



Annual Report 2025

Evergreen Fibreboard Berhad
Registration No. 199101006810 (217120-W)

PLO 22 Parit Raja Industrial Estate, 86400 Parit Raja,
Batu Pahat, Johor, Malaysia.

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www.evergreengroup.com.my

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Fifth (35th) Annual General Meeting (“AGM”) of Evergreen Fibreboard Berhad will be held on Monday, 18 May 2026 at 9:00 a.m., at the Grand Ballroom, Level 1, Forest City Golf Hotel, Jalan Persiaran Golf 5, Forest City Golf Resort, 81550 Gelang Patah, Johor (Meeting Venue) to transact the following businesses:

A G E N D A

ORDINARY BUSINESS

1. Audited Financial Statements for the Financial Year Ended 31 December 2025

To receive the Audited Financial Statements for the Financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. *(Please refer to Note 1of Explanatory Notes)*

2. Ordinary Resolution 1 - Approval of Non-Executive Directors’ Fees and Other Benefits

To approve the payment of Non-Executive Directors’ fees and other benefits totaling RM450,000 for the financial year ending 31 December 2026.

3. Ordinary Resolutions 2 and 3 - Re-Election of Retiring Directors

To re-elect the following Directors who retire by rotation in accordance with Clause 109 of the Company’s Constitution:

Ordinary Resolution 2 – Re-election of Mr. Kuo Jen Chiu

Ordinary Resolution 3 – Re-election of Ms. Tan Mui Ping

Mr. Kuan Kai Seng is also due for retirement under Clause 109, however, he had informed the Company that he would not be seeking re-election and accordingly, Mr. Kuan Kai Seng will retire at the conclusion of the 35th AGM of the Company.

4. Ordinary Resolution 4 - Re-Appointment of External Auditors

To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their Remuneration.

SPECIAL BUSINESS

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

5. Ordinary Resolution 5 - Authority to allot shares - Sections 75(1) and 76(1)

“THAT pursuant to Sections 75(1) and 76(1) of the Companies Act, 2016 and subject to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this ordinary resolution does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) at the time of issue, and that the Directors be and are hereby also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

6. ORDINARY RESOLUTION 6 - PROPOSED RENEWAL OF AUTHORISATION FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY

"THAT subject to the Companies Act, 2016 ("the Act"), the Constitution of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, regulations and guidelines issued by other regulatory authorities, approval be and is hereby given to the Company to purchase and/or hold such number of ordinary shares comprised in the Company's total number of issued shares through Bursa Securities at any time upon such terms and conditions as the Directors in their absolute discretion deem fit and expedient in the best interest of the Company ("Share Buy-Back Authority") subject further to the following:-

- (i) the maximum aggregate number of ordinary shares purchased and/or held by the Company as treasury shares pursuant to the Share Buy-Back Authority shall not exceed ten percent (10%) of the total number of issued shares of the Company at the time of purchase(s);
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (whichever applicable) available at the time of purchase(s); and
- (iii) the Directors of the Company are authorised to deal with the purchased shares either to retain the shares so purchased as treasury shares or cancel the shares so purchased or retain part of the shares so purchased and cancel the remainder or resell the treasury shares on Bursa Securities or distribute the treasury shares as dividends or transfer the treasury shares under an employees' share option scheme or as purchase consideration or otherwise use the treasury shares for such other purpose in the manner as prescribed by the applicable laws, guidelines, rules and regulations.

THAT the authority conferred by this resolution will commence immediately upon the passing of this resolution and will continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time the said authority shall lapse, unless an ordinary resolution is passed at that AGM, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340 (2) of the Act (but must not extend to such extension as maybe allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary or expedient to implement, finalise and give full effect to the Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or as the Directors deem fit and expedient at their discretion in the best interest of the Company in accordance with the Act."

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016 and the Company's Constitution.

BY ORDER OF THE BOARD

TAI YIT CHAN (SSM PC No.:202008001023) (MAICSA 7009143)
SANTHI A/P SAMINATHAN, (SSM PC No.: 201908002933) (MAICSA 7069709)
Company Secretaries

17 April 2026

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

NOTES: -

1. Only members whose names appear in the Record of Depositors as at 11 May 2026 shall be entitled to attend the meeting. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. The proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting of a company shall have the same rights as the member to speak at the meeting.
2. A member shall be entitled to appoint more than one proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting.
3. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his/her holdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorized nominee as defined under the securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized 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 appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney.
6. The instrument appointing a proxy must be deposited at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.

EXPLANATORY NOTES ON ORDINARY BUSINESSES: -

1. **To receive the Audited Financial Statements for the financial year ended 31 December 2025**

Agenda 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require formal approval of shareholders for the Audited Financial Statements. Hence, this item on the agenda is not put forward for voting.

2. **Ordinary Resolution 1 -Approval of Non-Executive Directors' Fees and Other Benefits**

Pursuant to Section 230(1) of the Companies Act, 2016, the fees of the non-executive directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Guidance 7.2 of Malaysian Code on Corporate Governance requires each and every non-executive director's fee and benefit to be tabled individually.

The Fees, Allowances and Other Benefits payable to the respective Non-Executive Directors are for financial year ending 31 December 2026, are estimated not to exceed RM450,000 in total and the estimated breakdown are as follows:

- a. RM100,000 to Mr. Jonathan Law Ngee Song;
- b. RM80,000 to Ms. Tan Mui Ping;
- c. RM80,000 to Ms. Hong Kim Heong;
- d. RM80,000 to En. Shameer Bin Othman; and
- e. RM60,000 to Mr. Kuan Kai Seng

The Board is of the view that it is just and equitable to pay the fees and allowances to the Non-Executive Directors of the Company as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company during the financial year 2026 if the proposed Ordinary Resolution 1 is passed at the forthcoming 35th AGM.

The Board will seek shareholders' approval at the next AGM to be held in year 2027 in the event the estimated directors' fees and benefits become insufficient for any reason. Details of the Directors' fees and benefits paid are stated in the Company's Corporate Governance Report 2025.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

3. **Ordinary Resolution 2 and 3 - Re-election of Directors who retire in accordance with Clauses 109 of the Company's Constitution ("Constitution")**

Clause 109 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company shall retire by rotation at the AGM of the Company. Pursuant to Clause 109 of the Company's Constitution, Mr. Kuo Jen Chiu and Ms. Tan Mui Ping are retiring and had offered themselves for re-election under Ordinary Resolutions 2 and 3 respectively. The profile of Mr. Kuo Jen Chiu and Ms. Tan Mui Ping are disclosed Director Profile of the Annual Report 2025.

The Nominating Committee of the Company have assessed and evaluated the performance of the retiring Directors and their contribution to the Board's decision making and their individual performance in carrying out their roles and responsibilities to the Company as well as to the Group and assess the fit and proper criteria of the respective directors seeking for re-election in recommending their re-election. The assessment also includes the criteria in the adopted fit and proper policy.

Based on satisfactory outcome of their assessments, the Board recommended these retiring Directors to be re-elected in the forthcoming AGM.

The retiring Directors had abstained from all deliberation and participation of their own agenda in both the Nominating Committee meeting as well as the Board of Directors' meeting pertaining to their re-election.

4. **Ordinary Resolution 4 – Re-appointment of External Auditors**

Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs. Baker Tilly Monteiro Heng PLT, shall end at the conclusion of the AGM unless they are re-appointed by the shareholders to continue in office.

Messrs. Baker Tilly Monteiro Heng PLT, have indicated their willingness to continue their services until the conclusion of the 36th AGM. The Audit Committee and the Board have considered the re-appointment of Messrs. Baker Tilly Monteiro Heng PLT which has met the relevant requirements prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The proposed Ordinary Resolution 4, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

5. **Ordinary Resolution 5 – Authority to Allot and Issue Shares by Directors pursuant to Sections 75(1) and 76(1) of the Companies Act, 2016**

The proposed Ordinary Resolution 5, if passed, will empower and give flexibility to the Board of Directors to allot shares up to a maximum of ten per centum (10%) of the total number of issued shares (excluding treasury shares) at any time in their absolute discretion without convening a general meeting for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting of the Company.

The rationale for this resolution is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new ordinary shares for funding future investment(s), acquisition(s) and/or working capital and thereby reducing administrative time and cost associated with the convening of such meeting(s).

The Company has not issued any shares during the year under the mandate granted to the Company at the last AGM of the Company held on 26 May 2025 and this mandate will lapse at the conclusion of the forthcoming AGM of the Company.

6. **Ordinary Resolution 6 – Proposed Renewal of Share Buy-Back Authority**

The Proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to purchase/or hold the Company's shares of up to 10% of the total number of issued ordinary shares. This authority unless revoked or varied by the Company at a general meeting will expire at the conclusion of the next AGM of the Company.

Please refer to Statement of Share Buy-Back dated 17 April 2026.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

PERSONAL DATA PROTECTION MEASURES

Please refer to the Company's Compliance with the Personal Data Protection Act 2010 statement in "Additional Compliance Information" of the Annual Report 2025.

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the processing of the member's personal data by the Company (or its agents) for the AGM and matters related thereto, including but not limited to:
 - (a) for processing and administration of proxies and representatives appointed for the AGM;
 - (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereto); and
 - (c) for the Company's (or its agents') compliance with any applicable laws, listing rules, regulations, codes and/or guidelines (collectively, the "Purposes").
- (ii) undertakes and warrants that he or she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes; and
- (iii) agrees that the member will fully indemnify the Company for any penalties, liabilities, legal suits, claims, demands, losses and damages as a result of the member's failure to provide accurate and correct information of the personal data or breach of the member's undertaking and/or warranty as set out herein.

NOTE: The term "processing" and "personal data" shall have the same meaning as defined in the Personal Data Protection Act 2010.

STATEMENT ACCOMPANYING NOTICE OF THE THIRTY-FIFTH (35TH) ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

1. DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTOR (EXCLUDING DIRECTORS STANDING FOR RE-ELECTION)

There is no individual seeking for election as a director at the forthcoming Thirty-Fifth Annual General Meeting ("AGM") of the Company.

2. GENERAL MANDATE FOR ISSUE OF SECURITIES IN ACCORDANCE WITH PARAGRAPH 6.03(3) OF BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

Details of the general mandate/authority for Directors to allot and issue shares in the Company pursuant to Sections 75(1) and 76(1) of the Companies Act, 2016 are set out in the Explanatory Notes of the Notice of Annual General Meeting in the Annual Report 2025.

The Company did not issue any shares pursuant to the mandate obtained at the 34th AGM held on 26 May 2025.

The purpose of this general mandate is for possible fund-raising exercise, including but not limited to further placement of shares for the purpose of funding current and/or future investments projects, working capital, repayment of bank borrowings, acquisition and/or for issuance of shares as settlement of purchase consideration.

3. DISCLOSURE ON CONFLICT OF INTEREST ("COI") INVOLVING DIRECTORS AND KEY SENIOR MANAGEMENT WITH THE LISTED ISSUER AND ITS SUBSIDIARIES

None of the Directors and Key Senior Management had any COI in any competing business with the Company and its subsidiaries as declared in their profile in the Annual Report 2025. The Directors and the Key Senior Management will continue to declare any COI or potential COI quarterly at Audit Committee and Board Meetings.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Jonathan Law Ngee Song

Non-Independent Non-Executive
Chairman of the Board

Kuan Kai Seng

Senior Independent Non- Executive
Director

Tan Mui Ping

Independent Non- Executive Director

Hong Kim Heong

Independent Non- Executive Director

Shameer Bin Othman

Independent Non-Executive Director

Kuo Jen Chang

Executive Director

Kuo Jen Chiu

Executive Director

Mary Henerietta Lim Kim Neo

Executive Director

Audit Committee

Chairman

Kuan Kai Seng

Member

Tan Mui Ping

Hong Kim Heong

Shameer Bin Othman

Remuneration Committee

Chairman

Shameer Bin Othman

Member

Hong Kim Heong

Tan Mui Ping

Nominating Committee

Chairperson

Hong Kim Heong

Member

Kuan Kai Seng

Shameer Bin Othman

Risk Management Committee

Chairperson

Tan Mui Ping

Member

Kuan Kai Seng

Hong Kim Heong

Leong Ting Siong @ Martin Leong

Sustainability Management Committee

Chairman

Jonathan Law Ngee Song

Member

Tan Mui Ping

Shameer Bin Othman

Mary Henerietta Lim Kim Neo

Total Number of Issued Shares and Market Capitalisation

The total number of issued shares of Evergreen Fibreboard Berhad as at 31 December 2025 was 846,423,985 (Including 1,757,200 number of shares purchased and kept by the Company as treasury shares) and the ordinary share price (Stock Code 5101) at the close of business was 0.15 sen giving a market capitalisation of RM126,963,598 on the Main Market of Bursa Malaysia Securities.

Website

Our website @ www.evergreengroup.com.my contains up-to-date information on the Group.

Company Secretaries
Ms. Tan Yit Chan

(SSM PC No.: 202008001023)

(MAICSA 7009143)

Ms. Santhi A/P Saminathan

(SSM PC No.: 201908002933)

(MAICSA NO. 7069709)

Registered Address

Boardroom Corporate Services Sdn. Bhd. (Registration No: 196001000110(3775-X)) Suite 9D, Level 9, Menara Ansar, 65, Jalan Trus, 80888 Ibrahim International Business District (IIBD), Johor Darul Takzim, Malaysia.
Tel : +607-2241035/2225616
Fax : +607-2210891

Share Registrar

Boardroom Share Registrars Sdn. Bhd. (Registration No: 199601006647(378993-D)) 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.
Tel : +603-78904700
Fax : +603-78904670

External Auditors

Baker Tilly Monteiro Heng PLT (Registration No: 201906000600 (LLP0019411-LCA) & (AF0117))

Chartered Accountants

Baker Tilly Tower, Level 10, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur.
Tel : +603-22971000
Fax : +603-22829980

Internal Auditors

BDO Governance Advisory Sdn. Bhd. (Registration No: 199701018781(434278-K)) Level 8, BDO@ Menara Centara, 360 Jalan Tunku Abdul Rahman, 50100 Kuala Lumpur.
Tel : +603-26162888
Fax : +603-26162829

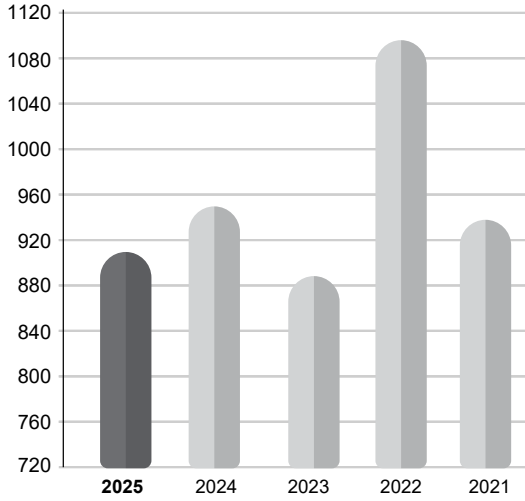
GROUP'S FINANCIAL HIGHLIGHTS

RM'MILLION	2025	2024	2023	2022	2021
FINANCIAL RESULTS					
Revenue	911	958	881	1,103	935
Gross Profit Margin (%)	16.8%	18.0%	15.5%	20.1%	20.7%
(Loss)/Profit Before Tax	(24)	13	(22)	(12)	40
(Loss)/Profit After Tax	(28)	2	(37)	(26)	34
(Loss)/Profit Attributable to owners of the Company	(28)	2	(37)	(26)	34
Adjusted EBIT	(5)	18	(5)	58	43
Adjusted EBITDA **	62	80	58	131	112
FINANCIAL POSITION					
Total Assets	1,313	1,433	1,456	1,314	1,422
Total Liabilities	370	446	460	302	384
Total Net Assets	943	987	996	1,012	1,037
Share Capital	345	345	345	345	345
Total Equity Attributable to Owners of the Company	943	987	996	1,012	1,037
BANK BORROWINGS					
Total Borrowings	240	267	238	147	176
Cash and Bank balances and Investment Securities	83	140	200	117	102
Total Net Borrowings	157	127	38	30	74
SHARE CAPITAL					
Weighted Average No. of Shares (no. of shares '000)	844,667	844,667	844,667	844,848	845,802
Share Capital (no. of shares '000)	846,424	846,424	846,424	846,424	846,424
Treasury Shares (no. of shares'000)	1,757	1,757	1,757	1,757	622
FINANCIAL RATIOS					
EPS (sen)	(3.26)	0.24	(4.41)	(3.09)	4.06
Return on Shareholders' Funds (%)	(2.9%)	0.2%	(3.7%)	(2.6%)	3.3%
Return on Total Assets (%)	(1.4%)	2.1%	(1.4%)	(0.7%)	4.4%
Share Price at Year End (RM)	0.15	0.28	0.31	0.39	0.47
PE Ratio (X)	(4.59)	114.43	(6.91)	(12.63)	11.4
DPS (sen)	-	-	-	1.50	-
Net Assets per Share (RM)	1.12	1.17	1.18	1.20	1.23
Net Gearing Ratio (%)	16.6%	13.0%	3.8%	3.0%	7.1%
Market Capitalization	126,964	232,767	258,159	330,105	393,587

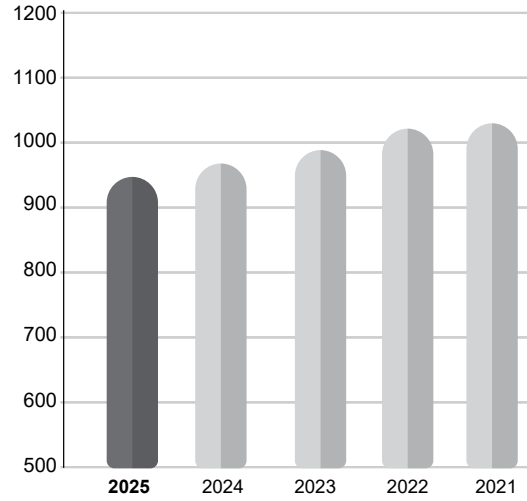
** Adjusted EBITDA - as per the Statement of Cashflows - Operating profit before changes in working capital

GROUP'S FINANCIAL HIGHLIGHTS (Cont'd)

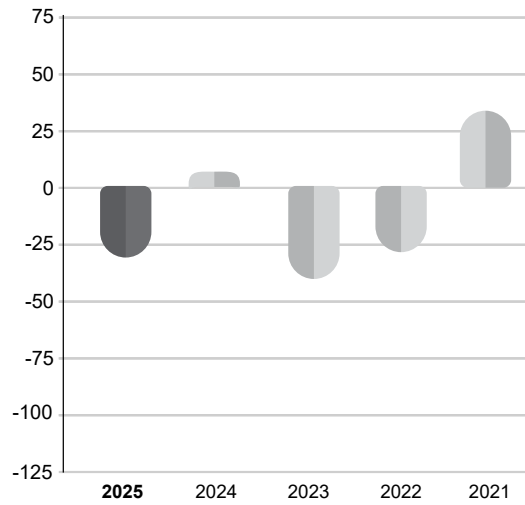
**REVENUE
(RM MILLION)**



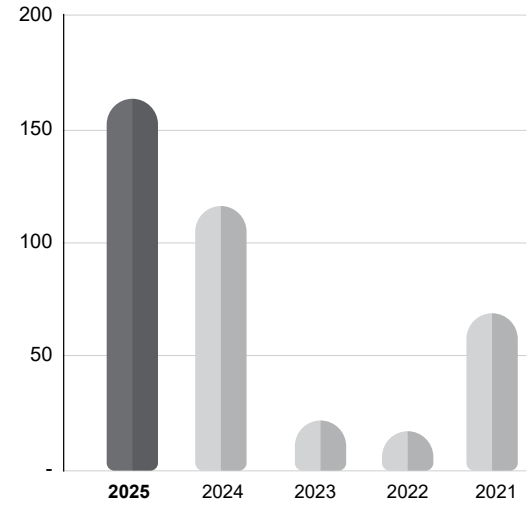
**TOTAL EQUITY ATTRIBUTABLE TO
OWNERS OF THE COMPANY (RM MILLION)**



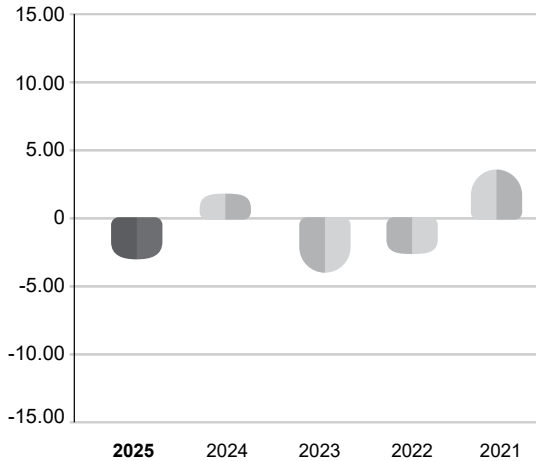
**PROFIT/(LOSS) ATTRIBUTABLE TO
OWNERS OF THE COMPANY (RM MILLION)**



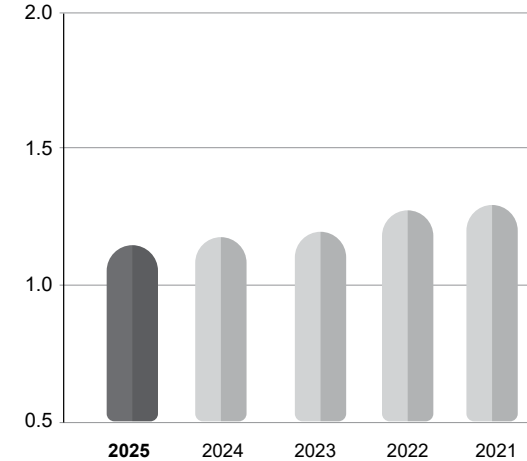
**TOTAL NET BORROWINGS
(RM MILLION)**



**EARNINGS/(LOSS) PER SHARE
(SEN)**



**NET ASSETS PER SHARE
(RM)**



DIRECTORS' PROFILE

JONATHAN LAW NGE SONG

Malaysian, Male, Age 60.

Group Non-Independent Non-Executive Board Chairman

Chairman of the Sustainability Management Committee

Qualification

He graduated from the Australian National University with a Bachelor of Commerce degree and a Bachelor of Laws degree in 1987 and 1989 respectively.

Working Experience

He was admitted as an Advocate and Solicitor of the High Court of Malaya in 1991. He commenced his legal career as a legal assistant with Allen & Gledhill from 1991 to 1995 and was subsequently promoted to Partner in 1995.

In 1996, he joined Messrs. Nik Saghir & Ismail as a Partner. On 2 April 2019, he joined Azmi & Associates as a Partner specialising in Merger & Acquisition and Corporate Practice.

Date Appointed to the Board

He was appointed as an Independent Non-Executive Director on 8 January 2007. He was subsequently re-designated as Independent Non-Executive Chairman and Group Independent Non-Executive Chairman on 22 February 2010 and 15 June 2015 respectively. On 17 April 2023, he was re-designated as Non-Independent Non-Executive Chairman.

Directorship in Other Public Listed Companies

He is currently a Non-Independent Non-Executive Chairman of Anglo-Eastern Plantations PLC, a company listed on the London Stock Exchange.

He was appointed to the Board of Pimpinan Ehsan Berhad on 25 February 2021 and was subsequently re-designated as Non-Independent Non-Executive Chairman on 21 April 2021. He was also appointed to the Board of Rex Industry Berhad on 12 September 2025.

Interest in Securities of the Company and its Subsidiaries

He does not hold any shares in the Company or its subsidiaries.

Family Relationship with any Directors and/or Major Shareholders

He does not have any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest

He has declared that he has no conflict of interest with the Company and/or the Group.

List of Convictions for Offences within the Past Five (5) Years other than Traffic Offences

None.

Board Meeting Attendance for the Financial Year Ended 2025

He attended five (5) out of five (5) Board Meetings and two (2) out of two (2) Sustainability Management Committee Meetings.

DIRECTORS' PROFILE (Cont'd)

KUO JEN CHANG

Singaporean, Male, Age 63.
Group Executive Director,
Group Chief Executive Officer / President.

Qualification

He holds a Bachelor's Degree in Electronic Engineering from the University of Wisconsin, United States.

Working Experience

He began his career in 1987 when he joined Evergreen Timber Products Pte Ltd ("ETP") in Singapore as Procurement Manager. In 1989, he was appointed Director of Evergreen Décor Products (M) Sdn. Bhd. ("EDP"), a subsidiary of the Group, where he oversaw the overall operations of the company until 1992.

In his current capacity as Group Chief Executive Officer / President, he is responsible for the Group's overall business direction, strategic planning and operations.

Date Appointed to the Board

He was appointed to the Board of Directors on 15 May 1991. He was subsequently appointed as Managing Director on 15 April 2004 and was re-designated as Group Chief Executive Officer / President on 15 June 2015.

Directorship in Other Public Listed Companies

He does not hold any directorships in other public listed companies.

Interest in Securities of the Company and its Subsidiaries

Please refer to Statement of Shareholdings of this Annual Report.

Family Relationship with any Directors and/or Major Shareholders

He is the son of Kuo Wen Chi and brother of Kuo Huei Chen and Kuo Jen Chiu, and uncle to Henry, Justin and Jeffrey Kuo.

Conflict of Interest

He has declared that he has no conflict of interest with the Company and/or the Group.

List of Convictions for Offences within the Past Five (5) Years other than Traffic Offences

None.

Board Meeting Attendance for the Financial Year Ended 2025

He attended five (5) out of five (5) Board Meetings.

DIRECTORS' PROFILE (Cont'd)

KUO JEN CHIU

Malaysian, Male, Age 60.

Group Executive Director

Group Chief Operating Officer / Vice President

Qualification

He holds a Degree in Computer Science from the University of Wisconsin, United States.

Working Experience

He began his career in 1990 as a Marketing Manager with Evergreen Timber Products Pte Ltd ("ETP") in Singapore.

In his current capacity as Group Chief Operating Officer / Vice President, he oversees the Group's finance, marketing and operational functions. His responsibilities include identifying growth opportunities and overseeing the development of new markets and products for the Group.

Date Appointed to the Board

He was appointed to the Board of Directors on 15 May 1991. He was subsequently appointed as Executive Director on 15 April 2004 and was re-designated as Group Chief Operating Officer / Vice President on 15 June 2015.

Directorship in Other Public Listed Companies

He does not hold any directorships in other public listed companies.

Interest in Securities of the Company and its Subsidiaries

Please refer to Statement of Shareholdings of this Annual Report.

Family Relationship with any Directors and/or Major Shareholders

He is the son of Kuo Wen Chi and brother of Kuo Jen Chang and Kuo Huei Chen, and uncle to Henry, Justin and Jeffrey Kuo.

Conflict of Interest

He has declared that he has no conflict of interest with the Company and/or the Group.

List of Convictions for Offences within the Past Five (5) Years other than Traffic Offences

None.

Board Meeting Attendance for the Financial Year Ended 2025

He attended five (5) out of five (5) Board Meetings

DIRECTORS' PROFILE (Cont'd)

MARY HENERIETTA LIM KIM NEO

Malaysian, Female, Age 62

Group Executive Director

Member of the Sustainability Management Committee

Qualification

She holds a Master in Business Administration from the University of Preston, United States.

Working Experience

She began her career in 1984 as a Human Resources and Administrative Officer with a local consulting firm. In 1992, she joined the manufacturing industry and was appointed as a Human Resources and Administrative Executive of the Company, overseeing the Human Resources and Administration functions.

In 1995, she was promoted to Human Resources and Administration Manager and was concurrently appointed to the Board of Directors of the Company. In her current capacity as Group Executive Director, she is responsible for the Group's administration, corporate affairs, governance and compliance functions.

Date Appointed to the Board

She was appointed to the Board of Directors on 15 December 1995 and was subsequently re-designated as Group Executive Director on 15 June 2015.

Directorship in Other Public Listed Companies

She does not hold any directorships in other public listed companies.

Interest in Securities of the Company and its Subsidiaries

She holds insignificant shares in the Company.

Family Relationship with any Directors and/or Major Shareholders

She does not have any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest

She has declared that she has no conflict of interest with the Company and/or the Group.

List of Convictions for Offences within the Past Five (5) Years other than Traffic Offences

None.

Board Meeting Attendance for the Financial Year Ended 2025

She attended five (5) out of five (5) Board Meetings and two (2) out of two (2) Sustainability Management Committee Meetings.

DIRECTORS' PROFILE (Cont'd)

KUAN KAI SENG

Malaysian, Male, Age 52

Senior Independent Non-Executive Director

Chairman of the Audit Committee

Member of the Nominating Committee and Risk Management Committee

Qualification

He holds a Bachelor Degree in Accountancy from New Zealand. He is a member of the Institute of Chartered Accountants of New Zealand, the Malaysian Institute of Accountants (MIA) and the Chartered Tax Institute of Malaysia.

Working Experience

He began his career with Ernst & Young from March 1999 to September 2002, where he was involved in statutory audit assignments for private and public listed companies.

He subsequently joined a local group of companies as Group Accountant, which included a three-year overseas posting in China as Assistant General Manager cum Head of Finance for the Group's subsidiary.

He later was in public practice as a Chartered Accountant in a member firm of MIA. On 3 April 2012, he joined XL Holdings Berhad, a company listed on Bursa Malaysia Securities Berhad, as an Executive Director.

Date Appointed to the Board

He was appointed as Group Independent Non-Executive Director on 5 June 2014.

Directorship in Other Public Listed Companies

He was appointed as Executive Director of XL Holdings Berhad on 3 April 2012.

Interest in Securities of the Company and its Subsidiaries

He does not hold any shares in the Company or its subsidiaries.

Family Relationship with any Directors and/or Major Shareholders

He does not have any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest

He has declared that he has no conflict of interest with the Company and/or the Group.

List of Convictions for Offences within the Past Five (5) Years other than Traffic Offences

None.

Board and Committee Meeting Attendance for the Financial Year Ended 2025

He attended five (5) out of five (5) Board Meetings, five (5) out of five (5) Audit Committee Meetings, two (2) out of two (2) Nominating Committee Meetings, one (1) out of two (2) Remuneration Committee Meetings and two (2) out of two (2) Risk Management Committee Meetings.

DIRECTORS' PROFILE (Cont'd)

TAN MUI PING

Malaysian, Female, Age 50

Independent Non-Executive Director

Chairman of the Risk Committee

Member of the Audit Committee, Remuneration Committee and Sustainability Management Committee

Qualification

She is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) and a member of the Malaysian Institute of Accountants (MIA). She is also a registered Company Secretary with the Companies Commission of Malaysia and a member of the Institute of Corporate Directors Malaysia.

Working Experience

She has more than 20 years of experience in senior finance roles covering corporate finance, investment analysis, business development partnering, investment feasibility studies, group finance management, treasury and tax planning.

She began her career in 1998 as an Audit Assistant with Shamsir Jasani Grant Thornton (now known as Grant Thornton Malaysia PLT). In 2001, she joined Wah Seong Corporation Berhad as an Accountant, where she was responsible for group reporting and corporate finance functions.

In 2003, she joined Edaran Otomobil Nasional Berhad as Manager – Group Finance, overseeing group finance matters, corporate finance and tax planning. In 2007, she joined Advance Synergy Berhad (“ASB”) as Head of Finance, where she was involved in various corporate exercises during her tenure.

In 2012, she joined Weida (M) Bhd. (“Weida”) as Senior Manager of the Corporate Development Department. She was promoted to General Manager in the Group Managing Director’s Office in 2014 and subsequently, in 2023, was re-designated as Advisor, a position she currently holds.

Date Appointed to the Board

She was appointed as Independent Non-Executive Director on 1 October 2022.

Directorship in Other Public Listed Companies

She was appointed as Independent Non-Executive Director of Infoline Tec Group Berhad on 1 November 2021, Life Water Berhad on 27 November 2023, Oasis Home Holding Berhad on 16 Feb 2024 and A1 A.K. Koh Group Berhad on 13 Sept 2024.

Interest in Securities of the Company and its Subsidiaries

She does not hold any shares in the Company or its subsidiaries.

Family Relationship with any Directors and/or Major Shareholders

She does not have any family relationship with any Director and/or major shareholder of the Company.

Conflict of Interest

She has declared that she has no conflict of interest with the Company and/or the Group.

List of Convictions for Offences within the Past Five (5) Years other than Traffic Offences

None.

Board and Committee Meeting Attendance for the Financial Year Ended 2025

She attended five (5) out of five (5) Board Meetings, five (5) out of five (5) Audit Committee Meetings, one (1) out of two (2) Nominating Committee Meetings, two (2) out of two (2) Remuneration Committee Meetings, two (2) out of two (2) Risk Committee Meetings and two (2) out of two (2) Sustainability Management Committee Meetings.

DIRECTORS' PROFILE (Cont'd)

HONG KIM HEONG

Malaysian, Female, Age 55

Independent Non-Executive Director

Chairman of the Nominating Committee

Member of the Audit Committee, Remuneration Committee and Risk Management Committee

Qualification

She is an Associate Member of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and holds a Certificate in Accounting from the London Chamber of Commerce and Industry (LCCI Higher Accounting).

Working Experience

She has over 29 years of experience in the corporate sector, including attachments with a reputable management consulting firm and several listed companies across various industries.

Her areas of expertise include corporate secretarial practice, corporate governance advisory and corporate exercises advisory.

Date Appointed to the Board

She was appointed as Independent Non-Executive Director on 2 January 2024.

Directorship in Other Public Listed Companies

She does not hold any directorships in other public listed companies.

Interest in Securities of the Company and its Subsidiaries

She does not hold any shares in the Company or its subsidiaries.

Family Relationship with any Directors and/or Major Shareholders

She does not have any family relationship with any Director and/or major shareholder of the Company.

Conflict of Interest

She has declared that she has no conflict of interest with the Company and/or the Group.

List of Convictions for Offences within the Past Five (5) Years other than Traffic Offences

None.

Board and Committee Meeting Attendance for the Financial Year Ended 2025

She attended five (5) out of five (5) Board Meetings, five (5) out of five (5) Audit Committee Meetings, two (2) out of two (2) Nominating Committee Meetings, two (2) out of two (2) Remuneration Committee Meetings and two (2) out of two (2) Risk Management Committee Meetings.

DIRECTORS' PROFILE (Cont'd)

SHAMEER BIN OTHMAN

Malaysian, Male, Age 57

Independent Non-Executive Director

Chairman of the Remuneration Committee

Member of the Audit Committee, Nominating Committee and Sustainability Management Committee

Qualification

He holds a Bachelor of Laws (LLB) from the International Islamic University Malaysia (IIUM) and a Master of Laws (LLM) from University Kebangsaan Malaysia (UKM). He is a member of the Malaysian Bar and the Institute of Corporate Directors Malaysia.

Working Experience

He was admitted as an Advocate and Solicitor of the High Court of Malaya in 1993. He commenced practice as a legal assistant with Messrs. Nik Saghir & Ismail, Kuala Lumpur from 1994 to June 1997 and was promoted to Partner in July 1997, a position he held until 31 January 2017.

He was subsequently attached to Messrs. Ainul Azam & Partners before joining Messrs. Azmi & Associates as a Partner in October 2017. In 2022, he joined Bank Pertanian Malaysia Berhad (Agrobank) as Senior Vice President and Head of Legal. In April 2024, he rejoined Messrs. Nik Saghir & Ismail.

Date Appointed to the Board

He was appointed as Independent Non-Executive Director on 1 November 2024.

Directorship in Other Public Listed Companies

He does not hold any directorships in other public listed companies.

Interest in Securities of the Company and its Subsidiaries

He does not hold any shares in the Company or its subsidiaries.

Family Relationship with any Directors and/or Major Shareholders

He does not have any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest

He has declared that he has no conflict of interest with the Company and/or the Group.

List of Convictions for Offences within the Past Five (5) Years other than Traffic Offences

None.

Board and Committee Meeting Attendance for the Financial Year Ended 2025

He attended five (5) out of five (5) Board Meeting, five (5) out of five (5) Audit Committee Meeting, two (2) out of two (2) Nominating Committee Meeting, two (2) out of two (2) Remuneration Committee Meeting, one (1) out of two (2) Risk Committee Meeting and two (2) out of two (2) Sustainability Management Committee Meeting.

KEY OFFICERS' PROFILE

LEONG TING SIONG @ MARTIN LEONG

Malaysian, Male, Age 49

Group Chief Financial Officer & Investor Relations

Member of the Risk Management Committee

Qualification

He holds a degree with a double major in Accounting and Management from the University of Technology Sydney, Australia. He completed his CPA Australia examinations and is a member of CPA Australia. He is also a member of the Malaysian Institute of Accountants (MIA).

Working Experience

He began his career in 1999 as an Auditor with KPMG, where he gained extensive experience in audit and financial reporting. In 2002, he qualified as an accountant and became a member of the Malaysian Institute of Accountants.

He was subsequently appointed as Group Accountant of a local group of companies and played a key role in leading the finance function in conjunction with the group's listing on Bursa Malaysia Securities Berhad in 2004.

He joined the Company on 16 October 2009 as Finance Manager and was promoted to his current position as Group Chief Financial Officer in 2021.

In his present capacity, he is responsible for overseeing the Group's financial management, financial reporting, treasury and fund-raising activities, budgeting and financial analysis, tax and insurance planning, compliance with Bursa Malaysia Listing Requirements, and investor relations. He also plays a key role in identifying business development initiatives, strategic financing opportunities, implementing special projects and developing long-term relationships with bankers, investors and other stakeholders.

He has over 27 years of working experience in accounts and finance, of which 19 years were at senior management level.

Date of Employment

16 October 2009.

Directorship in Other Public Listed Companies

He does not hold any directorships in other public listed companies.

Interest in Securities of the Company and its Subsidiaries

He holds 300,000 shares in the Company.

Family Relationship with any Directors and/or Major Shareholders

He does not have any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest

He has declared that he has no conflict of interest with the Company and/or the Group.

List of Convictions for Offences within the Past Five (5) Years other than Traffic Offences

None.

Committee Meeting Attendance for the Financial Year Ended 2025

He attended two (2) out of two (2) Risk Management Committee Meetings.

KEY OFFICERS' PROFILE (Cont'd)

TEE KIM FOOM

Malaysian, Female, Age 59

Group Financial Controller & Head of Internal Compliance

Qualification

She holds a Master of Business Administration (Finance) from Multimedia University, Malaysia. She is a Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom and a member of the Malaysian Institute of Accountants (MIA).

Working Experience

She has over 30 years of experience in finance and accounting, having held various positions across companies in professional services, manufacturing, panelboard, trading and agriculture sectors.

She began her career in an audit firm in 1991 and subsequently held management positions as Accountant, Cost Accountant and Finance & Administration Manager before joining the Evergreen Group in 1997.

She was promoted in 2005 and currently serves as Group Financial Controller, overseeing the Group's finance and accounting functions.

In 2021, she was also tasked to head the Group's in-house Compliance Team to oversee compliance matters across all companies within the Group.

Date of Employment

1 October 1997.

Directorship in Other Public Listed Companies

She does not hold any directorships in public listed companies.

Interest in Securities of the Company and its Subsidiaries

She holds insignificant shares in the Company.

Family Relationship with any Directors and/or Major Shareholders

She does not have any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest

She has declared that she has no conflict of interest with the Company and/or the Group.

List of Convictions for Offences within the Past Five (5) Years other than Traffic Offences

None.

KEY OFFICERS' PROFILE (Cont'd)

PHILIP WONG HWEE LIH

Malaysian, Male, Age 58

Group General Manager

Qualification

He holds a Bachelor of Laws (LLB) from the University of East London, United Kingdom.

Working Experience

He began his career in 1994 as a Sales Officer with Mico Chipboard Sdn. Bhd. In 1995, he joined Mitsui & Co., Ltd. as a Sales Executive and was promoted to Sales Assistant Manager in 1999.

He joined the Company on 16 June 2000 as Sales and Marketing Manager. In January 2005, he was promoted to General Manager and subsequently, in January 2014, was promoted to Group General Manager.

In his current capacity, he oversees the Group's sales and marketing strategies, business development initiatives and operational coordination across the Group.

Date of Employment

16 June 2000.

Directorship in Other Public Listed Companies

He does not hold any directorships in public listed companies.

Interest in Securities of the Company and its Subsidiaries

He holds 3,000,100 number of shares while his wife Madam Chiah Chwi Hua holds 2,500,000 number of shares in the Company.

Family Relationship with any Directors and/or Major Shareholders

He does not have any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest

He has declared that he has no conflict of interest with the Company and/or the Group.

List of Convictions for Offences within the Past Five (5) Years other than Traffic Offences

None.

KEY OFFICERS' PROFILE (Cont'd)

LEE TAK HIN

Malaysian, Male, Age 43
Group Accounts Manager

Qualification

He holds a Bachelor of Accountancy degree from University Putra Malaysia and is a member of the Malaysian Institute of Accountants (MIA).

Working Experience

He is responsible for overseeing the accounting functions of the Company, including financial reporting, statutory compliance and consolidation matter at the Group level.

Prior to joining the Company, he served as Finance Manager of Abundance International Limited, a company listed in Singapore, where he was involved in financial management and reporting functions.

He joined the Company on 2 May 2017 as Accounts Manager and was subsequently promoted to Group Accounts Manager in 2021.

Date of Employment

2 May 2017.

Directorship in Other Public Listed Companies

He does not hold any directorships in other public listed companies.

Interest in Securities of the Company and its Subsidiaries

He does not hold any shares in the Company and/or its subsidiaries.

Family Relationship with any Directors and/or Major Shareholders

He does not have any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest

He has declared that he has no conflict of interest with the Company and/or the Group.

List of Convictions for Offences within the Past Five (5) Years other than Traffic Offences

None.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GROUP'S BUSINESS AND OPERATIONS

Established in 1991, Evergreen Fibreboard Berhad ("EFB" or "the Group") commenced its first panel board manufacturing operations in Parit Raja, Johor in July 1993. The Company was listed on the Main Market of Bursa Malaysia Securities Berhad on 11 March 2004. The Group has expanded its manufacturing footprint in Malaysia, as well as Thailand and Indonesia.

As at 31 December 2025, the Group employed 1,876 employees comprising 819 in Malaysia, 745 in Thailand and 312 in Indonesia. Foreign labour represented 28.5% of the workforce in Malaysia, 25.64% in Thailand and 3% in Indonesia.

The Group's core activities remain in the manufacturing of Medium Density Fibreboard ("MDF"), Particleboard ("PB") and value-added laminated panel boards. Non-core segments include Ready-to-Assemble furniture ("RTA"), resin and adhesive, biomass wood pellets, green energy generation and rubber plantation activities.

The Group exports to countries across Middle East, Europe, the Americas, Africa, Australia and Asia.

MARKET DISTRIBUTION

The Group's revenue distribution by region for Financial Year ("FY") 2025 was as follows:

- Middle East – 39.9%
- South East Asia – 30.2%
- Far East Asia – 7.5%
- United States – 12.2%
- Africa – 9.1%
- Others – 1.1%

The Middle East and South East Asia collectively contributed over 70.1% of the Group's total revenue.

FINANCIAL PERFORMANCE OVERVIEW

For FY2025, the Group recorded revenue of RM911 million, representing a 4.9% decrease compared with RM958 million in FY2024. Revenue contribution by geography:

- Malaysia : 37.1%
- Thailand : 47.4%
- Indonesia : 15.5%

The decrease was primarily attributable to lower average selling prices and the lower sales volumes in panel boards and downstream products. Panel boards, biomass wood pellets and RTA furniture contributed 99.9% of the Group's total revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

SEGMENTAL PERFORMANCE

Malaysia

Revenue for the financial year ended ("FYE") 31 December 2025 decreased by 19.9% to RM328.0 million, compared with RM409.5 million recorded in FYE 2024. The decline in revenue was mainly attributable to lower sales volume of panel boards, arising from the Group's restructuring measures undertaken in response to the increasing cost of operations in Malaysia.

For the FYE 2025, the Group recorded a loss before tax of RM29.2 million, compared with a loss before tax of RM17.7 million in the corresponding period of the preceding financial year. The higher loss before tax was primarily due to increased production costs, particularly within the Malaysian operations, foreign exchange losses, and non-recurring restructuring expenses incurred in connection with the rationalisation of loss-making operations in Malaysia. These restructuring initiatives were undertaken as part of the Group's efforts to enhance operational efficiency and strengthen the long-term sustainability of its Malaysian operations.

In view of the rising operating costs in Malaysia and the continued losses from its Malaysian operations, Management decided during the financial year to cease one of its panel boards (MDF) operations in Nilai, Negeri Sembilan, as well as its veneering operations in Pasir Gudang, Johor.

The assets from the panel board operations will be relocated to Indonesia to upgrade the existing MDF Line 1, which has been in operation since the Group's acquisition in 2007. As for the machinery and equipment from the veneering operations, these assets have no remaining book value and are being disposed of as scrap due to age and condition.

Thailand

Revenue increased by 0.8% to RM442.2 million for FYE2025 compared to RM438.7 million for FYE2024. The increase in revenue was contributed from higher sales volume and average selling price.

However, despite the interruptions from the major floods in Thailand causing 2-3 weeks of no operations, no supply of raw materials and no delivery of finished goods, Thailand Operations managed to maintain its productivity and revenue for the financial year ended 2025.

Profit before tax for FYE2025 decreased by RM11.1 million to RM30.3 million from RM41.4 million recorded in FYE2024. The decrease in profit before tax was mainly due to forex loss being recorded in the current financial year and higher wood cost due to rainy season and the flooding in Thailand. The insurance compensation for damages sustained during the flood will be recognized once the amount has been confirmed by the insurers.

Indonesia

Revenue increased by 28.2% to RM140.9 million for FYE 2025 compared to FYE2024 of RM109.9 million. The increase in revenue was due to higher sales volume from the newly commissioned panel board (MDF) production Line 2 which was relocated from Malaysia.

Profit before tax for the FYE2025 increased by RM2.7 million to RM14.2 million from RM11.5 million recorded in the FYE2024. The increase in profit before tax was mainly due to lower production cost as the result of higher production efficiency contributed from the newly commissioned Line 2.

PROFITABILITY OF THE GROUP

For the financial year ended 2025, the Group's revenue decreased by 4.9% or RM47.0 million to RM911.1 million, as compared to RM958.1 million for the corresponding period last year. The decrease in revenue was mainly due to lower sales volume, lower selling price from less favourable United States Dollar ("USD") exchange rate compared to FYE2024 and is also due to the Group's restructuring plan in response to increasing cost of panel board (MDF and Particleboard) operations in Malaysia.

The loss before tax was reported at RM24.2 million for FYE2025 compared to a profit before tax of RM12.8 million for the FYE2024. The loss before tax was due to higher raw material cost, lower sales margin due to less favourable USD exchange rate compared to previous financial year, non-recurring restructuring costs and due to the temporary disruption in operations caused by the flooding in Southern Thailand.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

FINANCIAL POSITION, LIQUIDITY AND CAPITAL MANAGEMENT

Balance Sheet Position

For the FYE 2025, the total assets of the Group decreased to RM1,313.8 million from RM1,432.6 million in FYE 2024. Shareholders' equity stood at RM943.3 million for the FYE2025 compared to RM987.1 million in the FYE2024. Net assets per share reduced to RM1.12 compared to RM1.17 in FYE 2024. The reduction in assets was partly due to the strengthening of the Ringgit Malaysia against other currencies which resulted in foreign exchange losses and translation losses from non-Malaysian operations.

Liquidity

Cash and bank balances stood at RM82.9 million for FYE2025 compared to RM140.0 million in FYE2024. The Group maintains adequate banking facilities and has sufficient liquidity to meet short-term operational obligations.

Borrowings and Gearing

Total borrowings decreased to RM239.8 million in the FYE2025 compared to RM267.1 million in the FYE 2024 due to repayments made for some short- and long-term loans.

Net debt stood at RM156.9 million.

Gross gearing ratio: 0.25 times (FY2024: 0.27 times).

Net gearing ratio: 0.17 times (FY2024: 0.13 times).

The Board considers the Group's capital structure to be manageable and within acceptable risk parameters.

Financial Ratios and Performance Indicators

In line with Bursa Malaysia disclosure expectations, the Board monitors the following key financial ratios:

EBITDA

EBITDA softened compared to 2024 due to unfavorable foreign exchange movement and the flood incident impacting the Group's Thailand operations.

Return on Equity (ROE)

ROE is a small minus in FYE2025 due to net loss incurred during the financial year.

Interest Coverage Ratio

Interest coverage ratio is in negative. Nonetheless, taking into account the Group's positive EBITDA and low gearing, the Group is still able to service its debts comfortably.

Working Capital Efficiency

Inventory days increased due to rollover shipments and Receivables days improved due to stronger collection efforts. The Board continues to focus on strengthening the working capital discipline.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

Capital Expenditure

Capital expenditure for FYE2025 amounted to RM53.8 million (FYE 2024: RM110.1 million), mainly for:

- Upgrading of machinery;
- MDF relocation to Indonesia; and
- Maintenance capex.

Capital expenditure is expected to stabilize in FY2026 with new expenditure primarily relating to the expansion of wood-related manufacturing activities in Indonesia and enhancement of its Thailand operations.

PRINCIPAL RISKS AND UNCERTAINTIES

Raw Material Supply

The Group remains exposed to potential disruptions in rubberwood supply arising from labour shortages in Malaysian plantations, prolonged rainy seasons across the countries in which the Group operates, as well as changes in government regulations relating to plantation management, timber harvesting, environmental compliance, and foreign labour policies. These factors may affect the availability, cost, and stability of rubberwood supply required for the Group's manufacturing operations.

Mitigation:

- Buffer stock build-up before monsoon seasons;
- Loyal Supplier; and
- Usage of non-rubberwood materials where possible.

However, the risk of disruption in rubberwood supply is inherent to the Group's operations due to dependency on plantation labour availability and weather conditions in the regions where the Group operates.

Energy Cost Risk

The Group operates in an energy-intensive environment for the majority of its manufacturing operations. Mitigation measures include the installation of an 8MW solar facility in Malaysia and an 18MW biomass power plant in Thailand, which is currently undergoing refurbishment and upgrading in 2026 to enhance efficiency. Nevertheless, significant electricity tariff increases or energy supply disruptions may adversely impact the Group's operating margins.

Foreign Exchange Risk

The Group is exposed to fluctuations in USD, Thai Baht (THB) and Indonesian Rupiah (IDR) and also the strengthening of Ringgit Malaysia (RM) which has a negative effect on our exports revenues.

FY2025 the Group recorded a foreign exchange loss of RM8.8 million compared to a gain of RM0.1 million in the FYE 2024. These losses were mainly from the translation of currency from THB and IDR to RM and the overall strengthening of the RM against other major trading currencies.

The Group practices natural hedging and may consider financial hedging instruments where appropriate.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

Going Concern Statement

The Directors have assessed the Group's ability to continue as a going concern, taking into consideration:

- Positive operating cash flow;
- Available banking facilities;
- Manageable gearing level; and
- Completion of major capital expenditure cycle.

The Board is satisfied that the Group has adequate financial resources to continue its operations for the foreseeable future.

Outlook and Prospects

The operating environment in FYE2026 is expected to remain challenging, particularly for the Group's Malaysian operations, due to the continued increase in raw material costs, rising operational and logistical expenses and the strengthening of the Malaysian Ringgit, which may reduce the competitiveness of export revenues.

Nevertheless, the Group expects a gradual stabilisation in its financial performance supported by the following developments:

- The completion of the relocation of the MDF production lines from Malaysia to Indonesia, which is expected to contribute a full year of financial performance in FYE2026;
- The cessation of certain loss-making operations during the FYE 2025; and
- Improved regional production balancing across the Group's operating countries to optimise operational efficiency and cost management.

While the Group remains cautiously optimistic, this outlook statement contains forward-looking information which is subject to various risks and uncertainties, including changes in market demand, raw material availability, currency movements, and broader macroeconomic conditions.

Dividend Policy

In light of the continued financial losses and the need to conserve cash and strengthen the Group's liquidity position amid uncertain market conditions, the Board has decided not to recommend the payment of any dividend for the FYE 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Evergreen Fibreboard Berhad ("EFB") presents the Group's corporate governance ("CG") practices for the financial year ended 31 December 2025 ("FY2025"). This overview describes the principles of EFB's CG framework and highlights how the Board has enhanced its practices to comply with the Malaysian Code on Corporate Governance 2021 ("MCCG") pursuant to the Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

ON BOARD LEADERSHIP AND EFFECTIVENESS

Practice 1.1

The Board recognises its responsibility for setting EFB's strategic direction and ensuring effective oversight over performance, risk and sustainability. During FY2025 the Board undertook, among others, the following activities:

- a) Together with Management, set the Group's strategies, objectives and budgets across all business units, taking into account risk, sustainability and corporate governance considerations;
- b) Monitored the financial and non-financial performance of each company/business unit via regular updates; advised Management on corrective actions where necessary;
- c) Reviewed the ethical standards under the Code of Conduct and Business Ethics, and updated policies on risk management, whistle-blowing, anti-bribery and stakeholder communication to reflect enhancements in conflict-of-interest disclosure requirements;
- d) Reviewed the National Sustainability Reporting Framework (NSRF) and adoption of IFRS S1 and IFRS S2 where a gap analysis was carried by the Internal Auditors as to ensure the compliance by the Company and monitored the progress against the adoption timeline applicable to the Group; and
- e) Ensured that all directors completed the Mandatory Accreditation Programme Part II: Leading for Impact (LIP), new mandatory sustainability on-boarding programme introduced by the Securities Commission Malaysia and Bursa Malaysia.

Practice 1.2

EFB's Non-Independent Non-Executive Chairman, Mr. Jonathan Law Ngee Song, focuses on matters of the Board, providing strategic direction and ensuring adherence to good corporate governance. Together with the Company Secretaries and Management, he champions sustainability reporting and NSRF compliance, oversees directors' compliance with mandatory training (including LIP), and reviews the Corporate Governance Report and CG Overview Statement to ensure alignment with MCCG and the latest Listing Requirements.

Practice 1.3

The positions of Chairman and Chief Executive Officer (CEO) remain separate. Mr. Jonathan Law Ngee Song serves as Non-Independent Non-Executive Chairman while Mr. Kuo Jen Chang serves as CEO. This separation ensures a clear division of responsibilities and promotes accountability.

Practice 1.4

The Chairman is not a member of any Board committee except that he chairs the Sustainability Management Committee and does not attend any other committee meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Practice 1.5

The Board is supported by two qualified and experienced Company Secretaries, Ms. Tan Yit Chan (MAICSA 7009143) and Ms. Santhi A/P Saminathan (MAICSA 7069709). They provide advice on Corporate Governance, Listing Requirements and best practices, including guidance on sustainability reporting and conflict-of-interest disclosures.

Practice 1.6

Directors receive meeting materials (minutes of the previous meeting, agenda and supporting papers) at least six days before each meeting. Minutes are prepared and circulated electronically for review shortly after each meeting and are confirmed at the next meeting. Virtual meetings are utilised where appropriate, while general meetings are conducted in person in accordance with Bursa Malaysia's latest requirements.

Practice 2.1

EFB's Board Charter, available on the Company's website, was reviewed and adopted on 24 February 2025. It clearly delineates the roles and responsibilities of the Board and its committees and incorporates updates to the Listing Requirements, including the requirement for woman director on the Board, disclosure of CEO remuneration on a named basis, directors' responsibilities for sustainability reporting under the NSRF and enhanced conflict-of-interest provisions.

Practice 3.1

The Board established, reviews and approves EFB's Code of Conduct and Business Ethics ("the Code"). Together with Management, it has implemented policies and procedures to manage conflicts of interest and potential conflicts (including interests in competing businesses and those involving subsidiaries), prevent abuse of power, corruption, insider trading and money laundering. The updated Code in June 2025, is made available on the Company's website.

Practice 3.2

The Board promotes a corporate culture that values integrity, transparency and fairness. It has adopted and implemented a whistle-blowing policy, anti-bribery policy and stakeholder communication policy. All employees and stakeholders may raise concerns confidentially without fear of reprisal. These policies are published on the Company's website.

Practice 4.1

The Board, together with Management, is responsible for governance of sustainability in the Group. During FY2025 the Board approved sustainability strategies and targets, aligned to its sustainability policy, and monitored their implementation. It ensured that employees are trained on sustainability-related risks and opportunities, including climate-related risks, which are integrated into the Group's risk management and strategic planning. The Board oversees the preparations for current sustainability reporting and in view of the Group's compliance with IFRS S1 and IFRS S2 in the next financial year.

Practice 4.2

Through the Sustainability Management Committee and Management, the Board sets the Group's sustainability strategies and targets. The Committee reviews performance against targets and recommends improvements. Sustainability performance and targets are disclosed in the Group's Sustainability Statement and on the Company's website, in line with the NSRF. The committee also monitors developments in ISSB standards and prepares for external assurance of sustainability information when it falls due.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP & EFFECTIVENESS (Cont'd)

Practice 4.3

The Board keeps abreast of sustainability issues relevant to the Group through seminars and training. In FY2025, all directors completed the Mandatory Accreditation Programme Part II: Leading for Impact (LIP) which covers ESG considerations and sustainability reporting. Directors also attended programmes on conflict-of-interest rules, NSRF reporting on IFRS S1 and S2 implementation, climate-related risk and opportunities, and updates to the Listing Requirements.

The Directors attended trainings on sustainability and other topics to ensure sufficient knowledge and understanding concerning sustainability. During the FY2025, the trainings attended by the Directors of the Company are as follows: -

Jonathan Law Ngee Song	- Sustainability Training
Kuo Jen Chang	- Sustainability Training
Kuo Jen Chiu	- Sustainability Training
Kuan Kai Seng	- Sustainability Training
Mary Henerietta Lim Kim Neo	- Seminar on Life Cycle Assessment (LCA) of Primary Wood Products in Malaysia; - Sustainability Training; - Boardroom Blind spots: How Our Perceptions of Risk Influence our Boardroom Effectiveness; - Towards Energy Efficiency: Sustainable Solutions for Malaysia's Timber Industry; - NSRF Preparers' Programme (NPP) Module 1: Sustainability Reporting Using the ISSB Illustrative Sustainability Reports; - The New SORMIC Guide 2025: What It Is All About & Its Implications to Listed Issuers, Directors, Management & Auditors; - Webinar Strategic Trade Act 2010 (STA 2010): Stimulate Industrial Growth & Commercial Industry Support Services Through High-Risk Control, Safety Management & Adherence to Compliance Procedures; and - Webinar on Imports & Exports Procedures & Trade Facilities.
Tan Mui Ping	- Tratax 2025 Tax Conference; - ICDM Advocacy Dialogue and Networking Session: EInvoicing and its Impact on Directors; - Strengthening Board Audit Committee Oversight; - ICDM post-Budget 2026 Dialogue: Key Highlights; and - Sustainability Training.
Hong Kim Heong	- E-Invoicing for Directors; - Harmony or Power Play/ Decoding Board-Management relationships; - The shift in boardroom dynamics: Enhancing governance and strategic leadership; - Directors' disclosure on conflict of Interests; and - Sustainability Training.
Shameer Bin Othman	- Mandatory Accreditation Programme (MAP) I; - Mandatory Accreditation Programme (MAP) II; and - Sustainability Training.

Practice 4.4

The Board is aware that addressing material sustainability risks and opportunities is the responsibility of the Board and Senior Management. The annual assessment forms of the Board comprise the evaluation relating to ESG or sustainability. The Board also established Sustainability Management Committee ("SMC") chaired by Mr. Jonathan Law Ngee Song, non-Independent Non-Executive Chairman. The SMC oversees the sustainability management framework, initiatives and company/group's strategies to promote sustainability in relation to economic, environment, social and governance matters. The SMC will meet twice yearly to review the Sustainability Management Report presented by Management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP & EFFECTIVENESS (Cont'd)

Practice 4.5 – Step Up

The Board has adopted the practice of designating a responsible officer to coordinate and support the implementation of the Group's sustainability strategies and initiatives across its operations. This role supports the Sustainability Management Team ("SMT") and facilitates the effective execution, monitoring and reporting of sustainability-related matters in line with the Group's sustainability framework and governance structure.

Practice 5.1

The Nominating Committee ("NC") reviews the Board composition periodically. The Independent Director tenure upon reaching a cumulative term of nine years, and if retention is required by the Board, then the retention would require shareholder approval via a two-tier voting process. The NC recommends re-election of directors based on annual performance evaluation, fit-and-proper assessment and the Group's diversity policy.

Practice 5.2

The Board comprises eight (8) members, consisting of four (4) Independent Non-Executive Directors and four (4) Non-Independent Directors. Accordingly, Independent Directors represent fifty percent (50%) of the Board, meeting the recommended proportion of independent representation to ensure effective oversight, objectivity and balance in the Board's decision-making process.

Practice 5.3

The tenure of Independent Directors upon completion of nine years, if retention is deemed necessary by the Board and Nominating Committee, the Board will seek for shareholders' approval through a two-tier voting process with proper justification. Independent directors who have reached a cumulative of 12 years will be redesignated as Non-Independent Directors or resign from the Board in accordance with Bursa Malaysia Listing Requirements. At this forthcoming 35th AGM, an Independent Director, Mr. Kuan Kai Seng will be reaching 12 years cumulative term and due for re-election, has extended his intention not to seek for re-election and therefore, he will cease office after the conclusion of the 35th AGM.

Practice 5.4 – Step Up

The Board does not adopt this step-up process. However, the Board applies a principles-based approach, assessing independence annually and seeking shareholder approval for two-tier voting where retention of an Independent Director beyond nine years is deemed beneficial for the Company.

Practice 5.5

The Nominating Committee ("NC") is responsible for identifying and recommending candidates for Board appointments. It evaluates candidates against competencies and attributes required for effective Board membership and conducts comprehensive background checks, including assessment of financial and character integrity, fit-and-proper criteria and potential conflicts of interest. The NC also ensures that the Board has sufficient sustainability expertise and diversity. Directors are required to notify the Board for any appointment on board of listed and non-listed companies prior to the appointment.

Practice 5.6

The NC leverages independent sources to identify suitable candidates. These include the Institute of Corporate Directors Malaysia and other professional networks, to broaden the pool of candidates and enhance diversity.

Practice 5.7

The NC had based on the annual assessment conducted in December 2025, recommended the re-election of Mr. Kuo Jen Chiu, Ms. Tan Mui Ping pursuant to the Company's Constitution, after reviewing their performance, contribution and fit and proper criteria assessment who retire by rotation in meeting held on 23 February 2026, for approval by shareholders at the forthcoming 35th AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP & EFFECTIVENESS (Cont'd)

Practice 5.8

The Company's Nominating Committee is chaired by Independent Director Ms. Hong Kim Heong. Her profile is available in the Director's Profile of the Annual Report 2025.

Practice 5.9

As at the date of this Report, the Board comprises eight (8) Directors, including three women directors representing 37.5% which is higher than the 30% requirements.

Practice 5.10

The Board Diversity Policy outlines that the Board to contain at least 30% female representation and to ensure a mix of skills, age and cultural background. The Board Diversity Policy is available at the Company's corporate website at www.evergreengroup.com.my. The Company had achieved the female participation in Board and Senior Management level.

Practice 6.1

The NC carries out annual performance evaluation covering the Board, Board Committees, individual directors (including independent directors), Key Officers and the Company Secretaries. The evaluation considers skills, experience, diversity, core competencies and risk and sustainability management. Evaluation forms are circulated and collated by the Company Secretaries and results are discussed at the Nominating Committee meeting. The Board uses the findings to identify areas for improvement and training needs, including sustainability and conflict-of-interest management. The NC carries out its duties in accordance with the Terms of Reference and the Directors' Fit and Proper Policy downloadable from the Company's website at www.evergreengroup.com.my.

Practice 7.1

The Company maintains a remuneration policy on fees and other benefits for Non-Executive Directors which is reviewed and approved by the Board. The fees and other benefits structure take into consideration the responsibilities and contributions of each individual director to the Board as well as the Board Committees which they sit in. A formal remuneration framework and salary structure maintained for Executive Directors, Senior Management and Key Officers, taking into account their roles and contributions to the Group.

The Remuneration Policy for NEDs, Senior Management and Key Officers are made available on the Company's corporate website at www.evergreengroup.com.my.

Practice 7.2

The Remuneration Committee has written terms of reference that define its authority and duties. The terms of reference are published on the Company's corporate website at www.evergreengroup.com.my.

Practice 8.1

The total fees and other benefits for FY2025 totaling RM450,000 for Non-Executive Directors were approved by shareholders at the Annual General Meeting ("AGM") held on 26 May 2025. The total amount paid to non-executive directors for FY2025 was RM411,519.60.

The proposed fees and other benefits for Non-Executive Directors for FY2026 totaling RM450,000 will be tabled for shareholders' approval at the forthcoming 35th AGM and the detail breakdown are as follows: -

- a. RM100,000 to Mr. Jonathan Law Ngee Song;
- b. RM80,000 to Ms. Tan Mui Ping;
- c. RM80,000 to Ms. Hong Kim Heong;
- d. RM80,000 to En. Shameer Bin Othman; and
- e. RM60,000 to Mr. Kuan Kai Seng

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP & EFFECTIVENESS (Cont'd)

Practice 8.2

The Company has elected not to disclose the individual remuneration of Senior Management due to competitive nature of the industry and risk of competitors using such information to target and lure key personnel. The Board has departed from Practice 8.3 and will continue to review it from time to time. Nevertheless, the detailed remuneration of the Company's CEO and COO have been disclosed under Practice 8.1 in the Company's Corporate Governance Report 2025

Practice 8.3 – Step Up

Not adopted.

Practice 9.1

The Audit Committee carries out its duties in accordance with the Terms of Reference downloadable from the Company's website at www.evergreengroup.com.my. The Audit Committee is chaired by Mr. Kuan Kai Seng, who is not the Chairman of the Board.

Practice 9.2

The Audit Committee's terms of reference provide for a cooling-off period of three years before a former audit partner of the external audit firm may be appointed as a director of the Company. Any offer of employment to a former employee of the external audit firm for a senior management position requires pre-approval by the Audit Committee.

Practice 9.3

The Company has policy to assess the external auditors. The Audit Committee ("AC") and NC will review the external auditor's performance annually to assess their objectivity, suitability and independence prior to re-appointment of auditors. As part of the assessment, the AC also require feedback from the members of senior management regarding the quality of audit service.

Practice 9.4 – Step Up

The Audit Committee comprises of solely Independent Directors, consistent with the Listing Requirements and MCCG recommendations.

Practice 9.5

Members of the Audit Committee possess a wide range of skills covering accounting, finance, audit, law, regulation and business practice. All members are financially literate and keep themselves updated on developments in accounting and audit standards through regular training.

Practice 10.1

The Board affirms its responsibility for establishing a sound risk management and internal control system and reviews the adequacy and effectiveness of these systems. The Board established a Risk Management Committee to assist the Board to oversees matters related to risk, compliance and controls and reports to the Board on key deliberations and decisions for a sound risk management and internal control system.

Practice 10.2

The Group's risk management and internal control system includes an enterprise risk management system guided by ISO 31000 & COSO principles, linking risks to business strategies and objectives; a risk appetite and tolerance level approved by the Board; a clear reporting structure from subsidiaries to the Group; a risk reporting timeline; and governance based on the "three lines of defense" model. Climate-related risks are being incorporated into the risk register.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP & EFFECTIVENESS (Cont'd)

Practice 10.3 – Step Up

The Risk Management Committee of the Company comprises of three Independent Non-Executive Directors and one Senior Management to oversee the risk management framework and policies.

Practice 11.1

The Audit Committee is supported by an outsourced internal audit function provided by BDO Governance Advisory Sdn. Bhd., which reports directly to the Audit Committee. The Internal Auditors perform internal control reviews on areas agreed with the Audit Committee and report their findings directly to the Audit Committee.

Practice 11.2

The Internal Auditors (BDO Governance Advisory Sdn. Bhd.) and their personnel have confirmed their independence and free from relationships or conflicts of interest with the Group's Directors and Senior Management. The details of the outsourced internal audit are disclosed in the Statement of Risk Management and Internal Control. BDO's Internal Audit team is led by their Executive Director and adheres to the International Professional Practice Framework of the Institute of Internal Auditors.

Practice 12.1

The Company has established a Policy on Stakeholders Communication and its available at the Company's corporate website at www.evergreengroup.com.my. The Investor Relations function reports feedback from stakeholders to the Board. The Company maintains its corporate website with financial and non-financial announcements, including sustainability reports, presentations delivered at general meetings and investor briefings.

Practice 12.2

Not applicable as the Company is not a large company as defined by the MCCG.

Practice 13.1

Notice of the AGM and proxy forms are being dispatched to shareholders at least 28 (twenty-eight) days before the meeting to give shareholders sufficient time to prepare. The AGM notice includes the explanation of each resolution and details of the voting process.

Practice 13.2

The AGM is the principal forum for dialogue with shareholders. Directors attend the AGM and answer shareholders' questions on the Company's financial and non-financial performance, sustainability initiatives, and other governance matters.

Practice 13.3

The Company departs from this practice as the Board is of the view that: -

- a) physical general meetings provide more opportunities for shareholders to interact face-to-face with the Board, Senior Management and other shareholders, which enhances the quality and depth of engagement and communication;
- b) physical meetings reduce the risk of potential technical issues, disruptions or cyberattacks that could affect the smooth conduct of virtual or hybrid general meetings and compromise the security and integrity of the meeting and voting process;
- c) the cost involved in having additional meeting venues for shareholders to participate through electronic means would not benefit the Company as an operating entity. Shareholders have the opportunity to participate at general meetings through their proxies and they may also raise question by posting them to our investor email irevergreen@efb.com.my ; and
- d) the Company is also mindful of the accessibility and convenience of some shareholders, especially those who are not familiar or comfortable with using technology or do not have reliable internet access or devices to participate in virtual or hybrid general meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP & EFFECTIVENESS (Cont'd)

Practice 13.4

The Chairman at the commencement of each general meeting briefs shareholders of their right to speak and vote.

At the AGM, the Group Chief Financial Officer presents the Company's financial and non-financial performance and strategies. Shareholders may submit their questions prior to AGM via the email provided in the AGM Admin Guide or may raise their questions directly at the AGM for the Board to respond accordingly.

Practice 13.5

During general meetings, the questions submitted by shareholders pre-AGM are displayed on the screen and read aloud by the Group Chief Financial Officer, who then respond accordingly. The question raised by the shareholders present at the AGM are then addressed by the Group Chief Financial Officer or, where appropriate, by the Chairman, relevant Directors or members of Management accordingly.

Practice 13.6

The minutes of the general meeting are uploaded to the Company's corporate website at www.evergreengroup.com.my within 30 business days after the general meeting.

This Corporate Governance Overview Statement was approved by the Board of Directors on 01 April 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. Introduction

This Statement on Risk Management and Internal Control (“SORMIC”) is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. The latest guidance reflects internationally recognised risk management and internal control frameworks, including those developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the International Organization for Standardization (ISO) and The Institute of Internal Auditors (IIA). It also reinforces the importance of strong board oversight, risk appetite governance and the management of emerging risks in an evolving business environment.

This statement outlines the nature and state of the Group’s risk management and internal control system for the financial year ended 31 December 2025.

2. Board Responsibility

The Board acknowledges its overall responsibility for the Group’s system of risk management and internal control. It sets risk management policies and defines the Group’s risk appetite, ensuring that the system aligns with the latest guidance reflecting internationally recognised risk management and internal control frameworks, including those developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the International Organization for Standardization (ISO) and The Institute of Internal Auditors (IIA).

While delegating implementation to Management and relevant Board Committees, the Board remains accountable for oversight and regularly receives reports from internal and external auditors. The Board obtained written assurance from the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) that the Group’s risk management and internal control system is operating adequately and effectively. The system is designed to provide reasonable, not absolute, assurance, and is reviewed continuously.

3. Risk Governance Structure

The Group has adopted the Three Lines Defense Model and established a governance structure to ensure clear oversight and accountability for risk management and internal control across its operations in Malaysia, Thailand and Indonesia. Key components include:

- **Board of Directors** – Provides strategic oversight, approves risk appetite and tolerances, monitors emerging risks (including ESG, climate and cyber), ensures integration of risk management with sustainability, and reviews adequacy and effectiveness of the system;
- **Board Risk Management Committee** – Oversees the enterprise risk management framework, recommends risk appetite thresholds and monitors key risk indicators;
- **Audit Committee** – Assists the Board in reviewing the adequacy and effectiveness of the Risk management and internal control system, reviews internal and external audit plans and findings, and ensures that significant risks are properly addressed; and
- **External Assurance Providers** – External auditors review the SORMIC statement and provide limited assurance in accordance with listing requirements.

Lines of Defense: -

- **Line 3 - Internal Audit Function** – Provides independent and objective assurance on the adequacy and effectiveness of the Group’s risk management, internal control and governance processes, following a risk-based audit plan and reporting directly to the Audit Committee;
- **Line 2 - Senior Management / Management Risk Committee** – Implements Board-approved policies, manages risks within the approved risk appetite, maintains risk registers and key risk indicators (KRIs), and escalates breaches or emerging risks to the Board and its Committees; and
- **Line 1** – Operation Managers/Director in each Business Units and Head of Department are responsible for managing risks and internal controls systems within their respective functions on a day-to-day basis. To assist the HODs, personnel within their departments are identified and appointed as Risk Officers to identify, assess and manage all departments’ risk and registers.

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

4. Risk Management Framework

Risk management is embedded in the Group's key processes and decision-making activities. The framework reflects internationally recognised risk management and internal control frameworks developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the International Organization for Standardization (ISO) and The Institute of Internal Auditors (IIA), that serves to identify, assess, manage and monitor risks that may affect the achievement of strategic, operational, financial, compliance and sustainability objectives. The framework covers traditional risks as well as emerging risks such as environment, social, governance, climate, artificial intelligence and cyber security. Key elements include:

- **Risk identification and assessment** – Ongoing identification and assessment of risks at Group, business unit and functional levels across strategic, operational, financial, compliance, environmental, social and governance, health and safety, technology and other material risk categories;
- **Risk appetite and tolerance** – A Board-approved risk appetite statement articulates the level of risk the Group is willing to accept. Risk appetite is dynamic and measurable, supported by key risk indicators and thresholds; the Board requires evidence of how risk appetite is defined, monitored and cascaded throughout the organization;
- **Risk response and mitigation** – Development and implementation of risk mitigation plans, controls and action items with clearly assigned risk owners and timelines. Scenario analysis and stress testing are performed for emerging risks; and
- **Monitoring and reporting** – Regular monitoring of key risks and controls through risk registers, dashboards and management reports. Breaches of risk appetite thresholds and significant emerging risks are escalated to the Board and relevant Committees.

5. Key Features of the Internal Control System

The Group's internal control system, is designed to provide reasonable assurance regarding the achievement of objectives in the following areas:

- **Effectiveness and efficiency of operations** – Documented policies, procedures and standard operating procedures for key business processes (e.g., procurement, production, inventory, sales, marketing, finance, human resource, information technology and health, safety and environment). A defined organisational structure with segregation of duties and authority limits ensures accountability and control. Business continuity and disaster recovery plans are in place, incorporating ESG and sustainability considerations;
- **Reliability of financial and management reporting** – Comprehensive budgeting, forecasting and performance monitoring processes, supported by periodic variance analysis and corrective actions. Monthly management accounts and consolidated financial reports are prepared and reviewed by Management, with material judgments and estimates reviewed by the Audit Committee;
- **Compliance with applicable laws, regulations and policies** – Procedures to monitor compliance with laws, regulations, listing requirements, industry standards and sustainability reporting obligations across all jurisdictions;
- **Information technology and cybersecurity controls** – Information technology general controls (access management, password policies, data backup and recovery, system change control) and cybersecurity initiatives to protect against cyber threats and technology disruptions. Emerging technologies are assessed for risks and integrated into the control environment;
- **Health, Safety and environmental controls** – Controls and procedures related to occupational health and safety, environmental management, incident reporting, root cause analysis and emergency response, aligned with the Group's sustainability objectives; and
- **Culture and training** – Anti-Corruption/Bribery training, Risk awareness, compliance and sustainability training are provided to employees to embed a strong risk and control culture.

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

6. Internal Audit Function

The internal audit (IA) function provides independent and objective assurance to the Audit Committee and the Board on the adequacy and effectiveness of the Group's risk management, internal control and governance processes.

The Group's internal audit function is outsourced to BDO Governance Advisory Sdn. Bhd. (BDO), who reports directly to the Audit Committee. Their risk-based audit plan focuses on high-risk areas, including environment, social, governance, climate, technology and cyber security risks.

The internal audit function operates independently and objectively in evaluating the adequacy and integrity of the Group's internal control system and risk management processes.

During the FY2025, BDO carried out Internal Control Review on Procurement to Payment and Payroll Management, Health, Safety and Environment at the Group Level, and A Gap review assessment on the Group's current compliance to the National Sustainability Reporting Framework (NSRF).

The objectives of these reviews were to assess the adequacy of the internal control system, test compliance with policies and recommended best practices, and identify potential areas for improvement in effectiveness and efficiency.

The IA function adheres to the International Standards for the Professional Practice of Internal Auditing and collaborates with other assurance providers to provide a coordinated approach to assurance.

7. Review of Risk Management and Internal Control

The Board, through the Audit Committee and the Risk Management Committee, has reviewed the adequacy and effectiveness of the Group's risk management and internal control system for the FY2025 under review. In conducting its review, the Board considered reports and assurances from Senior Management, the internal auditors, external auditors including the Company's internal compliance reports, as well as discussions at Board and Committee meetings.

The Board assessed whether management processes provide reasonable assurance that significant risks are managed within acceptable levels aligned with the Group's risk appetite and strategies.

Consistent with the SORMIC Guide 2025, the Board confirms that the risk management and internal control processes were in place for the financial year under review and up to the date of approval of this statement.

The Board has received written assurance from the Chief Executive Officer and Chief Financial Officer, that the Group's risk management and internal control system is operating adequately and effectively. Where significant failings or weaknesses have been identified, actions have been or are being taken to remedy them, and the Board is satisfied that such actions are appropriate and sufficient.

8. Linkage with Sustainability Governance

The Board recognises that sustainability-related risks and opportunities, including those arising from climate change, regulatory developments and stakeholder expectations, form an integral part of the Group's overall risk profile. Accordingly, the risk management framework and internal control system encompass sustainability-related risks, including environmental, social, health and safety, and governance risk.

The Board is assisted by the Sustainability Management Committee in overseeing sustainability governance to ensure alignment with the National Sustainability Reporting Framework (NSRF) and IFRS Scope 1 & 2. Details of the Group's governance structure, strategy, risk management approach, and metrics and targets in relation to material sustainability-related risks and opportunities are set out in the Sustainability Statement, which should be read together with this SORMIC.

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

9. Material Internal Control Matters

Based on the FY2025 review, conducted and the assurances received from Management, the internal audit function and the external auditors, the Board is of the view that there were no material weaknesses in the Group's risk management and internal control system that would have a material impact on the financial performance or operations of the Group for the financial year under review.

10. Conclusion

Taking into consideration the risk management and internal control framework described above, the Board is satisfied that the Group's system of risk management and internal control was adequate and effective to address the Group's material risks for the financial year ended 31 December 2025.

The Board remains committed to continuously strengthening the Group's risk management and internal control system in line with best practices, including the SORMIC Guide 2025, the Malaysian Code on Corporate Governance and Bursa Malaysia's listing requirements. The Board will continue to monitor emerging risks and adapt the system accordingly to safeguard stakeholders' interests.

This Statement on Risk Management Report & Internal Control was approved by the Board of Directors on 01 April 2026.

AUDIT COMMITTEE'S REPORT

The Board of Evergreen Fibreboard Berhad ("EFB" or the "Company") is pleased to present this Audit Committee ("AC") Report, which outlines how the AC discharged its responsibilities for the financial year ended 31 December 2025.

This report is prepared in compliance with Paragraph 15.15 of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance (MCCG). It sets out the composition and activities of the AC; summarises the work performed during the year and provides an overview of the internal audit function. The AC's Terms of Reference are available on the Company's website.

1. Role of the Audit Committee

The AC is established by the Board to assist in the oversight of financial reporting, internal control, risk management, internal audit and external audit processes. In line with its Terms of Reference and the requirements of the MMLR, the AC's responsibilities include:

- Reviewing the quarterly results and annual financial statements to ensure compliance with MFRS, IAS 34 and the MMLR, and recommending them to the Board;
- Evaluating the performance, independence and objectivity of the external auditors and recommending their appointment or re-appointment, including assessing the audit plan, scope and fees;
- Monitoring the effectiveness of the internal audit function, including the adequacy of its scope, resources and competency, and reviewing its findings and management's responses;
- Assessing the adequacy and effectiveness of the Group's risk management and internal control system, including reviewing the Statement on Risk Management and Internal Control (SORMIC) and ensuring it is reviewed by the external auditors;
- Overseeing related party transactions and conflicts of interest (COI) situations, including reviewing any COI that arose or persisted and the measures taken to resolve, eliminate or mitigate such COI in accordance with the amended Listing Requirements;
- Ensuring the Group has appropriate procedures for whistleblowing, anti-bribery and corruption, and data protection; and
- Reporting its findings and recommendations to the Board.

2. Composition and Attendance

The AC consists of four (4) members, all of whom are Independent Non-Executive Directors, thereby complying with Paragraph 15.09 of the MMLR. The Chairman of the AC is not the Board Chairman, in line with Practice 9.1 of the MCCG. Mr. Kuan Kai Seng, is a member of the Malaysian Institute of Accountants (MIA) and meets the professional qualification requirements of the MMLR.

Details of AC membership and attendance during the five meetings held in FY2025 are as follows:

Name & Designation	Role	Meetings Attended
Mr. Kuan Kai Seng	Chairman / Independent Non-Executive Director	5/5
Ms. Tan Mui Ping	Member / Independent Non-Executive Director	5/5
Ms. Hong Kim Heong	Member / Independent Non-Executive Director	5/5
En. Shameer Bin Othman	Member / Independent Non-Executive Director	5/5

The AC members collectively possess the financial literacy, industry experience and professional qualifications necessary to discharge their responsibilities effectively. The Board, through the Nominating Committee, conducts an annual assessment of the AC's performance and is satisfied that the AC and its members have carried out their duties in accordance with their Terms of Reference.

AUDIT COMMITTEE'S REPORT (Cont'd)

3. Summary of Activities in FY2025

3.1 Financial Reporting and Compliance

Throughout the financial year, the AC reviewed the quarterly Condensed Consolidated Financial Statements for Q4 2024 and Q1, Q2 and Q3 2025 to ensure compliance with Malaysian Financial Reporting Standards (MFRS) 134 'Interim Financial Reporting', International Accounting Standards 34 'Interim Financial Reporting' and Paragraph 9.22 (including Appendix 9B) of the MMLR.

On 24 February 2025, the AC reviewed the final draft of the Group's 2024 annual accounts together with the external auditors and management. The AC ensured that appropriate accounting policies were consistently applied, prudent judgements and reasonable estimates were made, and the going-concern assumption remained appropriate.

The AC received assurances from the Chief Executive Officer (CEO) and Group Chief Finance Officer (CFO) that adequate processes and controls were in place for effective financial reporting and that the financial statements presented a true and fair view of the Group's financial position.

3.2 External Audit

The AC evaluated the performance and independence of the external auditor, Baker Tilly Monteiro Heng (BT). It reviewed BT's audit committee memorandum for the year ended 31 December 2025, assessed BT's limited reviews of the Q4 2024 and Q3 2025 Condensed Consolidated Financial Statements, and considered BT's 2025 audit strategy and planning memorandum.

The AC discussed significant audit findings, accounting and reporting issues with BT and management, and monitored the implementation of corrective actions. It also considered the annual audit, audit-related and other services fees for both the Company and its subsidiaries, ensuring that non-audit services fees did not exceed audit fees and did not include internal audit work or services that could compromise independence.

BT provided written confirmation of their independence and compliance with professional and regulatory requirements.

The AC met privately with BT on 24 February and 25 November 2025 without the presence of executive directors or management, and no material issues were raised.

The AC considered the continuing suitability and independence of BT and recommended to the Board their re-appointment as external auditor for the financial year ended 31 December 2025. The AC also reviewed and recommended the appointment and fees of the statutory auditors for subsidiaries in Indonesia (KAP Gifar & Ambri-Member of ProReliant) and Thailand (ICPOCL), after obtaining written confirmation of their independence.

3.3 Internal Audit

The Group's internal audit function is outsourced to BDO Governance Advisory Sdn. Bhd. (BDO), which reports directly to the AC. The internal audit function operates independently and objectively in evaluating the adequacy and integrity of the Group's internal control system and risk management processes. The AC approved the risk-based internal audit plan and reviewed the scope, resources and competency of the internal audit function.

During the financial year under review, BDO presented internal audit reports covering Procurement to Payment and Payroll Management, Health, Safety and Environment at the Group Level, and A Gap review assessment National Sustainability Reporting Framework (NSRF).

The objectives of these reviews were to assess the adequacy of the internal control system, test compliance with policies and recommended best practices, and identify potential areas for improvement in effectiveness and efficiency. The AC reviewed the findings, recommendations and management's responses, and ensured that agreed corrective actions were implemented within the agreed timeframe.

AUDIT COMMITTEE'S REPORT (Cont'd)

3. Summary of Activities in FY2025 (Cont'd)

3.4 Risk Management and Internal Control

In line with the amended Listing Requirements and the SORMIC Guide 2025, the AC oversees the Group's risk management and internal control framework. The AC reviewed the risk management process, ensuring that significant risks were identified, assessed and managed within the Group's risk appetite, and that internal controls were operating effectively. The AC considered reports from the risk management committee and management on the status of risk registers, key risk indicators, emerging risks, environment social & governance risk, climate and cyber risks), and mitigation plans. The AC also reviewed the Statement on Risk Management and Internal Control (SORMIC) and recommended it to the Board for approval. In doing so, the AC obtained assurance from the CEO and CFO that the Group's risk management and internal control system is operating adequately and effectively and noted that the external auditors had reviewed the SORMIC statement.

3.5 Related Party Transactions

The AC reviewed related party transactions (RPTs) at each quarterly meeting during the year to ensure that they were entered into on terms that were fair, reasonable and not detrimental to minority shareholders. The AC confirmed that RPTs were carried out at arm's length and on normal commercial terms, in compliance with the MMLR. Where applicable, the AC ensured that the necessary approvals were obtained. Save for inter-company transactions within the Group and the remuneration of key management personnel and non-independent non-executive directors, no other RPTs were noted.

3.6 Conflict of Interest Management

Following the amendments to the MMLR on 1 July 2023 that expanded the AC's responsibility to review conflicts of interest and potential conflicts that have arisen or persisted, the AC reviewed quarterly disclosures from directors and senior management on any actual or potential COI situations (excluding related party transactions). For FY2025, no material COI situations were identified that required mitigation. Should any COI arise, the AC will review the circumstances, recommend measures to resolve or mitigate the COI, and disclose a summary of such situations and measures in this report.

3.7 Training and Professional Development

The AC members continued to enhance their knowledge and skills through participation in professional development programmes, including the mandatory Leading for Impact (LIP) accreditation for directors, courses on sustainability reporting, risk management and corporate governance, and other relevant training. The AC members also kept abreast of changes to accounting standards, auditing standards, tax regulations and the MMLR.

3.8 Whistleblowing and Anti-Bribery

The AC monitored the effectiveness of the Group's whistleblowing and anti-bribery and corruption programmes. The AC reviewed reports on whistleblowing incidents and ensured that appropriate investigations and actions were taken. The AC also reviewed the Group's anti-bribery and corruption policy and ensured ongoing training for employees and stakeholders.

AUDIT COMMITTEE'S REPORT (Cont'd)

4. Summary of Internal Audit Function

In accordance with Paragraph 15.15(3)(d) of the MMLR, the AC is required to include a summary of the work of the internal audit function. The internal audit function is outsourced to BDO Governance Advisory Sdn. Bhd. and is independent of the activities it audits. BDO undertakes a risk-based approach, covering both financial and operational processes, as well as sustainability-related controls. Key activities undertaken by BDO during 2025 included:

- Conducting general controls review covering systems access, password policies, data backup and recovery, and change management procedures on Procurement to Payment and Payroll Management;
- Reviewing controls over the Health, Safety and Environment at the Group Level covering compliance with local laws, adequacy of personal protection equipment, Hazard Identification, Risk Assessment and Control, policies & procedures in place and manner of reporting; and
- Performing a gap review assessment for compliance by the Company on the National Sustainability Reporting Framework (NSRF). During the year, BDO presented internal audit reports covering Procurement to Payment and Payroll Management, Health, Safety and Environment at the Group Level, and A Gap review assessment National Sustainability Reporting Framework (NSRF).

BDO's findings on the Internal Control Review carried out including their recommendations are presented to the AC, together with management's action plans to address identified weaknesses.

5. Conclusion

The AC has carried out its duties and responsibilities in accordance with its Terms of Reference, the MMLR and the MCCG. The AC is satisfied that the Group's financial reporting process, risk management and internal control system, and internal and external audit functions are effective and robust. The AC will continue to monitor developments in financial reporting, governance and regulatory requirements, including the SORMIC Guide 2025, the National Sustainability Reporting Framework, and the evolving corporate governance landscape, to ensure that the Group remains resilient and maintains high standards of transparency and accountability.

NOMINATING COMMITTEE'S REPORT

Introduction and Regulatory Framework

This report provides an overview of how the Nominating Committee ("NC") of Evergreen Fibreboard Berhad ("the Company") discharged its responsibilities for the financial year ended 31 December 2025 ("FY2025") in accordance with Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR"), the Malaysian Code on Corporate Governance 2021 ("MCCG") and the Company's governance policies.

The Terms of Reference of the Nominating Committee, Fit and Proper Policy and Board Diversity Policy are available on the Company's website at www.evergreengroup.com.my under the Corporate Governance section.

During FY2025, the NC reviewed and the Board approved the Diversity Policy to reinforce merit-based appointments with due regard for diversity in skills, experience, age, gender and cultural background. The policy includes a target of at least 30% female representation on the Board and senior management and encourages sourcing candidates from a broad and independent pool.

The NC assists the Board in ensuring that the Board and Senior Management comprise individuals with appropriate skills, experience, integrity and time commitment. Its key responsibilities include recommending candidates for appointment and re-election, overseeing succession planning, assessing Board effectiveness, reviewing training needs and monitoring implementation of the Fit and Proper Policy and Board Diversity Policy.

Composition and Attendance

Following the resignation of Ms. Tan Mui Ping on 1 March 2025 as member of the NC, the NC comprised three Independent Non-Executive Directors and remained fully compliant with the MMLR. Two meetings were held during FY2025 and all members attended both meetings as below.

Name & Designation	Role	Meetings Attended
Ms. Hong Kim Heong	Chairman / Independent Non-Executive Director	2/2
En. Shameer Bin Othman	Member / Independent Non-Executive Director	2/2
Mr. Kuan Kai Seng	Member / Independent Non-Executive Director	2/2
Mr. Tan Mui Ping (Resigned as at 1 st March 2025)	Member / Independent Non-Executive Director	1/2

Activities in FY2025

During FY2025, the NC carried out the following activities:

- Reviewed the Terms of Reference and assessed the effectiveness of the NC;
- Reviewed Board composition and succession planning for Directors and senior management;
- Applied the Fit and Proper Policy in assessing Directors seeking re-election;
- Conducted the annual Board and Board Committee evaluation;
- Reviewed Directors' training and development needs; and
- Monitored implementation of the Board Diversity Policy.

Appointment, Retirement and Re-election of Directors

The following Directors are due retirement by rotation and eligible for re-election at the forthcoming 35th Annual General Meeting ("AGM"):

- Mr. Kuo Jen Chiu;
- Mr. Kuan Kai Seng; and
- Ms. Tan Mui Ping

In light of Mr. Kuan Kai Seng reaching his 12th year service in June 2026, he has informed the Board of his intention not to seek re-election and has opted to retire at the conclusion of the 35th AGM for compliance with Listing Requirements of Bursa Malaysia Securities Berhad on tenure of independent director. Hence, the Board and NC have commenced succession planning to ensure continuity of experience and committee composition following his retirement.

NOMINATING COMMITTEE'S REPORT (Cont'd)

Appointment, Retirement and Re-election of Directors (Cont'd)

The NC, having evaluated the performance and contribution of Mr. Kuo Jen Chiu and Ms. Tan Mui Ping, is satisfied that they continue to demonstrate the requisite competence and commitment. The NC has recommended that they be re-elected at the forthcoming AGM.

The Directors concerned abstained from deliberations in respect of their own re-election.

Succession continuity

The NC recognises the importance of orderly Board refreshment. In view of Mr. Kuan Kai Seng's retirement, the Committee has reviewed the Board skills matrix and will continue identifying suitable candidates as Independent Director, to maintain an appropriate balance of skills, independence, diversity and remain fully compliant with the MMLR on Board and Committee composition.

Appreciation

The Board records its sincere appreciation to Mr. Kuan Kai Seng for his valuable contributions for the past 12 years and his dedicated service as Senior Independent Non-Executive Director. The Board has benefited from his experience, sound judgement and commitment to high standards of corporate governance and wishes him well in his future endeavors.

Conclusion

The NC remains committed to supporting the Board in maintaining strong corporate governance, effective succession planning and an appropriate balance of skills and diversity on the Board and will continue to focus on Board refreshment, training and diversity initiatives for FY2026.

REMUNERATION COMMITTEE'S REPORT

Introduction

The Remuneration Committee ("RC") assists the Board in establishing a formal and transparent remuneration framework for Directors and Senior Management, ensuring that remuneration packages are aligned with the Group's strategic objectives, performance outcomes, risk appetite and long-term sustainability.

This Report outlines how the RC discharged its responsibilities for the financial year ("FY") ended 31 December 2025 in accordance with Paragraph 15.08A of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR"); and The Malaysian Code on Corporate Governance ("MCGG").

During the FY2025, the RC carried out its responsibilities pursuant to its Terms of Reference ("TOR"), which are available on the Company's website.

Remuneration Policy Framework

The Group's remuneration framework is designed to:

- Attract, retain and motivate qualified Directors and Senior Management;
- Support the achievement of the Group's financial and non-financial Key Performance Indicators ("KPIs");
- Align executive remuneration with shareholders' long-term interests; and
- Ensure remuneration outcomes are balanced against risk considerations and sustainability objectives.

The remuneration structure for Executive Directors and Senior Management comprises:

- Fixed components (salary, allowances and statutory contributions); and
- Variable components (performance-based bonus and incentives linked to KPI achievement).

For Non-Executive Directors ("NEDs"), remuneration consists of:

- Fixed annual fees;
- Meeting allowances; and
- Other Benefits.

of which the total amount is approved by shareholders at general meetings.

Composition and Attendance

Two meetings were held during FY2025 and all members attended both meetings as below.

Name & Designation	Role	Meetings Attended
En. Shameer Bin Othman	Chairman / Independent Non-Executive Director	2/2
Ms. Hong Kim Heong	Member / Independent Non-Executive Director	2/2
Ms. Tan Mui Ping	Member / Independent Non-Executive Director	2/2

Activities of the Remuneration Committee during FY2025

1. Review of Performance and Variable Remuneration

In meeting held on 24 February 2025, Management presented the final performance of all subsidiaries and business units for FY2024, KPI achievement levels, and proposed bonus quantum and salary increments.

The RC deliberated on KPI alignment, overall Group performance, and prudence in determining payouts. For entity/business units below target, minimal bonus and increment was proposed.

The RC recommended the proposed increment, ex-gratia and bonus packages to the Board for approval. All Directors abstained from deliberation regarding their own remuneration.

REMUNERATION COMMITTEE'S REPORT (Cont'd)

Activities of the Remuneration Committee during FY2025 (Cont'd)

2. Review of Non-Executive Directors' Fees and Allowances

The RC reviewed the fees and allowances payable to Non-Executive Directors for 2025. After considering the Group's financial performance and industry benchmarks, the RC agreed for a minimal increment of 2% on the Director's fee effective year 2025.

Directors' fees and benefits for the amount of RM450,000 was approved by shareholders at the 34th Annual General Meeting pursuant to Section 230(1) of the Companies Act 2016 and amount paid to Directors for FY2025 was within the approved amount.

3. Review of Estimated FY2025 Performance and Proposed Payments

In Meeting held on 25 November 2025, Executive Directors presented draft FY2025 financial performance of all Companies in the Group and proposed increments and bonuses payable in January 2026.

The RC assessed the actual performance against the Key Performance Indicators given before recommending approval to the Board.

4. Review of Retirement and Re-employment of Executive Directors

The RC reviewed the remuneration of Mr. Kuo Jen Chang and Ms. Mary Henerietta Lim Kim Neo, who were due for retirement under the Company's policy. Following the Nominating Committee's recommendation for yearly re-employment, the RC recommended that their remuneration remain unchanged.

The Board approved the recommendation where the affected Directors abstained from deliberation and decision-making.

Governance and Abstention

The RC ensures that:

- No Director participates in decisions regarding his or her own remuneration;
- Remuneration decisions are properly documented;
- Variable remuneration aligns with performance outcomes and does not encourage excessive risk-taking; and
- Non-Executive Directors' fees and benefits obtain shareholder approval prior to any payments being made.

Conclusion

The RC was satisfied that the remuneration framework and outcomes for FY2025 are performance-based, aligned with Group results, supportive of long-term sustainability, and consistent with sound corporate governance practices.

STATEMENT ON SUSTAINABILITY



This Statement on Sustainability (the “Statement”) presents Evergreen Fibreboard Berhad’s (“EFB” or the “Group”) sustainability governance, material sustainability matters, management approach, and selected performance disclosures for the reporting period 1 January 2025 to 31 December 2025. The presentation is structured to be aligned to Bursa Malaysia’s Sustainability Reporting requirements and the National Sustainability Reporting Framework (“NSRF”) direction. All figures stated are reproduced as provided and have not been altered.

ABOUT EVERGREEN FIBREBOARD BERHAD

Evergreen Fibreboard Berhad (“EFB”) is an integrated wood-based manufacturer domiciled in Malaysia with operational footprints in three (3) countries: Malaysia, Indonesia and Thailand. The Group’s business operations focus on the manufacturing and marketing of panel boards with and without overlays (Medium Density Fibreboard (“MDF”) and Particleboard (“PB”)) including its downstream products.

We are dedicated to increasing our efforts in offering sustainable green products to our customers to support steady, sustainable growth while upholding our responsibilities on economic, environmental and social aspects.

Listed on 11 March 2004 on the Main Market, EFB is within the mid-tier of listed companies on Bursa Malaysia.

OUR CORE BUSINESSES

Our core business is in the Panel Boards segment which comprises manufacturing of MDF and PB, sold as raw boards or processed further with overlays (e.g., veneer sheets, decorative paper or UV coatings). Panel boards with overlay may be further processed into ready-to-assemble (“RTA”) furniture or sold as laminated panel boards to furniture manufacturers or building contractors. Our revenues are as follows:

Product	Year 2023 (RM)	Year 2024 (RM)	Year 2025(RM)
Panel Boards	777,869,346	825,414,999	787,605,274
RTA Furniture	17,336,389	39,350,711	57,357,415
Wood Pellets	70,067,544	72,407,789	34,479,413
Resin	14,987,947	18,166,900	31,443,014
Others	822,729	2,746,182	214,766

EFB Group of companies is engaged across the value chain, including plantation, resin manufacturing, panelboard manufacturing, overlay processing, design and development of furniture production, and sales and marketing. Resins are mainly produced for internal consumption while wood pellets are produced from production/sawmill waste mixed with tropical wood off-cuts.

STATEMENT ON SUSTAINABILITY (Cont'd)

WHERE EFB OPERATES

Evergreen operates in Malaysia, Thailand and Indonesia as follows:

Country	Revenue 2025	Employees	Key location
Malaysia	RM328,045,000	819	Johor, and Kedah, Malaysia.
Thailand	RM442,173,000	745	Hat Yai, Thailand.
Indonesia	RM 140,882,000	312	Palembang, Indonesia.

GROUP'S BUSINESS STRUCTURE (BY SEGMENT)

The Group's principal businesses by segment and key operating entities are summarised below:

Segment	Key operating entities / locations
Medium Density Fibreboard	Siam Fibreboard Co. Ltd. (Hat Yai, Thailand) and PT Hijau Lestari Raya Fibreboard (Palembang, Indonesia)
Particleboard	AllGreen Timber Products Sdn. Bhd. (Segamat, Johor)
Resin/Adhesive	Evergreen Adhesive & Chemicals Sdn. Bhd. and Evergreen Adhesive & Chemicals (Gurun) Sdn. Bhd. (Gurun, Kedah)
Wooden Furniture & Wood Products	Evergreen Fibreboard Berhad (Parit Raja, Johor) and Siam Fibreboard Co. Ltd. (Hat Yai, Thailand)
Green Energy – Biomass & Solar	ECO Generation Co. Ltd. (Hat Yai, Thailand); GRE Energy Co. Ltd. (Hat Yai, Thailand) and Evergreen Fibreboard Berhad (Parit Raja, Johor)
Plantation - Rubber	Jasa Wibawa Sdn. Bhd. (Kahang, Johor)
Marketing	Everlatt Sourcing Sdn. Bhd. (Parit Raja, Johor)
Property Holding / Others	Dawa Timber Industries (M) Sdn. Bhd.; Evergreen Agro Sdn. Bhd.; Evergreen Plantation Resources Sdn. Bhd. and Evergreen Fibreboard Berhad

ABOUT THIS STATEMENT

Reporting Period and Scope

This Statement covers the Group's sustainability performance for the period from 1 January to 31 December 2025 ("FY2025"). The reporting scope includes operations across Malaysia, Thailand and Indonesia.

Reporting Frameworks and Standards

This Sustainability Statement has been prepared in accordance with the requirements of Bursa Malaysia Listing Requirements, with reference to the Bursa Malaysia Sustainability Reporting Guide and the Illustrative Sustainability Report (ISR) issued by Bursa Malaysia.

The disclosure structure is moving to align with internationally recognised sustainability reporting frameworks, including the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the standards issued by the International Sustainability Standards Board (ISSB) under the IFRS Foundation, including IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures).

The Group is progressively enhancing its sustainability reporting practices to align with evolving regulatory expectations and global best practices. The disclosures presented, reflects the Group's material sustainability matters, taking into consideration the nature of its operations in the wood-based manufacturing sector.

Restatements of Information

There is no substantial information regarding restatements from the previous year's reporting period.

STATEMENT ON SUSTAINABILITY (Cont'd)

ABOUT THIS STATEMENT (CONT'D)

Feedback

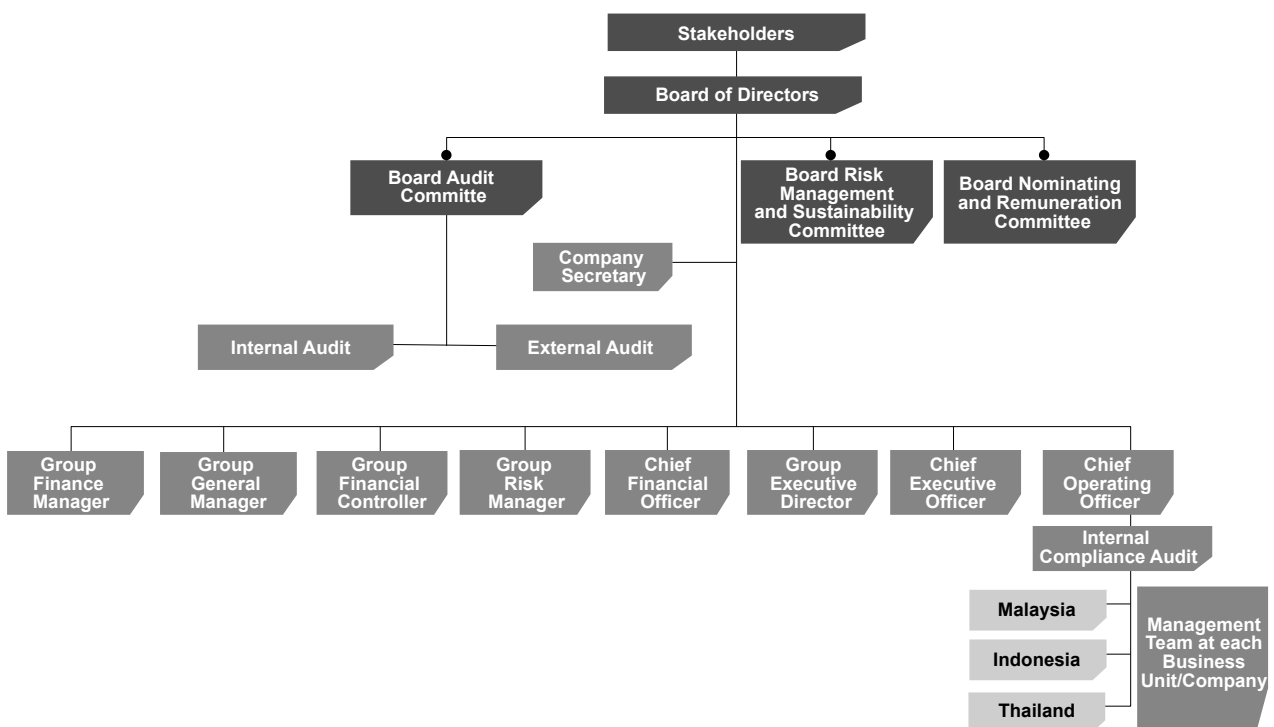
EFB welcomes feedback pertaining to this Statement at enquiry@efb.com.my. For inquiries related to the Group's financial performance, our Group Chief Financial Officer (also Investor Relations) may be reached at martin@efb.com.my.

GOVERNANCE

Sustainability Governance

1. The Group's sustainability governance structure is established to manage economic, environmental and social risks and opportunities ("sustainability matters"). The responsibilities of the Board and relevant Board Committees encompass sustainability oversight as reflected in their respective terms of reference.
2. The Group Executive Directors supports the Board Committee in the strategic management of material sustainability matters and is assisted by a Sustainability Management Team ("SMT"), represented by senior management at Group level and supported by Heads of Business Units/Subsidiaries in each location. The Sustainability Management Team monitors emissions, energy consumption, compliance and implementation of initiatives.
3. The SMT oversees the Sustainability Working Group ("SWG") comprising department heads across operating units/subsidiaries. Group Sustainability Officer coordinates with Head of Operations to identify baselines; collect, track and report sustainability data; and report to SMT.
4. Internal Compliance Audit Team ("ICAT") and Internal Auditors ("IA")
5. Head of Operations in each business unit/subsidiary is responsible for day-to-day implementation of sustainability strategies and plans.
6. To ensure accuracy on data collections, EFB subscribes to a Centralised Sustainability Intelligence ("CSI") solution to strengthen data collection, measurement, management and reporting as recommended by Bursa Malaysia and is being used by the Group's entities since FY2024.

Sustainability Governance Structure



STATEMENT ON SUSTAINABILITY (Cont'd)

GOVERNANCE (CONT'D)

Sustainability Governance Structure (Cont'd)

Level	Body / Function	Primary responsibilities (summary)
1	Head of Operations and Sustainability Working Group in each Business Unit/Subsidiary	Identify baselines; collect, track and report sustainability data; implement site-level initiatives and controls; quarterly reporting to SMT via Group Sustainability Officer.
2	Internal Compliance Audit Team and Internal Auditors	Verify activities and evidence; support assurance work; communicate gaps and action plans; report compliance status to SMT.
3	Sustainability Management Team and Group Sustainability Officer/Manager	Coordinate Group roll-out; consolidate and validate data; set annual goals/targets; report progress to SMC.
4	Board Sustainability Management Committee	Approve strategies, goals and targets; receive updates; consider sustainability targets as part of remuneration; request audits on material matters; approve Statement for publication.

Stakeholder Engagement

EFB engages with their stakeholder through formal and informal manner to identify key concerns and respond appropriately

Key stakeholder group	Mode of engagement (as provided)	Areas of concern	Our response (as provided)
Shareholders	Online / One-to-one on a quarterly basis / general meeting / website	Business strategies, market and dividend payout	Timely updates on strategy and financial performance via announcements / investor briefings
Investors	Online / One-to-one / group meetings / quarterly / general meetings / website	Financial performance and plans moving ahead	Timely updates on plans and financial performance via investor briefings
Bankers	Online / emails / one-to-one / group meeting on a quarterly basis / annual report	Future plans / overall performance / mitigation plans	Financial performance updates and meeting / monitor sustainability performance/ targets
Government/ Agencies/ Regulators	Ongoing / as needed	Regulatory / governance	Regular review and monitoring of changes and risk
Customers	Ongoing / customer support / website / customer survey	Improved products / new products	Customer services and updates on products / product certifications
Employees	Ongoing engagement	Work-life balance / health and safety / upskilling / career development path	Promote transparent communication with employees
Suppliers/ Contractors	Meetings / survey / assessment / engagement	Sustainability matters for Scope 3 / health and safety matters	Awareness to suppliers/ contractors

STATEMENT ON SUSTAINABILITY (Cont'd)

STRATEGY

Material Sustainability Matters

EFB recognises that certain material issues can directly and indirectly impact its ability to long-term value for Stakeholders.

Hence, a review of the Group's materiality assessment conducted during the FY2025 involving internal and external stakeholders that enable the Group to focus its priority on stakeholder's engagement where material matters could have an impact on the Group. Material matters identified consist of Economic Performance, Supply Chain Management, Safety and Health, Labor Issues, Regulatory Compliance, Innovation & Technology, Cybersecurity, Data Protection, Energy Management, Local Community, Water Scarcity, Emission, Change in Climate, Waste Management and Sustainability of Resources.

Sustainability Framework

EFB's Sustainability Framework is reviewed to aligned with our business strategy and guided by the Group's vision and mission. Through the framework, we aim to meet stakeholder needs, reduce environmental impacts and contribute positively to communities where we operate by addressing in priority each material matter.

RISK MANAGEMENT

The Enterprise Risk Management ("ERM") framework integrates sustainability-related risks together with corporate, financial and operational risks. Risks are monitored monthly by designated risk owners and Heads of Operations.

Material matter	Key risk (as provided)	Opportunity (as provided)
Economic Performance	Poor financial performance threatens loss of business continuity and opportunity.	Sustainable financial performance attracts investors and delivers long-term value.
Anti-Bribery/Anti-Corruption	Poor governance practices can tarnish reputation and may result in financial losses.	Effective governance enhances reputation as a trustworthy company and safeguards assets.
Health and Safety	Accidents and injuries may lead to penalties, legal repercussions, reputational damage and lower morale/productivity.	Strong safety culture supports wellbeing and maintains productivity and morale.
Cybersecurity and Data Protection	Cyber threats/breaches may lead to loss of customer trust and reputational harm.	Robust cybersecurity protects critical data.
Climate Change	Non-compliance with climate-related regulations may lead to financial penalties.	Positioning for low-carbon market demand.
Employee Management	Disengaged/underdeveloped employees reduce productivity; unattractive remuneration affects motivation.	Talent development and attractive benefits support retention and high-performance culture.
Human Rights	Breaches may lead to penalties, affect retention/culture and damage reputation.	Strong practices reinforce reputation as a responsible employer.
Supply Chain Management	Supplier/contractor non-compliance may cause disruptions.	Sound procurement governance attracts credible and sustainable suppliers/contractors.
Waste Management	Non-compliance with environmental regulations may result in consequences from authorities/activists.	Waste reduction and resource efficiency can generate cost savings.
Community Investment	Negative community impacts may affect license to operate.	Engagement programmes strengthen relationships with local communities.
Water Management	Poor management may increase cost due to wastages and create water scarcity risks.	Efficient management reduces operating cost and promotes conservation.
Raw Material Supply (Wood)	Failure to meet demand for sustainable supply may result in loss of market share.	Sustainable materials enhance brand and attract customers/investors.

STATEMENT ON SUSTAINABILITY (Cont'd)

METRICS AND TARGETS

Management Approach and Performance Highlights

Economic Performance

Why this is important

Stable financial performance supports long-term value creation, decent employment opportunities and economic development in the communities where we operate. Financial sustainability is supported through the ability to adapt, withstand and recover from challenges while maintaining business functionality.

Our approach

EFB's approach includes executing business strategies, monitoring market trends, maintaining a healthy balance sheet and cash flow, pursuing technological advancement where feasible, mitigating identified risks, addressing non-profitable business losses and pursuing diversification when appropriate.

Our performance

The Group recorded total revenue of RM910 million for 2025, with Malaysia contributing approximately 37.1%, Thailand 47.4% and Indonesia 15.5%. Revenues were primarily derived from panel boards, RTA and wood pellets contributing 99.99% of the Group's total revenue.

Economic value generated / distributed	2024 (RM) 000	2025 (RM) 000
Revenue (Income)	958,000	911,100
Operating costs	949,289	938,917
Employee wages and benefits	97,970	111,799
Payment to providers of capital	NIL	NIL
Dividends	NIL	NIL
Financing Cost	7,801	11,347
Taxes	10,770	3,268
Community investment	203,517	65,830
Retain Profits	543,045	515,632

Note: The financial results presented are derived from the audited financial statements and Management Discussion and Analysis within the Annual Report 2025.

ANTI-BRIBERY AND ANTI-CORRUPTION

Why this is important

The Group must uphold high standards of business ethics and compliance to maintain integrity, protect interests, builds trust and reinforces confidence of all its Stakeholders.

Our approach

The Board and Senior Management are committed to conducting business with integrity guided by the Code of Conduct ("CoC") and the Anti-Bribery and Corruption ("ABC") Policy. The ABC Policy was reviewed in the FY2025 to remain aligned with the Malaysian Anti-Corruption Commission Act 2009 and its updates.

A whistleblowing channel was established under the Whistleblowing Policy and is available on the Company's website @ www.evergreengroup.com.my which can be directly sent to external Directors and Messrs. Baker Tilly Governance Sdn. Bhd. ("BT") engaged for monitoring complaints through this channel. Reports from this channel are handled confidentially and escalated directly to the Audit Committee for their attention and action by BT. Relevant policies are also made accessible on this website.

STATEMENT ON SUSTAINABILITY (Cont'd)

ANTI-BRIBERY AND ANTI-CORRUPTION (CONT'D)

Our performance

Corruption Risk Assessment	2023	2024	2025
Percentage of operations that underwent corruption risk assessment	100%	100%	100%
Corruption-related Training Completion Rate			
Management	100%	100%	100%
Executive	100%	100%	100%
Non-executive/Technical Staff	100%	100%	100%

As at 31 December 2025, the Group recorded zero incidents of corruption across its operations and businesses.

HEALTH AND SAFETY

Why this is important

The Group prioritises the safety and health of employees and contractors performing work within the Company's premises. A safe workplace supports compliance with applicable safety and health laws and reduces the risk for loss time, penalties or litigation.

Our approach

Health and Safety Policies and Standard Operating Procedures are implemented across operations. HSE Working Committees are present in all business units/subsidiaries. HIRARC is reviewed to identify hazards and mitigation measures, and major incidents are escalated to the Board. During the FY2025, Internal Control Review by the Internal Auditors assessed the general controls and the integrity of internal controls and compliance including the policies, procedures within the Group.

Our performance

Number of employees and contractors trained on Health and Safety standards	2023	2024	2025
Employees	82%	86%	72.6%
Contractors (upon start of work only)	100%	100%	100%
Work-related injuries			
Number of accidents (Employee)	48	39	35
Number of accidents (Contractor)	0	0	0
Number of fatalities (Employee)	0	0	0
Number of fatalities (Contractor)	0	0	0
Number of lost time injuries (manhours) (Employee)	4,695	4,168	3,503
Number of lost time injuries (manhours) (Contractor)	0	0	0

STATEMENT ON SUSTAINABILITY (Cont'd)

CYBERSECURITY AND DATA PROTECTION

Why this is important

The growing adoption of digital technologies increases exposure to cybersecurity risks. The Group manages cyber-attack risks to protect sensitive information and reduce the risk of data loss or leakage.

Our approach

The Group has implemented cybersecurity and data protection controls aligned with the Personal Data Protection Act 2010 and internal IT policies.

Key measures include role-based access controls with periodic user access reviews, workstation password enforcement, firewall and endpoint antivirus protection, and email security filtering. Daily system and server backups are performed with monitoring and recovery validation to support business continuity.

IT incidents are logged and monitored, supported by regular cybersecurity awareness communications and annual cybersecurity training for employees to enhance awareness of emerging cyber threats. Physical access controls and infrastructure maintenance further support operational resilience.

These measures are periodically reviewed to ensure ongoing effectiveness and compliance with regulatory requirements.

Our performance

As at 31 December 2025, there have been zero substantiated complaints concerning breaches in customer privacy or data loss.

CLIMATE CHANGE

Why this is important

The Group acknowledges that energy consumption, wood consumption and Green House Gas (GHG) emissions contribute to climate change impacts and recognises its responsibility to reduce carbon footprint while progressing towards a low-carbon economy.

Our approach

The Group is guided by its Sustainability and Environmental Policy to manage and minimise impacts arising from its operations. The Group commenced tracking Scope 1, 2 and 3 emissions (S3 for business travel and employee commuting only) and aims to reduce absolute Scope 1, 2 and 3 emissions by 2030.

Climate-related risks are incorporated into the Group's Risk Management Framework. Risks are identified, assessed, monitored and escalated where appropriate. The Group continues refining processes to strengthen monitoring and integration.

Our performance

Based on assessment carried out in FY2025, emission of GHG (as below) shows an increase in Scope 1. The increase is from new assets being commissioned in Indonesia for the newly relocated MDF Line while Scope 2 shows a decrease and Scope 3 is only on business travel and employees commuting which show a rise due to increase of employees and business travel for new operations.

GHG Emission	Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Scope 3 (tCO ₂ e)	Total (tCO ₂ e)
Year 2024	30,033.09	167,242.49	440,676.23	637,951.80
Year 2025	54,215.75	118,250.93	533,267.50	705,734.18

Evergreen's Commitment and Targets

The Group aims to achieve a 50% reduction in emissions by year 2030 and Net Zero by year 2050. Yearly reduction targets remains unchanged and the Group will strive to achieve it through additional controls and action plan for the FY2026. Company will review the target set once all additional/new operations are fully commission in FY2026.

GHG Reduction Targets	Year 2025	Year 2026	Year 2027 - 2028	Year 2029 - 2030
Targets	5%	10%	15%	20%

STATEMENT ON SUSTAINABILITY (Cont'd)

ENERGY CONSUMPTION

Our performance

For FYE 2025, total energy consumption (excluding mobile and some direct equipment combustion) recorded a reduction of 7.59% compared to FYE2024, due to closure of some operations in Malaysia and start-up of the relocated MDF plant in Indonesia.

Energy Consumed			
	Year 2023	Year 2024	Year 2025
Electricity consumed from national grid (MWh)	292,380	189,129	161,187
Solar energy consumed (MWh)	6,278	3,682	10,396
Biomass energy consumed (MWh)	134,857	123,357	115,759
Total consumption (MWh)	433,515	316,168	287,342
Diesel consumed (Ltr)	NA	3,326,518	3,065,728
Petrol consumed (Ltr)	NA	25,216	44,862
Others (Ltr)	NA	48,344	31,457
Total consumption (Ltrs)	NA	3,400,078	3,142,047

EMPLOYEE MANAGEMENT

Our manpower strength and diversity based on each country: -

MANPOWER				PERCENTAGE OF FOREIGNERS		
Country	2023	2024	2025	2023	2024	2025
Malaysia	1154	1122	819	302	284	233
Thailand	720	737	745	144	176	191
Indonesia	82	90	312	0	14	9
MANPOWER TURNOVER RATE						
2023	3.60%					
2024	0.35%					
2025	3.75%					
DIVERSITY						
ON EMPLOYEES	2023		2024		2025	
BY GENDER	TTL WORKFORCE	IN PERCENTAGE	TTL WORKFORCE	IN PERCENTAGE	TTL WORKFORCE	IN PERCENTAGE
MALE EMPLOYEES	1574	80.48%	1311	67.29%	1588	84.65%
FEMALE EMPLOYEES	382	19.52%	638	32.71%	288	15.35%
TTL	1956	100%	1949	100%	1876	100%
BY AGE GROUP	TTL WORKFORCE	IN PERCENTAGE	TTL WORKFORCE	IN PERCENTAGE	TTL WORKFORCE	IN PERCENTAGE
< 30 YEARS	509	26.01%	403	20.66%	410	21.85%
30-50 YEARS	1151	58.84%	1305	66.96%	1245	66.36%
> 50 YEARS	296	15.15%	241	12.38%	221	11.79%
TTL	1956	100%	1949	100%	1876	100%

STATEMENT ON SUSTAINABILITY (Cont'd)

EMPLOYEE MANAGEMENT (CONT'D)

DIVERSITY (CONT'D)						
ON DIRECTORS	2023		2024		2025	
MALE	5	57.14%	5	62.50%	5	62.50%
FEMALE	4	42.86%	3	37.50%	3	37.50%
TTL	9	100%	8	100%	8	100%
< 30 YEARS	0	0	0	0	0	0
30-50 YEARS	3	28.57%	2	25.00%	2	25.00%
> 50 YEARS	6	71.43%	6	75.00%	6	75.00%
TTL	9	100%	8		8	100%

TRAINING HOURS

Training Hours (Total Hours)			
Category	2023	2024	2025
Management	2,595	2,959	1,756
Executive/Supervisory	2,163	2,427	1,976
Non-exec/General Workers/Technical	5,812	6,301	5,883
Total	10,570	11,687	9,615
Overall average training hours per employee (hours)	5.34	5.35	4.34

HUMAN RIGHTS

The Group supports the United Nations Global Compact Ten Principles and the Universal Declaration of Human Rights, and adheres to applicable laws and regulations in operating countries. As provided, the Group introduced ethical recruitment initiatives and aims to maintain zero substantiated complaints regarding human rights violations.

Complaints Concerning Human Rights Violations			
Number of substantiated complaints	2023	2024	2025
	0	0	0

SUPPLY CHAIN MANAGEMENT

Our performance

Proportion of Spending on Local Suppliers			
	2023	2024	2025
	65%	48%	88%

STATEMENT ON SUSTAINABILITY (Cont'd)

WASTE MANAGEMENT

Waste generated is categorised as hazardous (scheduled waste) and non-hazardous waste. Disposal is conducted according to local regulatory requirements.

Waste Generated (Non-hazardous)				
Type of Waste	UOM	2023 Quantity	2024 Quantity	2025 Quantity
Plastic materials - For recycle	m/ton	188.6	457.31	228.21
Plastic materials - To landfill	m/ton	0.0	0.0	0.0
Paper materials - For recycle	m/ton	197.7	9.50	63.86
Paper materials - To landfill	m/ton	28.0	0.0	0.0
Scrap metals (including steel strappings) - For recycle	m/ton	879.6	1,053.03	983.73
Fabric (bags) - For recycle	m/ton	62.8	37.24	37.8
Fabric (bags) - To landfill	m/ton	4.1	64.34	62.2
Scheduled Waste (Disposal based on Environment Law Requirements)				
Type of Schedule Waste	UOM	2023 Quantity	2024 Quantity	2025 Quantity
Electric & Electronic Waste (Monitors/Printers/Computers)	m/ton	2.5	166.6	2.23
Waste glue & sludge (include washing of equipment)	m/ton	762.7	10,064	39,800
Empty containers	units	-	9,967	2,671
Waste paint/chemicals	liters	44.7	331.18	23.11
Spent oil	liters	18.1	9,081	1,667

COMMUNITY INVESTMENT

Our performance

Group Contribution			
	2023	2024	2025
Contribution Amount	RM194,282.00	RM203,517.00	RM65,830
No of Beneficiaries	184	62	68

STATEMENT ON SUSTAINABILITY (Cont'd)

WATER MANAGEMENT

The Group total water consumption and sources of water supply are as follows:

Source of Water & Consumption in Megaliters			
Source of water	2023 Consumption	2024 Consumption	2025 Consumption
From Government supply	328,270	370,675	410,729
From nearby stream/river	1,008,741	1,216,179	1,092,791
From underground	29,435	38,607	33,369
From water treatment plant (re-cycle water)	73,427	41,823	11,162
From rain catchment	0	2,687	3
Total	1,439,873	1,669,971	1,548,054

RAW MATERIALS (WOOD)

Source of wood materials:

Source of Wood Material Supply					
Year	Total (M/Tons)	Plantation	PEFC Area	FSC Area	Others
2023	1,168,359	1,025,053	24,675	75,042	43,589
2024	1,250,736	1,177,081	44,402	8,773	20,480
2025	1,963,985	1,718,721	50,793	7,632	186,839

Note: The reduction of FSC materials purchase is due to unavailability of FSC materials in Malaysia.

ENVIRONMENTAL COMPLIANCE

In Malaysia, companies are subject to Environment Quality Act (Clean Air) Regulation 2014. The Group recorded compound in 2025 amounting to RM25,805 for 1 (one) case involving, water discharge mishap issue. Company has since rectified the issue with the authorities.

On Issues	2023	2024	2025
On Environment matters - On Water	2	2	1
On Environment matters - On other matters	1	3	0
On other Government Matters	1	2	0
Total	4	7	1

The Group has no notable instances of spillage causing environmental harm.

EXTERNAL ASSURANCE

There was no independent review conducted on sustainability information for the financial year ended 31 December 2025.

The Board reviewed the sustainability efforts process and approved this Statement on 01 April 2026.

STATEMENT ON SUSTAINABILITY (Cont'd)

PERFORMANCE TABLE

EVERGREEN FIBREBOARD BERHAD

BMLR Transition Period

Date & Time: 2026-04-14_22:33:25
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Economic Performance	Profit	\$	(RM24.2 million)	RM25.0million Profit	Internal	By Internal Compliance Team
Anti-Bribery and Anti-Corruption	Incident	Incidents	0	0	Internal	By Internal Compliance Team
Health & Safety	Loss Time Injury	Hours	3503	<1000	Internal	By Internal Compliance Team
Cybersecurity & Data Protection	Incident	Cases	0	0	Internal	By Internal Compliance Team
Climate Change	tCO2e	tCO2e	705,734.18	Reduction by 5%	Internal	By Internal Compliance Team
Energy Consumption	MWh	MWh	287,342	Reduction by 5%	Internal	By Internal Compliance Team
Fuel Consumption	Ltr	Ltr	3,142,047	Reduction by 5%	Internal	By Internal Compliance
Employee Management- -Employee Turnover	%	Resignees	3.75	<5%	Internal	By Internal Compliance
Human Right Violations	Case	Incident	0	0	Internal	By Internal Compliance Team
Supply Chain Management- Local Supplier Spendings	%	Value	88%	>80%	Internal	By Internal Compliance Team
Waste Management - Recycling	m.ton	m.ton	1313.6	Reduction by 5%	Internal	By Internal Compliance Team
Community Investment	Value	\$	65830	100000	Internal	By Internal Compliance Team
Water Management - Usage	Megalitres	Megalitres	1,548,054	Reduction of 5%	Internal	By Internal Compliance Team
Raw Material Supply (Wood)- Responsible Sourcing	M. Tons	Legal Source	1,963,985	Increase by 5%	Internal	By Internal Compliance Team
Compliance - Penalty	Incidents	Compound/Penalty Value	25805	<10000	Internal	By Internal Compliance Team

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-14_22:33:25

ADDITIONAL COMPLIANCE INFORMATION AND SHARIAH SCREENING

1. MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving Directors' and/or Major Shareholders' interests during the financial year ended 31 December 2025. The Board confirms that there were no material contracts subsisting at the end of the financial year which were entered into by the Company or its subsidiaries and in which a director or Major Shareholder had a direct or indirect interest.

2. UTILISATION OF PROCEEDS

There were no corporate proposals undertaken by the Company during the financial year ended 31 December 2025 that resulted in the raising of proceeds. Accordingly, there were no proceeds to be utilised.

3. AUDIT AND NON-AUDIT FEES

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

Description	Group (RM)	Company (RM)
Audit Fees	403,800	155,000
Non-Audit Fees	132,104	52,229
Total	535,904	207,229

The Audit Committee has reviewed the non-audit services provided and is satisfied that the provision of such services did not impair the independence or objectivity of the external auditors.

4. CONTRACTS RELATING TO LOANS

Other than banking facilities and borrowings from licensed financial institutions entered into in the ordinary course of business, there were no contracts relating to loans involving Directors' and/or Major Shareholders' interests during the financial year ended 31 December 2025.

5. RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions entered into by the Group during the financial year ended 31 December 2025 which required shareholders' mandate. Inter-company transactions were carried out in the ordinary course of business and on normal commercial terms consistent with arm's length principles.

6. COMPLIANCE WITH THE PERSONAL DATA PROTECTION ACT 2010

The Company recognises the importance of protecting personal data of its shareholders, customers and employees and has implemented policies and internal controls to ensure compliance with the Personal Data Protection Act 2010.

ADDITIONAL COMPLIANCE INFORMATION AND SHARIAH SCREENING (CONT'D)

7. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

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

(a) Group Total Income and Total Assets

	Remarks	Group	
		2025 (RM)000	2024 (RM)000
Total Income			
Revenue		911,100	958,087
Other income		13,467	8,912
Finance income		1,460	2,900
Total		926,027	969,899
Total Assets		1,313,809	1,432,628

(b) Business Activities

	Remarks	Group	
		2025 (RM)000	2024 (RM)000
Shariah Non-Compliant Activities			
Shariah Non-Complaint Activities		N/A	N/A
Total		N/A	N/A

(c) Component of Financial Position

(i) Cash Component

	Remarks	Group	
		2025 (RM)000	2024 (RM)000
Islamic Account / Instruments			
Cash at bank (excluded cash in hand)		2,231	7,106
Deposits placed with licensed banks		-	3,154
Total		2,231	10,260
Conventional Account / Instruments			
Cash at bank (excluded cash in hand)		66,078	110,092
Deposits placed with licensed banks		14,532	19,606
Cash in hand		32	34
Total		80,642	129,732

ADDITIONAL COMPLIANCE INFORMATION AND SHARIAH SCREENING (CONT'D)

7. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (cont'd)

(c) Component of Financial Position (cont'd)

(ii) Debt Component

	Remarks	Group	
		2025 (RM)000	2024 (RM)000
Islamic Financing			
Current			
Bank borrowings		60,660	49,356
Other Islamic financing	CMTF-i	-	1,975
Non-current			
Bank borrowings		-	-
Total		60,660	51,331
Conventional Borrowings			
Current			
Bank borrowings		81,764	119,493
Non-current			
Bank borrowings		97,395	96,321
Total		179,159	215,814

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are required by the Companies Act 2016 and the Bursa Malaysia Securities Berhad Main Market Listing Requirements to prepare financial statements that give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements for the financial year ended 31 December 2025, the Directors have adopted appropriate accounting policies, applied them consistently, made reasonable and prudent judgments and ensured that applicable Malaysian Financial Reporting Standards and the provisions of the Companies Act 2016 have been complied with.

The Directors are responsible for ensuring that proper accounting records are kept, for safeguarding the assets of the Group and of the Company and for taking reasonable steps to prevent and detect fraud and other irregularities.

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal control and is satisfied that the system in place during the financial year under review was adequate and effective in all material respects.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is the manufacture of medium density fibreboard and wooden furniture (knock-down). The principal activities of its subsidiaries include manufacture of medium density fibreboard with & without lamination, particleboard, glue, resin, fancy plywood, wood pellets, wooden furniture and parts, urea formaldehyde concentrate and adhesive products, cogeneration of electricity, sales of wood pellets, wholesale and trading of furniture, trading of wood related products, sawn timber, panelboard products and furniture, managing of plantation, planters, cultivators and buyers of rubber and every kind of produce of the soil and cultivation of rubber trees and trading in timber logs harvested from its plantation land clearing activities.

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

RESULTS

	Group RM	Company RM
(Loss)/Profit for the financial year, net of tax	(27,504,737)	22,756,736
Attributable to: Owners of the Company	(27,504,737)	22,756,736

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2025.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

DIRECTORS' REPORT (Cont'd)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps 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 had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or 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 affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; 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' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and of the Company during the financial year were RM555,129 and RM155,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 31 December 2025, the Company held 1,757,200 treasury shares out of its 846,423,985 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM1,086,893.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Kuan Kai Seng
Kuo Jen Chang*
Kuo Jen Chiu*
Law Ngee Song
Mary Henerietta Lim Kim Neo*
Tan Mui Ping
Hong Kim Heong
Shameer Bin Othman

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Chieng Heng Nang
Jeffrey S Kuo
Justin S Kuo
Kuo Huei Chen
Zuhairi Bin Ozir

DIRECTORS' REPORT (Cont'd)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	At 1.1.2025	Bought	Sold	At 31.12.2025
Interests in the Company				
Direct interests:				
Kuo Jen Chang	142,355,865	-	-	142,355,865
Kuo Jen Chiu	124,120,141	-	-	124,120,141
Mary Henerietta Lim Kim Neo	6	-	-	6
Indirect interests:				
Kuo Jen Chang	* 159,173,720	-	-	159,173,720
Kuo Jen Chiu	* 177,409,444	-	-	177,409,444

* Deemed interested by virtue of the interest of siblings.

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Kuo Jen Chang and Kuo Jen Chiu are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares or debentures of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' benefits of the Group and of the Company were as follows:

	Group RM	Company RM
Directors of the Company		
Executive directors		
Salaries, bonus and emoluments	3,791,792	2,364,615
Defined contribution plan	63,319	63,319
Benefits-in-kind	22,912	22,912
	3,878,023	2,450,846
Non-executive directors		
Fees	407,610	407,610
Allowances	118,440	118,440
Benefits-in-kind	3,910	3,910
	529,960	529,960
	4,407,983	2,980,806

DIRECTORS' REPORT (Cont'd)

DIRECTORS' BENEFITS (CONT'D)

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the 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.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company and its subsidiaries were RM10,000,000 and RM25,000 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are follows:

Name of company	Principal place of business/ country of incorporation	Principal activities	Ownership interest	
			2025	2024
Allgreen Timber Products Sdn. Bhd.	Malaysia	Manufacture of particleboard	100%	100%
Siam Fibreboard Co., Ltd.	Thailand	Manufacture of medium density fibreboard	99.99%	99.99%
GRE Energy Co., Ltd.	Thailand	Cogeneration of electricity	99.99%	99.99%
ECO Generation Co., Ltd.	Thailand	Cogeneration of electricity	99.99%	99.99%
PT Hijau Lestari Raya Fibreboard	Indonesia	Manufacture of medium density fibreboard, glue and resin	99.99%	99.99%
Evergreen Fibreboard (JB) Sdn. Bhd.	Malaysia	Manufacture of medium density fibreboard with & without lamination and manufacturing and sales of wood pellets	100%	100%
Evergreen Adhesive & Chemicals Sdn. Bhd.	Malaysia	Manufacture of urea formaldehyde concentrate and adhesive products	100%	100%
Evergreen Fibreboard (Nilai) Sdn. Bhd.	Malaysia	Manufacture of medium density fibreboard	100%	100%
Evergreen Adhesive & Chemicals (Gurun) Sdn. Bhd.	Malaysia	Manufacture of urea formaldehyde concentrate and adhesive products	100%	100%
Dawa Timber Industries Sdn. Bhd.	Malaysia	Manufacturing of fancy plywood	100%	100%
Evergreen Agro Sdn. Bhd.	Malaysia	Planters, cultivators and buyers of rubber and every kind of produce of the soil	100%	100%
Locomotion Services Sdn. Bhd.	Malaysia	Trading of wood related products, sawn timber, panelboard products and furniture	100%	100%
Evergreen Plantation Resources Sdn. Bhd.	Malaysia	Managing of plantation	100%	100%
Craft Master Timber Products Sdn. Bhd.	Malaysia	Manufacture of wooden furniture & parts	100%	100%
Everlatt Sourcing Sdn. Bhd.	Malaysia	Wholesale and trading of furniture	100%	100%
Evergreen Furniture Co Pte. Ltd.	Singapore	Dormant	100%	100%

DIRECTORS' REPORT (Cont'd)

SUBSIDIARIES (cont'd)

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

Name of company	Principal place of business/ country of incorporation	Principal activities	Ownership interest	
			2025	2024
Subsidiary of Evergreen Plantation Resources Sdn. Bhd.				
Jasa Wibawa Sdn. Bhd.	Malaysia	Cultivation of rubber trees and trading in timber logs harvested from its plantation land clearing activities	100%	100%

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

.....
KUO JEN CHIU
 Director

.....
MARY HENERIETTA LIM KIM NEO
 Director

Date: 8 April 2026

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	834,919,391	886,293,513	88,547,538	92,068,200
Right-of-use assets	6	37,067,256	33,251,635	8,017,095	8,951,096
Biological assets	7	45,600,000	44,200,000	-	-
Goodwill on consolidation	8	4,893,264	4,893,264	-	-
Other intangible assets	9	269,570	244,717	-	-
Investment properties	10	-	-	3,080,767	3,235,299
Investment in subsidiaries	11	-	-	523,610,544	523,610,544
Deferred tax assets	12	2,266,530	2,266,530	2,266,530	2,266,530
Other receivable	13	77,478	536,329	-	-
Total non-current assets		925,093,489	971,685,988	625,522,474	630,131,669
Current assets					
Inventories	14	221,457,318	214,333,254	41,129,039	41,866,053
Trade and other receivables	13	70,045,030	79,909,993	195,207,581	161,781,445
Other current assets	15	14,011,454	22,245,208	5,940,385	7,773,114
Tax assets		328,620	4,460,985	169,999	988,921
Deposits, cash and bank balances	16	82,872,971	139,992,085	23,668,999	42,762,469
Total current assets		388,715,393	460,941,525	266,116,003	255,172,002
TOTAL ASSETS		1,313,808,882	1,432,627,513	891,638,477	885,303,671
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	344,749,212	344,749,212	344,749,212	344,749,212
Treasury shares	18	(1,086,893)	(1,086,893)	(1,086,893)	(1,086,893)
Other reserves	19	84,016,901	100,376,474	-	-
Retained earnings		515,632,090	543,044,902	473,544,309	450,787,573
TOTAL EQUITY		943,311,310	987,083,695	817,206,628	794,449,892

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025 (Cont'd)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Non-current liabilities					
Loans and borrowings	20	97,394,919	96,320,885	2,713,049	-
Lease liabilities	21	538,240	1,209,376	524,453	1,061,043
Deferred tax liabilities	12	19,063,694	22,588,382	-	-
Retirement benefits obligation	22	15,768,162	15,114,377	5,759,135	5,560,727
Total non-current liabilities		132,765,015	135,233,020	8,996,637	6,621,770
Current liabilities					
Loans and borrowings	20	142,423,750	170,824,255	47,277,404	55,439,750
Lease liabilities	21	681,091	870,367	526,824	688,410
Trade and other payables	23	86,878,320	108,472,352	17,070,995	27,747,530
Contract liabilities	24	5,951,118	23,911,665	559,989	356,319
Tax liabilities		1,798,278	6,232,159	-	-
Total current liabilities		237,732,557	310,310,798	65,435,212	84,232,009
TOTAL LIABILITIES		370,497,572	445,543,818	74,431,849	90,853,779
TOTAL EQUITY AND LIABILITIES		1,313,808,882	1,432,627,513	891,638,477	885,303,671

The accompanying notes form an integral part of these financial statements

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	25	911,099,882	958,086,581	124,811,818	124,658,373
Cost of sales	26	(758,235,348)	(785,244,236)	(125,511,590)	(125,438,385)
Gross profit/(loss)		152,864,534	172,842,345	(699,772)	(780,012)
Other income	27	14,927,255	11,812,445	47,452,487	30,439,169
Selling and administrative expenses		(156,459,531)	(159,166,533)	(12,720,130)	(12,048,225)
Net impairment losses on financial assets		-	(1,056,974)	-	-
Other operating expenses	28	(24,222,430)	(3,820,933)	(8,766,025)	(4,881,457)
		(180,681,961)	(164,044,440)	(21,486,155)	(16,929,682)
(Loss)/Profit from operations		(12,890,172)	20,610,350	25,266,560	12,729,475
Finance costs		(11,346,841)	(7,800,914)	(2,509,824)	(2,101,189)
(Loss)/Profit before tax	29	(24,237,013)	12,809,436	22,756,736	10,628,286
Tax (expense)/credit	31	(3,267,724)	(10,770,348)	-	538,636
(Loss)/Profit for the financial year		(27,504,737)	2,039,088	22,756,736	11,166,922
Other comprehensive loss, net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		(16,359,573)	(11,590,925)	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of defined benefits obligation, net of deferred tax liabilities		91,925	510,198	-	-
Other comprehensive loss for the financial year		(16,267,648)	(11,080,727)	-	-
Total comprehensive (loss)/income for the financial year		(43,772,385)	(9,041,639)	22,756,736	11,166,922
(Loss)/Profit attributable to:					
Owners of the Company		(27,504,737)	2,039,088	22,756,736	11,166,922
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(43,772,385)	(9,041,639)	22,756,736	11,166,922
(Loss)/Profit per share attributable to ordinary shareholders of the Company					
Basic and diluted (loss)/earnings per share (sen)	32	(3.26)	0.24	-	-

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Attributable to owners of the Company						Total equity RM
	Share capital RM	Equity transaction reserve RM	Foreign exchange reserve RM	Treasury shares RM	Retained earnings RM		
At 1 January 2025	344,749,212	(1,892,270)	102,268,744	(1,086,893)	543,044,902	987,083,695	
Total comprehensive loss for the financial year							
Loss for the financial year	-	-	-	-	(27,504,737)	(27,504,737)	
Other comprehensive (loss)/income for the financial year	-	-	(16,359,573)	-	91,925	(16,267,648)	
Total comprehensive loss	-	-	(16,359,573)	-	(27,412,812)	(43,772,385)	
At 31 December 2025	344,749,212	(1,892,270)	85,909,171	(1,086,893)	515,632,090	943,311,310	
At 1 January 2024	344,749,212	(1,892,270)	113,859,669	(1,086,893)	540,495,616	996,125,334	
Total comprehensive loss for the financial year							
Profit for the financial year	-	-	-	-	2,039,088	2,039,088	
Other comprehensive (loss)/income for the financial year	-	-	(11,590,925)	-	510,198	(11,080,727)	
Total comprehensive loss	-	-	(11,590,925)	-	2,549,286	(9,041,639)	
At 31 December 2024	344,749,212	(1,892,270)	102,268,744	(1,086,893)	543,044,902	987,083,695	

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Cont'd)

Company	← Attributable to owners of the Company →			Total equity RM
	Share capital RM	Treasury shares RM	Retained earnings RM	
At 1 January 2024	344,749,212	(1,086,893)	439,620,651	783,282,970
Total comprehensive income for the financial year				
Profit for the financial year, representing total comprehensive income	-	-	11,166,922	11,166,922
At 31 December 2024	344,749,212	(1,086,893)	450,787,573	794,449,892
Total comprehensive income for the financial year				
Profit for the financial year, representing total comprehensive income	-	-	22,756,736	22,756,736
At 31 December 2025	344,749,212	(1,086,893)	473,544,309	817,206,628

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities					
(Loss)/Profit before tax		(24,237,013)	12,809,436	22,756,736	10,628,286
Adjustments for:					
Amortisation of intangible assets	9	34,523	18,015	-	-
Depreciation of:					
- property, plant and equipment	5	64,832,106	58,593,143	4,704,507	3,933,042
- right-of-use assets	6	1,682,604	1,877,242	809,523	615,691
- investment properties	10	-	-	154,532	154,533
Dividend income received from subsidiaries		-	-	(40,122,571)	(24,049,356)
Gain arising from fair value adjustment on biological assets	7	(1,400,000)	(3,700,000)	-	-
Gain on disposal of property, plant and equipment		(922,934)	(153,381)	(284,571)	(16,790)
Gain on lease modification		(16,270)	(59,922)	(13,026)	-
Impairment losses on:					
- property, plant and equipment	5	946,054	2,695,330	-	-
- investment in subsidiaries	11	-	-	-	2,820,762
- other receivables	13	-	888,153	-	-
- trade receivables	13	10,000	169,609	-	-
Interest expense		11,346,841	7,800,914	2,509,824	2,101,189
Interest income		(1,459,977)	(2,900,079)	(3,817,681)	(3,987,287)
Inventories written down	14	2,720,550	-	-	-
Property, plant and equipment written off	5	395,593	240,534	-	-
Provision for retirement benefits obligation	22	2,555,068	1,741,159	586,110	579,066
Reversal of impairment losses on trade receivables	13	(260,302)	(788)	-	-
Reversal of inventories written down	14	-	(380,187)	-	-
Unrealised loss on foreign exchange, net		6,165,343	785,392	8,766,015	906,179
Waiver of debt		-	(239,064)	-	-
		86,629,199	67,376,070	(26,707,338)	(16,942,971)
Operating profit/(loss) before changes in working capital, carried forward		62,392,186	80,185,506	(3,950,602)	(6,314,685)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Cont'd)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities (cont'd)					
Operating profit/(loss) before changes in working capital, brought forward		62,392,186	80,185,506	(3,950,602)	(6,314,685)
Changes in working capital:					
Inventories		(4,576,504)	(28,349,130)	1,902,338	(2,593,825)
Trade and other receivables		13,244,149	23,984,584	(97,197,996)	1,528,310
Trade and other payables		(46,220,032)	(37,863,729)	(10,939,354)	5,308,803
		(37,552,387)	(42,228,275)	(106,235,012)	4,243,288
Net cash generated from/(used in) operations		24,839,799	37,957,231	(110,185,614)	(2,071,397)
Payment of retirement benefits obligation		(1,468,978)	(2,451,277)	(387,702)	(910,455)
Interest paid		(11,346,841)	(7,800,914)	(2,509,824)	(2,101,189)
Tax (paid)/refunded		(5,499,800)	(9,269,769)	818,922	(620,144)
Net cash from/(used in) operating activities		6,524,180	18,435,271	(112,264,218)	(5,703,185)
Cash flows from investing activities					
Repayment from/(Advances to) subsidiaries		-	-	57,125,859	(13,193,170)
Dividend income received from subsidiaries		-	-	40,122,571	24,049,356
Interest received		1,459,977	2,900,079	3,817,681	3,987,287
Purchase of property, plant and equipment	(c)	(53,826,891)	(87,178,477)	(4,949,609)	(30,682,890)
Purchase of other intangible assets	9	(64,235)	(192,966)	-	-
Proceeds from disposal of property, plant and equipment		1,802,442	1,024,605	2,885,011	16,790
Withdrawal/(Placement) of time deposit	16	486,442	3,042,194	(8,602)	3,057,497
Net cash (used in)/from investing activities		(50,142,265)	(80,404,565)	98,992,911	(12,765,130)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Cont'd)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from financing activities	(b)				
Advance from a subsidiary		-	-	806,329	-
Drawdown of trade facilities		98,979,514	153,797,951	49,977,004	53,464,137
Drawdown of term loans		14,686,414	4,000,640	3,219,450	-
Payments of lease liabilities		(686,957)	(942,697)	(560,672)	(383,519)
Repayments of hire purchase		(12,434)	(72,973)	(12,434)	(72,973)
Repayments of term loans		(5,382,033)	(17,137,587)	(1,804,894)	(5,733,066)
Repayments of trade facilities		(121,190,907)	(125,785,811)	(57,058,808)	(38,242,045)
Net cash (used in)/from financing activities		(13,606,403)	13,859,523	(5,434,025)	9,032,534
Net decrease in cash and cash equivalents		(57,224,488)	(48,109,771)	(18,705,332)	(9,435,781)
Cash and cash equivalents at the beginning of the financial year		139,207,413	191,280,577	42,524,161	51,466,835
Effects of exchange rate changes on cash and cash equivalents		591,816	(3,963,393)	(396,740)	493,107
Cash and cash equivalents at the end of the financial year	16	82,574,741	139,207,413	23,422,089	42,524,161

(a) Total cash outflows for leases as a lessee:

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Included in net cash from/(used in) operating activities:					
Payments relating to short-term leases and low-value assets	29	9,207,773	9,037,202	1,396,059	938,908
Interest paid in relation to lease liabilities	29	84,429	100,487	74,883	32,191
Included in net cash from financing activities:					
Payments of lease liabilities		686,957	942,697	560,672	383,519
Total cash outflows for leases		9,979,159	10,080,386	2,031,614	1,354,618

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Cont'd)

(b) Reconciliations of liabilities arising from financing activities:

	Note	1.1.2025 RM	Cash flows RM	Acquisition RM	Non-cash		31.12.2025 RM
					Foreign exchange movement RM	Others RM	
Group							
Trade facilities	20	153,785,581	(22,211,393)	-	(176,760)	-	131,397,428
Term loans	20	113,347,125	9,304,381	-	(14,230,265)	-	108,421,241
Hire purchase payable	20	12,434	(12,434)	-	-	-	-
Lease liabilities	21	2,079,743	(686,957)	43,201	-	(216,656)	1,219,331
		269,224,883	(13,606,403)	43,201	(14,407,025)	(216,656)	241,038,000
Company							
Trade facilities	20	53,451,767	(7,081,804)	-	455,250	-	46,825,213
Term loans	20	1,975,549	1,414,556	-	(224,865)	-	3,165,240
Hire purchase payable	20	12,434	(12,434)	-	-	-	-
Lease liabilities	21	1,749,453	(560,672)	-	-	(137,504)	1,051,277
		57,189,203	(6,240,354)	-	230,385	(137,504)	51,041,730

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Cont'd)

(b) Reconciliations of liabilities arising from financing activities: (cont'd)

	Note	1.1.2024 RM	Cash flows RM	Acquisition RM	Non-cash Foreign exchange movement		Others RM	31.12.2024 RM
					RM	RM		
Group								
Trade facilities	20	125,785,811	28,012,140	-	(12,370)	-	-	153,785,581
Term loans	20	107,403,080	(13,136,947)	22,887,705	(3,806,713)	-	-	113,347,125
Hire purchase payable	20	85,407	(72,973)	-	-	-	-	12,434
Lease liabilities	21	2,189,833	(942,697)	1,922,479	-	(1,089,872)	-	2,079,743
		235,464,131	13,859,523	24,810,184	(3,819,083)	(1,089,872)	-	269,224,883
Company								
Trade facilities	20	38,242,045	15,222,092	-	(12,370)	-	-	53,451,767
Term loans	20	8,458,794	(5,733,066)	-	(750,179)	-	-	1,975,549
Hire purchase payable	20	85,407	(72,973)	-	-	-	-	12,434
Lease liabilities	21	593,929	(383,519)	1,539,043	-	-	-	1,749,453
		47,380,175	9,032,534	1,539,043	(762,549)	-	-	57,189,203

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (Cont'd)

- (c) During the financial year, the Group and the Company acquired property, plant and equipment which are satisfied by the following:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Purchase of property, plant and equipment	53,826,891	110,066,182	4,949,609	30,682,890
Financed by way of term loans	-	(22,887,705)	-	-
Cash payments on purchase of property, plant and equipment	53,826,891	87,178,477	4,949,609	30,682,890

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Evergreen Fibreboard Berhad (“the Company”) is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor Darul Ta’zim.

The principal place of business is located at PLO 22, Parit Raja Industrial Estate, 86400 Batu Pahat, Johor Darul Ta’zim.

The principal activity of the Company is of manufacture of medium density fibreboard and wooden furniture (knock-down). The principal activities of its subsidiaries are disclosed in Note 11. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 8 April 2026.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments to MFRS

The Group and the Company have adopted the following applicable amendments to MFRS for the current financial year:

MFRS 121 The Effects of Changes in Foreign Exchange Rates

The adoption of the above amendments to MFRS did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies.

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statement of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2027
MFRS 128	Investments in Associates and Joint Ventures	Deferred

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. BASIS OF PREPARATION (cont'd)

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective (cont'd)

2.3.1 The Group and the Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communicates about the entity’s financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the requirements, including:

- clarify the classification of financial assets, particularly those with environmental, social and corporate governance and similar features. The Amendments clarify how the contractual cash flows on such financial assets should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to:

- investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (“the functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Financial instruments

Financial assets – subsequent measurement and gains and losses

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Freehold land improvement and buildings	20 - 60
Plant and machinery	5 - 25
Factory and office equipment, furniture and fittings	8
Motor vehicles	5
Computers and communication system	8

Spare parts which are held for use in the production or supply of goods or services and are expected to be used for more than one period, and thus are classified under property, plant and equipment. The cost will be charged out to profit or loss when the spare parts are utilised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.5 Leases

(a) Lessee accounting

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the 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 useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

(b) Lessor accounting

The Company recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sublease properties which recognise as other income.

3.6 Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

All investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Terrace house	50
Leasehold land and factory building	50 - 60

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a weighted average cost basis.
- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.
- consumables and spare parts: purchase costs on a weighted average cost basis.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.8 Revenue and other income

(a) Sale of goods – manufacturing

The Group and the Company manufacture and sell a range of medium density fibreboards, particleboards and ready to assemble furniture to local and foreign customers. Revenue from sale of manufactured goods are recognised at a point in time when control of the products has been transferred, being when the goods are delivered to the customer based on the agreed term.

Sales are made with a credit term of 15 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. Revenue is recognised based on the price specified in the contract, net of the discounts where applicable.

Where consideration is collected from customer in advance for sale of manufactured good, a contract liability is recognised for the customer deposits. Contract liability would be recognised as revenue upon sale of manufactured goods to the customer.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

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

(d) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted is recognised as an integral part of the total rental income, over the term of the lease.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Impairment of property, plant and equipment

The Group and the Company assess the impairment of property, plant and equipment whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Where such indications exist, the Group and the Company determine the recoverable amount using fair value less cost of disposal determined by external independent valuer and also based on present value of the estimated future cash flows expected to be derived from the assets. Any resulting impairment loss could have material adverse impact on the Group's financial position and results of operations. In estimating the present value of the estimated cash flows, the Group and the Company apply a suitable discount rate and make assumption underlying the cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's and the Company's financial positions and results if the actual cash flows are less than expected.

The carrying amounts of the property, plant and equipment are disclosed in Note 5.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows: (cont'd)

(b) Write-down of obsolete or slow-moving inventories

The Group and the Company write down their obsolete or slow-moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend when making a judgement to evaluate the adequacy of the write-down of obsolete or slow-moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amounts of inventories.

The carrying amounts of the Group's and the Company's inventories are disclosed in Note 14.

(c) Fair value of biological assets

Judgement is required in determining the value on remaining lifespan and after lifespan of rubber trees and estimated remaining acres of forest land. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The fair value of the tropical wood trees and rubber trees have been determined based on valuations by an independent professional valuer.

The carrying amount of the Group's biological assets and the key assumptions used to determine the fair value less costs to sell are disclosed in Note 7.

(d) Impairment of investment in subsidiaries

The Company assesses impairment of investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Recoverable amount is measured at the higher of the fair value less cost of disposal and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on the Company's estimates, taking into consideration factors such as historical trends and other available information. Cash flows that are projected based on those inputs or assumptions and the discount rate applied in the measurement of value-in-use may have a significant effect on the Company's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Company's investment in subsidiaries are disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Freehold improvement and buildings RM	Freehold land RM	Plant and machinery RM	Factory and office equipment, furniture and fittings RM	Motor vehicles RM	Computers and communication system RM	Construction in progress RM	Total RM
2025									
Cost									
At 1 January 2025	29,397,679	231,312,773	1,359,108,330	28,194,024	22,836,053	5,159,508	255,413,329	1,931,421,696	
Additions	-	146,112	7,062,834	353,966	646,698	142,153	45,475,128	53,826,891	
Adjustments	-	-	(1,165,324)	-	-	-	-	(1,165,324)	
Disposals	-	-	(12,229,133)	-	(854,169)	-	(1,282,677)	(14,365,979)	
Written off	-	-	(1,698,864)	(525,836)	(477,681)	-	-	(2,702,381)	
Transfer to right-of-use assets	-	-	-	-	-	-	(6,050,384)	(6,050,384)	
Reclassification	-	21,720,815	233,445,264	172,049	-	-	(255,338,128)	-	
Exchange differences	(428,587)	(3,537,129)	(36,313,548)	(323,879)	(445,148)	(3,864)	(11,469,157)	(52,521,312)	
At 31 December 2025	28,969,092	249,642,571	1,548,209,559	27,870,324	21,705,753	5,297,797	26,748,111	1,908,443,207	
Accumulated depreciation									
At 1 January 2025	-	116,572,984	853,792,423	20,661,673	21,273,845	4,734,981	-	1,017,035,906	
Depreciation charge for the financial year (Note 29)	-	5,874,604	57,908,292	370,861	590,989	87,360	-	64,832,106	
Disposals	-	-	(12,638,182)	-	(848,289)	-	-	(13,486,471)	
Written off	-	-	(1,373,376)	(455,736)	(477,676)	-	-	(2,306,788)	
Exchange differences	-	(1,651,393)	(19,039,318)	(287,448)	(557,331)	(3,864)	-	(21,539,354)	
At 31 December 2025	-	120,796,195	878,649,839	20,289,350	19,981,538	4,818,477	-	1,044,535,399	

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group (cont'd)	Freehold land		Freehold improvement and buildings		Plant and machinery	Factory and office equipment, furniture and fittings	Motor vehicles	Computers and communication system	Construction in progress	Total
	land RM	land RM	land RM	land RM						
2024										
Cost										
At 1 January 2024	30,058,417	234,477,507	1,364,191,837	28,389,217	25,065,833	5,016,457	168,800,907	1,856,000,175		
Additions	-	340,022	5,515,309	109,108	1,300,107	149,008	102,652,628	110,066,182		
Disposals	-	(663,437)	(2,431,822)	-	(3,031,748)	-	-	(6,127,007)		
Written off	-	-	(245,488)	(2,200)	-	-	(1,470)	(249,158)		
Reclassification	-	-	10,601,806	-	-	-	(10,601,806)	-		
Exchange differences	(660,738)	(2,841,319)	(18,523,312)	(302,101)	(498,139)	(5,957)	(5,436,930)	(28,268,496)		
At 31 December 2024	29,397,679	231,312,773	1,359,108,330	28,194,024	22,836,053	5,159,508	255,413,329	1,931,421,696		
Accumulated depreciation										
At 1 January 2024	-	112,893,884	816,656,288	20,584,527	24,474,776	4,550,903	-	979,160,378		
Depreciation charge for the financial year (Note 29)	-	5,896,143	51,815,800	363,243	327,922	190,035	-	58,593,143		
Disposals	-	(370,442)	(1,853,595)	-	(3,031,746)	-	-	(5,255,783)		
Written off	-	-	(6,424)	(2,200)	-	-	-	(8,624)		
Exchange differences	-	(1,846,601)	(12,819,646)	(283,897)	(497,107)	(5,957)	-	(15,453,208)		
At 31 December 2024	-	116,572,984	853,792,423	20,661,673	21,273,845	4,734,981	-	1,017,035,906		

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group (cont'd)	Freehold land		Freehold improvement and buildings	Plant and machinery	Factory and office equipment, furniture and fittings	Motor vehicles	Computers and communication system	Construction in progress	Total
	land	RM							
2024									
Cost									
Accumulated impairment loss									
At 1 January 2024	-	2,920,569	20,088,214	1,067,034	11,760	-	1,286,493	25,374,070	
Impairment loss during the financial year (Note 28)	-	-	2,695,330	-	-	-	-	2,695,330	
Exchange differences	-	-	22,877	-	-	-	-	22,877	
At 31 December 2024	-	2,920,569	22,806,421	1,067,034	11,760	-	1,286,493	28,092,277	
Carrying amount									
At 31 December 2024	29,397,679	111,819,220	482,509,486	6,465,317	1,550,448	424,527	254,126,836	886,293,513	

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Freehold land RM	Buildings RM	Plant and machinery RM	Factory and office equipment, furniture and fittings RM	Motor vehicles RM	Computers and communication system RM	Construction in progress RM	Total RM
2025								
Cost								
At 1 January 2025	4,883,644	35,673,337	97,292,390	1,821,116	3,475,288	3,942,450	7,654,310	154,742,535
Additions	-	-	1,155,676	-	-	142,153	3,651,780	4,949,609
Disposals	-	-	(10,925,266)	-	-	-	(1,282,677)	(12,207,943)
Adjustments	-	-	(1,165,324)	-	-	-	-	(1,165,324)
Reclassification	-	-	790,149	-	-	-	(790,149)	-
At 31 December 2025	4,883,644	35,673,337	87,147,625	1,821,116	3,475,288	4,084,603	9,233,264	146,318,877
Accumulated depreciation								
At 1 January 2025	-	13,767,088	40,165,648	1,798,212	3,430,911	3,512,476	-	62,674,335
Depreciation charge for the financial year (Note 29)	-	627,171	3,973,455	10,873	20,482	72,526	-	4,704,507
Disposals	-	-	(9,607,503)	-	-	-	-	(9,607,503)
At 31 December 2025	-	14,394,259	34,531,600	1,809,085	3,451,393	3,585,002	-	57,771,339
Carrying amount								
At 31 December 2025	4,883,644	21,279,078	52,616,025	12,031	23,895	499,601	9,233,264	88,547,538

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company (continued)	Freehold land RM	Buildings RM	Plant and machinery RM	Factory and office equipment, furniture and fittings RM	Motor vehicles RM	Computers and communication system RM	Construction in progress RM	Total RM
2024								
Cost								
At 1 January 2024	4,883,644	35,673,337	69,628,091	1,821,116	3,475,288	3,798,294	4,902,775	124,182,545
Additions	-	-	27,787,199	-	-	144,156	2,751,535	30,682,890
Disposals	-	-	(122,900)	-	-	-	-	(122,900)
At 31 December 2024	4,883,644	35,673,337	97,292,390	1,821,116	3,475,288	3,942,450	7,654,310	154,742,535
Accumulated depreciation								
At 1 January 2024	-	13,139,918	37,184,977	1,781,809	3,410,429	3,347,060	-	58,864,193
Depreciation charge for the financial year (Note 29)	-	627,170	3,103,571	16,403	20,482	165,416	-	3,933,042
Disposals	-	-	(122,900)	-	-	-	-	(122,900)
At 31 December 2024	-	13,767,088	40,165,648	1,798,212	3,430,911	3,512,476	-	62,674,335
Carrying amount								
At 31 December 2024	4,883,644	21,906,249	57,126,742	22,904	44,377	429,974	7,654,310	92,068,200

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (a) The carrying amount of property, plant and equipment pledged as security for banking facilities as disclosed in Note 20 are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Freehold land	23,602,336	23,991,323	-	-
Freehold buildings	38,912,663	21,637,891	-	-
Plant and machinery	339,606,030	404,090,570	3,246,295	18,526,516
Factory and office, equipment, furniture and fittings	411,733	-	-	-
Construction in progress	2,231,389	-	-	-
	404,764,151	449,719,784	3,246,295	18,526,516

- (b) During the financial year, an impairment loss of RM946,054 (2024: RM2,695,330) was recognised in profit or loss of the Group as other operating expenses as the carrying amount of the property, plant and equipment was higher than the recoverable amount.

6. RIGHT-OF-USE ASSETS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cost				
At 1 January	48,641,803	49,027,434	14,188,962	12,791,108
Additions	43,201	1,922,479	-	1,539,043
Derecognition*	(772,694)	(2,262,044)	(568,054)	(141,189)
Transfer from property, plant and equipment	6,050,384	-	-	-
Exchange differences	(477,265)	(46,066)	-	-
At 31 December	53,485,429	48,641,803	13,620,908	14,188,962
Accumulated depreciation				
At 1 January	15,390,168	14,747,754	5,237,866	4,763,364
Depreciation charge for the financial year (Note 29)	1,682,604	1,877,242	809,523	615,691
Derecognition*	(572,308)	(1,232,094)	(443,576)	(141,189)
Exchange differences	(82,291)	(2,734)	-	-
At 31 December	16,418,173	15,390,168	5,603,813	5,237,866
Carrying amount				
At 31 December	37,067,256	33,251,635	8,017,095	8,951,096

* Derecognition of the right-of-use assets during the financial year was a result of termination of certain leases.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

6. RIGHT-OF-USE ASSETS (cont'd)

The Group and the Company lease several assets including leasehold land, warehouses, equipment, hostels and site.

Information about leases for which the Group and the Company are lessees is presented below:

	Group			Total RM
	Leasehold land RM	Warehouses/ Equipment RM	Hostels RM	
Carrying amount				
At 1 January 2024	32,043,419	1,446,915	789,346	34,279,680
Additions	-	308,526	1,613,953	1,922,479
Depreciation	(855,564)	(528,369)	(493,309)	(1,877,242)
Derecognition	-	(962,668)	(67,282)	(1,029,950)
Exchange differences	(41,502)	-	(1,830)	(43,332)
At 31 December 2024	31,146,353	264,404	1,840,878	33,251,635
Additions	-	-	43,201	43,201
Depreciation	(855,565)	(154,263)	(672,776)	(1,682,604)
Derecognition	-	-	(200,386)	(200,386)
Transfer from property, plant and equipment	6,050,384	-	-	6,050,384
Exchange differences	(456,729)	-	61,755	(394,974)
At 31 December 2025	35,884,443	110,141	1,072,672	37,067,256
Company				
	Leasehold land RM	Hostels RM	Site RM	Total RM
Carrying amount				
At 1 January 2024	7,453,173	466,204	108,367	8,027,744
Additions	-	1,539,043	-	1,539,043
Depreciation	(224,534)	(341,141)	(50,016)	(615,691)
At 31 December 2024	7,228,639	1,664,106	58,351	8,951,096
Depreciation	(224,534)	(534,974)	(50,015)	(809,523)
Derecognition	-	(124,478)	-	(124,478)
At 31 December 2025	7,004,105	1,004,654	8,336	8,017,095

- (a) The Group and the Company lease land, warehouses and site for their office space and operation sites over a few plots of state-owned land in Malaysia and Indonesia. The leases for office space and operation sites generally have lease terms between 4 to 99 years. The Group also lease equipment with lease terms of 2 years.

The Group and the Company also lease hostels for their worker welfare. The leases for worker welfare generally have lease terms between 2 to 4 years.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

6. RIGHT-OF-USE ASSETS (cont'd)

- (b) The carrying amount of right-of-use assets of the Group pledged as security for banking facilities as disclosed in Note 20 are as follows:

	2025 RM	Group 2024 RM
Leasehold land	7,239,038	1,645,383

7. BIOLOGICAL ASSETS

The Group has two categories of biological assets, namely rubber trees and tropical wood trees of various species. The tropical wood trees will be felled as and when the Group clears the land for planting of rubber trees. The matured rubber trees will subsequently be used for the manufacturing of panel boards.

	2025 RM	Group 2024 RM
At fair value:		
Rubber trees	39,300,000	38,000,000
Tropical wood trees	6,300,000	6,200,000
At 31 December	45,600,000	44,200,000

Fair value information

The fair value measurements for the produce growing on bearer plants have been categorised as Level 3 fair value based on the inputs to the valuation techniques used.

Level 3 fair value

The following table shows a reconciliation of Level 3 fair value:

	2025 RM	Group 2024 RM
Rubber trees		
At 1 January	38,000,000	34,500,000
Gain recognised in profit or loss (Note 27)	1,300,000	3,500,000
At 31 December	39,300,000	38,000,000
Tropical wood trees		
At 1 January	6,200,000	6,000,000
Gain recognised in profit or loss (Note 27)	100,000	200,000
At 31 December	6,300,000	6,200,000

- (a) The biological assets of the Group consist of rubber trees and tropical wood trees of various species. Rubber trees and tropical wood trees are measured using the discounted cash flows of the trees.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. BIOLOGICAL ASSETS (cont'd)

Fair value information (cont'd)

Level 3 fair value (cont'd)

- (b) The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Tropical wood trees	Discounted cash flows	Estimate of future cash flows (20 hoppus tons of tropical wood of various species with an average sale value of RM1,120 (2024: RM1,109) per hoppus ton)	The higher the average sale value, the higher the fair value
Rubber plantations and rubber seedlings	Discounted cash flows	Estimated yield of rubber latex per acre (2025: 800-1,350kg; 2024: 800-1,350kg); and Estimated latex selling price (2025: RM5.90/kg; 2024: RM5.65/kg)	The higher the estimated yield of rubber latex per acre, the higher the fair value The higher the latex selling price, the higher the fair value

- (c) The Group had planted on 2,758 acres (2024: 2,758 acres) of land with rubber trees as at the end of financial year. The rubber trees planted on 2,758 acres (2024: 2,758 acres) of land had matured at the end of the financial year.

Valuation processes applied by the Group

The fair value of biological assets is determined by external independent valuers, Messrs Raine & Horne International Zaki + Partners Sdn. Bhd., a member of the Board of Valuers, Appraisers and Estate Agents Malaysia with appropriate recognised professional qualifications. The valuation company provides the fair value of the Group's biological assets on a yearly basis. Changes in Level 3 fair values are analysed by the management every year after obtaining the valuation report from the valuation company. There has been no change to the valuation technique during the financial year.

Highest and best use

In estimating the fair value of the biological assets, the highest and best use of the biological assets is their current use.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. GOODWILL ON CONSOLIDATION

	Group	
	2025 RM	2024 RM
Cost		
At 1 January/31 December	19,590,250	19,590,250
Accumulated impairment loss		
At 1 January/31 December	(14,696,986)	(14,696,986)
Carrying amount		
At 31 December	4,893,264	4,893,264

Impairment of goodwill

Goodwill arising from business combination has been allocated to the Group's cash generating units ("CGUs") identified according to the country of operation for impairment testing as follows:

	Group	
	2025 RM	2024 RM
Thailand operations - CGU 1	4,893,264	4,893,264

CGU 1

Based on the sensitivity analysis performed, management believes that there is no reasonably possible change in key assumptions that would cause the carrying values of the CGU to exceed its recoverable amounts. The estimated recoverable amount of the CGU 1 significantly exceeds the carrying amount of the CGU 1. As a result of the analysis, management did not identify an impairment for this CGU.

Key assumptions used in value-in-use calculations

The recoverable amount of CGU of Thailand operations as at 31 December 2025 and 31 December 2024 are determined based on value-in-use calculations using cash flow projections based on financial budgets. The key assumptions used for value-in-use calculations are as follows:

Group	Thailand operations
2025	
Key assumptions used in value-in-use calculations	
Growth rate	1.00%
Gross margin	25.00%
Discount rate	11.14%
2024	
Key assumptions used in value-in-use calculations	
Growth rate	1.00%
Gross margin	25.00%
Discount rate	13.00%

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. GOODWILL ON CONSOLIDATION (cont'd)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(a) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the gross margin achieved in years preceding the start of the budget period, adjusted for projected market conditions and machine capability.

(b) Discount rate

The discount rate used is based on the pre-tax weighted average cost of capital and an appropriate risk premium.

(c) Growth rate

Growth rate is the forecasted annual growth rate over the projection period. It is based on the average growth levels experienced over the past years.

9. OTHER INTANGIBLE ASSETS

	Group	
	2025 RM	2024 RM
Computer software		
Cost		
At 1 January	623,127	440,654
Additions	64,235	192,966
Exchange differences	(12,233)	(10,493)
At 31 December	675,129	623,127
Accumulated amortisation		
At 1 January	378,410	370,440
Amortisation charge for the financial year (Note 29)	34,523	18,015
Exchange differences	(7,374)	(10,045)
At 31 December	405,559	378,410
Carrying amount	269,570	244,717

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

10. INVESTMENT PROPERTIES

	Company	
	2025 RM	2024 RM
At cost		
At 1 January/31 December	5,636,660	5,636,660
Accumulated depreciation		
At 1 January	(2,401,361)	(2,246,828)
Depreciation charge for the financial year (Note 29)	(154,532)	(154,533)
At 31 December	(2,555,893)	(2,401,361)
Carrying amount		
At 31 December	3,080,767	3,235,299

- (a) The Company's investment properties comprise a number of commercial properties that are leased to its subsidiaries.
- (b) The following are recognised in the profit or loss in respect of investment properties:

	2025 RM	2024 RM
Rental income	799,704	799,704
Direct operating expenses	115,216	104,157

Fair value information

The fair value of investment properties of the Company is categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2025				
Terrace house	-	-	4,249,000	4,249,000
Leasehold land and factory building	-	-	11,732,000	11,732,000
	-	-	15,981,000	15,981,000
2024				
Terrace house	-	-	377,000	377,000
Leasehold land and factory building	-	-	11,732,000	11,732,000
	-	-	12,109,000	12,109,000

The valuation of Level 3 investment properties as at 31 December 2025 and 31 December 2024 were determined by directors' estimation based on the indicative market price of similar properties in the vicinity.

There were no transfers between Level 1 and Level 2 during the financial years ended 31 December 2025 and 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

11. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
At cost		
Unquoted shares, at cost		
At 1 January/31 December	574,161,242	574,161,242
Accumulated impairment loss		
At 1 January	(50,550,698)	(47,729,936)
Impairment loss during the financial year (Note 28)	-	(2,820,762)
At 31 December	(50,550,698)	(50,550,698)
	523,610,544	523,610,544

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Principal activities	Ownership interest	
			2025	2024
Allgreen Timber Products Sdn. Bhd.	Malaysia	Manufacture of particleboard	100%	100%
Siam Fibreboard Co., Ltd.*	Thailand	Manufacture of medium density fibreboard	99.99%	99.99%
GRE Energy Co., Ltd.*	Thailand	Cogeneration of electricity	99.99%	99.99%
ECO Generation Co., Ltd.*	Thailand	Cogeneration of electricity	99.99%	99.99%
PT Hijau Lestari Raya Fibreboard [†]	Indonesia	Manufacture of medium density fibreboard, glue and resin	99.99%	99.99%
Evergreen Fibreboard (JB) Sdn. Bhd.	Malaysia	Manufacture of medium density fibreboard with and without lamination and manufacturing and sales of wood pellets	100%	100%
Evergreen Adhesive & Chemicals Sdn. Bhd.	Malaysia	Manufacture of urea formaldehyde concentrate and adhesive products	100%	100%
Evergreen Fibreboard (Nilai) Sdn. Bhd.	Malaysia	Manufacture of medium density fibreboard	100%	100%
Evergreen Adhesive & Chemicals (Gurun) Sdn. Bhd.	Malaysia	Manufacture of urea formaldehyde concentrate and adhesive products	100%	100%
Dawa Timber Industries Sdn. Bhd.	Malaysia	Manufacturing of fancy plywood	100%	100%
Evergreen Agro Sdn. Bhd.	Malaysia	Planters, cultivators and buyers of rubber and every kind of produce of the soil	100%	100%
Locomotion Services Sdn. Bhd.	Malaysia	Trading of wood related products, sawn timber, panelboard products and furniture	100%	100%
Evergreen Plantation Resources Sdn. Bhd.	Malaysia	Managing of plantation	100%	100%
Craft Master Timber Products Sdn. Bhd.	Malaysia	Manufacture of wood furniture and parts	100%	100%

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

11. INVESTMENT IN SUBSIDIARIES (cont'd)

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

Name of company	Principal place of business/ country of incorporation	Principal activities	Ownership interest	
			2025	2024
Everlatt Sourcing Sdn. Bhd.	Malaysia	Wholesale and trading of furniture	100%	100%
Evergreen Furniture Co Pte. Ltd.*	Singapore	Dormant	100%	100%
Subsidiary of Evergreen Plantation Resources Sdn. Bhd.				
Jasa Wibawa Sdn. Bhd.	Malaysia	Cultivation of rubber trees and trading in timber logs harvested from its plantation land clearing activities	100%	100%

* Audited by auditors other than Baker Tilly Monteiro Heng PLT.

+ Consolidated using unaudited management financial statements, auditors' report is not available.

(a) Impairment loss

In the previous financial year, an impairment loss of RM2,820,762 was recognised in profit or loss under other operating expenses, as a result of the inactive operations and continuous losses of certain subsidiaries.

12. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax assets/(liabilities)				
At 1 January	(20,321,852)	(21,199,401)	2,266,530	2,266,530
Recognised in:				
- profit or loss (Note 31)	3,255,535	911,430	-	-
- other comprehensive income	(25,327)	(143,902)	-	-
Exchange differences	294,480	110,021	-	-
At 31 December	(16,797,164)	(20,321,852)	2,266,530	2,266,530

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

12. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

(a) Presented after appropriate offsetting as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax assets	2,266,530	2,266,530	2,266,530	2,266,530
Deferred tax liabilities	(19,063,694)	(22,588,382)	-	-
	(16,797,164)	(20,321,852)	2,266,530	2,266,530

(b) The components of deferred tax assets/(liabilities) prior to offsetting are as follows:

	Group	
	2025 RM	2024 RM
Deferred tax assets		
Provisions	898,528	1,120,127
Unabsorbed capital allowances	15,035,528	13,295,172
Unutilised tax losses	1,924,758	1,978,013
Unrealised loss on foreign exchange	-	11,697
	17,858,814	16,405,009
Deferred tax liabilities		
Differences between the carrying amount of property, plant and equipment and its tax bases	(23,700,835)	(26,118,861)
Changes in fair value of biological assets	(10,944,000)	(10,608,000)
Other temporary differences	(11,143)	-
	(34,655,978)	(36,726,861)
	(16,797,164)	(20,321,852)
	Company	
	2025 RM	2024 RM
Deferred tax assets		
Unabsorbed capital allowances	13,176,001	11,437,264
Deferred tax liabilities		
Differences between the carrying amount of property, plant and equipment and its tax base	(10,909,471)	(9,170,734)
	2,266,530	2,266,530

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

12. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Provisions	9,402,320	11,026,164	6,031,135	5,978,665
Unabsorbed capital allowances	141,084,006	130,013,425	-	-
Unutilised tax losses	265,833,985	259,877,065	6,724,671	6,527,760
Unabsorbed increased export allowances	598,667	598,667	-	-
Unabsorbed investment tax allowances	76,051,303	76,051,303	-	-
Unabsorbed reinvestment allowances	159,104,749	159,104,749	49,310,619	49,310,619
Unrealised loss on foreign exchange	15,166,721	9,562,281	14,435,624	5,669,609
Others	3,028,533	33,838	3,000,287	26,996
	670,270,284	646,267,492	79,502,336	67,513,649
Potential deferred tax assets not recognised at 24% (2024: 24%)	160,864,868	155,104,198	19,080,561	16,203,276

The availability of unutilised tax losses for offsetting against future taxable profits of the Company and respective subsidiaries in Malaysia are subject to requirements under Income tax Act, 1967 and guidelines issued by the tax authority.

The unutilised tax losses and unabsorbed reinvestment allowances are available for offset against future taxable profits of the Group and the Company up to the following financial years:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
2025	153,501,230	153,501,230	45,414,364	45,414,364
2026	3,896,255	3,896,255	3,896,255	3,896,255
2028	57,819,724	57,721,294	-	-
2029	464,414	464,414	-	-
2030	10,922,769	10,922,769	3,690,043	3,690,043
2031	630,843	13,955,205	-	-
2032	17,353,588	15,820,561	-	-
2033	35,117,712	32,549,927	-	-
2034	116,605,130	130,150,159	2,837,717	2,837,717
2035	28,627,069	-	196,911	-
	424,938,734	418,981,814	56,035,290	55,838,379

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

13. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Non-current:					
Non-trade					
External party	(a)	77,478	536,329	-	-
		77,478	536,329	-	-
Current:					
Trade					
External parties	(b)	57,402,450	72,169,183	1,887,661	2,176,815
Subsidiaries		-	-	14,467,507	6,387,872
		57,402,450	72,169,183	16,355,168	8,564,687
Less: Impairment losses on trade receivables	(b)	(2,383,307)	(3,173,976)	-	-
		55,019,143	68,995,207	16,355,168	8,564,687
Non-trade					
Amounts owing by subsidiaries	(c)	-	-	172,741,191	147,063,448
Other receivables		1,451,864	3,827,037	600	1,800
Deposits	(d)	4,945,379	3,321,101	6,110,622	6,151,510
Goods and services/value added tax refundable		8,628,644	5,742,575	-	-
		15,025,887	12,890,713	178,852,413	153,216,758
Less: Impairment losses on other receivables	(e)	-	(1,975,927)	-	-
		15,025,887	10,914,786	178,852,413	153,216,758
Total trade and other receivables (current)		70,045,030	79,909,993	195,207,581	161,781,445
Total trade and other receivables (non-current and current)		70,122,508	80,446,322	195,207,581	161,781,445

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

13. TRADE AND OTHER RECEIVABLES (cont'd)

- (a) During the financial year, long-term other receivable was measured at amortised cost at imputed interest rate at 6% per annum and repayable within 36 months after the reporting date.

- (b) Trade receivables

The Group's and the Company's trading terms with their customers are mainly on credit for local customers and payment in advance for overseas customers. The normal credit terms granted ranging from 15 to 90 days (2024: 15 to 90 days) from date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Note	2025 RM	Group 2024 RM
At 1 January		3,173,976	3,062,007
Charge for financial year			
- Individually assessed	29	10,000	169,609
Reversal of impairment loss	29	(260,302)	(788)
Exchange differences		(540,367)	(56,852)
At 31 December		2,383,307	3,173,976

The information about the credit exposures are disclosed in Note 35(b)(iv).

- (c) Amounts owing by subsidiaries are non-trade in nature, unsecured, interest bearing at rates ranging from 3.68% to 6.92% (2024: 3.99% to 7.41%) per annum and is expected to be settled in cash within the 12 months after the reporting date, except for a non-interest bearing amount owing by a subsidiary of RM83,119,420 (2024: RM92,072,962).
- (d) Included in deposits of the Company is a non-refundable deposit of RM5,600,000 (2024: RM5,600,000) paid to a subsidiary for purchase of logs.
- (e) Other receivables

Receivables that are impaired

The Group's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables are as follows:

	Note	2025 RM	Group 2024 RM
At 1 January		1,975,927	1,110,816
Charge for financial year			
- Individually assessed	29	-	888,153
Written off		(1,963,830)	-
Exchange differences		(12,097)	(23,042)
At 31 December		-	1,975,927

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

14. INVENTORIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Raw materials	57,577,746	51,122,042	22,612,449	20,325,336
Work-in-progress	8,595,145	7,229,433	568,741	1,001,985
Finished goods	67,058,461	66,503,121	9,844,285	9,616,506
Factory supplies	33,794,295	3,250,330	2,687,623	1,710,610
Packing materials	447,598	3,964,969	97,200	1,332,149
Consumables and spare parts	53,984,073	82,263,359	5,318,741	7,879,467
	221,457,318	214,333,254	41,129,039	41,866,053

- (a) The cost of inventories of the Group and of the Company recognised as an expense in cost of sales during the financial year was RM758,235,348 (2024: RM785,624,423) and RM125,511,590 (2024: RM125,438,385) respectively.
- (b) In the current financial year, the cost of inventories of the Group recognised as an expense in cost of sales in respect of write-down of inventories was RM2,720,550.
- (c) In the previous financial year, the Group reversed the previous inventories written down value of RM380,187. The amount of reversal was included in cost of sales.

15. OTHER CURRENT ASSETS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current:				
Prepayments	5,052,688	5,946,695	654,610	1,813,412
Advance payments to suppliers	8,958,766	16,298,513	5,285,775	5,959,702
	14,011,454	22,245,208	5,940,385	7,773,114

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

16. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	68,120,371	116,141,276	9,188,079	20,548,281
Deposits placed with licensed banks (Note (a))	14,454,370	23,066,137	14,234,010	21,975,880
Time deposits (Note (b))	298,230	784,672	246,910	238,308
Deposits, cash and bank balances as reported in the statements of financial position	82,872,971	139,992,085	23,668,999	42,762,469
Less: Time deposits	(298,230)	(784,672)	(246,910)	(238,308)
Cash and cash equivalents as reported in the statements of cash flows	82,574,741	139,207,413	23,422,089	42,524,161

(a) The deposits placed with licensed banks are placements with periods of less than 3 months, interest bearing at rates ranging from 2.30% to 4.00% (2024: 2.30% to 3.60%) per annum and mature within 3 months.

(b) Time deposits are deposits placed with licensed banks for periods of more than 3 months, interest bearing at rates ranging from 3.20% to 3.60% (2024: 3.40% to 3.70%) per annum and mature within one year.

17. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amounts	
	2025 Unit	2024 Unit	2025 RM	2024 RM
Issued and fully paid up (no par value):				
At 1 January/31 December	846,423,985	846,423,985	344,749,212	344,749,212

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18. TREASURY SHARES

	Group and Company			
	Number of treasury shares		Amounts	
	2025 Unit	2024 Unit	2025 RM	2024 RM
At 1 January/31 December"	1,757,200	1,757,200	1,086,893	1,086,893

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company. The Company's share buyback scheme was approved by the Company's shareholders in the Annual General Meeting held on 26 May 2025 for the Company to repurchase up to 10% of its issued ordinary shares. The share repurchases made to date were financed by internally generated funds and are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

There were no resale, cancellation or distribution of treasury shares during the financial year.

19. OTHER RESERVES

(a) Equity transaction reserve

The equity transaction reserve comprises the differences between the share of non-controlling interests in subsidiaries acquired/disposed and the consideration paid/received.

(b) Foreign exchange reserve

The foreign exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

20. LOANS AND BORROWINGS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current				
Secured:				
Term loans	97,394,919	96,320,885	2,713,049	-
Current				
Secured:				
Trade facilities	59,812,071	53,451,767	46,825,213	53,451,767
Term loans	11,026,322	10,520,303	452,191	1,975,549
Hire purchase payable	-	12,434	-	12,434
Unsecured:				
Trade facilities	71,585,357	100,333,814	-	-
Term loans	-	6,505,937	-	-
	142,423,750	170,824,255	47,277,404	55,439,750

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

20. LOANS AND BORROWINGS (cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Total loans and borrowings				
Trade facilities	131,397,428	153,785,581	46,825,213	53,451,767
Term loans	108,421,241	113,347,125	3,165,240	1,975,549
Hire purchase payable	-	12,434	-	12,434
	239,818,669	267,145,140	49,990,453	55,439,750

(a) Bank overdraft, term loans and trade facilities of the Group and of the Company are secured by the following:

- (i) Debentures over fixed and floating charges over the present and future assets of the Company and certain subsidiaries;
- (ii) Legal charge over the freehold land, leasehold land, buildings and plant and machinery of certain subsidiaries as disclosed in Note 5(a) and Note 6(b);
- (iii) Priority and security sharing agreement;
- (iv) Negative pledge;
- (v) Corporate guarantee by the Company; and
- (vi) Corporate guarantee by a subsidiary of the Company.

(b) Hire purchase payable

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group and Company	
	2025 RM	2024 RM
Minimum lease payments:		
Not later than 1 year	-	12,504
Less: Future finance charges	-	(70)
Present value of minimum lease payments	-	12,434
Present value of minimum lease payments:		
Not later than 1 year	-	12,434
Less: Amount due within 12 months	-	(12,434)
Amount due after 12 months	-	-

In the previous financial year, hire purchase payable of the Group and of the Company of RM12,434 were secured by the Group's and the Company's motor vehicles under hire purchase arrangements as disclosed in Note 5(a).

(c) The interest rates of the loans and borrowings at the reporting date are as follows:

	Group		Company	
	2025 % per annum	2024 % per annum	2025 % per annum	2024 % per annum
Trade facilities	3.52 - 6.92	3.77 - 5.82	3.68 - 6.92	4.00 - 5.03
Term loans	4.85 - 6.27	4.93 - 6.60	4.85 - 6.60	6.60
Hire purchase payables	-	2.68	-	2.68

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

21. LEASE LIABILITIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current:				
Unsecured:				
Lease liabilities	538,240	1,209,376	524,453	1,061,043
Current:				
Unsecured:				
Lease liabilities	681,091	870,367	526,824	688,410
Total lease liabilities	1,219,331	2,079,743	1,051,277	1,749,453

The incremental borrowing rate applied to lease liabilities ranging from 5.70% to 6.53% (2024: 5.70% to 6.53%).

Future minimum lease payments together with the present value of the net minimum lease payments are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Minimum lease payments:				
Not later than 1 year	726,800	958,830	570,200	765,930
Later than 1 year and not later than 2 years	551,524	731,500	537,624	580,200
Later than 2 years and not later than 5 years	-	537,625	-	537,625
	1,278,324	2,227,955	1,107,824	1,883,755
Less: Future finance charges	(58,993)	(148,212)	(56,547)	(134,302)
Present value of minimum lease payments	1,219,331	2,079,743	1,051,277	1,749,453
Present value of minimum lease payments:				
Not later than 1 year	681,091	870,367	526,824	688,410
Later than 1 year and not later than 2 years	538,240	684,923	524,453	536,590
Later than 2 years and not later than 5 years	-	524,453	-	524,453
	1,219,331	2,079,743	1,051,277	1,749,453
Less: Amount due within 12 months	(681,091)	(870,367)	(526,824)	(688,410)
Amount due after 12 months	538,240	1,209,376	524,453	1,061,043

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

22. RETIREMENT BENEFITS OBLIGATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current:				
Retirement benefits obligation	15,768,162	15,114,377	5,759,135	5,560,727

The movements in the retirement benefits obligation in the statements of financial position are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	15,114,377	16,768,918	5,560,727	5,892,116
Current service costs and interest expense (Note 30)	2,555,068	1,741,159	586,110	579,066
Remeasurement of actuarial gain from financial assumption	(117,252)	(654,100)	-	-
Benefits paid	(1,468,978)	(2,451,277)	(387,702)	(910,455)
Exchange differences	(315,053)	(290,323)	-	-
At 31 December	15,768,162	15,114,377	5,759,135	5,560,727

This is in respect of provision for employee's benefits related to retirement, service fee, compensation payments and other benefits recognised.

The Group and the Company operate defined benefit plans with lump sum payment at normal retirement or at an earlier exit through death or ill-health retirement. There is no minimum funding requirement under the current law.

The defined benefit plan exposes the Group and the Company to financial risks such as change in discount rate, future salary increment rates and demographic risk such as turnover rate not being borne out.

The defined benefit obligation is calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds denominated in that currency are used.

Significant actuarial assumptions

The significant actuarial assumptions applied in the measurement of defined benefits pension plan are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Discount rate	1.59 - 6.90	2.57 - 6.90	4.60	4.60
Salary increase rate	2.64 - 5.00	2.64 - 5.00	3.00 - 5.00	3.00 - 5.00

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

22. RETIREMENT BENEFITS OBLIGATION (cont'd)

Sensitivity analysis

The sensitivity of the defined benefits obligation to the significant actuarial assumptions at the end of reporting period are shown below:

	Reasonably possible assumption	Effect on defined benefits obligation			
		Increase RM	Decrease RM	Increase RM	Decrease RM
2025					
Discount rate	1%	(1,470,836)	1,366,408	(484,656)	558,532
Salary increase rate	1%	1,548,460	(1,644,168)	718,861	(627,632)
2024					
Discount rate	1%	(1,233,914)	1,428,794	(483,368)	557,920
Salary increase rate	1%	1,669,841	(1,453,174)	647,627	(567,475)

The expected payments or contributions to the defined benefit plan in future years are shown below:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Within the next 12 months (next annual reporting period)	1,119,218	1,411,693	351,015	289,031
Between 2 to 5 years	6,873,558	4,828,423	1,716,436	2,067,451
Beyond 5 years	7,775,386	8,874,261	3,691,684	3,204,245
Total expected payments	15,768,162	15,114,377	5,759,135	5,560,727

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 to 14 years (2024: 7 to 14 years).

23. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Current:					
Trade					
Third parties	(a)	43,326,402	61,495,383	3,946,324	2,192,136
Amounts owing to subsidiaries	(a)	-	-	6,207,034	8,851,473
		43,326,402	61,495,383	10,153,358	11,043,609

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

23. TRADE AND OTHER PAYABLES (cont'd)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Non-trade					
Amount owing to a subsidiary	(b)	-	-	810,929	4,600
Other payables		12,703,559	9,449,588	1,961,581	6,442,482
Goods and services/value added tax payable		641,714	1,176,714	721	951
Deposits		113,782	3,373,672	-	2,377,350
Accruals		30,092,863	32,976,995	4,144,406	7,878,538
		43,551,918	46,976,969	6,917,637	16,703,921
Total trade and other payables		86,878,320	108,472,352	17,070,995	27,747,530

(a) Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company are ranging from 7 to 90 days (2024: 7 to 90 days).

(b) The amount owing to a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand in cash and cash equivalents.

For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 35(b)(iii).

24. CONTRACT LIABILITIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Contract liabilities relating to sales of goods	5,951,118	23,911,665	559,989	356,319

(a) Significant changes in contract balances

	Contract liabilities (increase)/decrease	
	2025 RM	2024 RM
Group		
Revenue recognised that was included in contract liability at the beginning of the financial year	23,911,665	68,522,859
Increases due to advances received from customers, but revenue not recognised	(5,951,118)	(23,566,058)
Company		
Revenue recognised that was included in contract liability at the beginning of the financial year	356,319	585,120
Increases due to advances received from customers, but revenue not recognised	(559,989)	(73,425)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At a point in time:				
Sales of fibreboard	787,605,274	825,414,999	69,633,582	85,921,068
Sales of furniture parts	57,357,415	39,350,711	55,178,236	38,737,305
Sales of urea formaldehyde concentrate and adhesive products	31,443,014	18,166,900	-	-
Sales of wood pellet	34,479,413	72,407,789	-	-
Others	214,766	2,746,182	-	-
	911,099,882	958,086,581	124,811,818	124,658,373

26. COST OF SALES

Cost of sales represents cost of inventories sold.

27. OTHER INCOME

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Dividend income received from subsidiaries		-	-	40,122,571	24,049,356
Gain arising from fair value adjustment of biological assets	7	1,400,000	3,700,000	-	-
Gain on disposal of property, plant and equipment		922,934	153,381	284,571	16,790
Gain on lease modification		16,270	59,922	13,026	-
Interest income		1,459,977	2,900,079	1,685,976	3,987,287
Net realised gain on foreign exchange		-	889,896	1,518,412	-
Rental income		1,215,085	949,413	1,121,226	1,280,086
Waiver of debt		-	239,064	-	-

28. OTHER OPERATING EXPENSES

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Impairment losses on:					
- investment in subsidiaries	11	-	-	-	2,820,762
- property, plant and equipment	5	946,054	2,695,330	-	-
Loss from flooding		6,402,382	-	-	-
Property, plant and equipment written off	5	395,593	240,534	-	-
Net realised loss on foreign exchange		2,704,599	-	-	1,154,516
Net unrealised loss on foreign exchange		6,165,343	785,392	8,766,015	906,179

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

29. (LOSS)/PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at (loss)/profit before tax:

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Amortisation of intangible assets	9	34,560	18,015	-	-
Auditors' remuneration - statutory audit:					
- Baker Tilly Monteiro Heng PLT		403,800	403,800	155,000	155,000
- Member firms of Baker Tilly International		-	69,689	-	-
- Other auditors		151,329	121,176	-	-
Other services					
- Baker Tilly Monteiro Heng PLT		8,000	8,000	8,000	8,000
- Member firms of Baker Tilly International		124,104	149,521	44,229	69,367
Depreciation of:					
- property, plant and equipment	5	64,832,106	58,593,143	4,704,507	3,933,042
- investment properties	10	-	-	154,532	154,533
- right-of-use assets	6	1,682,604	1,877,242	809,523	615,691
Employee benefits expenses	30	111,799,071	97,969,658	25,035,788	17,304,092
Impairment losses on financial assets:					
- Impairment losses on trade receivables	13	10,000	169,609	-	-
- Impairment losses on other receivables	13	-	888,153	-	-
- Reversal of impairment losses on trade receivables	13	(260,302)	(788)	-	-
Interest expense:					
- hire purchase payable		70	2,380	70	2,380
- lease liabilities		84,429	100,487	74,883	32,191
- trade facilities		6,568,016	6,464,505	2,409,621	1,655,161
- term loans		4,694,326	1,233,542	25,250	411,457
Inventories written down	14	2,720,550	-	-	-
Reversal of inventories written down	14	-	(380,187)	-	-
Expenses relating to short-term leases and low value assets		9,207,773	9,037,202	1,396,059	938,908

30. EMPLOYEE BENEFITS EXPENSES

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Wages and salaries		95,593,851	84,627,190	20,769,760	13,960,982
Defined contribution plan		3,953,319	3,888,967	2,067,263	1,812,493
Social security contribution		1,462,456	1,405,675	357,441	296,266
Other staff related expenses		8,234,377	6,306,667	1,255,214	655,285
Retirement benefits obligation	22	2,555,068	1,741,159	586,110	579,066
		111,799,071	97,969,658	25,035,788	17,304,092

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30. EMPLOYEE BENEFITS EXPENSES (cont'd)

Included in employee benefits expense are:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company				
Executive directors:				
Salaries, bonus and emoluments	3,791,792	4,388,546	2,364,615	4,388,546
Defined contribution plan	63,319	55,084	63,319	55,084
Benefits-in-kind	22,912	21,802	22,912	21,802
	3,878,023	4,465,432	2,450,846	4,465,432
Non-executive directors:				
Fees	407,610	242,375	407,610	242,375
Allowances	118,440	116,025	118,440	116,025
Benefits-in-kind	3,910	3,837	3,910	3,837
	529,960	362,237	529,960	362,237
Directors of subsidiaries				
Executive directors:				
Salaries, bonus and emoluments	124,820	245,189	-	122,204
	4,532,803	5,072,858	2,980,806	4,949,873

31. TAX EXPENSE/(CREDIT)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Statements of comprehensive income				
Current income tax:				
Current income tax charge	4,923,222	12,220,929	-	-
Adjustment in respect of prior years	(1,959)	(539,151)	-	(538,636)
	4,921,263	11,681,778	-	(538,636)
Deferred tax (Note 12):				
Reversal of temporary differences	(1,108,255)	(1,175,722)	-	-
Adjustment in respect of prior years	(545,284)	264,292	-	-
	(1,653,539)	(911,430)	-	-
Tax expense/(credit)	3,267,724	10,770,348	-	(538,636)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2024: 24%) of the estimated assessable profit/(loss) for the financial year.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31. TAX EXPENSE/(CREDIT) (cont'd)

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense/(credit) are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before tax	(24,237,013)	12,809,436	22,756,736	10,628,286
Tax at Malaysian statutory income tax rate of 24%	(5,816,883)	3,074,265	5,461,617	2,550,789
Different tax rates in other countries	121,147	(1,886,497)	-	-
Income not subject to tax	(1,151,090)	(3,006,040)	(9,590,874)	(5,775,875)
Expenses not deductible for tax purposes	4,907,888	1,077,907	1,251,972	1,740,166
Deferred tax assets not recognised during the financial year	5,760,670	11,785,572	2,877,285	1,484,920
Adjustments in respect of prior years:				
- current income tax	(1,959)	(539,151)	-	(538,636)
- deferred tax	(552,049)	264,292	-	-
Tax expense/(credit)	3,267,724	10,770,348	-	(538,636)

32. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share are based on the (loss)/profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2025 RM	2024 RM
(Loss)/Profit attributable to ordinary shareholders of the Company (RM)	(27,504,737)	2,039,088
Weighted average number of ordinary shares for basic (loss)/earnings per share	844,666,785	844,666,785
Basic (loss)/earnings per ordinary share (sen)	(3.26)	0.24

(b) The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share as there were no potential dilutive ordinary shares outstanding at the end of the reporting period.

33. COMMITMENTS

The Group and the Company have made commitments for the following capital expenditures:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
In respect of capital expenditure property, plant and equipment:				
- Approved and contracted but not provided for	7,009,112	6,934,086	2,147,182	2,813,765
- Approved but not contracted and provided for	1,484,179	-	939,344	-
	8,493,291	6,934,086	3,086,526	2,813,765

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

34. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Subsidiaries; and
- (ii) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group	
	2025 RM	2024 RM
Transactions with subsidiaries are as follows:		
- Dividend income	(40,122,571)	(24,049,356)
- Expenses relating to short-term leases	-	80,200
- Corporate guarantee income	-	(1,105,650)
- Other income	(575,000)	-
- Interest income	(2,957,892)	(2,758,109)
- Management fees	(8,487,054)	(10,060,462)
- Purchase of products	47,925,984	48,140,123
- Purchase of property, plant and equipment	-	25,660,616
- Purchase of spare parts	154,725	1,181,193
- Rental expense	55,200	55,200
- Rental income	(1,090,026)	(1,251,486)
- Sale of products and rendering of service	(64,622,655)	(41,141,284)
- Sale of spare parts	(482,209)	(316,425)
- Sales of property, plant and equipment	(415,883)	-

(c) Compensation of key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any director of the Group and of the Company.

The remuneration of the key management personnel is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company				
Short-term employees benefits	4,381,161	4,802,030	2,953,984	4,802,030
Benefits-in-kind	26,822	25,639	26,822	25,639
	4,407,983	4,827,669	2,980,806	4,827,669
Key personnel				
Short-term employees benefits	1,759,045	1,628,892	1,759,045	1,628,892
	6,167,028	6,456,561	4,739,851	6,456,561

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM	Amortised cost RM
2025		
Financial assets		
Group		
Trade and other receivables, excluding goods and services/value added tax refundable	61,493,864	61,493,864
Deposits, cash and bank balances	82,872,971	82,872,971
	144,366,835	144,366,835
Company		
Trade and other receivables, excluding non-refundable deposit	189,607,581	189,607,581
Deposits, cash and bank balances	23,668,999	23,668,999
	213,276,580	213,276,580
Financial liabilities		
Group		
Trade and other payables, excluding goods and services/value added tax payable	86,236,606	86,236,606
Loans and borrowings	239,818,669	239,818,669
	326,055,275	326,055,275
Company		
Trade and other payables, excluding goods and services/value added tax payable	17,070,274	17,070,274
Loans and borrowings	49,990,453	49,990,453
	67,060,727	67,060,727

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(a) Categories of financial instruments (cont'd)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (cont'd)

	Carrying amount RM	Amortised cost RM
2024		
Financial assets		
Group		
Trade and other receivables, excluding goods and services/value added tax refundable	74,703,747	74,703,747
Deposits, cash and bank balances	139,992,085	139,992,085
	214,695,832	214,695,832
Company		
Trade and other receivables, excluding non-refundable deposit	156,181,445	156,181,445
Deposits, cash and bank balances	42,762,469	42,762,469
	198,943,914	198,943,914
Financial liabilities		
Group		
Trade and other payables, excluding goods and services/value added tax payable	107,295,638	107,295,638
Loans and borrowings	267,145,140	267,145,140
	374,440,778	374,440,778
Company		
Trade and other payables, excluding goods and services/value added tax payable	27,746,579	27,746,579
Loans and borrowings	55,439,750	55,439,750
	83,186,329	83,186,329

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management

The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing their interest rate risk, foreign currency risk, liquidity risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

(i) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. As the Group and the Company have no significant interest-bearing financial assets, the Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group's and the Company's interest-bearing financial assets are mainly short-term in nature and have been mostly placed in deposits with licensed banks.

The Group's and the Company's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group and the Company to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group and the Company to fair value interest rate risk. The Group and the Company manage their interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and profit/(loss) for the financial year.

	Change in basis points	Effect on (loss)/profit for the financial year RM	Effect on equity RM
Group:			
2025	+ 100	(1,822,622)	(1,822,622)
	- 100	1,822,622	1,822,622
2024	+ 100	(2,030,209)	(2,030,209)
	- 100	2,030,209	2,030,209
Company:			
2025	+ 100	(379,927)	(379,927)
	- 100	379,927	379,927
2024	+ 100	(421,248)	(421,248)
	- 100	421,248	421,248

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management (cont'd)

(ii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group and the Company are exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate and the Group's net investments in foreign subsidiaries. The currency giving rise to this risk are primarily United States Dollar ("USD") and Euro ("EUR"). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group and the Company maintain a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The Group's and the Company's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	USD RM	EUR RM	Total RM
Functional currency of the Group			
2025			
Ringgit Malaysia	100,789,177	(11,629,375)	89,159,802
Thai Baht	13,301,510	(360,341)	12,941,169
Indonesian Rupiah	(21,715,420)	(225,276)	(21,940,696)
	92,375,267	(12,214,992)	80,160,275
2024			
Ringgit Malaysia	87,079,119	(10,718,113)	76,361,006
Thai Baht	48,020,510	(201,888)	47,818,622
Indonesian Rupiah	(88,314,603)	182,246	(88,132,357)
	46,785,026	(10,737,755)	36,047,271
Functional currency of the Company			
2025			
Ringgit Malaysia	80,416,885	69,362	80,486,247
2024			
Ringgit Malaysia	78,094,152	1,031,783	79,125,935

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management (cont'd)

(ii) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD and EUR, with all other variables held constant on the Group's and the Company's total equity and (loss)/profit for the financial year.

	Change in rate	Effect on (loss)/profit after tax for the financial year			
		Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
- USD	+ 3%	2,106,156	1,066,699	1,833,505	1,780,547
	- 3%	(2,106,156)	(1,066,699)	(1,833,505)	(1,780,547)
- EUR	+ 3%	(278,502)	(244,821)	1,581	23,525
	- 3%	278,502	244,821	(1,581)	(23,525)

(iii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group and the Company are committed to funding from both capital markets and financial institutions and balance their portfolios with some short-term funding so as to achieve overall cost effectiveness.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management (cont'd)

(iii) Liquidity risk (cont'd)

Maturity analysis

The maturity analysis of the Group's and of the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

Group	Carrying amount RM	Contractual undiscounted cash flows			Total RM
		On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	
2025					
Financial liabilities:					
Trade and other payables, excluding goods and services/ value added tax payable	86,236,606	86,236,606	-	-	86,236,606
Loans and borrowings	239,818,669	156,964,268	85,821,065	18,971,111	261,756,444
Lease liabilities	1,219,331	726,800	551,524	-	1,278,324
	327,274,606	243,927,674	86,372,589	18,971,111	349,271,374
2024					
Financial liabilities:					
Trade and other payables, excluding goods and services/ value added tax payable	107,295,638	107,295,638	-	-	107,295,638
Loans and borrowings	267,145,140	178,854,859	84,742,372	28,016,753	291,613,984
Lease liabilities	2,079,743	958,830	1,269,125	-	2,227,955
	376,520,521	287,109,327	86,011,497	28,016,753	401,137,577

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management (cont'd)

(iii) Liquidity risk (cont'd)

Maturity analysis (cont'd)

The maturity analysis of the Group's and of the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: (continued)

Group	Carrying amount RM	Contractual undiscounted cash flows			Total RM
		On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	
2025					
Financial liabilities:					
Trade and other payables, excluding goods and services/ value added tax payable	17,070,274	17,070,274	-	-	17,070,274
Loans and borrowings	49,990,453	48,395,487	2,163,248	949,953	51,508,688
Lease liabilities	1,051,277	570,200	537,624	-	1,107,824
Financial guarantee contracts	-	180,882,220	-	-	180,882,220
	68,112,004	246,918,181	2,700,872	949,953	250,569,006
2024					
Financial liabilities:					
Trade and other payables, excluding goods and services/ value added tax payable	27,746,579	27,746,579	-	-	27,746,579
Loans and borrowings	55,439,750	55,688,775	-	-	55,688,775
Lease liabilities	1,749,453	765,930	1,117,825	-	1,883,755
Financial guarantee contracts	-	211,705,390	-	-	211,705,390
	84,935,782	295,906,674	1,117,825	-	297,024,499

(iv) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from their operating activities (primarily trade receivables) and from their investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit worthiness of a customer is assessed based on a set of evaluation criteria and individual credit limits are defined in accordance with this assessment.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 15 to 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management (cont'd)

(iv) Credit risk (cont'd)

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

Trade receivables

Exposure to credit risk

As at the end of the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position; and
- An amount of RM180,882,220 (2024: RM211,705,390) relating to a corporate guarantee provided by the Company to bank for subsidiaries' bank borrowings.

The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the security pledged by the subsidiaries and it is unlikely that the subsidiaries will default within the guarantee provided.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management (cont'd)

(iv) Credit risk (cont'd)

Trade receivables (cont'd)

Exposure to credit risk (cont'd)

The Group and the Company determine concentrations of credit risk by monitoring the country and industry sector profile of their trade receivables on an ongoing basis. The credit risk concentration profile of the Group's and of the Company's trade receivables at the reporting date are as follows:

	Group		Group	
	2025 RM	%	2024 RM	%
By country				
Malaysia	27,538,413	50%	32,787,706	48%
Thailand	3,884,746	7%	17,975,397	26%
Other countries	23,595,984	43%	18,232,104	26%
	55,019,143	100%	68,995,207	100%
	Company		Company	
	2025 RM	%	2024 RM	%
By country				
Malaysia	14,485,213	89%	6,667,661	78%
Other countries	1,869,955	11%	1,897,026	22%
	16,355,168	100%	8,564,687	100%

The Group and the Company apply the simplified approach to provide for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected losses provision for all trade receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management (cont'd)

(iv) Credit risk (cont'd)

Trade receivables (cont'd)

The information about the credit risk exposure on the Group's and the Company's trade receivables are as follows:

	Gross carrying amount at default RM
Group	
2025	
Current	23,403,756
1-30 days past due	23,897,153
31-60 days past due	5,925,741
61-90 days past due	1,217,712
91-120 days past due	421,517
>120 days past due	153,264
	<hr/>
Individually impaired	55,019,143
	2,383,307
	<hr/>
	57,402,450
	<hr/>
Company	
2025	
1-30 days past due	5,109,340
31-60 days past due	6,186,967
61-90 days past due	5,032,559
91-120 days past due	26,302
	<hr/>
	16,355,168
	<hr/>
Group	
2024	
Current	45,559,641
1-30 days past due	18,268,024
31-60 days past due	2,768,990
61-90 days past due	602,360
91-120 days past due	1,783,593
>120 days past due	12,599
	<hr/>
Individually impaired	68,995,207
	3,173,976
	<hr/>
	72,169,183
	<hr/>
Company	
2024	
Current	7,746,556
1-30 days past due	688,988
31-60 days past due	127,371
61-90 days past due	1,772
	<hr/>
	8,564,687
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management (cont'd)

(iv) Credit risk (cont'd)

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between entities within the Group comprise loans or advances which are repayable on demand. The Company regularly monitors the financial performance and position of these entities on an individual basis. When these entities' financial performance and position deteriorates significantly, the Company assumes that there is a significant increase in credit risk, and thereby a lifetime expected credit loss assessment is necessary. As the Company is able to determine the timing of repayment of the loans or advances, the Company will consider the loans or advances to be in default when these entities are unable to pay based on the expected manner of recovery and recovery period. The Company determines the probability of default for these loans or advances using internally available information. The Company considers the loans or advances to be credit-impaired when the entities are unlikely to repay their debts.

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low risk and any loss allowance would be negligible.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM180,882,220 (2024: RM211,705,390) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 35(b)(iii). As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(c) Fair value measurement

The carrying amounts of deposits, cash and bank balances, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of long-term floating rate term loans is reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

There have been no transfers between Level 1 and Level 2 during the financial year (2024: no transfer in either directions).

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

Group and Company	Carrying amount RM	Fair value of financial instruments not carried at fair value			Total RM
		Level 1 RM	Level 2 RM	Level 3 RM	
2024					
Financial liabilities					
Hire purchase payable	12,434	-	-	11,884	11,884

36. LEASE COMMITMENTS

The Group and the Company had entered into commercial lease for their sites, office premises, equipment and hostels. These leases had tenure 3 to 4 years (2024: 3 to 5 years) with a renewal option included in the contract. There were no restrictions placed upon the Group and the Company by entering into these leases.

Future minimum rental payable under the non-cancellable operating lease at the reporting date is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Not later than 1 year	852,344	1,077,449	-	37,200
Later than 1 year but not later than 5 years	673,772	1,378,738	-	-
	1,526,116	2,456,187	-	37,200

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group's Chief Executive Officer for the purpose of making decisions about resource allocation and performance assessment.

The primary segment reporting format is determined to be geographical segments as the Group's risks and rates of return are affected predominantly by the local economic environment in which it operates. Segmental reporting by business has not been presented as the Group's operations are within similar activities.

The Group is organised into three major geographical segments:

Malaysia	manufacture of medium density fibreboard, wooden furniture part and furniture, particleboard, glue, resin, wood pellets, as well as trading and managing of plantation.
Thailand	production and distribution of medium density fibreboard and wood products.
Indonesia	manufacture of medium density fibreboard, glue and resin.
Others	distributing the household products made of rubber wood.

The directors are of the opinion that all inter-segment transactions have been entered in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

Segment profit

Segment performance is used to measure performance as Group Chief Executive Officer believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets and liabilities

The total of segment assets and liabilities are measured based on all assets and liabilities of a segment, as included in the internal reports that are reviewed by the Group Chief Executive Officer.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37. SEGMENT INFORMATION (cont'd)

2025	Note	Malaysia RM	Thailand RM	Indonesia RM	Others RM	Adjustments and eliminations RM	Total RM
Revenue							
Revenue from external customers		328,044,537	442,172,609	140,882,736	-	-	911,099,882
Inter-segment revenue	(a)	244,572,494	88,385,088	-	-	(332,957,582)	-
Total revenue	(c)	572,617,031	530,557,697	140,882,736	-	(332,957,582)	911,099,882
Results							
Segment (loss)/profit		(19,307,688)	30,279,413	18,544,645	(10,915)	(42,395,627)	(12,890,172)
Finance costs		(9,937,850)	-	(4,369,075)	-	2,960,084	(11,346,841)
(Loss)/Profit before tax		(29,245,538)	30,279,413	14,175,570	(10,915)	(39,435,543)	(24,237,013)
Tax expense		(804,489)	-	(2,463,235)	-	-	(3,267,724)
(Loss)/Profit for the financial year		(30,050,027)	30,279,413	11,712,335	(10,915)	(39,435,543)	(27,504,737)
Assets:							
Segment assets		1,442,317,327	353,807,027	349,591,519	3	(831,906,994)	1,313,808,882
Liabilities:							
Segment liabilities		369,163,353	42,857,296	225,976,373	43,491	(267,542,941)	370,497,572

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37. SEGMENT INFORMATION (cont'd)

2025 (cont'd)	Note	Malaysia RM	Thailand RM	Indonesia RM	Others RM	Adjustments and eliminations RM		Total RM
Other information:								
Amortisation of intangible assets	(b)	-	34,560	-	-	-	-	34,560
Capital expenditures	(d)	7,903,034	18,341,384	29,494,360	-	(1,804,451)	-	53,934,327
Depreciation of:								
- property, plant and equipment		25,945,156	23,161,354	15,725,596	-	-	-	64,832,106
- right-of-use assets		1,624,861	-	79,180	-	(21,437)	-	1,682,604
Employee benefits expenses		56,085,105	46,230,018	9,483,948	-	-	-	111,799,071
Gain arising from fair value adjustment of biological assets		(1,400,000)	-	-	-	-	-	(1,400,000)
Gain on lease modification		(16,270)	-	-	-	-	-	(16,270)
Interest income		(1,071,303)	(109,206)	(279,468)	-	-	-	(1,459,977)
Impairment losses on:								
- trade receivables		10,000	-	-	-	-	-	10,000
- property, plant and equipment		946,054	-	-	-	-	-	946,054
Gain on disposal of property, plant and equipment		(560,739)	(136,710)	-	-	(225,485)	-	(922,934)
Net unrealised loss on foreign exchange		5,512,993	1,235,965	(583,615)	-	-	-	6,165,343
Property, plant and equipment written off		395,593	-	-	-	-	-	395,593
Reversal of impairment losses on trade receivables		(260,302)	-	-	-	-	-	(260,302)
Inventories written down		-	2,720,550	-	-	-	-	2,720,550
Expenses relating to low value assets and short-term leases		8,003,223	1,102,822	1,191,754	-	(1,090,026)	-	9,207,773

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37. SEGMENT INFORMATION (cont'd)

2024	Note	Malaysia RM	Thailand RM	Indonesia RM	Others RM	Adjustments and eliminations RM	Total RM
Revenue							
Revenue from external customers		409,498,717	438,700,847	109,887,017	-	-	958,086,581
Inter-segment revenue	(a)	231,566,532	101,092,857	-	-	(332,659,389)	-
Total revenue	(c)	641,065,249	539,793,704	109,887,017	-	(332,659,389)	958,086,581
Results							
Segment (loss)/profit		(7,084,177)	41,424,391	11,476,264	(68)	(25,206,060)	20,610,350
Finance costs		(10,611,066)	-	-	-	2,810,152	(7,800,914)
(Loss)/Profit before tax		(17,695,243)	41,424,391	11,476,264	(68)	(22,395,908)	12,809,436
Tax expense		(1,336,241)	(8,382,001)	(1,052,083)	-	(23)	(10,770,348)
(Loss)/Profit for the financial year		(19,031,484)	33,042,390	10,424,181	(68)	(22,395,931)	2,039,088
Assets:							
Segment assets		1,514,630,185	381,861,300	348,950,843	3	(812,814,818)	1,432,627,513
Liabilities:							
Segment liabilities		401,426,184	65,284,120	226,541,275	34,226	(247,741,987)	445,543,818

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37. SEGMENT INFORMATION (cont'd)

2024 (cont'd)	Note	Malaysia RM	Thailand RM	Indonesia RM	Others RM	Adjustments and eliminations		Total RM
						RM	RM	
Other information:	(b)	-	18,015	-	-	-	-	-
Amortisation of intangible assets	(d)	-	18,015	-	-	-	-	18,015
Capital expenditures		34,209,707	12,181,691	92,265,154	-	(26,474,925)	-	112,181,627
Depreciation of:								
- property, plant and equipment		25,156,150	23,288,794	10,135,493	-	12,706	-	58,593,143
- right-of-use assets		2,589,730	-	60,800	-	(773,288)	-	1,877,242
Employee benefits expenses		50,576,727	40,617,865	6,775,066	-	-	-	97,969,658
Gain arising from fair value adjustment of biological assets		(3,700,000)	-	-	-	-	-	(3,700,000)
Gain on lease modification		(59,922)	-	-	-	-	-	(59,922)
Interest income		(4,318,720)	(1,085,783)	(253,685)	-	2,758,109	-	(2,900,079)
Impairment losses on:								
- other receivables		-	888,153	-	-	-	-	-
- trade receivables		169,609	-	-	-	-	-	169,609
- property, plant and equipment		-	2,695,330	-	-	-	-	2,695,330
Gain on disposal of property, plant and equipment		(67,690)	(85,691)	-	-	-	-	(153,381)
Net unrealised (gain)/loss on foreign exchange		(717,691)	1,249,777	253,306	-	-	-	785,392
Property, plant and equipment written off		240,534	-	-	-	-	-	240,534
Reversal of impairment losses on trade receivables		(788)	-	-	-	-	-	(788)
Reversal of inventories written down		-	(380,187)	-	-	-	-	(380,187)
Waiver of debt		(239,064)	-	-	-	-	-	(239,064)
Expenses relating to low value assets and short-term leases		7,119,653	1,121,715	1,272,616	-	(476,782)	-	9,037,202

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37. SEGMENT INFORMATION (cont'd)

- (a) Inter-segment revenue are eliminated on consolidation.
- (b) Inter-segment income and expenses are eliminated on consolidation.
- (c) The following table provides an analysis of the Group's revenue by products:

	Malaysia RM	Thailand RM	Indonesia RM	Total RM
2025				
Sales of fibreboard	204,549,929	442,172,609	140,882,736	787,605,274
Sales of furniture parts	57,357,415	-	-	57,357,415
Sales of urea formaldehyde concentrate and adhesive products	31,443,014	-	-	31,443,014
Sales of wood pellet	34,479,413	-	-	34,479,413
Others	214,766	-	-	214,766
	328,044,537	442,172,609	140,882,736	911,099,882
2024				
Sales of fibreboard	276,827,135	438,700,847	109,887,017	825,414,999
Sales of furniture parts	39,350,711	-	-	39,350,711
Sales of urea formaldehyde concentrate and adhesive products	18,166,900	-	-	18,166,900
Sales of wood pellet	72,407,789	-	-	72,407,789
Others	2,746,182	-	-	2,746,182
	409,498,717	438,700,847	109,887,017	958,086,581

- (d) Additions to non-current assets consist of:

	2025 RM	2024 RM
Intangible assets	64,235	192,966
Property, plant and equipment	53,826,891	110,066,182
Right-of-use assets	43,201	1,922,479
	53,934,327	112,181,627

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37. SEGMENT INFORMATION (cont'd)

(e) Geographical information

(i) The following table provides an analysis of the Group's revenue by geographical segment:

	2025 RM	2024 RM
Revenue from sales to external customers by location of the customers		
United States	110,758,545	83,869,124
Africa	83,322,787	63,184,178
Europe	6,107,292	7,683,086
Far East Asia	68,581,557	89,927,265
Middle East	363,756,007	370,775,418
South Asia	3,642,739	1,813,551
South East Asia	274,930,955	340,833,959
	911,099,882	958,086,581

(ii) The following is the analysis of non-current assets other than financial instruments, deferred tax assets and goodwill on consolidation, which is analysed by the Group's geographical location:

	Malaysia RM	Thailand RM	Indonesia RM	Total RM
2025				
Property, plant and equipment	380,503,259	191,742,214	262,673,918	834,919,391
Right-of-use assets	29,799,041	-	7,268,215	37,067,256
Biological assets	45,600,000	-	-	45,600,000
Other intangible assets	-	269,570	-	269,570
Total non-current assets	455,902,300	192,011,784	269,942,133	917,856,217
2024				
Property, plant and equipment	403,322,069	200,676,102	282,295,342	886,293,513
Right-of-use assets	31,550,709	-	1,700,926	33,251,635
Biological assets	44,200,000	-	-	44,200,000
Other intangible assets	-	244,717	-	244,717
Total non-current assets	479,072,778	200,920,819	283,996,268	963,989,865

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

38. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2025 and 31 December 2024.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises loans and borrowings, lease liabilities and trade and other payables, less deposits, cash and bank balances whereas total capital comprises the equity attributable to equity holders of the Group and the Company.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Loans and borrowings	239,818,669	267,145,140	49,990,453	55,439,750
Lease liabilities	1,219,331	2,079,743	1,051,277	1,749,453
Trade and other payables	86,878,320	108,472,352	17,070,995	27,747,530
Deposits, cash and bank balances	(82,872,971)	(139,992,085)	(23,668,999)	(42,762,469)
Net debt	245,043,349	237,705,150	44,443,726	42,174,264
Equity attributable to the owners of the Company				
Total equity	943,311,310	987,083,695	817,206,628	794,449,892
Capital and net debt	1,188,354,659	1,224,788,845	861,650,354	836,624,156
Gearing ratio	21%	19%	5%	5%

STATEMENT BY DIRECTORS

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

We, **KUO JEN CHIU** and **MARY HENERIETTA LIM KIM NEO**, being two of the directors of Evergreen Fibreboard Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 72 to 142 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

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

.....
KUO JEN CHIU
Director

.....
MARY HENERIETTA LIM KIM NEO
Director

Batu Pahat

Date: 8 April 2026

STATUTORY DECLARATION

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

I, **LEONG TING SIONG**, being the officer primarily responsible for the financial management of Evergreen Fibreboard Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 72 to 142 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

.....
LEONG TING SIONG
MIA Membership No.: 20345

Subscribed and solemnly declared by the abovenamed at Batu Pahat in the State of Johor Darul Ta'zim on 8 April 2026.

Before me,

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVERGREEN FIBREBOARD BERHAD (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Evergreen Fibreboard Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of 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 72 to 142.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current 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.

Group

Property, plant and equipment (Notes 4(a) and 5 to the financial statements)

The Group and the Company have significant balances of property, plant and equipment relating to their manufacturing operations in Malaysia. There is a risk the future performance of the assets may not lead to their carrying values being recoverable in full and the directors are required to determine the recoverable amounts of these assets.

We focused on this area because the Group's determination of recoverable amount requires the exercise of significant judgement to be made by the directors, especially in determining appropriate valuation methods and the key assumptions used in the valuations and the assumptions to be applied in supporting the underlying cash flow projections in the recoverable amount calculation. These judgements and assumptions are inherently uncertain.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVERGREEN FIBREBOARD BERHAD (Cont'd) (Incorporated in Malaysia)

Key Audit Matters (cont'd)

Group (cont'd)

Property, plant and equipment (Notes 4(a) and 5 to the financial statements) (cont'd)

Our response:

Our audit procedures included, among others:

Fair value less costs of disposal

- understanding the competence, capabilities and objectivity of the external valuers which included consideration of their qualifications and experience;
- understanding the scope and purpose of the valuation;
- reading the valuation reports for all significant property, plant and equipment and discussing with external valuers and directors on their valuation approach and the significant judgements made, including the selection of comparable properties and adjustments for differences in key attributes made to the transacted value of comparable properties; and
- understanding the relevance of the key input data used by the external valuers.

Value-in-use

- comparing the actual results with previous budget to understand the performance of the business;
- discussing with the directors on their assessment and consideration of the current economic and business environment in relation to key assumptions made;
- testing the mathematical computation of the impairment assessment; and
- performing the sensitivity analysis of key assumptions and the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

Inventories (Notes 4(b) and 14 to the financial statements)

The Group and the Company have significant inventories as at 31 December 2025 which include certain amounts of inventories that have been kept for more than 1 year. The directors are required to perform an assessment to determine whether these inventories are stated at the lower of cost and net realisable value.

We focused on this this area because the review of saleability and valuation of these inventories at lower of cost and net realisable value by the directors are major source of estimation uncertainty.

Our response:

Our audit procedures included, among others:

- observing year end physical inventory count to observe physical existence and condition of the inventories and understanding the design and implementation of controls during the count;
- checking subsequent sales and evaluating directors' assessment on estimated net realisable value on selected inventory items; and
- discussing with directors on whether the inventories have been written down to their net realisable value for inventory items with net realisable value lower than their cost.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVERGREEN FIBREBOARD BERHAD (Cont'd) (Incorporated in Malaysia)

Key Audit Matters (cont'd)

Group (cont'd)

Biological assets (Notes 4(c) and 7 to the financial statements)

The Group has a significant balance of biological assets as at 31 December 2025. The biological assets comprise tropical wood trees and rubber trees. The biological assets of the Group are required to be measured at fair value less costs to sell. The fair value of the tropical wood trees and rubber trees have been determined based on valuations by an external independent valuer.

We focused on this area because it requires the exercise of significant judgement to be made by the directors, especially in determining the value on remaining lifespan and after lifespan of rubber trees and estimated remaining acres of forest land. In making the judgement, the directors evaluate based on past experience and by relying on the work of specialists. These judgements and assumptions are inherently uncertain.

Our response:

Our audit procedures included, among others:

- understanding the competence, capabilities and objectivity of the external valuers which included consideration of their qualifications and experience;
- comparing the key inputs to the model, including commodity prices and yield against market data;
- testing the mathematical computation of the discounted cash flow calculations; and
- performing the sensitivity analysis of key assumptions and the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

Company

Investment in subsidiaries (Notes 4(d) and 11 to the financial statements)

The Company has a significant balance of investment in subsidiaries. At the end of the financial year, the directors are required to determine if there is any indication of impairment in investment in subsidiaries. If such an indication of impairment exists, the directors are required to determine the recoverable amount of this investment.

We focused on this area because the Company's determination of the recoverable amount requires significant judgement to be made by the directors, especially in determining the assumptions to be applied in supporting the underlying cash flow projections in the recoverable amount calculation. These judgements and assumptions are inherently uncertain.

Our response:

Our audit procedures included, among others:

- comparing the actual results with previous budget to understand the performance of the business;
- comparing the directors' key assumptions in cash flow forecast which include the directors' assessment and consideration of the current economic and business environment in relation to key assumptions;
- testing the mathematical computation of the impairment assessment; and
- performing the sensitivity analysis of key assumptions and the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVERGREEN FIBREBOARD BERHAD (Cont'd) (Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 TO THE MEMBERS OF EVERGREEN FIBREBOARD BERHAD (Cont'd) (Incorporated in Malaysia)

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 11 to the financial statements.

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Boon Hiang
No. 02916/03/2028 J
Chartered Accountant

Kuala Lumpur

Date: 8 April 2026

STATEMENT OF SHAREHOLDINGS AS AT 19 MARCH 2026

Total Number of Issued Shares : *844,666,785 ordinary shares
Voting rights : One vote per share

ANALYSIS OF SHAREHOLDINGS

Holdings	Number of Holders	Number of Shares	Percentage of Shares
Less than 100	599	5,489	0.00
100 - 1,000	781	364,862	0.04
1,001 - 10,000	3,165	17,998,629	2.13
10,001- 100,000	2,521	88,730,925	10.51
100,001 to less than 5% of issued shares	651	471,090,874	55.77
5% and above of issued shares	2	266,476,006	31.55
	7,719	844,866,785	100.00

* Excluding a total of 1,757,200 ordinary shares bought back and retained as treasury shares.

THIRTY LARGEST SHAREHOLDERS

Shareholders	Number of Shares	Percentage of Shares
1. KUO JEN CHANG	142,355,865	16.85
2. KUO JEN CHIU	124,120,141	14.70
3. KUO HUEI CHEN	32,526,790	3.85
4. LAI CHEE CHONG	18,920,300	2.24
5. KUO JEFFREYS	17,320,865	2.05
6. KUO JUSTINS	17,320,865	2.05
7. KUO HENRYS	17,320,864	2.05
8. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NG PAIK PHENG (PB)	15,916,200	1.88
9. MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR DANA MAKMUR PHEIM (211901)	10,177,600	1.21
10. HO POH TUCK	9,000,000	1.07
11. RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG AH CHAI	8,000,000	0.95
12. CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)	7,947,850	0.94
13. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIAN AIK	6,673,200	0.79
14. SUSY DING	5,649,950	0.67
15. SEE PEY CHERN	5,264,100	0.62

STATEMENT OF SHAREHOLDINGS (Cont'd) AS AT 19 MARCH 2026

THIRTY LARGEST SHAREHOLDERS (Cont'd)

Shareholders	Number of Shares	Percentage of Shares
16. MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK SECURITIES PTE LTD FOR MGF CAPITAL LIMITED	4,500,000	0.53
17. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	4,499,700	0.53
18. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JOSEPH LAM WAI	4,450,000	0.53
19. CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	4,327,200	0.51
20. CHEE CHEN KAI	4,004,600	0.47
21. CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND	3,509,601	0.42
22. CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (PRINCIPAL)	3,450,000	0.41
23. WONG YEE HUI	2,900,000	0.34
24. PHILIP WONG HWEE LIH	3,000,100	0.35
25. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG AH CHAI	2,632,900	0.31
26. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR SONG TEIK SUN (PB)	2,600,000	0.31
27. RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SUSY DING (CEB)	2,577,100	0.31
28. KUO HUEI CHEN	2,526,789	0.30
29. CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO YU HONG (MF00042)	2,500,000	0.30
30. CHIAH CHWI HUA	2,500,000	0.30

STATEMENT OF SHAREHOLDINGS (Cont'd) AS AT 19 MARCH 2026

SUBSTANTIAL SHAREHOLDERS

According to the Register required to be kept under Section 144 of the Companies Act, 2016, the following are the substantial shareholders of the Company: -

Substantial Shareholders	Direct Interest		Indirect Interest	
	Number of Shares	% of Shares	Number of Shares	% of Shares
1. KUO JEN CHANG	142,355,865	16.85	159,173,720 ⁽¹⁾	18.84
2. KUO JEN CHIU	124,120,141	14.70	177,409,444 ⁽¹⁾	21.00
3. KUO HUEI CHEN	35,053,579	4.15	266,476,006 ⁽¹⁾	31.55

Notes:

(1) Deemed interested by virtue of the interest of his or her siblings.

DIRECTORS' SHAREHOLDINGS

According to the Register required to be kept under Section 59 of the Companies Act 2016, the following are the shareholdings of the Directors of the Company:

Directors	Direct Interest		Indirect Interest	
	Number of Shares	% of Shares	Number of Shares	% of Shares
1. KUO JEN CHANG	142,355,865	16.85	159,173,720 ⁽¹⁾	18.84
2. KUO JEN CHIU	124,120,141	14.70	177,409,444 ⁽¹⁾	21.00
3. MARY HENERIETTA LIM KIM NEO	6	0.00	0	0.00
4. LAW NGEE SONG	0	0.00	0	0.00
5. KUAN KAI SENG	0	0.00	0	0.00
6. TAN MUI PING	0	0.00	0	0.00
7. HONG KIM HEONG	0	0.00	0	0.00
8. SHAMEER BIN OTHMAN	0	0.00	0	0.00

Notes:

(1) Deemed interested by virtue of the interest of his or her siblings.

Personal Data Privacy:

By submitting this Proxy Form, the member accepts and agrees to the Personal Data Privacy terms set out in the Notice of Annual General Meeting and consents to the collection, use and disclosure of personal data for purposes of processing this Proxy Form, preparing attendance lists, minutes and other documents relating to the Meeting, and in accordance with the Personal Data Protection Act 2010.

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The Secretary
EVERGREEN FIBREBOARD BERHAD (Reg No: 199101006810) (217120-W)
11th Floor, Menara Symphony,
No: 5, Jalan Professor Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya, Selangor.

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