,704
Machinery and equipment	42,453	774	1,254	-	(40)	(10,302)	34,139
Motor vehicles	786	217	-	(76)	-	(168)	759
Office equipment	47	-	-	-	-	(16)	31
Computer equipment	2,300	305	-	(1)	(4)	(974)	1,626
Furniture and fittings	731	31	-	-	-	(229)	533
Renovation	741	-	-	-	-	(266)	475
Capital work-in-progress	39,473	53,240	(1,254)	-	-	-	91,459
	126,366	54,659	-	(77)	(44)	(13,178)	167,726

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 12. Property, plant and equipment (Cont'd)

Group	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
<b>2025</b>			
Industrial buildings and installations	58,906	(21,399)	37,507
Machinery and equipment	200,070	(158,809)	41,261
Motor vehicles	2,197	(1,613)	584
Office equipment	560	(533)	27
Computer equipment	9,687	(8,353)	1,334
Furniture and fittings	5,501	(4,727)	774
Renovation	2,738	(2,474)	264
Capital work-in-progress	117,350	-	117,350
	<b>397,009</b>	<b>(197,908)</b>	<b>199,101</b>
<b>2024</b>			
Industrial buildings and installations	58,875	(20,171)	38,704
Machinery and equipment	183,173	(149,034)	34,139
Motor vehicles	2,295	(1,536)	759
Office equipment	566	(535)	31
Computer equipment	9,401	(7,775)	1,626
Furniture and fittings	5,039	(4,506)	533
Renovation	2,682	(2,207)	475
Capital work-in-progress	91,459	-	91,459
	<b>353,490</b>	<b>(185,764)</b>	<b>167,726</b>

- (a) The carrying amount of property, plant and equipment of the Group pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 25 to the financial statements are as follows:-

	Group	
	2025 RM'000	2024 RM'000
Capital work-in-progress	52,150	-

- (b) The Group's capital work-in-progress represents capital expenditures incurred for factory buildings under construction and production machinery under installation. Included in the capital work-in-progress is the interest expenses capitalised during the financial year amounting to RM10,107 (2024: Nil).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 12. Property, plant and equipment (Cont'd)

##### 12.1 Critical accounting estimates and judgements for depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

##### 12.2 Material accounting policy information for property, plant and equipment

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Industrial buildings and installations	2% - 10%
Machinery and equipment	5% - 20%
Motor vehicles	10%
Office equipment	10%
Computer equipment	20%
Furniture and fittings	10%
Renovation	10%

Capital work-in-progress represent factory buildings under construction and production machinery under installation. They are not depreciated until such time when the asset is available for use.

#### 13. Investment properties

	Group	
	2025 RM'000	2024 RM'000
<b>Cost:-</b>		
At 1 July/30 June	2,105	2,105
<b>Accumulated depreciation:-</b>		
At 1 July	819	793
Depreciation during the financial year (Note 9)	25	26
At 30 June	844	819
	1,261	1,286
<b>Represented by:-</b>		
Freehold land	810	810
Freehold buildings	451	476
	1,261	1,286
<b>Fair value</b>	3,400	2,807

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 13. Investment properties (Cont'd)

- (a) An investment property of the Group is leased to a customer under operating lease with rentals payable monthly. The lease contains initial non-cancellable period of 2 (2024: Nil) years and an option that is exercisable by the customer to extend its lease for 2 (2024: Nil) years.

The Group requires 2 (2024: Nil) months of advanced rental payments from the customer. The lease does not include residual value guarantee and variable lease payments that depend on an index or rate.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating lease is as follows:-

	Group	
	2025 RM'000	2024 RM'000
Within 1 year	18	-
Between 1 and 2 years	9	-
	27	-

- (b) The fair values of the investment properties are within level 2 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.

#### 13.1 Material accounting policy information for investment properties

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation period for buildings is 50 years.

#### 14. Investments in subsidiaries

	Company	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost	115,016	114,756
Share options granted to employees of a subsidiary	6,652	6,652
	121,668	121,408

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 14. Investments in subsidiaries (Cont'd)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
<i>Subsidiaries of the Company</i>				
Kotra Pharma (M) Sdn. Bhd.	Malaysia	100%	100%	Developing, manufacturing and trading of pharmaceutical and healthcare products
Appeton Healthcare Sdn. Bhd.	Malaysia	100%	100%	Dormant
Biglink Rewards Sdn. Bhd.	Malaysia	100%	100%	Dormant
Kite Training And Consultancy Sdn. Bhd.	Malaysia	100%	100%	Dormant

##### 14.1 Material accounting policy information for investments in subsidiaries

Investments in subsidiaries including the share options granted to employees of a subsidiary, which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

#### 15. Right-of-use assets

Group	At 1.7.2024 RM'000	Modification of Lease Liabilities (Note 28) RM'000	Depreciation Charges (Note 9) RM'000	At 30.6.2025 RM'000
<b>2025</b>				
<i>Carrying amount</i>				
Leasehold land	9,458	-	(131)	9,327
Office premise	1,041	960	(961)	1,040
	10,499	960	(1,092)	10,367



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 15. Right-of-use assets (Cont'd)

Group	At 1.7.2023 RM'000	Modification of Lease Liabilities (Note 28) RM'000	Depreciation Charges (Note 9) RM'000	At 30.6.2024 RM'000
<b>2024</b>				
<i>Carrying amount</i>				
Leasehold land	9,589	-	(131)	9,458
Office premise	1,045	960	(964)	1,041
	10,634	960	(1,095)	10,499

- (a) The Group has lease contracts for leasehold land and office premise used in its operations. Their lease terms are as below:-

	2025	2024
Leasehold land	76 to 77 years	76 to 77 years
Office premise	2 years	2 years

- (b) The Group has applied recognition exemptions for short-term lease and leases of low-value assets which do not exceed RM50,000.
- (c) The Group has lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the portfolio of leased asset and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.
- (d) The leasehold land of the Group with carrying amount of RM5,708,160 (2024: Nil) has been pledged to a licensed bank as security for banking facilities granted to the Company as disclosed in Note 25 to the financial statements.

#### 15.1 Material accounting policy information for right-of-use assets

##### Short-term leases and leases of low-value assets

The Group applies the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

##### Right-of-use assets

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

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 16. Inventories

	2025 RM'000	Group 2024 RM'000
Raw materials	21,607	21,057
Work-in-progress	1,843	1,091
Finished goods	27,118	30,146
Goods in transit	1,196	2,342
	51,764	54,636
Recognised in profit or loss:-		
Inventories recognised as cost of sales	59,649	59,906
Amount written down (Note 9)	972	363
Movement for inventories written down:-		
At 1 July	5,136	5,829
Addition during the financial year (Note 9)	972	363
Written off during the financial year	(1,895)	(1,056)
At 30 June	4,213	5,136

##### 16.1 Critical accounting estimates and judgements for write-down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

##### 16.2 Material accounting policy information for inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 17. Trade receivables

	Group	
	2025 RM'000	2024 RM'000
Trade receivables	34,062	37,866
Less: Allowance for impairment losses	(1,411)	(1,756)
	32,651	36,110
Allowance for impairment losses:-		
At 1 July	1,756	1,939
Addition during the financial year (Note 8)	413	268
Reversal during the financial year (Note 8)	(758)	(451)
At 30 June	1,411	1,756

The Group's normal trade credit terms range from 60 to 120 (2024: 60 to 120) days.

Included in trade receivables are amounts due from related parties as disclosed in Note 33(c) to the financial statements.

##### 17.1 Critical accounting estimates and judgements for impairment of trade receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables.

#### 18. Other receivables

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other receivables:-				
Third parties	43	138	-	-
Interest receivables	129	251	5	5
Advance payments to suppliers	1,773	1,843	-	-
	1,945	2,232	5	5
Deposits	363	271	1	1
Prepayments	272	201	-	-
	2,580	2,704	6	6

The advance payments to suppliers are unsecured and interest-free. The amount owing will be offset against future billings from the suppliers.

#### 19. Amounts owing by subsidiaries

The amounts owing by subsidiaries are non-trade balances which represent unsecured and interest-free payment made on behalf. The amounts owing are repayable on demand and are to be settled in cash.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 20. Derivative assets

	Contract/Notional Amount		Group	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Forward currency contracts	7,596	-	32	-

The Group does not apply hedge accounting.

Forward currency contracts are used to hedge the Group's sales denominated in United States Dollar (USD) for which firm commitments existed at the end of the reporting period. The settlement dates of the forward currency contracts range between 1 to 4 months (2024: Nil) after the end of the reporting period.

#### 21. Fixed deposits with licensed banks

The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 3.75% to 4.45% (2024: 2.10% to 5.50%) per annum and 3.75% (2024: 3.70%) per annum respectively. The fixed deposits have maturity periods ranging from 63 to 91 (2024: 4 to 92) days and 91 (2024: 91) days for the Group and the Company respectively.

#### 22. Share capital

	Group/Company			
	2025 Number of shares '000	2024 '000	2025 Amount RM'000	2024 Amount RM'000
<b>Issued and fully paid-up</b>				
Ordinary shares				
At 1 July	148,314	148,064	86,276	84,896
New shares issued under the employee share option scheme for cash	-	250	-	1,380
At 30 June	148,314	148,314	86,276	86,276

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

Further information relating to the exercise of employee share option scheme is set out on page 101.

At an Extraordinary General Meeting held on 29 July 2013, the Company's shareholders approved the establishment of an Employee Share Option Scheme ("ESOS") of not more than 15% of the total issued and paid-up ordinary shares of the Company to eligible directors and employees of the Group (herein referred to as "new ESOS"). The new ESOS is governed by the ESOS By-Laws.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 22. Share capital (Cont'd)

The main features of the new ESOS are as follows:-

- (a) The maximum number of new ordinary shares of the Company, which may be available under the scheme, shall not exceed in aggregate 15%, or any such amount or percentage as may be permitted by the relevant authorities of the issued and paid-up share capital of the Company at any one time during the existence of the ESOS.
- (b) Eligible directors or employees of the Group are directors or employees of the Group who have been confirmed in the service of the Group prior to the offer or, if the employee is serving under an employment contract, the contract should be for a duration of at least two (2) years. The maximum allowable allotments for the directors have been approved by the shareholders of the Company in a general meeting.
- (c) The Scheme shall be in force for a period of five (5) years from 30 July 2013 and has been extended for a further period of up to five (5) years, at the sole and absolute discretion of the Board upon the recommendation by the ESOS committee and shall not in aggregate exceed a duration of ten (10) years from the effective date.
- (d) The option price may be subjected to a discount of not more than 10% of the average of the market quotation of the shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for the five trading days immediately preceding the offer date.
- (e) The option may be exercised by the grantee by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new ordinary shares of the Company comprised in the ESOS.
- (f) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new ordinary shares.
- (g) An option holder may, in a particular year, exercise up to such maximum number of shares in the option certificate or as determined by the ESOS Committee.
- (h) The option granted to eligible employees will lapse when they are no longer in employment with the Group.

The option prices and the details in the movement of the options granted are as follows:-

Date of offer	Exercise period	Exercise price per ordinary share RM	Number of Options over Ordinary Shares			
			Balance at 1.7.2023	Granted	Exercised	Balance at 30.6.2024
26.5.2023	28.7.2023	4.99	250,000	-	(250,000)	-
			250,000	-	(250,000)	-

No person to whom the share option has been granted above has any right to participate by virtue of the option in any share issue of any other company.

There were no options granted during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 23. Retained earnings

Under Malaysia's single-tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends declared from these profits are generally tax-exempt for shareholders. However, effective from Year of Assessment 2025, individual shareholders receiving more than RM100,000 in Malaysian dividend income annually will be subject to a 2% tax on the excess amount. This tax is not subject to withholding by the Company and must be declared and paid by the individual shareholders through their personal income tax return. Any dividends paid to corporate shareholders are remained tax-exempt.

#### 24. Other reserves

	Group/Company	
	2025	2024
	RM'000	RM'000
Share options under ESOS:-		
At 1 July	-	153
Movement during the year	-	(153)
At 30 June	-	-

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

#### 25. Term loan (secured)

	Group	
	2025	2024
	RM'000	RM'000
Non-current liabilities	1,531	-

(a) The term loan is secured by the following:-

- (i) legal charge of the Group's property, plant and equipment and right-of-use assets as disclosed in Notes 12(a) and 15(d) to the financial statements;
- (ii) specific debentures over certain assets of the Group;
- (iii) assignment of insurance policy for the charged property;
- (iv) negative pledge on all other property, plant and equipment as disclosed in Note 12 to the financial statements; and
- (v) corporate guarantee by the Company.

(b) The interest rate profile of the term loan is summarised below:-

	Effective Interest Rate		Group	
	2025	2024	2025	2024
	%	%	RM'000	RM'000
Floating rate term loan	3.92	-	1,531	-



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 25. Term loan (secured) (Cont'd)

- (c) The major covenant of the term loan is a subsidiary's gearing ratio shall not exceed 2.0 times.

The covenant is tested annually, at 30 June. The Group has complied with the covenant throughout the reporting period.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

#### 26. Deferred tax liabilities

Group	At 1.7.2024 RM'000	Recognised in Profit or Loss (Note 10) RM'000	At 30.6.2025 RM'000
<b>2025</b>			
<i>Deferred tax liabilities</i>			
Property, plant and equipment	(10,900)	622	(10,278)
Right-of-use assets	(249)	-	(249)
	(11,149)	622	(10,527)
<i>Deferred tax assets</i>			
Other temporary differences	5,116	(1,018)	4,098
Lease liabilities	250	-	250
Unutilised tax incentives	3,908	(3,908)	-
	9,274	(4,926)	4,348
	(1,875)	(4,304)	(6,179)

Group	At 1.7.2023 RM'000	Recognised in Profit or Loss (Note 10) RM'000	At 30.6.2024 RM'000
<b>2024</b>			
<i>Deferred tax liabilities</i>			
Property, plant and equipment	(12,731)	1,831	(10,900)
Right-of-use assets	(250)	1	(249)
	(12,981)	1,832	(11,149)
<i>Deferred tax assets</i>			
Other temporary differences	5,343	(227)	5,116
Lease liabilities	251	(1)	250
Unused tax losses	1,475	(1,475)	-
Unutilised tax incentives	12,703	(8,795)	3,908
	19,772	(10,498)	9,274
	6,791	(8,666)	(1,875)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 26. Deferred tax liabilities (Cont'd)

##### 26.1 Critical accounting estimates and judgements for deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits.

#### 27. Deferred income

	Group	
	2025 RM'000	2024 RM'000
<b>Non-current</b>		
Government grant	294	548

RM254,234 (2024: RM275,613) has been amortised and recognised as other income in the statement of profit or loss.

#### 28. Lease liabilities

	Group	
	2025 RM'000	2024 RM'000
At 1 July	1,042	1,046
Changes due to lease modification (Notes 15 and 32(b))	960	960
Interest expense recognised in profit or loss (Note 7)	24	20
Repayment of principal	(960)	(964)
Repayment of interest expense	(24)	(20)
<b>At 30 June</b>	<b>1,042</b>	<b>1,042</b>
Analysed by:-		
Current liabilities	960	960
Non-current liabilities	82	82
	<b>1,042</b>	<b>1,042</b>

##### 28.1 Material accounting policy information for lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

#### 29. Trade payables

The normal trade credit terms granted to the Group range from 60 to 90 (2024: 60 to 90) days.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 30. Other payables

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Accruals	1,365	1,210	80	58
Deposits received from customers	17,811	20,003	-	-
Payroll liabilities	8,271	7,244	-	-
Due to suppliers of property, plant and equipment	11,572	6,357	-	-
Other payables	5,106	5,390	-	-
	44,125	40,204	80	58

#### 31. Dividends

	Group/Company	
	2025	2024
	RM'000	RM'000
Second interim single tier dividend of 13 (2024: 15.5) sen per ordinary share in respect of the previous financial year	19,281	22,989
First interim single tier dividend of 12.5 (2024: 12.5) sen per ordinary share in respect of the current financial year	18,539	18,539
	37,820	41,528

On 26 August 2025, the Company declared a second interim single tier dividend of 13 sen per ordinary share amounting to RM19,280,831 in respect of the current financial year, payable on 24 October 2025, to shareholders whose names appeared in the record of depositors on 14 October 2025. The financial statements for the current financial year do not reflect this interim single tier dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 June 2026.

#### 32. Cash flow information

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	Group	
	2025	2024
	RM'000	RM'000
<b>Property, plant and equipment</b>		
Cost of property, plant and equipment purchased (Note 12)	43,880	54,659
Under payables for purchase of property, plant and equipment	(5,215)	(5,461)
Interest expense capitalised (Note 32(b))	(10)	-
	38,655	49,198

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 32. Cash flow information (Cont'd)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

Group	Bank Overdrafts RM'000	Term Loan RM'000	Lease Liabilities RM'000	Total RM'000
<b>2025</b>				
At 1 July	-	-	1,042	1,042
<u>Changes in financing cash flows</u>				
Proceeds from drawdown	-	1,531	-	1,531
Repayment of principal	*	-	(960)	(960)
Repayment of interests	(3)	(10)	(24)	(37)
	(3)	1,521	(984)	534
<u>Other changes</u>				
Modification of lease (Notes 15 and 28)	-	-	960	960
Interest expense recognised in profit or loss	3	-	24	27
Interest expense capitalised under capital work-in-progress (Note 32(a))	-	10	-	10
	3	10	984	997
At 30 June	-	1,531	1,042	2,573

Group	Bank Overdrafts RM'000	Lease Liabilities RM'000	Total RM'000
<b>2024</b>			
At 1 July	-	1,046	1,046
<u>Changes in financing cash flows</u>			
Repayment of principal	*	(964)	(964)
Repayment of interests	(17)	(20)	(37)
	(17)	(984)	(1,001)
<u>Other changes</u>			
Modification of lease (Notes 15 and 28)	-	960	960
Interest expense recognised in profit or loss	17	20	37
	17	980	997
At 30 June	-	1,042	1,042

\* Bank overdrafts have formed part of the cash and cash equivalents, therefore, no movement is presented.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 32. Cash flow information (Cont'd)

(c) The cash and cash equivalents comprise the following:-

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks	18,511	60,601	700	600
Cash and bank balances	32,176	5,412	194	156
	50,687	66,013	894	756

(d) The total cash outflows for leases as a lessee are as follows:-

	Group	
	2025	2024
	RM'000	RM'000
Payment of short-term leases	144	147
Payment of low-value assets	2	16
Interest paid on lease liabilities	24	20
Payment of lease liabilities	960	964
	1,130	1,147

#### 33. Related party disclosures

(a) Holding company and subsidiaries

The holding company is disclosed in Note 1 to the financial statements.

The subsidiaries are disclosed in Note 14 to the financial statements.

(b) Significant related party transactions

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<b>Subsidiary</b>				
Dividend received/receivable	-	-	(38,231)	(40,477)
Management fee received/receivable	-	-	(540)	(540)
<b>Companies in which certain directors have significant financial interests</b>				
Lease payments on short-term leases	8	11	-	-
Lease payments for right-of-use assets	984	984	-	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 33. Related party disclosures (Cont'd)

##### (b) Significant related party transactions (Cont'd)

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year (Cont'd):-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Companies in which close family members of certain directors have significant financial interests</b>				
Sales of goods	(295)	(405)	-	-

The related party transactions described above were entered into the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with the respective parties.

##### (c) The outstanding balances of the related parties at the end of the reporting period are as follows:-

	Group	
	2025 RM'000	2024 RM'000
<b>Companies in which close family members of certain directors have significant financial interests</b>		
Trade receivables	86	162

There is no amount due and owing to the Group which has exceeded credit term, by the related parties.

##### (d) Key management personnel compensation

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Directors of the Company</b>				
Short-term employee benefits:				
- fees	399	350	399	350
- salaries, bonuses and other benefits	3,054	3,020	23	14
Defined contribution benefits	364	361	-	-
	3,817	3,731	422	364

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 33. Related party disclosures (Cont'd)

##### (d) Key management personnel compensation (Cont'd)

The key management personnel compensation during the financial year are as follows (Cont'd):-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	578	529	-	-
Defined contribution benefits	69	63	-	-
	647	592	-	-
Total directors' remuneration (Note 6)	4,464	4,323	422	364

The estimated monetary value of benefits-in-kind provided by the Group to a director of the Company was RM12,500 (2024: RM12,500).

#### 34. Capital commitments

	Group	
	2025 RM'000	2024 RM'000
Approved and contracted for:-		
- Construction of factory building	25,144	46,342
- Purchase of plant and equipment	21,856	29,555
	47,000	75,897

#### 35. Operating segments

In determining the geographical segments of the Group, revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	Revenue		Non-current Assets	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group				
Malaysia	155,536	151,841	210,729	179,511
Overseas	75,248	74,713	-	-
	230,784	226,554	210,729	179,511

The revenue is recognised at a point in time.

No other segmental information such as segment assets, liabilities and results is presented as the Group is principally engaged in the manufacturing and trading of pharmaceutical and healthcare products and operates in Malaysia only.

There is no single customer that contributed 10% or more to the Group's revenue in the current financial year. In the previous financial year, revenue from one major customer with revenue equal to or more than 10% of the Group's total revenue, amounts to RM26,356,132 arising from export sales.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 36. Financial instruments

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

##### (a) Financial risk management policies

The policies in respect of the major areas of treasury activity are as follows:-

##### (i) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Euro Dollar ("EUR"), Singapore Dollar ("SGD") and Brunei Dollar ("BND"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

##### Foreign currency exposure

Group	USD RM'000	EUR RM'000	SGD RM'000	BND RM'000	Total RM'000
<b>2025</b>					
Trade receivables	3,826	-	1,018	329	5,173
Other receivables	785	10	224	-	1,019
Cash and bank balances	22,830	70	2,383	-	25,283
Fixed deposits with licensed banks	17,811	-	-	-	17,811
Trade payables	(527)	(12)	-	-	(539)
Other payables	(20,877)	(966)	-	-	(21,843)
Net exposure	23,848	(898)	3,625	329	26,904

Group	USD RM'000	EUR RM'000	SGD RM'000	BND RM'000	Total RM'000
<b>2024</b>					
Trade receivables	7,050	-	988	139	8,177
Other receivables	750	74	122	-	946
Cash and bank balances	2,908	16	618	-	3,542
Fixed deposits with licensed banks	53,882	-	3,419	-	57,301
Trade payables	(1,802)	-	-	-	(1,802)
Other payables	(23,270)	(3)	(4)	-	(23,277)
Net exposure	39,518	87	5,143	139	44,887

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 36. Financial instruments (Cont'd)

##### (a) Financial risk management policies (Cont'd)

###### (i) Foreign currency risk (Cont'd)

###### Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

		Group	
		2025 RM'000	2024 RM'000
<b>Effects on profit after taxation</b>			
USD/RM	- strengthened by 5% (2024: 5%)	906	1,502
	- weakened by 5% (2024: 5%)	(906)	(1,502)
EUR/RM	- strengthened by 5% (2024: 5%)	(34)	4
	- weakened by 5% (2024: 5%)	34	(4)
SGD/RM	- strengthened by 5% (2024: 5%)	138	195
	- weakened by 5% (2024: 5%)	(138)	(195)
BND/RM	- strengthened by 5% (2024: 5%)	13	5
	- weakened by 5% (2024: 5%)	(13)	(5)

###### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing borrowings.

The Group and the Company's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 25 to the financial statements.

###### Interest rate risk sensitivity analysis

At the end of the reporting period, if interest rates had been 100 basis points higher/lower, with all other variables held constant, the Group's profit after taxation would have been RM11,637 (2024: Nil) lower/higher, arising mainly as a result of higher/lower interest expense on floating rate bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

###### (iii) Equity price risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

###### (iv) Credit risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manages their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 36. Financial instruments (Cont'd)

##### (a) Financial risk management policies (Cont'd)

##### (iv) Credit risk (Cont'd)

###### Credit risk concentration profile

The Group does not have any significant credit risk related to any individual customer or counterparty.

The Group also determines the concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables (including related parties), net of loss allowance, at the end of the reporting period is as follows:-

	Group	
	2025 RM'000	2024 RM'000
Local	27,478	27,933
Export	5,173	8,177
	32,651	36,110

###### Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is presented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes a corporate guarantee provided to a subsidiary of RM1,531,201 (2024: Nil), representing the outstanding banking facilities of the subsidiary as at the end of the reporting period. This corporate guarantee has not been recognised in the Company's financial statements since its fair value on initial recognition was not material.

###### Assessment of impairment losses

The Group has a formal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debts to the Group in full or is more than 90 days past due. However, the Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 36. Financial instruments (Cont'd)

##### (a) Financial risk management policies (Cont'd)

###### (iv) Credit risk (Cont'd)

###### Assessment of impairment losses (Cont'd)

###### *Trade receivables*

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

Inputs, assumptions and techniques used for estimating impairment losses

To measure the expected credit losses, trade receivables (including related parties) have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

The expected loss rates are based on the payment profiles of sales over 24 months (2024: 24 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any forward-looking assumptions which correlated to the historical loss rates.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for impairment losses

The reconciliation of allowance for impairment losses are as follows:-

Group	Non-credit Impaired RM'000	Credit Impaired RM'000	Total RM'000
<u>Trade receivables</u>			
Balance at 1.7.2023	1,375	564	1,939
Additions	268	-	268
Reversals	-	(451)	(451)
Balance at 30.6.2024/1.7.2024	1,643	113	1,756
Additions	-	413	413
Reversals	(758)	-	(758)
Balance at 30.6.2025	885	526	1,411

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 36. Financial instruments (Cont'd)

##### (a) Financial risk management policies (Cont'd)

##### (iv) Credit risk (Cont'd)

##### Assessment of impairment losses (Cont'd)

##### *Trade receivables (Cont'd)*

##### Allowance for impairment losses (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables are as follows:-

Group	Gross Amount RM'000	Lifetime Collective Allowance RM'000	Carrying Amount RM'000
<b>2025</b>			
Current (not past due)	25,359	(424)	24,935
1 to 30 days past due	6,304	(193)	6,111
31 to 60 days past due	1,761	(239)	1,522
61 to 90 days past due	112	(29)	83
Credit impaired	526	(526)	-
	34,062	(1,411)	32,651
<b>2024</b>			
Current (not past due)	30,804	(1,221)	29,583
1 to 30 days past due	5,194	(211)	4,983
31 to 60 days past due	1,491	(157)	1,334
61 to 90 days past due	264	(54)	210
Credit impaired	113	(113)	-
	37,866	(1,756)	36,110

Trade receivables that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has not been any significant change in the gross amounts of trade receivables that impacted the allowance for impairment losses.

##### *Other receivables*

The Group and the Company apply the 3-stage general approach to measure expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 36. Financial instruments (Cont'd)

##### (a) Financial risk management policies (Cont'd)

###### (iv) Credit risk (Cont'd)

###### Assessment of impairment losses (Cont'd)

###### *Other receivables (Cont'd)*

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

###### *Allowance for impairment losses*

No expected credit loss is recognised on other receivables as it is negligible.

###### *Fixed deposits with licensed banks, cash and bank balances*

The Group and the Company consider the licenced banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

###### *Amount owing by subsidiaries*

The Company applies the 3-stage general approach to measure expected credit losses for all inter-company balances. The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

###### *Allowance for impairment losses*

At the end of the reporting period, there was no indication that the balances are not recoverable.

###### *Financial guarantee contracts*

Corporate guarantee for borrowing facilities granted to a subsidiary is financial guarantee contract.

###### *Inputs, assumptions and techniques used for estimating impairment losses*

The Company closely monitors the subsidiary's financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 36. Financial instruments (Cont'd)

##### (a) Financial risk management policies (Cont'd)

###### (iv) Credit risk (Cont'd)

###### Assessment of impairment losses (Cont'd)

###### *Financial guarantee contracts (Cont'd)*

###### Allowance for impairment losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances when these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

###### (v) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

###### Maturity analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

Group	Contractual Interest Rate %	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 to 5 Years RM'000
<b>2025</b>				
<u>Non-derivative financial liabilities</u>				
Term loan	3.92	1,663	61	1,602
Lease liabilities	3.92	1,066	984	82
Trade payables	-	13,277	13,277	-
Other payables	-	26,314	26,314	-
		42,320	40,636	1,684
<b>2024</b>				
<u>Non-derivative financial liabilities</u>				
Lease liabilities	3.97	1,066	984	82
Trade payables	-	18,245	18,245	-
Other payables	-	20,201	20,201	-
		39,512	39,430	82



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 36. Financial instruments (Cont'd)

##### (a) Financial risk management policies (Cont'd)

##### (v) Liquidity risk (Cont'd)

##### Maturity analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period)(continued):-

Company	Contractual Interest Rate %	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 to 5 Years RM'000
<b>2025</b>				
<u>Non-derivative financial liabilities</u>				
Other payables	-	80	80	-
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	1,531*	1,531	-
		1,611	1,611	-
<b>2024</b>				
<u>Non-derivative financial liability</u>				
Other payables	-	58	58	-

\* The potential exposure of the financial guarantee contracts is equivalent to the outstanding amount of the credit facilities of the said subsidiary at the end of the reporting period. The financial guarantee has not been recognised in the financial statements because its fair value on initial recognition was not material.

##### (b) Capital risk management

The Group and the Company manage their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholder(s) value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group and the Company include within net debt, interest bearing loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent.

The debt-to-equity ratio of the Group and of the Company at the end of the reporting period are not presented as its cash and cash equivalents exceeded the total external borrowings.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 36. Financial instruments (Cont'd)

##### (c) Classification of financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Financial assets</b>				
<u>Fair value through profit or loss</u>				
Derivative assets (Note 20)	32	-	-	-
<u>Amortised cost</u>				
Trade receivables (Note 17)	32,651	36,110	-	-
Other receivables (Note 18)	172	389	5	5
Amounts owing by subsidiaries (Note 19)	-	-	-	169
Fixed deposits with licensed banks (Note 21)	18,511	60,601	700	600
Cash and bank balances	32,176	5,412	194	156
	83,510	102,512	899	930
<b>Financial liabilities</b>				
<u>Amortised cost</u>				
Term loan (Note 25)	1,531	-	-	-
Lease liabilities (Note 28)	1,042	1,042	-	-
Trade payables (Note 29)	13,277	18,245	-	-
Other payables (Note 30)	26,314	20,201	80	58
	42,164	39,488	80	58

##### (d) Gains or losses arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Financial assets</b>				
<u>Fair value through profit or loss</u>				
Net gains recognised in profit or loss	32	9	-	-
<u>Amortised cost</u>				
Net (losses)/gains recognised in profit or loss	(1,489)	5,143	32	36
<b>Financial liabilities</b>				
<u>Amortised cost</u>				
Net (losses)/gains recognised in profit or loss	(827)	179	-	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 36. Financial instruments (Cont'd)

##### (e) Fair value information

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value at the end of the reporting period:-

Group	Fair Value of Financial Instruments Carried at Fair Value Level 2 RM'000	Fair Value of Financial Instruments not Carried at Fair Value Level 2 RM'000	Total Fair Value RM'000	Total Carrying Amount RM'000
<b>2025</b>				
<u>Financial asset</u>				
Derivative assets:				
- forward currency contracts	32	-	32	32
<u>Financial liability</u>				
Term loan:				
- floating rate	-	1,531	1,531	1,531

##### Fair value of financial instruments carried at fair value

- (i) The fair values above have been determined using the following basis:-

The fair values of forward currency contracts are determined by discounting the difference between the contractual forward prices and the current forward prices for the residual maturity of the contracts.

- (ii) There were no transfers between level 1 and level 2 during the financial year.

##### Fair value of financial instruments not carried at fair value

- (i) The fair values, which are for disclosure purposes, have been determined using the following basis:-

The fair value of the term loan that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30 JUNE 2025

#### 36. Financial instruments (Cont'd)

##### 36.1 Material accounting policy information for financial instruments

###### (i) Financial assets

###### Financial assets through profit or loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

###### Financial assets at amortised cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

###### (ii) Financial liabilities

###### Financial liabilities at amortised cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

###### (iii) Equity

###### Ordinary shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

###### (iv) Derivatives

Derivatives are initially measured at fair value. Subsequent to the initial recognition, the derivatives are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss.

###### (v) Financial guarantee contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

## LIST OF PROPERTIES

[illegible]

## ANALYSIS OF SHAREHOLDINGS AS AT 30 September 2025

Total number of issued shares	:	148,314,083
Class of Share	:	Ordinary shares
Voting rights on show of hands	:	1 vote
Voting rights on a poll	:	1 vote

Size of shareholdings Share Capital	No. of	% of Shareholders	No. of Shareholders	% of Issued Shares Held
Less than 100 shares	133	8.1296	2,795	0.0019
100 to 1,000 shares	479	29.2787	262,884	0.1772
1,001 to 10,000 shares	705	43.0929	2,857,700	1.9268
10,001 to 100,000 shares	234	14.3032	7,287,658	4.9137
100,001 to less than 5% of issued shares	84	5.1345	73,278,684	49.4078
5% and above of issued shares	1	0.0611	64,624,362	43.5726
<b>Total</b>	<b>1,636</b>	<b>100.0000</b>	<b>148,314,083</b>	<b>100.0000</b>

### LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2025

Name of Substantial Shareholders	Direct	% of Shareholding	Indirect	% of Shareholding
1. Piong Nam Kim Holdings Sdn. Bhd.	64,624,362	43.57	-	-
2. Piong Teck Onn	16,286,626	10.98	72,987,562*	49.21
3. Datuk Piong Teck Yen	8,296,564	5.59	-	-

#### Note:

- \* Deemed interested by virtue of his interests in Piong Nam Kim Holdings Sdn. Bhd., Medisch Specialist Centre Sdn. Bhd. and Platinum Essence Sdn. Bhd. and his son, Piong Chee Wei's interest pursuant to Section 8(4) of the Companies Act 2016 ("Act").

### DIRECTORS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2025

Name of Directors	Direct	No. of Shares Held %	Indirect	%
1. Piong Teck Onn	16,286,626	10.98	72,991,562 <sup>#</sup>	49.21
2. Datuk Piong Teck Yen	8,296,564	5.59	-	-
3. Chin Swee Chang	2,314,800	1.56	3,904,000 <sup>^</sup>	2.63

#### Notes:

- <sup>#</sup> Deemed interested by virtue of his interests in Piong Nam Kim Holdings Sdn. Bhd., Medisch Specialist Centre Sdn. Bhd. and Platinum Essence Sdn. Bhd. pursuant to Section 8(4) of the Act and his sons, Piong Chee Wei's and Piong Chee Lin's interests pursuant to Section 59(11) of the Act.

- <sup>^</sup> Deemed interested by virtue of her sons, Piong Chee Wei's and Piong Chee Lin's interests pursuant to Section 59(11) of the Act.

## ANALYSIS OF SHAREHOLDINGS (CONT'D)

### AS AT 30 SEPTEMBER 2025

#### TOP 30 DEPOSITORS AS AT 30 SEPTEMBER 2025

NO.	NAME OF SHAREHOLDER	SHARES	%
1	PIONG NAM KIM HOLDINGS SDN BHD	64,624,362	43.57
2	PIONG TECK ONN	6,125,402	4.13
3	PIONG TECK MIN	5,006,220	3.38
4	KENANGA NOMINEES (TEMPATAN) SDN BHD	4,401,224	2.97
	<i>PLEDGED SECURITIES ACCOUNT FOR PIONG TECK ONN</i>		
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD	3,500,000	2.36
	<i>PLEDGED SECURITIES ACCOUNT FOR PIONG TECK YEN</i>		
6	PLATINUM ESSENCE SDN. BHD.	2,799,140	1.89
7	KOK HON SENG	2,617,816	1.77
8	CHEAH CHANG HAN	2,489,900	1.68
9	CHIN SWEE CHANG	2,314,800	1.56
10	JI YEH MING	2,150,000	1.45
11	PIONG TECK ONN	1,980,000	1.34
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD	1,980,000	1.34
	<i>PLEDGED SECURITIES ACCOUNT FOR PIONG TECK ONN</i>		
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD	1,980,000	1.34
	<i>PLEDGED SECURITIES ACCOUNT FOR PIONG CHEE WEI</i>		
14	RHB NOMINEES (TEMPATAN) SDN BHD	1,980,000	1.34
	<i>PLEDGED SECURITIES ACCOUNT FOR PIONG TECK YEN</i>		
15	SEAH TIN KIM	1,844,440	1.24
16	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD	1,800,000	1.21
	<i>PLEDGED SECURITIES ACCOUNT FOR PIONG TECK ONN (7002831)</i>		
17	MEDISCH SPECIALIST CENTRE SDN BHD	1,664,060	1.12
18	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD	1,510,000	1.02
	<i>PLEDGED SECURITIES ACCOUNT FOR LIM KIAN TIAK (8039574)</i>		
19	PIONG TECK YEN	1,316,564	0.89
20	HO JONATHAN LEP KEE	1,210,000	0.82
21	FONG SILING	1,200,000	0.81
22	CHEAH MING LOONG	1,102,400	0.74
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD	1,000,000	0.67
	<i>PLEDGED SECURITIES ACCOUNT FOR PIONG CHEE WEI (7002905)</i>		
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD	1,000,000	0.67
	<i>PLEDGED SECURITIES ACCOUNT FOR PIONG TECK YEN</i>		
25	TRIPLE BOUTIQUE SDN BHD	812,200	0.55
26	PIONG CHEE WEI	800,000	0.54
27	PIONG TECK FONG	788,560	0.53
28	PIONG TECK WAH	770,220	0.52
29	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD	730,700	0.49
	<i>PLEDGED SECURITIES ACCOUNT FOR LIM KIAN TIAK (7000491)</i>		
30	NAH BEE CHYI	693,548	0.47
<b>TOTAL</b>		<b>122,191,556</b>	<b>82.39</b>



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-Sixth Annual General Meeting (“**26th AGM**”) of **KOTRA INDUSTRIES BERHAD** (“**Company**”) will be held at the Auditorium Hall, Kotra Pharma Technology Centre, No. 2, Jalan TTC 12, Cheng Industrial Estate, 75250 Melaka on Thursday, 27 November 2025 at 9:30 a.m. for the following purposes:

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2025 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Note 7)**
2. To approve the payment of Directors’ fees amounting to RM508,000 from 28 November 2025 until the next AGM of the Company in year 2026. **(Ordinary Resolution 1)**
3. To approve the payment of Directors’ benefits payable up to an amount of RM75,000 from 28 November 2025 until the next AGM of the Company in year 2026. **(Ordinary Resolution 2)**
4. To re-elect Mr. Piong Chee Kuan, who is retiring pursuant to Clause 117 of the Company’s Constitution, being eligible, has offered himself for re-election. **(Ordinary Resolution 3)**
5. To re-elect the following Directors, who are retiring pursuant to Clause 118 of the Company’s Constitution, being eligible, have offered themselves for re-election:
  - (a) Mr. Piong Teck Onn **(Ordinary Resolution 4)**
  - (b) Datuk Piong Teck Yen **(Ordinary Resolution 5)**
6. To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**

## AS SPECIAL BUSINESS

To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolutions:

7. **Ordinary Resolution** **(Ordinary Resolution 7)**  
**Authority to Issue Shares pursuant to the Companies Act 2016**  

“**THAT**, subject always to the Companies Act 2016, the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Companies Act 2016, to issue and allot shares in the capital of the Company from time to time at such price and to such persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided always 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 (“**New Shares**”) for the time being without first offering the New Shares to the existing shareholders of the Company;

**AND THAT** 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;

**AND FURTHER THAT** such authority shall commence immediately upon passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”
8. **Ordinary Resolution** **(Ordinary Resolution 8)**  
**Proposed Renewal of Shareholders’ Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Shareholders’ Mandate”)**  

“**THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue and trading nature with the Related Parties as specified in Section 2.3.2(a) of the Circular to Shareholders dated 29 October 2025, which are necessary for the day-to-day operations of the Company and/or its subsidiaries (“**Group**”), to be entered by the Group in the ordinary course of business and are on terms which are not more favourable to the Related Parties with which such recurrent transactions to be entered into than those generally available to the public and are not detrimental to the minority shareholders.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

**THAT** the authority for the Proposed Shareholders' Mandate shall continue to be in force until:

- (i) 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 next AGM;
- (ii) the expiration of the period within which the next AGM is to be held pursuant to Section 340(2) of the Companies Act 2016 but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016; or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting.

whichever is earlier.

**AND THAT** the Directors of the Company be authorised to complete and do such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give full effect to the Proposed Shareholders' Mandate."

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

By Order of the Board

**CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)**

**TAN LEY THENG (SSM PC NO. 201908001685) (MAICSA 7030358)**

Company Secretaries

Kuala Lumpur

29 October 2025

### Notes:

#### Proxy

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 November 2025 ("**General Meeting Record of Depositors**") shall be eligible to attend, participate, speak and vote at the Meeting.*
2. *A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.*
3. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
4. *Where a member 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.*
5. *The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the Corporation's common seal or under the hand of an officer or attorney duly authorised.*
6. *The instrument appointing a proxy and the 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 No. 60-1, Jalan Lagenda 5, Taman 1 Lagenda, 75400 Melaka or email to [ir\\_kib@kotrapharma.com](mailto:ir_kib@kotrapharma.com), not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof. All resolutions set out in the Notice of the Meeting are to be voted by poll.*

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### Note:

#### 7. Audited Financial Statements for the financial year ended 30 June 2025

Item 1 of the Agenda is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

### Explanatory Notes to Ordinary and Special Business:

#### 8. Payment of Directors' fees and benefits

The Board wishes to seek shareholders' approval for the following payments to Directors at the 26th AGM in two (2) separate resolutions as below:

- Ordinary Resolution 1 on payment of Directors' fees to the Directors of the Company amounting to RM508,000 for the period from 28 November 2025 until the next AGM of the Company in year 2026.
- Ordinary Resolution 2 of Directors' benefits up to an amount of RM75,000 for the period from 28 November 2025 until the next AGM of the Company in year 2026. The proposed Directors' benefits payable comprises the meeting allowance. The estimated amount of Directors' benefits payable is based on the size of the Board and Board Committees and the number of scheduled Board and Board Committee meetings for the period commencing from 28 November 2025 until the next AGM of the Company in year 2026.

#### 9. Re-election of Directors

In determining the eligibility of the Directors to stand for re-election at the forthcoming 26th AGM, the Nomination Committee ("NC"), guided by the requirements of Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and recommended the following Directors, for re-election as Directors pursuant to Clause 117 and Clause 118 of the Constitution of the Company ("Retiring Directors"):

- (i) Piong Chee Kuan (Clause 117);
- (ii) Piong Teck Onn (Clause 118); and
- (iii) Datuk Piong Teck Yen (Clause 118).

The Board of Directors ("Board") has conducted a separate assessment and being satisfied with the performance/contribution of the Retiring Directors.

Each of the Directors who is standing for re-election had provided their declaration on their fitness and propriety to continue acting as Directors of the Company pursuant to the Directors' Fit and Proper Policy of the Company.

Therefore, the Board recommended the same be tabled to the shareholders for approval at the forthcoming 26th AGM of the Company under Ordinary Resolutions 3, 4 and 5 respectively. The evaluation criteria adopted as well as the process of assessment by the Board have been duly elaborated in the Corporate Governance Overview Statement of the Annual Report 2025 of the Company. All the Retiring Directors have consented to their re-election, and abstained from deliberations and voting in relation to their individual re-election at the NC and Board Meetings, respectively.

#### 10. Authority to Issue Shares pursuant to the Act

The Company had been granted a general mandate by its shareholders at the Twenty-Fifth AGM of the Company held on 29 November 2024 ("Previous Mandate").

As at the date of this Notice, the Company has not issued any new ordinary shares pursuant to the Previous Mandate granted by the shareholders and hence no proceeds were raised therefrom.

The proposed Ordinary Resolution 7, if passed, will provide flexibility to the Directors of the Company to undertake any possible fund raising activities, including but not limited to placement of shares for the purpose of funding Company's current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or such other purposes as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### 11. **Proposed Shareholders' Mandate**

*The proposed Ordinary Resolution 8 is intended to enable the Company and its affiliated companies to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations to facilitate transactions in the normal course of business of the Company with the specified classes of related parties, provided that they are carried out on arm's length basis and on normal commercial terms and are not prejudicial to the shareholders on terms 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.*

*Please refer to the Circular to Shareholders dated 29 October 2025 for further information.*

### **Statement Accompanying Notice of Annual General Meeting**

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

#### **1. Details of individuals who are standing for election as Directors**

There is no individual standing for election as a Director at the 26th AGM of the Company.

#### **2. Statement relating to General Mandate for Issue of Securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

Details on the authority to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note (10) of the Notice of the 26th AGM.

### **Personal Data Privacy**

By submitting form(s) of proxy appointing proxy(ies) or corporate representative(s) or attorney(s) to attend, participate (including to pose questions to the Board of the Company) and vote at the 26th AGM, 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 or representatives appointed for the 26th AGM and the preparation and compilation of the attendance lists, minutes and other documents relating to the 26th AGM, 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) or corporate representative(s) or attorney(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) or corporate representative(s) or attorney(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) or corporate representative(s) or attorney(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.

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**KOTRA****KOTRA INDUSTRIES BERHAD**

[Registration No. 199901022732 (497632-P)]

(Incorporated in Malaysia)

**FORM OF PROXY**

CDS ACCOUNT NO.	
NUMBER OF SHARES HELD	

\*I/We \_\_\_\_\_ NRIC No./Company No. \_\_\_\_\_ of (full address)

being a Member/Members of **KOTRA INDUSTRIES BERHAD** ("Company"), hereby appoint: -

**PROXY "A"**

FULL NAME (IN BLOCK)	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS (%)
RESIDENTIAL ADDRESS		
E-MAIL ADDRESS	MOBILE NO.	

And/or failing \*him/her,

**PROXY "B"**

FULL NAME (IN BLOCK)	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS (%)
RESIDENTIAL ADDRESS		
E-MAIL ADDRESS	MOBILE NO.	

*\* to put a separate sheet where there are more than two (2) proxies.*

or failing him/her, the Chairman of the Meeting as \*my/our proxy to attend and vote for \*me/us and on \*my/ our behalf at the Twenty-Sixth Annual General Meeting ("26th AGM") of the Company will be held at the **Auditorium Hall, Kotra Pharma Technology Centre, No. 2, Jalan TTC 12, Cheng Industrial Estate, 75250 Melaka on Thursday, 27 November 2025 at 9.30 a.m.** or any adjournment thereof.

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	To approve the payment of Directors' fees amounting to RM508,000 from 28 November 2025 until the next AGM of the Company in year 2026.		
2.	To approve the payment of Directors' benefits up to an amount of RM75,000 from 28 November 2025 until the next AGM of the Company in year 2026.		
3.	To re-elect Mr. Piong Chee Kuan, who is retiring pursuant to Clause 117 of the Company's Constitution, has offered himself for re-election.		
4.	To re-elect Mr. Piong Teck Onn, who is retiring pursuant to Clause 118 of the Company's Constitution, has offered himself for re-election.		
5.	To re-elect Datuk Piong Teck Yen, who is retiring pursuant to Clause 118 of the Company's Constitution, has offered himself for re-election.		
6.	To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.		
7.	Authority to Issue Shares pursuant to the Companies Act 2016.		
8.	Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature.		

*\* Strike out whichever not applicable*

Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

\_\_\_\_\_  
Signature of Member/Common Seal

**Notes:**

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 November 2025 ("**General Meeting Record of Depositors**") shall be eligible to attend, participate, speak and vote at the Meeting.
- A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member 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.
- The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the Corporation's common seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy and the 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 No. 60-1, Jalan Lagenda 5, Taman 1 Lagenda, 75400 Melaka or email to [ir\\_kib@kotrapharma.com](mailto:ir_kib@kotrapharma.com), not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof. All resolutions set out in the Notice of the Meeting are to be voted by poll.

**Personal Data Privacy**

By submitting form(s) of proxy appointing proxy(ies) or corporate representative(s) or attorney(s) to attend, participate (including to pose questions to the Board of the Company) and vote at the 26th AGM, 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 or representatives appointed for the 26th AGM and the preparation and compilation of the attendance lists, minutes and other documents relating to the 26th AGM, 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) or corporate representative(s) or attorney(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) or corporate representative(s) or attorney(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) or corporate representative(s) or attorney(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.

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AFFIX  
STAMP

**The Company Secretary**  
**KOTRA INDUSTRIES BERHAD**  
[Registration No. 199901022732 (497632-P)]

No. 60-1, Jalan Lagenda 5,  
Taman 1 Lagenda,  
75400 Melaka,  
Malaysia.

2nd Fold Here

Fold This Flap For Sealing



## KOTRA INDUSTRIES BERHAD

[Registration No. 199901022732 (497632-P)]

No. 1, 2 & 3, Jalan TTC 12, Cheng Industrial Estate, 75250 Melaka.

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